

Information

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AEA UNVEILS ITS ROADMAP FOR NAVIGATING THE CRISIS Airlines say no to State Aid, but seek relief on infrastructure costs

Speaking to the Polish media, on the occasion of a visit to LOT Polish Airlines, the Secretary General of the Association of European Airlines, Ulrich Schulte-Strathaus, announced details of the AEA's blueprint for navigating the economic and financial turmoil, which is increasingly affecting the airline industry.

"Although airlines are facing the consequences of possibly the deepest recession since 1930, we are not looking for State handouts", said Mr Schulte-Strathaus. "Our industry is market-driven, so fewer passengers and less cargo mean that we must dramatically reduce the aircraft capacity offered". He praised the efforts of LOT in facing the current situation. "LOT has done a great job in right-sizing itself for the market; now that the market has been thrown into disarray they, along with the rest of Europe's airlines, are facing a whole new set of challenges"

Nevertheless, he told his Warsaw audience of media representatives, there were political measures which must be taken to reduce the costs of operating aircraft. *"Not many people realise that airlines must pay for the use of the airspace and for the use of airport facilities. In Poland, as in several other European countries, airports and air traffic management are increasing their fees and charges – despite a decline in traffic, and at a time when airlines can least afford it. This is not tolerable!"*

Regulatory action by the EU was in place, he said, to remedy this situation in the future, through the Single European Sky initiative and the Airport Charges Directive, but these would not help the industry through the current crisis. *"Airlines are paying the cost of inefficiencies which should have been addressed long ago", said Ulrich Schulte-Strathaus. "Airports and air navigation service providers should acknowledge that they are an integral part of the aviation industry. The least we expect is that governments will not approve any increases of fees and charges for airports, air traffic management and security services during the current economic crisis".*

His message was echoed by the LOT President, Dariusz Nowak. *"We will face the costs of an EU emissions trading scheme for aviation as from 2012. This should be preceded by the creation of a Single European Sky; otherwise air traffic managers will direct aircraft on indirect and inefficient routes, and then we will have to pay certificates for the emissions created by flying these routes. Airlines should only be*

paying for the services they would receive from an efficient air space management system”.

Mr. Schulte-Strathaus pointed to several measures contained in the relief programme the Association would propose to the EU institutions; if implemented, they would prevent unnecessary additional costs for European airlines. One concrete relief measure could be readily enacted without cost and without competitive distortion, said Mr Nowak. *“The downturn in the market has resulted in severe overcapacity in our industry”,* he said. *“LOT has reduced its seat capacity this Winter by about 10%, and many other airlines are doing the same. But in doing so, we leave ourselves open to the loss of airport slots we do not use. Under EU rules, we will not be entitled to get them back when the market recovers”.*

It was of utmost importance, he said, that the airlines could make capacity cuts with the confidence that they would not be penalised by slot confiscation.

Mr Schulte-Strathaus said he had come to Warsaw because he sees the Polish government and LOT Polish Airlines as benchmarks within the EU. *“We count on political support from our Polish friends and their influence in Brussels to drive for a sensible crisis management for our industry throughout Europe”.*

For further information, please contact:

David Henderson
Manager Information
Phone : +32(0) 2 639 89 72
Email: david.henderson@aea.be
www.aea.be

Note to the Editor: The Association of European Airlines (AEA) brings together 34 European established scheduled network carriers. These collectively carry 370 million passengers and 7 million tonnes of cargo each year, operating 2,600 aircraft serving 615 destinations in 165 countries with 11,575 flights a day. They provide around 423,000 jobs directly, and generate a total turnover of €78 billion

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- AeroSvit
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- Air Malta
- Air One
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- British Airways
- Brussels Airlines
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- Croatia Airlines
- Cyprus Airways
- Czech Airlines
- DHL
- Finnair
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- Icelandair
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- Lufthansa
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