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JATS publishes the following categories of papers written in scholarly English: a) Full Research Papers, b) Conference Reports, c) Book Reviews, d) Industry Perspectives. Papers should be submitted electronically to a.papatheodorou@aegean.gr in MS-Word format ONLY using British spelling, single-column, 1.5 line spacing, Tahoma letters, font size 11. Section headings (and sub-headings) should be numbered and written in capital letters. Upon acceptance of a paper and before its publication, the corresponding author will be asked to sign the *Transfer of Copyright* form on behalf of all identified authors.

Full Research Papers should contain original research not previously published elsewhere. They should normally be between 4,000 and 7,000 words although shorter or lengthier articles could be considered for publication if they are of merit. The first page of the papers should contain the title and the authors' affiliations, contact details and brief vitae (of about 50 words). Regarding the following pages, papers should generally have the following structure: a) title, abstract (of about 150 words) and six keywords, b) introduction, c) literature review, d) theoretical and/or empirical contribution, e) summary and conclusions, f) acknowledgements, g) references and h) appendices. Tables, figures and illustrations should be included within the text (not at the end), bear a title and be numbered consecutively. Regarding the referencing style, standard academic format should be consistently followed. Examples are given below:

- Airbus (2003), *Global Market Forecasts 2003-2022*, Toulouse: Airbus.
- Fragoudaki, A., Keramianakis, M. and Jancovich, S. (2005) The Greek PSO Experience. *4th International Forum on Air Transport in Remoter Regions*. Stockholm, May 24-26.
- Forsyth P. (2002a), 'Privatization and Regulation of Australian and New Zealand Airports', *Journal of Air Transport Management*, 8, 19-28.
- Papatheodorou, A. (2008) The Impact of Civil Aviation Regimes on Leisure Market. In Graham, A., Papatheodorou, A. and Forsyth, P. (ed) *Aviation and Tourism: Implications for Leisure Travel*, Aldershot: Ashgate, 49-57.
- Skycontrol (2007) *easyJet welcomes European Commission's decision to limit PSO abuse in Italy*. 23rd April. Available from: <http://www.skycontrol.net/airlines/easyjet-welcomes-european-commissions-decision-to-limit-psy-abuse-in-italy/> (accessed on 22/08/2008).

Conference Reports should be between 1,000 and 1,500 words. They should provide factual information (e.g. conference venue, details of the conference organizers), present the various programme sessions and summarize the key research findings.

Book Reviews should be between 1,000 and 1,500 words. They should provide factual information (e.g. book publisher, number of pages and ISBN, price on the publisher's website) and critically discuss the contents of a book mainly in terms of its strengths and weaknesses.

Industry Perspectives should be up to 1,000 words and provide a practitioner's point of view on contemporary developments in the air transport industry. Contributors should explicitly specify whether their views are espoused by their organization or not.

Table of Contents

EDITORIAL.....viii
Andreas Papatheodorou, Kostas Iatrou and Zheng Lei

Full Research Papers

1. AN EMPIRICAL STUDY OF THE SOCIO-ECONOMIC EFFECTS OF SUPPORTING FLAG CARRIERS: THE CASE OF THE CARIBBEAN COMMUNITY (CARICOM).....1-26

David Warnock-Smith and Peter Morrell

Access to efficient and affordable air transport services is indispensable to economic communities made up of dispersed islands. It is often claimed that the contribution of the sector would be greatly debilitated, however, without the presence of national or regional flag carriers. A multi-method, net economic impact assessment indicates that the direct impact of the sector in terms of employment and contribution to GDP increases with the presence of local flag carriers. Yet the more significant indirect macroeconomic impacts of the sector, in terms of consumer surpluses, incoming visitor expenditures and business investments are all found to be better facilitated by foreign carriers. The magnitude of impact was primarily determined by exogenous factors namely, relative size of a state's real GDP, relative contribution of other sectors, relative level of trade dependency and relative level of socio-economic development, with larger impacts being noted in smaller, poorly diversified islands, chiefly dependent on sustaining a net surplus of air transport facilitated incoming visitor expenditure. Improvements to the performance of the sector are aligned with increases in aggregate incoming demand, thus far better supplied by cheaper, more frequent foreign carrier services providing a higher quality of service to and from the main source markets. Positive direct impact levels in those states with home carriers, low levels of service importing and an inverse relationship between local carrier absence and levels of connectivity show local carriers also play a significant facilitating role in the region's air transport sector.

2. EXAMINING THE RELATIONSHIP BETWEEN FIRM RESOURCES AND FIRM PERFORMANCE: AN INSIGHT INTO THE AIRLINE INDUSTRY.....27-49

Evangelos Syrigos and Lida Kyrgidou

Several scholars have pointed to the benefits that can be acquired by the combination of strategic and entrepreneurial activities with the aim of creating

wealth and increased performance outcomes. In this vein, we employ the Resource-Based View (RBV) of the firm and examine whether the balanced implementation of both opportunity and advantage-seeking activities enhances the relationship between a firm's resources and its performance outcomes. Using panel data from the airline industry, our findings reveal important implications for business success and for future research directions.

3. THE IMPACT OF DEREGULATION AND LIBERALIZATION IN THE NIGERIAN AIR TRANSPORT INDUSTRY: AN OVERVIEW.....50-68

Adeniyi Olufemi Oluwakoya

The effect of globalization is fast showing its attendant effects on the Nigerian aviation industry leading to an increase in passengers' traffic movement in Nigeria's airports. More importantly, there seems to be a paradigm shift which affects ownership and administration of operation in the Nigerian aviation industry. This study examines among others the impact of deregulation and liberalization in the Nigerian air transport industry; the effects of the latter on operation and control changes that affect operational efficiency in the airline business; and the impacts of liberalization on attracting foreign direct investment and foreign airline participation in the Nigerian aviation industry. The methodology used for this study is documentary research, which entails search of existing published and unpublished documents and databases of stakeholders in the Nigerian aviation industry and external sources with affinity to the sector. The results of this study reveal that an unprecedented growth has been recorded in Nigeria. It includes among others: healthy competition needed for growth and development; increased participation in the industry by foreign airlines; increased foreign direct investment in the airline business and airport infrastructure development.

4. THE VIABILITY OF LONG-HAUL, LOW COST BUSINESS MODELS.....69-91

Mauricio Emboaba Moreira, John F. O'Connell and George Williams

Recent events have confirmed the concerns that many within the aviation industry have held about the viability of the low cost business model for long-haul operations. This paper begins by reviewing the operating cost differences between low cost carriers (LCC) and legacy airlines in different regions of the world. This is followed by a summary of the various cost advantages of low cost carriers operating in short-

haul markets. The main focus of the work, however, is a cost simulation involving the use of a Boeing 767-300 by both a LCC and a legacy carrier under varying operating assumptions. The research demonstrates that in none of the cases cited is the LCC cost advantage greater than 10%.

Editorial

This first issue of the second volume of the *Journal of Air Transport Studies* includes four carefully selected papers covering various topics. **Warnock-Smith and Morrell** study the importance of air transport for tourism and socio-economic development in the context of flag carriers in the Caricom region. They use an interesting synthetic methodology to assess the size of direct and indirect impacts of the air transport sector to conclude that both foreign and local carriers play a significant role in boosting the economy of the region.

Subsequently, **Syrigos and Kyrgidou** focus on the combination of strategic management and entrepreneurship to add value, increase productivity and create wealth in the airline industry. Based on panel data analysis, they highlight the role of technology and financial assets, among others, in shaping airline performance.

In the following contribution, **Oluwakoya** reviews the major developments in the Nigerian airline industry by primarily focusing on the post deregulation and liberalization era. Based on documentary research, the paper argues that despite the various problems, the air transport sector in Nigeria has recently experienced significant growth as a result of foreign direct investment, infrastructure development and healthier competition among incumbents and new entrants in the business.

Finally, **Moreira, o'Connell and Williams** examine the financial sustainability of the low cost business model in long haul airline operations. According to their cost simulation, the cost advantage of LCC in long haul markets is limited. This interesting result validates the concerns expressed by practitioners in the business and contributes to a better understanding of airline economics.

May we take this opportunity to thank all our authors and referees for their support in publishing this third issue of our Journal. Our continuing partnership with Air Transport News in conjunction with the open access character of the journal aim at ensuring that JATS can get a significant exposure to the academic and business audience and raise its profile accordingly. Enjoy reading!

Dr Andreas Papatheodorou, Editor-in-Chief

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