

Europe's airports welcomed a record-breaking 2 billion passengers in 2016

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ACI EUROPE

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- Traffic growth gained substantial momentum in H2 and Q4 of 2016
- EU destinations benefitted from shift in leisure market
- Changing places in the TOP 5 hubs in Europe
- LCCs' move upmarket a key driver of passenger traffic growth
- Freight posted highest growth since 2010
- Europe reported highest air traffic growth in the world in December

Brussels, 17 February 2017: European airport trade association, ACI EUROPE today releases its traffic report for **December, Q4, H2 and Full Year 2016**. This is the only air transport report which includes all types of airline passenger flights to, from and within Europe: full service, low cost, charter and others.

FULL YEAR

Passenger traffic across the European airport network showed strong momentum in 2016, posting an average growth of **+5.1%**.

All of this growth was generated by the **EU market**, with airports in the bloc seeing passenger volumes increasing by an impressive **+6.7%**. While terrorist attacks took a toll on demand in Belgium, France and to a much lesser extent Germany, their impact remained local and had subsided by year-end.

Conversely, passenger traffic at **non-EU airports** posted an average decrease of **-0.9%**, mainly due to falling traffic at Turkish airports (-6.6%) caused by terrorism and political instability. Although gradually improving after the summer, passenger traffic remained weak at Russian airports for the whole year – meanwhile, other non-EU markets such as Iceland, Israel and Ukraine experienced very dynamic growth.

The significant drop in leisure demand at Turkish airports contributed to the performance of the EU market, with this demand shifting to airports in Croatia, Cyprus, Bulgaria, Greece, Portugal, Romania and Spain. This helped most of these markets achieving double digit growth - along with Hungary, Ireland, Lithuania, Luxembourg and Poland.

Olivier Jankovec, Director General of ACI EUROPE said *"Europe's airports broke the 2 billion passengers mark last year – an absolute record. While geopolitics and terrorism in particular played an increasing role in shaping the fortunes & misfortunes of many airports, the underlying story is one of continued growth and expansion – with passenger volumes growing in excess of +5% for the third consecutive year. This means that Europe's airports have welcomed an additional 300 million passengers since 2013, with 80% of it - 240 million - flooding the EU market. Unsurprisingly, that increase is starting to weigh on capacity levels, operations and resources.*

He added *"Much of this impressive performance is down to 3 interrelated factors: 1. improving economic conditions driven by private consumption and falling unemployment, 2. low oil prices and 3. airline capacity expansion."*

Freight traffic grew across Europe's airports by **+4.1%** - registering the best performance since 2010 and confirming improving economic conditions for Europe. **Aircraft movements** grew by **+3.2%**, reflecting significant airline capacity expansion compared to previous years.

CONTINUED ON PAGE 2

LCCs DRIVING GROWTH & SHIFTING HUB POSITIONS

Low Cost Carriers were the main drivers of passenger traffic growth in 2016 on the back of their successful move upmarket, the development of low cost spinoffs by Full Service Carriers and the emergence of long haul & low cost offerings.

As a result, passenger traffic growth tended to concentrate on **secondary & emerging hubs** as well as **medium-sized airports**. This was the case notably in Barcelona (+11.2%), Dublin (+11.5%), Manchester (+10.8%), Lisbon (+11.7%), Athens (+10.6%), Warsaw (+14.5%), Edinburgh (+11.1%), Cologne (+15.2%), Berlin (+36.7%), Birmingham (+14.3%), Budapest (+11.1%), Bucharest (+18.3%), Venice (+10%), Bologna (+11.5%), Keflavik (+40.4%), Thessaloniki (+12.1%), Krakow (+18.1%), Sofia (+21.8%) and Vilnius (+14.3%).

Meanwhile, the **top 5 European hubs** ('the Majors') as well as **smaller regional airports** significantly underperformed the European average, growing respectively by just **+1.5%** and **+4.3%**.

Among the Majors, Amsterdam-Schiphol was the only one growing significantly (+9.2%), replacing Istanbul-Atatürk as the 3rd busiest European airport with 63.6 million passengers – behind London-Heathrow (75.7 million passengers & +1%) and Paris-Charles de Gaulle (65.9 million passengers & +0.3%). Istanbul-Atatürk retrenched to 5th place (60 million passengers & -2.1%) while Frankfurt maintained its position as the 4th busiest European airport (60.7 million passengers & -0.4%).

DECEMBER 2016 & LOOKING AT 2017

Passenger traffic growth was particularly impressive in Q4 and December. In **December** alone, it grew by **+10.9%** across the European airport network – making Europe the fastest growing World region, surpassing Asia-Pacific (+9.6%).

Within Europe, the EU market continued to lead (+11.8%) with a notable improvement in the traffic performance of the top hubs. However, the non-EU market finally returned to a more dynamic course (+8.1%) on the back of significant growth at Russian airports and reduced traffic losses at Turkish airports. Iceland posted yet another stellar performance, with Keflavik airport's passenger traffic increasing by a record 66% over December 2015 - resulting in the airport more than doubling passenger volumes from their December 2014 level.

Looking ahead into 2017, Jankovec commented *"This current growth dynamic is likely to hold up in the coming months, possibly until early Spring. Short-term downside risks relate to the price of oil – which is forecasted this year to be almost 30% above its 2016 average - and airlines exerting capacity discipline. Beyond that, our trading environment is becoming more unpredictable and prone to disruptions, due to mounting geopolitical risks. These include the permanence of terrorism threats, increasing political instability both within and outside Europe and BREXIT. These risks reflect a set of emerging mega-trends which are now challenging globalisation and free trade – and which could fundamentally alter airports' long-term business prospects."*

BREAKDOWN OF FULL YEAR & DECEMBER DATA, BY TRAFFIC CATEGORY

During the **full year of 2016**, airports welcoming more than 25 million passengers per year (Group 1), airports welcoming between 10 and 25 million passengers (Group 2), airports welcoming between 5 and 10 million passengers (Group 3) and airports welcoming less than 5 million passengers per year (Group

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4) reported an average adjustment **+2.6%**, **+6.7%**, **+10.3%** and **+5.8%**.

The airports which reported the highest increases in passenger traffic during 2016 (compared with 2015) are as follows:

GROUP 1: Dublin (**+11.5%**), Barcelona (**+11.2%**), Amsterdam (**+9.2%**), Copenhagen (**+9.1%**) and Madrid (**+7.7%**)

GROUP 2: Alicante (**+16.8%**), Malaga (**+15.8%**), Cologne (**+15.2%**), Warsaw WAW (**+14.5%**) and Birmingham (**+14.3%**)

GROUP 3: Berlin SXF (**+36.7%**), Larnaca (**+24.2%**), Kiev (**+18.8%**), Faro (**+18.6%**), Bucharest OTP (**+18.3%**) and Porto (**+16.0%**)

GROUP 4: Oradea (**+487.7%**), Iasi (**+131.3%**), Bucharest BBU (**+121.8%**), Ostend (**+64.5%**) and Palanga & Kharkiv (**+60.1%**)

During the month of **December**, airports welcoming more than 25 million passengers per year (Group 1), airports welcoming between 10 and 25 million passengers (Group 2), airports welcoming between 5 and 10 million passengers (Group 3) and airports welcoming less than 5 million passengers per year (Group 4) reported an average adjustment **+7.5%**, **+13.1%**, **+15.4%** and **+14.3%**.

The airports which reported the highest increases in passenger traffic during December 2016 (compared with December 2015) are as follows:

GROUP 1: Moscow SVO (**+19.3%**), Barcelona (**+15.3%**), London Gatwick (**+15.0%**), Dublin (**+13.3%**) and Paris ORY (**+11.5%**),

GROUP 2: Warsaw WAW (**+35.4%**), St Petersburg (**+24.0%**), Birmingham (**+23.7%**), Lisbon (**+22.8%**) and Malaga (**+20.8%**)

GROUP 3: Kiev (**+38.4%**), Larnaca (**+32.6%**), Faro (**+31.9%**), Berlin (**+27.6%**) and Porto (**+26.3%**)

GROUP 4: Bucharest BBU (**+615.9%**), Arad (**+500.0%**), Maribor (**+224.5%**), Zakynthos Island (**+188.9%**) and Mikonos (**+139.0%**)

The '**ACI EUROPE Airport Traffic Report – December, Q4, H2 & Full Year 2016**' includes 237 airports in total representing more than 88% of European air passenger traffic.

ENDS

Notes to Editors

The ACI EUROPE Airport Traffic Report is a dedicated service for journalists available in the password protected 'Airport Traffic Report' section of the 'Media room' on our website www.aci-europe.org. Accredited members of the media may also access additional traffic analysis and comprehensive traffic databases. For your password to access these sections, please contact us by e-mail at: maria.karananou@aci-europe.org. Your request will be validated and the password will be e-mailed to your work address.

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*ACI EUROPE is the European region of Airports Council International (ACI), the only worldwide professional association of airport operators. ACI EUROPE represents over **500 airports** in 45 European countries. These airports contribute to the employment of **12.3 million people**, generating **€675 billion each year (4.1%) of GDP** in Europe.*

EVERY FLIGHT BEGINS AT THE AIRPORT.