

## PRESS RELEASE

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### **A4E: New European airline association takes off**

- Launch event with EU Commissioner and EU Presidency.
- EU Aviation Strategy offers unique opportunity to improve competitiveness of EU airlines.
- Stimulating growth by lowering airport charges and removing unreasonable taxes.
- Call for action plan to avoid disruptions during ATC strikes.
- Thomas Reynaert appointed Managing Director.

**Airlines for Europe (A4E), Europe's new airline association, has officially been launched on the eve of the EU Aviation Summit in Amsterdam.**

The new association has been founded by Europe's five largest airline groups – Air France KLM, easyJet, International Airlines Group, Lufthansa Group, Ryanair – to represent the interests of its members when dealing with the EU institutions, international organisations and national governments on European aviation issues. A4E will grow its member base over the next months, uniting European airlines to take forward changes that will increase their competitiveness and result in lower fares and more choice for passengers.

Taking place just a few weeks after the presentation of the **EU Aviation Strategy**, the Summit is the first major meeting of policy-makers and the industry. The five CEOs – Alexandre de Juniac, Carolyn McCall, Willie Walsh, Carsten Spohr and Michael O'Leary – commented: "We welcome the European Commission's Aviation Strategy for a stronger and more competitive European aviation industry. But we need to act now – large scale airport monopolies, high charges, taxation and inefficiencies characterise the aviation supply chain. We want to work with the Commission and the Member States to implement the

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strategy, and we call on the EU Member States and the EU Parliament to support the work of the Commission to reduce monopoly supplier costs.”

Besides its support of the Commission’s Aviation Strategy and the commitment to identifying challenges and opportunities to improve the competitiveness of the EU Aviation sector, A4E will campaign on at least three important measures:

**Lowering the cost of the EU’s airports** by ensuring that monopoly airports are effectively regulated; ensuring that passengers receive the full benefit of the commercial revenues which they generate at airports and ensuring that security charges are efficient. A new Aviation Economics study shows that airport charges at the largest 21 European airports have increased by 80 per cent since 2005. “Airport charges have risen by more than three quarters over the last ten years. This is in direct contrast to the lower air fares being delivered by European airlines which have decreased by 20 per cent over the same period. We want to create growth and new jobs across Europe, both within aviation and beyond.”

**Delivering reliable and efficient airspace** by reducing the cost of Air Traffic Control (ATC) provision through completion of the Single European Sky and better economic regulation at EU level; ensuring that ATC strikes do not cause disruption to passengers across Europe; using new technology to make efficiency savings; and using SESAR funding to drive compliance with the Single Sky framework. “The best way to improve the competitiveness of EU airlines is to lower the costs of monopoly providers – which would help everyone. In this context, we support the Commission’s proposed Single European Sky 2+ package and welcome its positive statements around future movement on ATC strikes. We urge all parties to engage in dialogue and we will seek an urgent meeting with ANSPs to discuss and develop an action plan.”

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Stimulating more economic activity and jobs by creating the right regulatory environment, **removing unreasonable taxes**. The Italian government has recently increased the taxes on passengers charged at Italian airports by €2.50 from 2016 onwards. A4E is opposed to unreasonable taxes on aviation – these damage the economy and jobs. The increase in the Italian passenger tax is a disappointing step in the wrong direction and it will damage the Italian economy.

Experience and economic analysis both show that removing taxes is beneficial, e.g. the Dutch government's removal of its ticket tax in 2009 led to strong growth in passengers; the Irish government's removal of traffic tax in April 2014 led to extensive traffic growth at Irish airports and an 8% increase in tourism last year; economic analysis by PwC shows removing UK Air Passenger Duty (APD) would boost British GDP by 1.7 per cent and create 60,000 new jobs by 2020. "The focus must be on concrete and measurable actions that support European airlines and their customers by providing more flights and lower fares. All unreasonable taxes on aviation activity should be removed."

Consumers have benefited from the liberalisation of aviation in Europe in the 1990s with substantially lower fares and more routes across Europe and to the rest of the world. The range and quality of services have increased and airline costs have fallen by 1 – 2% per year for the last two decades. A4E believes that this decline should now be matched by a reduction in those costs which airlines do not control themselves.

A4E reiterated that aviation is a proven driver of economic growth and jobs. The proposed measures will create many jobs and increase Europe's GDP. A core task for A4E is to secure the sector's future development as a growing and innovative industry with both a European and an international dimension.

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Alongside campaigning on the issues above, A4E will work on several key principles and action items which should underpin EU aviation policy. The most important of these is the commitment to safety and ensuring that safety standards are developed on the basis of a risk-based scientific assessment.

The five CEOs added: “Today marks the beginning of a new era for European airlines. With the endorsement of the five largest airline groups in Europe, A4E will be a powerful vehicle to address the industry’s issues. For the first time, low-cost and network carriers are creating an association to support the adoption of a new European Aviation Strategy. Today we also call on all airlines in Europe to join us and make our voice even more powerful.”

“We are delighted to welcome Thomas Reynaert as Managing Director of A4E. He has joined us from United Technologies where he ran their European government relations office. His wide experience in the aviation sector and his strong management background will help us to meet our challenges in Brussels.”

The CEOs confirmed their support for the liberalisation of the whole aviation value chain and for pro-competition policy and regulation within the EU. They also confirmed their opposition to the provision of state aid, as a general principle, to airlines and airports. They agreed that EU and national regulation and policies should support the efficient delivery of services, and that this includes the need for efficient operations to minimise the environmental impact of aviation. The importance of balanced consumer rights was also underlined; EU and national policies need to ensure that consumer rights are respected.

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### About A4E:

Airlines for Europe (A4E) is Europe's new airline association, based in Brussels. Launched in January 2016, the association was established by Europe's five largest airline groups – Air France KLM, easyJet, International Airlines Group, Lufthansa Group, Ryanair – and plans to grow further. With more than 460 million passengers on board, the A4E members account for half of the continent's passenger journeys, operating more than 2,100 airplanes and generating EUR 85 billion in turnover each year.