Aviation strategy for Europe

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PURPOSE: to present a new aviation strategy for Europe.

BACKGROUND: aviation is a strong driver of economic growth, jobs, trade and mobility for the European Union and it plays a crucial role in the EU economy. **The sector directly employs between 1.4 million and 2 million people** and overall supports between 4.83 million and contributes **EUR 110 billion** to the EU economy.

The availability of direct intercontinental flights is effectively a major determinant in the location choices of large firms' headquarters in Europe:

- a 10% increase in the supply of intercontinental flights results in a 4% increase in the number of headquarters of large firms;
- a 10% increase of departing passengers in a metropolitan region increases local employment in the services sector by 1%.

Over the last 20 years, the EU's liberalisation of the internal market for air services and the substantial growth of demand in air transport within the EU and worldwide, have resulted in the significant development of the European aviation sector.

Aviation traffic in Europe is predicted to reach **14.4 million flights in 2035**, 50% more than in 2012.

As aviation's contribution to the overall performance of the EU economy and its global presence is so significant, it is critical that the EU aviation sector remains competitive, maintains its leadership position and is able to grow.

CONTENT: the aim of this Aviation Strategy is to strengthen the competitiveness and sustainability of the entire EU air transport value network. The Commission has therefore identified three key priorities:

(1) Tapping into growth markets: European aviation is facing new competitive challenges in a rapidly evolving global market, in particular as a result of a shift of economic growth to the East. With an annual growth forecast of 6%, scheduled passenger traffic in the Asia Pacific region is likely to grow faster than in other regions until 2034 when it will account for 40% of world air traffic.

By adopting an ambitious external aviation policy through the **negotiation of comprehensive aviation agreements**, with a clear focus on growth markets, the EU can contribute to improving market access and investment opportunities for European aviation in important overseas markets.

Furthermore, in order to support worldwide trade in aircraft and related products, the EU should also expand the **range of bilateral aviation safety agreements** aimed at achieving mutual recognition of safety certification standards.

The Commission will also **negotiate effective fair competition provisions** in the context of the negotiation of EU comprehensive air transport agreements and consider measures to address unfair practices from third countries and third country operators.

(2) Tackling limits to growth both in the air and on the ground: the estimated costs of the EU's fragmented airspace represent at least EUR 5 billion a year. The main challenge for the growth of

European aviation is to **reduce the capacity and efficiency constraints**, which are seriously impeding the European aviation sector's ability to grow sustainably, compete internationally, and which are causing congestion and delays and raising costs.

In 2035, according to Eurocontrol, European airports will be unable to accommodate some 2 million flights due to capacity shortages. The estimated economic cost of being unable to accommodate demand has been estimated at 434 000-818 000 jobs foregone by 2035 and an annual loss in GDP of between EUR 28 billion and 52 billion at EU level.

It is for this reason that the strategy insisted on the need to:

- **complete the Single European Sky**, through the adoption of the Single European Sky (SES2+) proposals;
- make best use of existing capacity and plan well in advance to absorb the forecasted future needs;
- swiftly adopt the revised Slot Regulation in order to enable the optimal use of the busiest airports;
- enhance the **availability of highly performing, competitive airport services**, including runways, passenger terminals and ground handling and the service quality experience of passengers;
- improve **connectivity** in Europe, identify any shortcomings and the appropriate measures to be taken.

(3) Maintaining high EU safety and security standards: to achieve this, the Commission aims to introduce a **risk and performance based approach** to safety regulation.

The strategy insisted on the need to:

- **integrate new business models** and emerging technologies, such as electric engines or drones;
- abolish **rules and procedures** that add time, burden and cost but do not contribute to safety ;
- put in place a framework for the **pooling and sharing of technical resources** between the national authorities and the European Aviation Safety Agency;
- launch an in-depth evaluation of the existing legislation on the imposition of operating bans and on rules on aviation accident investigation;
- seek new ways to **alleviate the burden of security checks on passengers**, notably through the use of new technology and by applying a risk-based approach in full respect of fundamental rights.

The Commission seeks to propose a **revised Basic Regulation** for common rules in the field of civil aviation safety, replacing the current Regulation (EC) No 216/2008.

In this context, the EU should also act in the following areas:

Reinforcing the social agenda and creating high quality jobs in aviation: (i) maintain leadership in aviation through a highly educated, qualified and experienced workforce; (ii) develop new skills and competences; (iii) better understand the new business and employment models that have emerged, such as the multiplication of operational bases, the recruitment of air crews through agencies, new atypical forms of employment or pay-to-fly schemes for flight crew; (iv) bring clarity on the applicable labour law; (v) promote an active and comprehensive social dialogue.

Protecting passengers' rights: the legislative process to adopt the revision of Regulation 261/2004 on air passengers' rights in case of denied boarding, long delays and cancellations is still on going in 2015. The Commission urges European Parliament and the Council of the EU to adopt swiftly the revisions proposed.

Embracing a new era through innovation and digital technologies: the deployment and optimisation of information and communications technologies are also particularly relevant for airport capacity, performance and quality of service. Moreover, as regards unleashing the full potential of drones, it is

necessary for a risk-based framework to be put in place rapidly. This framework will ensure their safe use in civil airspace and create legal certainty for the industry.

Contributing to a forward-looking Climate Change Policy: the EU, through its Member States acting within the framework of ICAO, pursues a robust Global Market Based Mechanism to achieve **carbon neutral growth from 2020** to be reviewed over time as appropriate, and to be made operational from 2020, as well as the adoption of a first CO2 standard for aircraft.

Investing in aviation research: the Commission is convinced that appropriate private and public investments into technology and innovation will secure Europe's leading role in international aviation. The European Union has planned to invest EUR 430 million each year, until 2020, in the Single European Sky ATM Research (**SESAR**) project. It has been estimated that the timely deployment of SESAR solutions can potentially result in the creation of over 300 000 new jobs.