

## Budget Bonanza

**A flotilla of low-cost airlines is redrawing the economic map of Europe.**

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March 16, 2006 issue - Charleroi figures on few tourist itineraries. The slag heaps on the skyline stand as monuments to happier times when the town was a center of Belgium's iron and coal industries. These days the mines are closed and work is scarce: unemployment stands at 20 percent, twice the national average. Brussels may be just half an hour down the road, but in recent years there's been little reason to make the trip.

Until now. Today the city's modest airport—rechristened Brussels South Charleroi—is a new hub for two of Europe's busiest low-cost airlines. Four years ago, only 200,000 travelers passed through; now the figure is more than 2 million annually. Charleroi serves 16 destinations from the Mediterranean to Eastern Europe. It will add five more this spring, including Malaga and Salzburg. That's translated into nearly 500 jobs since 2001, with more to come when a second terminal opens next year. "The airport is a booster for the whole region," says spokesman Pierre Fernemont. "Charleroi has become an international crossroads."

A crossroads on a map redrawn by budget air travel, he might add. Back in the 19th century, a place on Europe's rail network could make a city's fortune. Now it's a listing in the schedules of a new generation of low-cost airlines. During the past decade scores of new routes have cobwebbed across the continent, putting cheap flights within reach of every vacationer or jobseeker. Remote corners of Europe, terra incognita to anyone but locals, have become destinations, drawing visitors from the outside world and, increasingly, bringing new prosperity. Head-spinning fares are uniting East and West as the founding fathers of the European Union would never have imagined. "We are the means by which hundreds of thousands can now travel back and forth: they are almost commuting," says Michael O'Leary, head of Ryanair, Europe's largest budget carrier. "Low-cost airlines are the new Europe."

That's not just CEO hype. Put simply, O'Leary and his rivals are at the forefront of an economic and social transformation that is, indeed, remapping Europe. "Air travel is no longer just a privilege of the rich; it's a commodity, a way of getting from A to B," says Jan Skeels of the European Low Fares Airline Association. Since EU deregulation allowed the no-frills operators to take flight in the '90s, more than 40 fledglings have headed skyward, carrying more than 100 million passengers a year and accounting for a third of all flights. Recent growth has been highest in Eastern Europe, where inbound tourists jostle at terminals with outbound migrants. Earlier this year Prague opened a new terminal to handle the soaring numbers. Warsaw will soon do the same.

European lifestyles are changing apace. With fares as low as €70 round-trip from London to Budapest, a new generation has built their lives around cut-rate tickets. Spanish golfers fleeing the midsummer sun head for Scottish courses; German pensioners winter on the Costa del Sol, where cheap flights have fostered the creation of entire German-speaking settlements. "I work in Brussels and London and my girlfriend lives in Rome," says Nigel Gardner, a public-affairs consultant at the EU. "I couldn't survive without Virgin Express and Ryanair."

But the revolution's biggest beneficiaries aren't always the ticket payers. According to a standard industry measure, every extra million passengers in the sky bring 3,000 jobs on the ground. In the job-starved boondocks of Eastern Europe, away from the capital cities, that can be especially welcome. And happily, that's where the airlines want to be. The low-cost business model means linking regions to regions and bypassing familiar big-city hubs. Traffic is growing