

Liberalisation of the European Aviation Market

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Emissions Trading in Aviation

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- **Airline Deregulation Act**
- **European Liberalisation Packages**
- **Extensions after the Year 2000**
- **The Status, Prospects and Shortcomings**
- **Change of the Market Structure**
- **Innovations**
- **Liberalisation and Re-regulation**





Airline Deregulation Act

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- **Alfred Kahn, Open Skies, 1978**
- **Start of World-wide Deregulation Policy**
- **European Open Skies, 1992 - 2006**



Playing Fields of Air Regulation: Airlines, Airports, Air Traffic Control

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Dimensions: Competition, Safety, Environment, Passenger Rights

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European Liberalisation Packages

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**Freedoms 1 - 5 recognised in
international law by bilateral agreements
and within the EU by Community law**



European Liberalisation Packages

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Freedom 5: Right to take on passengers, mail and freight destined for the territory of any other contracting State and the right to set down passengers, mail and freight originating in the territory of any other contracting State.



European Liberalisation Packages

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Freedom 8: Right to transport passengers, mail or freight from one point to another within the same State, which is not the State in which the aircraft is registered.

„Full Cabotage“ set into force in July 1997



European Liberalisation Packages

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Achievements

- **Harmonised access**
- **Liberalisation of tariffs**
- **Free cabotage within the EU**
- **Further progress**
 - **Ground-handling**
 - **Seat booking systems**
 - **Overbooking treatment**
 - **Co-ordinated ATC (Eurocontrol)**



Extensions after the year 2000

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- **Substitution of bi-lateral agreements**
- **Institutions for safety and ATC (EASA, Eurocontrol, SESAR)**
- **For passengers: safety, quality of service, clarity of tariffs, passenger rights**
- **For the personnel: employment and working conditions**
- **Environment: Preparation of emission trading**



The Status, prospects and shortcomings

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Mr. Schmidt (DFS), 2006:

My mid-term review of the regulation of aviation is:

- **The regulations of the airlines are working.**
- **The regulations of air traffic control are on a good way.**
- **The proposal for the airports still require consultation.**



Change of the Market Structure

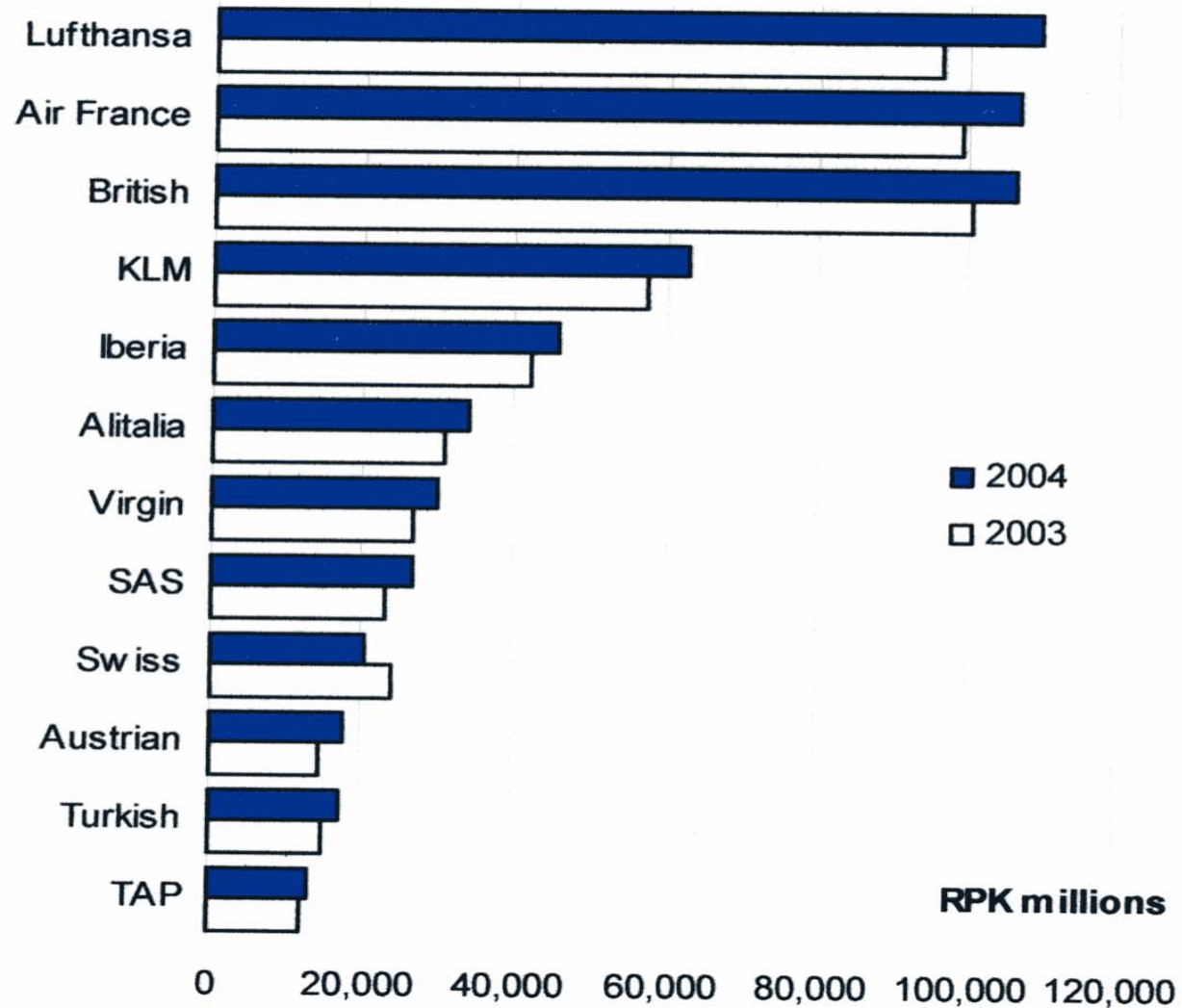
12

- **Development of demand**
- **Development of prices**
- **Low cost carriers**



Growth of Important Players

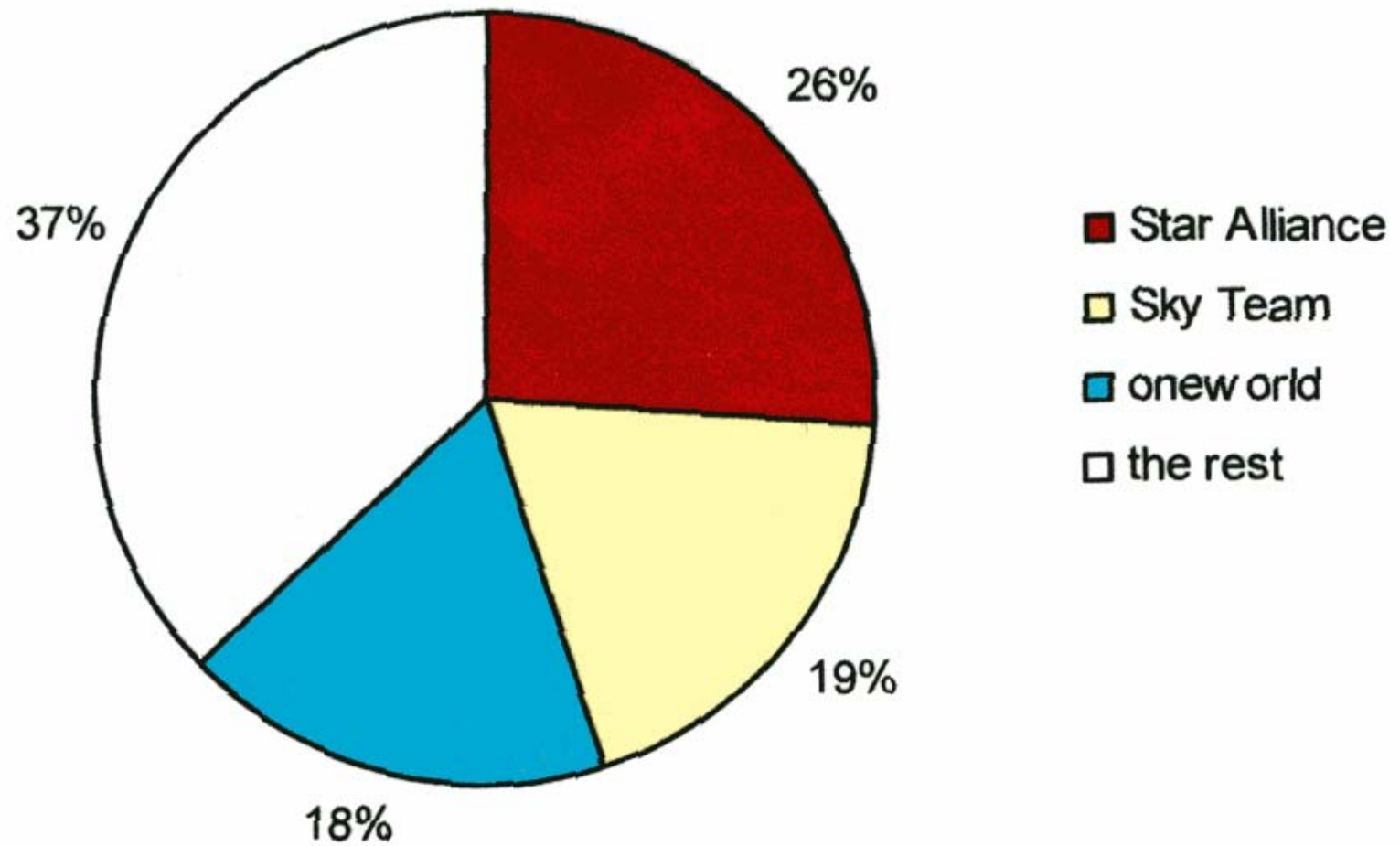
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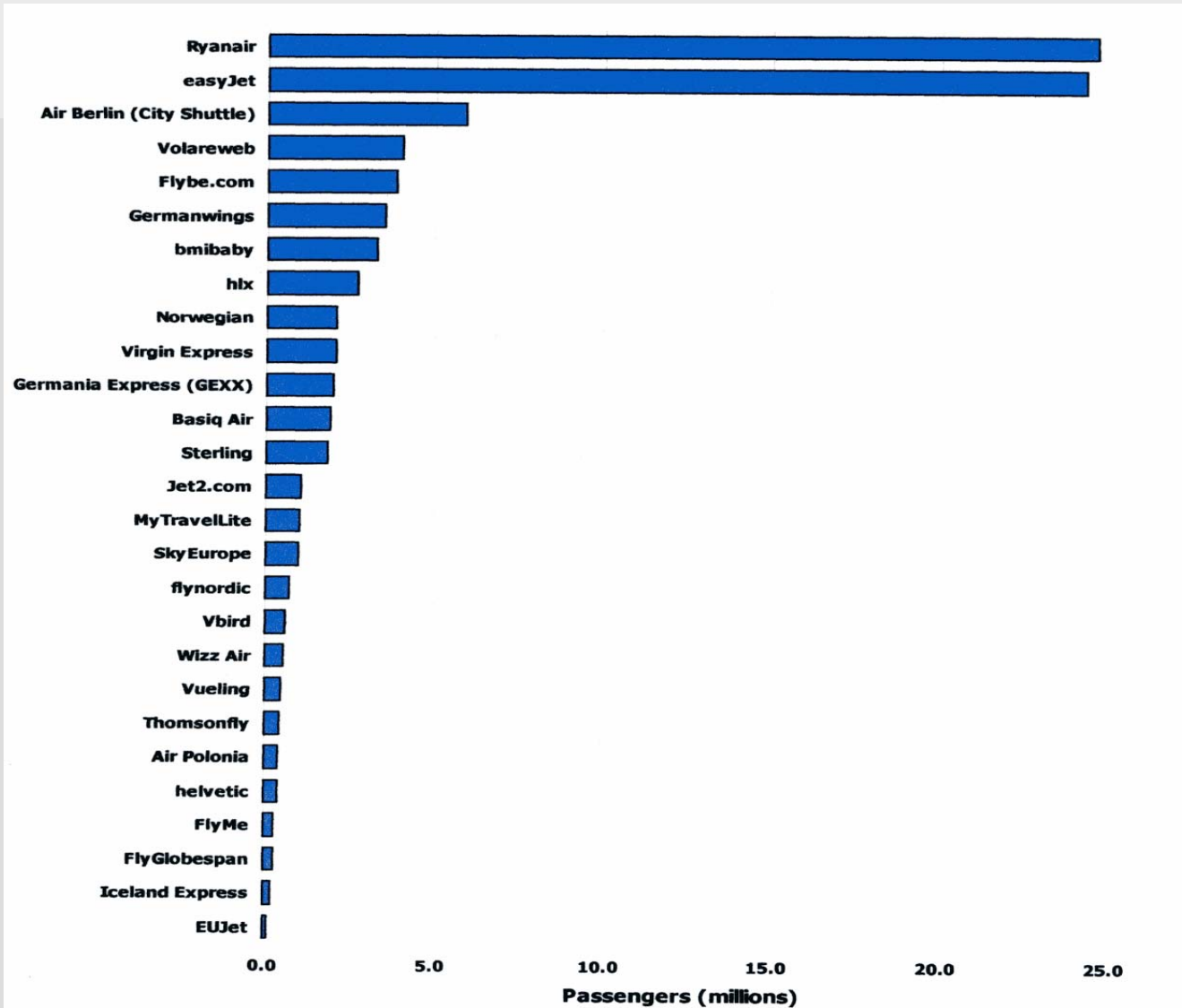
Formation of Alliances

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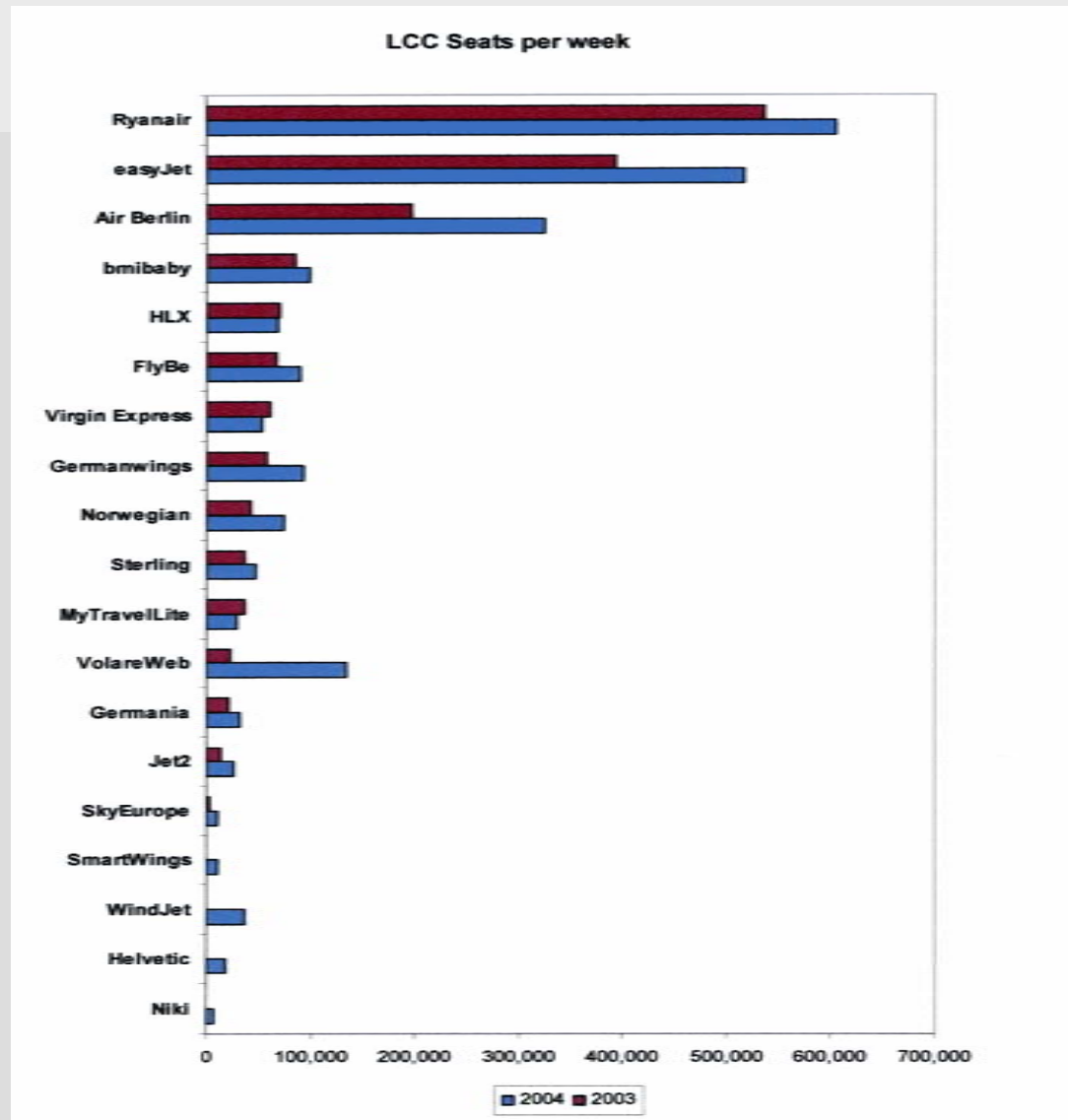


LCC coming up





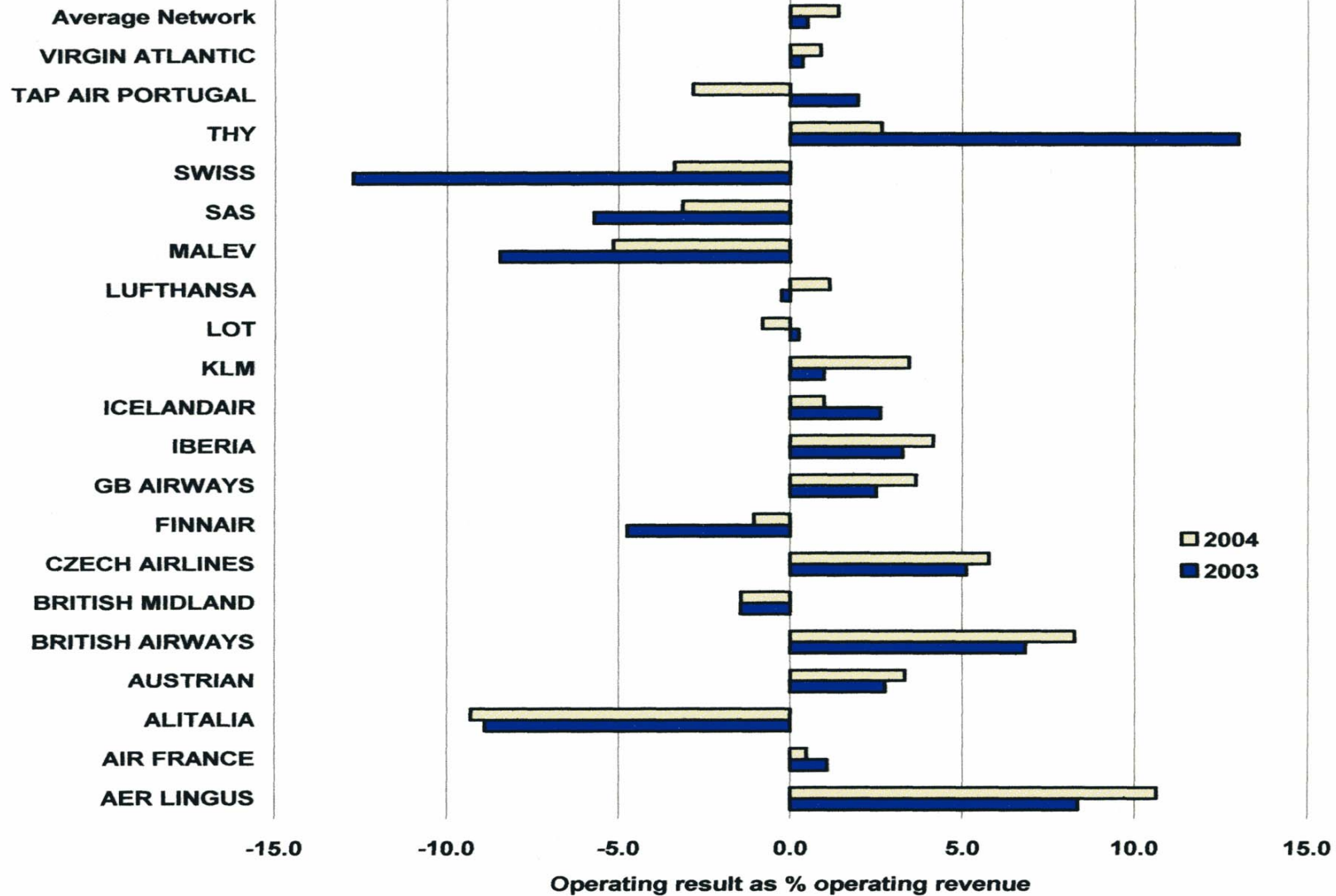
Growth of LCC 2003-04

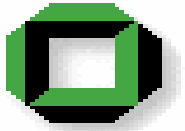




Economic success of airlines

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Innovations

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- **Organisational improvements**
- **Optimisation of direct flight relations**
- **Exploiting the potential of smaller airports**



Liberalisation and Re-regulation

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- **Additional freedoms through EU-based international agreements**
- **Reduction of state subsidisation for airports**
- **Reduction of state subsidisation for aircraft manufacturers**
- **Intermodal harmonisation of taxation**
- **GHG emission trading**