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Struggling operators count cost of disruption

By Piliita Clark in London
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The clouds of volcanic ash caused widespread disruption to international travel but analysts were divided over how much it would cost the aviation industry.

Airlines around the world were forced to hurriedly book hotel rooms and offer to refund or rebook thousands of stranded passengers as authorities closed airspace across Europe.

Authorities' inability to say when the disruption would subside added another layer of uncertainty about the size of the bill for an industry already struggling to recover from a severe downturn, high fuel costs and, in Europe, a recent bout of industrial action at several carriers.

"The cost is impossible to estimate, since we have no idea yet how long this will last, but it will certainly run into many millions," said Steve Bond, programme director of air safety management at City University in London.

"Aircraft and crews will be in the wrong places to resume normal operations quickly.

"There will be a substantial backlog of passengers to clear through re-booking on later flights, or refunding their tickets. This will affect both regional and long-haul flights significantly for some days after flight restrictions are eventually lifted."

But others pointed out that airlines were used to having to make such emergency arrangements because of bad weather or mechanical failures, and the recent bout of strikes at airlines such as British Airways alone could end up costing more than the volcanic ash disruption.

BA has estimated the seven days of industrial action by its cabin crew last month could end up costing it between £40m-£45m pounds.

"The industry lost about \$50bn over the last 10 years," said aviation consultant Doug McVitie of Arran Aerospace. "This is very, very inconsequential in relation to that. It's inconvenient more than anything else."

Investors seemed unperturbed by the incident yesterday, with shares in BA and EasyJet, for example, barely moving through the day.

The cost of flying an aircraft through a volcanic plume can, nevertheless, be very expensive, said Paul Hayes, air safety director at the Ascend consultancy in London.

Tiny, hard volcanic particles can in effect sandblast an aircraft, stripping it of paintwork and making the windscreen milky or difficult to see through, he said.

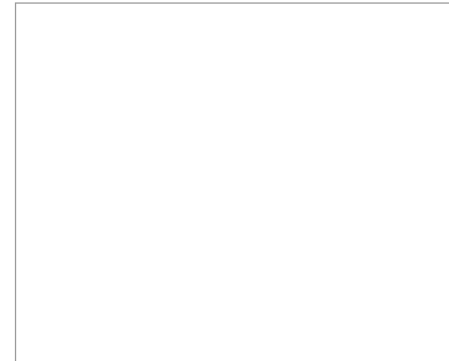
They can also shut down or cause extensive damage to an aircraft's engines and power systems, which are expensive to repair, he added, meaning a new Boeing 747 jumbo jet could face damage worth up to \$100m - assuming it did not crash.

In addition, the particles could affect an aircraft's pitot tubes, or air speed indicators, which not only made it dangerous to fly, but also created additional repair costs.

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