

## Information

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### **LIBERALISATION OF EU-CANADA AIR SERVICES WELCOMED BY AEA 'Groundbreaking' deal will benefit passengers and airlines**

The Association of European Airlines, representing Europe's most important network carriers, has welcomed the conclusion of a comprehensive EU-Canada Air Transport Agreement which paves the way for a lightly-regulated common aviation area encompassing the EU, Canada and the air routes between the two. The agreement was signed at the EU-Canada Summit in Prague on May 6<sup>th</sup>.

In the first phase of the agreement, EU and Canadian airlines will have unrestricted access to EU-Canada routes, with full pricing freedom, mirroring the EU-US agreement which came into effect in 2008. Subsequent phases of the Canadian deal, however, will go much further, aligning foreign-ownership limits at the higher EU 49% level and then abolishing them entirely for investors from either side.

In subsequent phases, airlines from one side will be permitted to operate international services from the territory of the other ('seventh freedom') and, ultimately, services within the territory of the other ('cabotage') – a dramatic departure from the strict rules which have governed the international politics of air transport for the past 65 years.

Said AEA Secretary General Ulrich Schulte-Strathaus: "This is truly a groundbreaking agreement. The realities of 21<sup>st</sup>-century air travel are very different to the way the industry functioned in the past. In Europe, more than 15 years of liberalisation have proved to be win-win for consumers and airlines, and recent developments have shown that you can have a successful national identity without national ownership. In Canada, the EU has found a partner that shares the same confidence. We applaud the negotiators and urge them to maintain the momentum that will carry this agreement into its subsequent phases".

Mr Schulte-Strathaus believed that the EU-Canada deal would shine a spotlight on the negotiations with the US, where entrenched opposition stood in the way of broadening the existing agreement into areas such as ownership & control, and the opening-up of internal markets. "The US call their agreement with the EU 'Open Skies'", he said, "but the deal with Canada will redefine what Open Skies really should be. – a blueprint for air transport in a modern, connected world".

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