

New study finds airline competition and airport capacity drive air fares – not airport charges

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Oxera analysis of nearly 6,000 routes highlights the need for airport slots reform

Brussels, 22 October 2026: As the European Commission carries out its Fitness Check of the EU Airport Charges Directive and Airport Slots Regulation and with airport slots rules also being debated in the UK, a new study released today challenges the long-standing assumption that lower airport charges lead to lower air fares – finding instead that airline competition and airport capacity have a far greater impact on the prices passengers pay.

The study synopsis, entitled ***What Really Drives Air Fares***, is based on extensive analysis by Oxera, encompassing more than 62,000 data points¹ across nearly 6,000 European air routes.

Oxera's analysis finds that changes in **airport charges** have a limited and uncertain impact on the final fare paid by passengers – unlike **airport congestion** and **airline competition** which both act as key determinants of air fares:

- Comparing a **10%** increase in these three factors, the study reveals airport charges have the smallest impact on air fares at just **+0.35%**, while airport congestion drives air fares up by **+0.93%** and airline concentration up **+1.06%**.
- Airport congestion enables airlines to extract scarcity premiums in the form of higher air fares – a phenomenon not confined to mega hubs such as London Heathrow but generalised wherever capacity is constrained across Europe. Accordingly, these scarcity rents are currently estimated at **€6.4 billion** annually, equivalent to **€13.54** per one-way ticket at congested airports.
- The entry of a new airline on a route is associated with fares that are **-6.7%** lower, while the withdrawal of an airline is associated with fares that are **+9.7%** higher.

Olivier Jankovec, Director General of ACI EUROPE, commented: *"All this clearly challenges the premise that keeping airport charges down necessarily benefits consumers. It is a convenient argument for airlines seeking to reduce their costs and protect their bottom line – but one that simply does not stand up to economic scrutiny. While airport charges do influence airlines' choice of airports and hence where they choose to develop their route network and deploy their capacity, there is no one-for-one correlation between airport charges and air fares. In other words, lower airport charges are simply not passed through to passengers in lower fares."*

"Fundamentally, the Oxera study points to clear and connected policy priorities: strengthening airline competition, ensuring better use of airport capacity and securing airport investment to meet future demand. All of this has a real impact on what consumers pay as opposed to controlling one visible airline cost (airport charges), especially at a time when airlines are consolidating and increasing their market power."

"These policy priorities are essential to safeguard the competitiveness and resilience of our European aviation market. Turning them into reality requires reforming EU and UK Airport slots regulations – and it is no coincidence that the Draghi Report precisely flagged that already more than 2 years ago."

To support the urgently needed reform, ACI EUROPE also relaunched today its updated ***Position Paper on Airport Slots***, setting out concrete proposals for modernising the Regulation. These include strengthening the rules governing new entrants to facilitate genuine airline competition, ensuring more efficient use of scarce airport capacity, increasing transparency in slot allocation and giving airports a greater say in how their capacity is allocated to serve the connectivity needs of their communities.

¹ Combining flight schedules, air fares, airport charges and runway capacity data.

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Note to Editors

Downloads:

- [What Really Drives Air Fares](#)
- [Oxera study](#)
- [ACI EUROPE Position Paper on Airport Slots](#)

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