

By: Joseph R. Perone

Continental Airlines held a good luck ceremony there yesterday to kick off its daily nonstop flight to Shanghai, China.

Chinese dancers twirled festive red and blue lion masks Wednesday at Newark Liberty International Airport as Continental Airlines launched its first daily flight to Shanghai, China.

The Houston carrier, which employs 14,000 people in New Jersey, became the first U.S. airline to operate nonstop service between the New York market and Shanghai. The flight takes 14 hours and 25 minutes.

The lion dance at Terminal C was designed to bring good luck and wealth to the airline. But there are no guarantees the Chinese cultural symbol can ward off the evil spirits of a severe recession, which makes the new route a gamble for the airline and a boon for business travelers who want a direct flight to the financial capital of Asia.



Matt Rainey/The Star-Ledger A dancer performs Wednesday at Newark Liberty International Airport.

"You may be wondering what on earth is Continental doing launching a new route in the middle of a global recession," said Jeff Smisek, Continental's president and chief operating officer. "The answer is, with recessions come a lot of risks but also a lot of opportunities, and we see this as a great opportunity for Continental. Many of our competitors have delayed or deferred their planned new routes to China. We're not."

American Airlines, for example, already has a flight from Chicago to Shanghai. However, it delayed a new route from Chicago to Beijing "until the spring of 2010, given economic conditions," said Ned Reynolds, a spokesman for American.

Continental has served Hong Kong from Newark since 2001 and Beijing since 2005.

Shanghai was the largest Chinese market without direct service from New York, and "with more trade in that region, it make sense for carriers to offer direct flights, right into the industrial centers of China," said Raphael Bejar, chief executive of Airsavings, a Paris-based airline consulting firm.

Just six months ago, Shanghai was not among the top 500 destinations sought by consumers on cFares, a San Francisco travel search engine. But the city has since jumped to No. 135, according to Naren Nath, president of cFares.

Airlines try to maintain high load factors -- industry jargon for keeping planes full -- to earn more profit on a particular routes. "Airlines are cutting capacity around the world," Nath said. "In this environment, for an airline to add a route means it is because Continental expects it can get high load factors to Shanghai."

