

Intra-European air transport in 2020



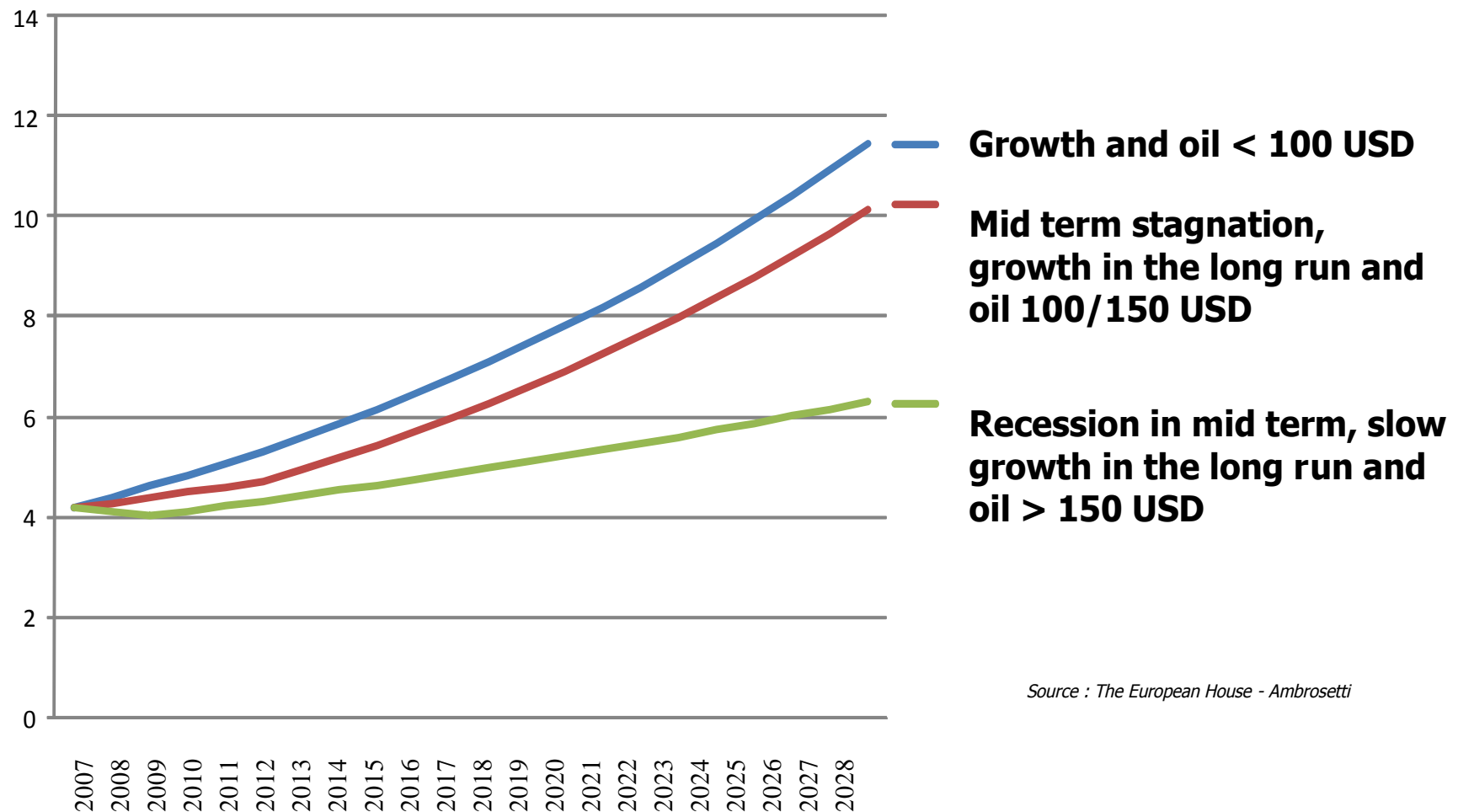
Olivier Jankovec, Director General

ECAC / 31st Plenary Session – Strasbourg, 7 July 2009

AVIATION MARKET – *Traffic (I)*

▪ **TRAFFIC TO NEARLY DOUBLE BY 2030**

- Political stability, fuel prices, economic downturns...



Source : The European House - Ambrosetti

AVIATION MARKET – *Traffic (II)*

- **ECONOMIC RECOVERY**

- *From mid-2010?*

- **+ 20 EMERGING MARKETS**

- *China / India : dominant world economies by 2040*

- ***"Giant pool of first generation flyers"***

- *Lessened cyclical nature of world economy*

- **EUROPE**

- *EU enlargement: 2014 (free mov of workers)... 35 Members*

- *EU/US Aviation Area*

- ***Pan Euro/Mediterranean Aviation Area: 58 countries***

- ***BRIC***

AVIATION MARKET - Airlines

■ LCCs: DRIVING GROWTH

- Growing market share: 26% in 2007... **56% in 2020**
- More distant markets (North Africa, Middle East, Russia, CIS ...)
- "Self-hubbing"
- Long-haul?

■ NETWORK CARRIERS: CONSOLIDATION

- AFKL-AZ-OK / LHLX-SN-OS / BA-IB... Beyond Europe?
- Cross border operations / **Multi-hub strategy**
- BRIC opportunities + Relations with LCCs?

■ NEW "AVIATION POWERS"

- **Asia-Pac: 1st aviation market freight (2008) & pax (2017)**
- Emirates = global player... Etihad/Qatar/Turkish = catching up
- Jet Airways / Chinese consolidation? / African restructuring?

AVIATION MARKET - Airports

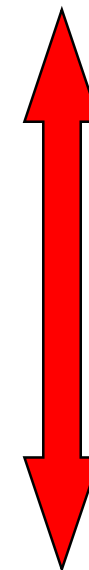
■ BUSINESS TRANSFORMATION

- *Diversifying infrastructure/services*
- *Competitive charges (airline related charges = 21% of revenues)*
- *Increasing commercial revenues*
- *Growing elsewhere (Fraport, AdP, Unique, ...)*
- *Delivering return for shareholders & attracting investors*
- *Alliances (AdP-Schiphol / Poitiers-Bergerac-Limoges)*

■ NEW & DIVERSIFIED STRATEGIES

- *Alliance Anchor Hub (CDG, FRA)*
- *Airport City & Multimodal port (AMS)*
- *Airport Destination (ATH)*
- *Home Fortress & satellites (MAN)*
- *Low cost & leisure airport (Charleroi)*
- *Niche player (LCY, Liège)*
- *Maximiser (HEL, Koln/Bonn)*
- *Off site services & Virtual airport*

ESTABLISHED



EMERGING

KEY CHALLENGES

**ENVIRONMENT &
CLIMATE CHANGE**



CAPACITY & FINANCING



SECURITY



THE AIRPORT CAPACITY CHALLENGE

■ THE CRUNCH - 2030

- 41% capacity increase (5 new airports & 79 new runways)...

... BUT 11% of demand still not accommodated!

- 19 Heathrow-style congested airports!
- Unprecedented congestion levels!
- Far reaching impact: **SES2, environmental efficiency, economic development, European competitiveness...**

■ FINANCING ISSUE

- Less airline-centric & More passenger focused economic regulation
- **Incentivise airports to finance infrastructure development**

■ POLITICAL ISSUE

- EU priority & national support (alignment with SES...)
- Increasing environmental pressure
- **Aviation's license to grow STILL at risk!**

THE ENVIRONMENTAL CHALLENGE

■ REGULATORS & INDUSTRY TAKING ACTION...

- *ETS = ICAO leadership needed for global system!*
- *SES implementation + Clean Sky funding*
- *Airlines' firm commitment
(IATA AGM June 2009)*
- *Airport Carbon Accreditation
(ACI EUROPE GA June 2009)*



■ ...BUT CLEARER POLICY DIRECTION NEEDED

- 1. RECONCILE growth & environmental objectives***
- 2. PRIORITISE environmental objectives***
- 3. ADDRESS energy supply issues... prioritise!***

THE SECURITY CHALLENGE

▪ LAGs

- *Operational issues: specifications, certification, testing, deployment*
- *Financial issue: up to €900 mil*
- ***Realistic time frame - 2014?***

▪ ONE-STOP SECURITY

- *EU & Pan European... including public financing!*
- *Europe & US*

▪ « **THE AIRPORT OF THE FUTURE** » by 2020

- ***Seamless & Integrated Processes***
- ***Risk-Based Approach***
 - *Deterrence over Detection*
 - *Probable over Possible*
- ***Automated Screening & Border control***
 - *Body scanners*
 - *Biometric standards*



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