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ACI EUROPE addresses EU Transport Ministers in Tallinn

For immediate release

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Tallinn, 20 September 2017: This afternoon, ACI EUROPE addressed EU Transport Ministers on air connectivity today¹, on the occasion of their informal meeting taking place in Tallinn under the auspices of the Estonian Presidency of the European Union.

Presenting the results of the *2017 Airport Industry Connectivity Report*², **Olivier Jankovec, Director General ACI EUROPE** delivered an unambiguous message about the need for the EU to move forward with Open Skies beyond Europe, to give airports their license to grow sustainably & invest and to scrap punitive aviation taxes.

In spite of the impact of the Global financial crisis, Europe's airports have achieved impressive connectivity gains since 2004 – with their overall air **connectivity level increasing** by nearly **+60% since 2004**.

- Air connectivity gains have been particularly impressive to the **Middle East** (+170%), **Asia-Pacific** (+127%) and **Africa** (+81%), reflecting the dynamism of these emerging markets, the trading opportunities they represent for Europe and a trend towards more liberal aviation agreements with these countries.
- Europe's airports also saw their **Intra-European air connectivity** increase significantly (+46%), fueled by the low cost airline revolution and supported by continued development in airport capacity, as well as renewed efforts by airports to develop their network and attract more air services.

Beyond these headline results, Jankovec was keen to stress how market disruptions and technology have progressively reshaped air connectivity: *"It is really striking to see how over the past 10 years Low Cost Carriers have been driving direct connectivity growth at Europe's airports. While these airlines expanded their direct connectivity by +175%, Full Service Carriers saw theirs retrench by -8%. With Low Cost Carriers (LCCs) now starting to penetrate long-haul markets and to offer connecting services, further market disruptions are in the making. These will significantly affect established hub airports, adding further competitive pressures - which have already been increasing as a result of the rise of Middle Eastern and Asian hubs³."*

Taking stock of these dynamics, Jankovec once more praised the focus of the **EU Aviation Strategy*** on developing air connectivity with external markets through liberalised aviation agreements at EU level: *"The growth of demand for air transport in emerging markets is an opportunity we simply cannot afford to miss. Our ability to access and tap into these markets will be instrumental to boosting our own European aviation market - and most importantly, to further develop our air connectivity and support our economy. Closing our skies or even not making further progress in opening up market access might serve the short-term interest of a few, but it would not serve the wider interests of Europe."*

Turning to the **on-going debate about the expansion of the Gulf airlines**, Jankovec pointed to data from the *2017 Airport Industry Connectivity Report* showing that while these airlines had captured an increasing market share of indirect connectivity between Europe and Asia Pacific in the past decade, this had not prevented the major EU airline groups from bolstering their own indirect connectivity to Asia-Pacific.

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He also noted that among the major EU hubs, Amsterdam-Schiphol, Paris-CDG and Munich had made significant gains in their direct connectivity to Asia-Pacific, over the same period.

Finally, Jankovec also called on the EU to ensure that airports are allowed to invest in developing their capacity and quality. In this regard, he cautioned Ministers against airlines' demands for more regulation on airport charges: *"Airlines insist that reductions in airport charges are needed to boost air connectivity. This is just ludicrous, as it assumes that reductions in airport charges were systematically passed on to consumers through lower price tickets. Make no mistake – it is the level of airline competition on any given route that determines the level of air fares. The more competition, the lower the fares and this has nothing to do with airport charges."*

In closing, Jankovec commented *"These airlines' demands are purely motivated by increasing their bottom lines at the expense of airports' shareholders. They ignore the fact that airport charges are primarily driven by investments in new capacity and quality – investments that are essential to maintaining and developing air connectivity."*

##ENDS##

¹ To view the supporting presentation of Olivier Jankovec in his address to the meeting of EU Transport Ministers, go to:
<https://prezi.com/uhlj3eo0qe3b/presentation-on-connectivity-competitiveness-an-informal-meeting-with-eu-transport-ministers-tallinn-20-november-2017/>

² The *2017 Airport Industry Connectivity Report* is available to download:
<https://www.acieurope.org/component/downloads/downloads/5115.html>

* For full details of the EU Aviation Strategy launched in December 2015, go to:
https://ec.europa.eu/transport/modes/air/aviation-strategy_en

³ The report shows that while the major EU hubs remain global leaders, their position has been increasingly challenged by the cumulative impact of hub connectivity developments at established or emerging hubs in the Middle East, Asia or even Africa since 2007 – in particular at Abu Dhabi (+1.490%), Delhi (+904%), Ghangzhou (+897%), Doha (+806%) and Addis Ababa (+719%).

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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.*

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