IATA ANNUAL GENERAL MEETING
and World Air Transport Summit
Seoul, 1–3 June 2019

Air Transport Priorities in Europe

Rafael Schvartzman

Regional Vice President, Europe

IATA

IATA

Europe Capacity Crunch

- Highly Fragmented Airspace
- Delays Increased 100% Last Year
- ATM Staff Deployment
- Align Investment

Europe's airspace is highly fragmented with dozens of national airspaces and some of **the highest traffic density in the world**, creating **additional costs for airlines and passengers**. It also makes airspace management complex and leads to **delays**.

Last year's delays **increased more than 100% compared to 2017** and we expect that **2019 will be at least as bad**. it is a huge problem for airlines, passengers and **it is affecting the reputation of our businesses and industry**.

For summer 2019 we would like States, ANSPs and staff associations to look at how staff is deployed to avoid the debacle we had last summer.

States also need to develop **national airspace strategies**. The region's airspace infrastructure needs to be modernized and investments aligned between Airlines and Service Providers.

- **Highly Fragmented Airspace**
- **Delays Increased 100% Last Year**
- **ATM Staff Deployment Needs to be Addressed**

- **Align investments by Airlines, Service Providers and Airports**

Borders in the Sky...

- 37 ANSPs, 63 en-route ATC centers, 56,300 total staff
- Inconsistent ATM Service levels creates delays
- Unnecessary increase in CO_2 emissions
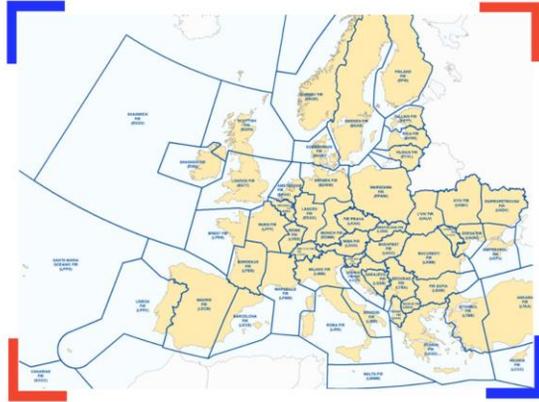
The map above illustrates the **complexity and high fragmentation of air traffic control in Europe**.

With 37 ANSPs, 63 en-route centers and 56,300 total staff our region's airspace is more complex than it should be. Air transport is a truly global business and governments need to treat air traffic management this way as well.

In 2019, with a (mostly!) united Europe the "sovereignty" argument doesn't make sense and the current state of affairs it is bad for passengers, airlines and States. **We shouldn't have borders in the sky.**

Europe's inconsistent ATM Service levels creates delays, haphazard and indirect flight routings which all lead to wasted time and higher costs for passengers and airlines. The extra fuel burn also generates an unnecessary increase in CO_2 emissions.

Addressing Europe's Airspace Challenges

- Country-level National Airspace Stategies

- Holistic European Capacity Special Project

- Summer 2019 Air Traffic Flow Management (ATFM) mitigation plan

IATA

IATA is moving forward with a series of actions to address the problem of capacity in Europe.

Working with national governments IATA has been rolling out National Airspace Strategies in countries such as France, Italy, Poland and Bulgaria with more to come.

Complementing the National Airspace Strategy (NAS) activities in the beginning of the year we launched a special project to specifically address the capacity challenge in the region.

In May, the Summer 2019 Air traffic Flow Management (ATFM) mitigation plan, supported by IATA, was implemented. The plan is expected to reduce network delays. We are monitoring the outcome through our Network Manager Aircraft Operators Liaison Cell that is in continuous contact with our airline members to ensure feedback is gathered form airspace users, discussed with the network manager and any issues are resolved.

Airport Capacity Expansion

- New capacity should match demand and user costs reasonable

- IATA in planning process for new Solidarity Airport in Poland

- Heathrow Airport is moving forward, for now

- Berlin Brandenburg still delayed- 2020 opening questionable

To meet the 50% increase in passenger demand expected in Europe by 2037, the right airport capacity needs to be added where the demand is.

Viablility of future airports depends upon keeping costs reasonable for airlines and passengers to ensure a new facility remains competitive

Consultation wih the industry from the early stages is the best way to ensure a facility that works for everyone, particularly passengers.

IATA has set up a consultation committee to ensure the airline persepctive is well-represented in the new Solidarity airport also called the Solidarity Transport Hub.

Heathrow airport is moving forward after the recent legal challenges was thrown out – but the project remains politically vulnerable, especially if a new government comes to power (Shadow Chancellor is a strong anti-Heathrow campaigner)

Berlin Brandenburg airport still delayed. Supposed to open in October 2020 but no-one is confident of this.

Europe Air Transport Competitiveness
IATA Country Study Rollout

- 5 key elements that determine ease of doing business
- Barriers to growth per country
- Key recommendations to enhance connectivity

Legend: Romania — Regional average

1st pillar: Passenger Facilitation — 2.8 / 4.5
2nd pillar: Cargo Facilitation — 5.8 / 6.2
3rd pillar: Supply Chain Competitiveness — 6.1 / 7.2
4th pillar: Infrastructure — 4.2 / 5.7
5th pillar: Smarter Regulations — 4.1 / 5.2

IATA has been launching **Europe Air Competitiveness Indicators** reports this year to measure how competitive air transport is in the region.

Each country has been assigned **an overall air transport competitiveness score** based on five criteria: **smarter regulation, passenger and cargo facilitation, infrastructure and supply chain management.** You can see an example of the Romania competitiveness chart on the slide.

Each study includes **three key policy recommendations** to enhance air transport competitiveness to ensure air transport delivers the most economic and social benefits possible.

So far country reports have been released in **Sweden, France, Portugal and Romania** with more to come in the second half of the year.

The environment and the industry's contribution to C02 emissions is one of our challenges. **But it isn't just for airlines that have been making progress in this area.**

CORSIA is key for our industry and particularly its international framework makes it a powerful tool.

Further development of Sustainable Aviation Fuels, lowering their cost and expanding use would be positive for our Industry and the environment.

Facts
- We've cut the CO2 emissions per passenger km by **50% compared to 1990**
- **Airlines embrace CORSIA, Sustainable Aviation Fuels (SAF)**
- Single European Sky would **cut 18M tonnes of CO2 yearly in Europe**
- Governments need to support **ANSP reform, SES, and right technology**

Thank you very much and I'd be happy to take any questions.