



Value of Air Transport in CEE Airspace Modernization in Europe

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To represent, lead and serve the airline industry



Presentation Outline

- Value of Aviation: a strategic asset
- Aviation in CEE : opportunities and areas for focus
- Importance of Airspace modernization in Europe

Value of Aviation: a strategic asset

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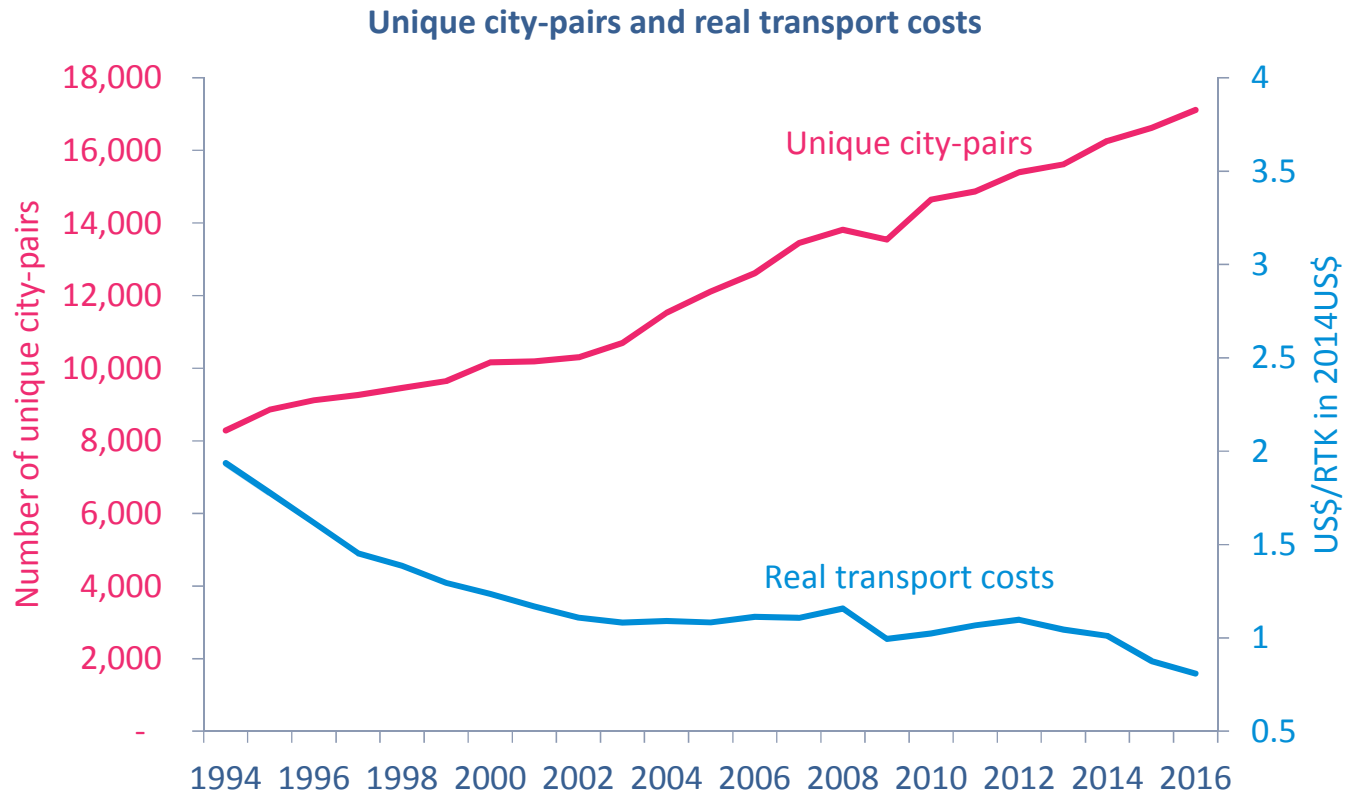
Aviation connects Central Eastern Europe to the world



Source: SRS Analyzer

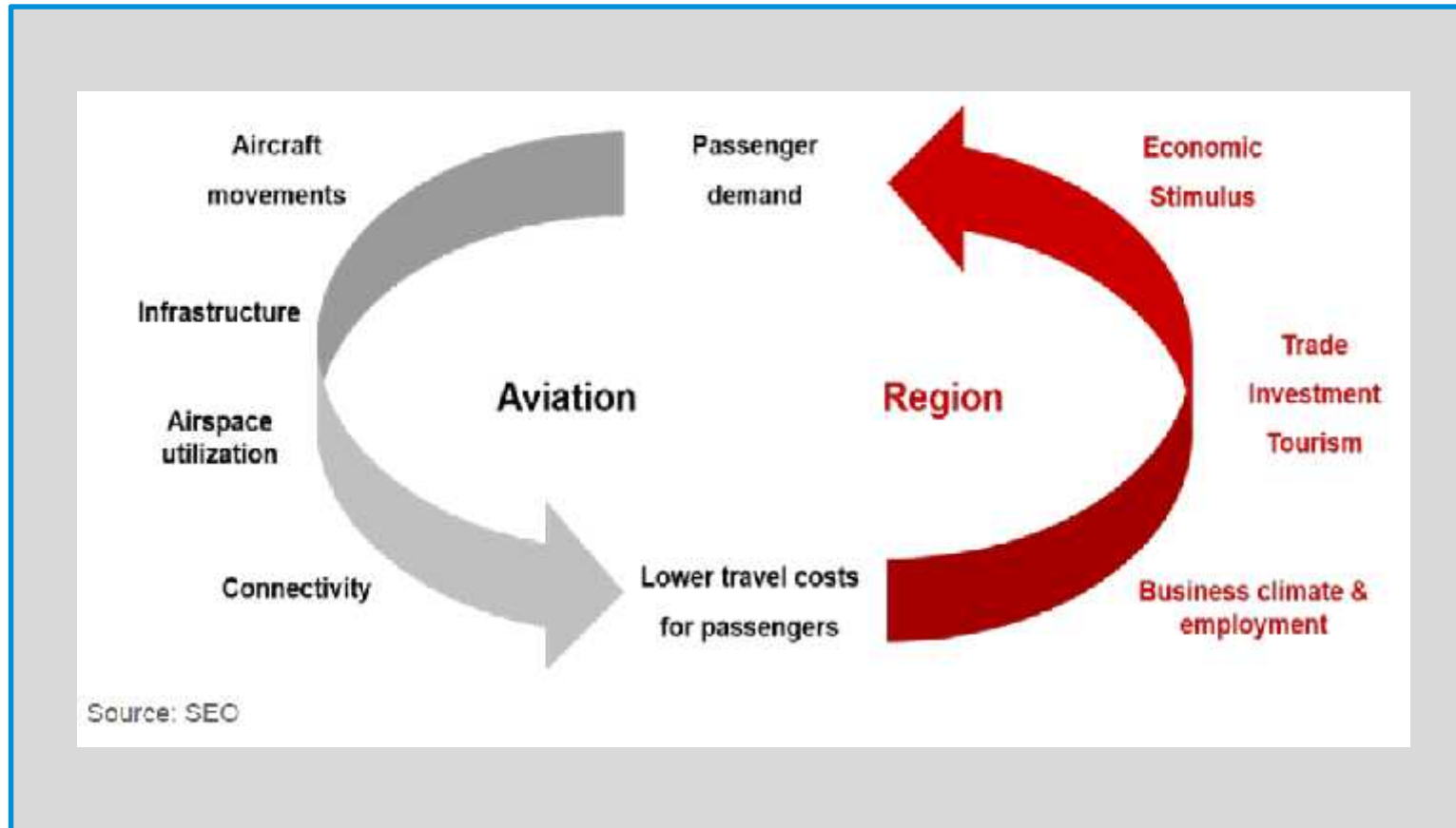
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Delivering greater choice and value for consumers



Source: IATA from Boeing, OAG data

Aviation and the economy form a virtuous circle



CEE aviation is a strategic economic sector

Departing Passengers:

- CZ: 5.9m
- HU: 4.9m
- PL: 13.7m
- RO: 6.4m

International Destinations:

- CZ: 94 airports; 37 countries
- HU: 84 airports; 35 countries
- PL: 111 airports; 40 countries
- RO: 75 airports; 30 countries



Direct contribution of aviation:

- CZ: USD 870m , 24,000 jobs
- HU: USD 780m, 14,000 jobs
- PL: USD 2bn, 40,000 jobs
- RO: USD 1bn, 29,000 jobs

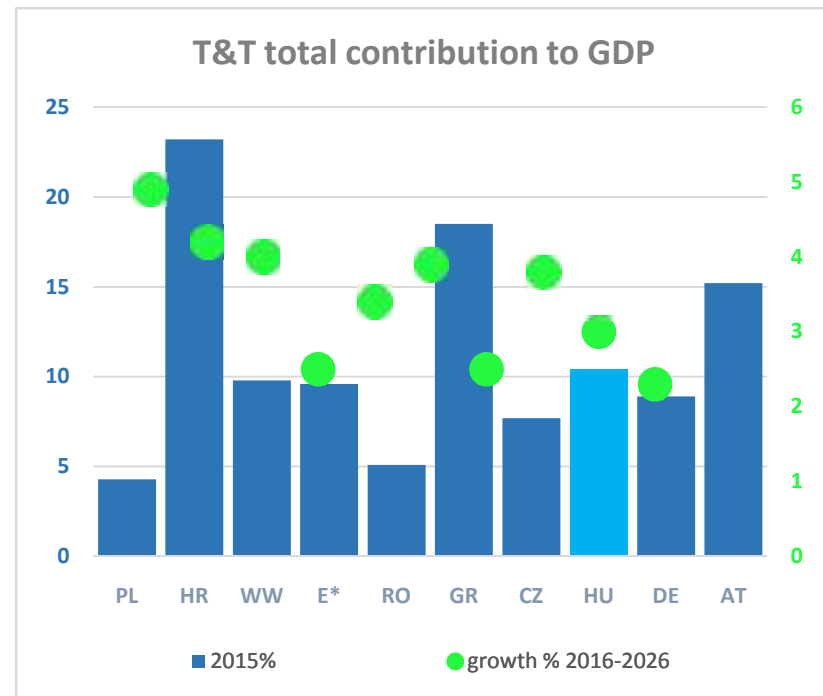
Aviation contribution to tourism:

- CZ: USD 465m , 13,000 jobs
- HU: USD 680m , 20,000 jobs
- PL: USD 960m , 27,000 jobs
- RO: USD 770m , 38,000 jobs

Source: IATA, ATAG

Facilitating tourism

Travel & Tourism's Total Contribution to GDP	2015 (US\$bn)
5 Germany	299.7
21 Austria	56.7
World Average	55.7
Europe Average	40.3
29 Greece	36.0
43 Poland	20.7
53 Czech Republic	14.0
55 Hungary	12.2
57 Croatia	11.3
64 Romania	8.9
72 Bulgaria	5.9
144 Montenegro	0.9

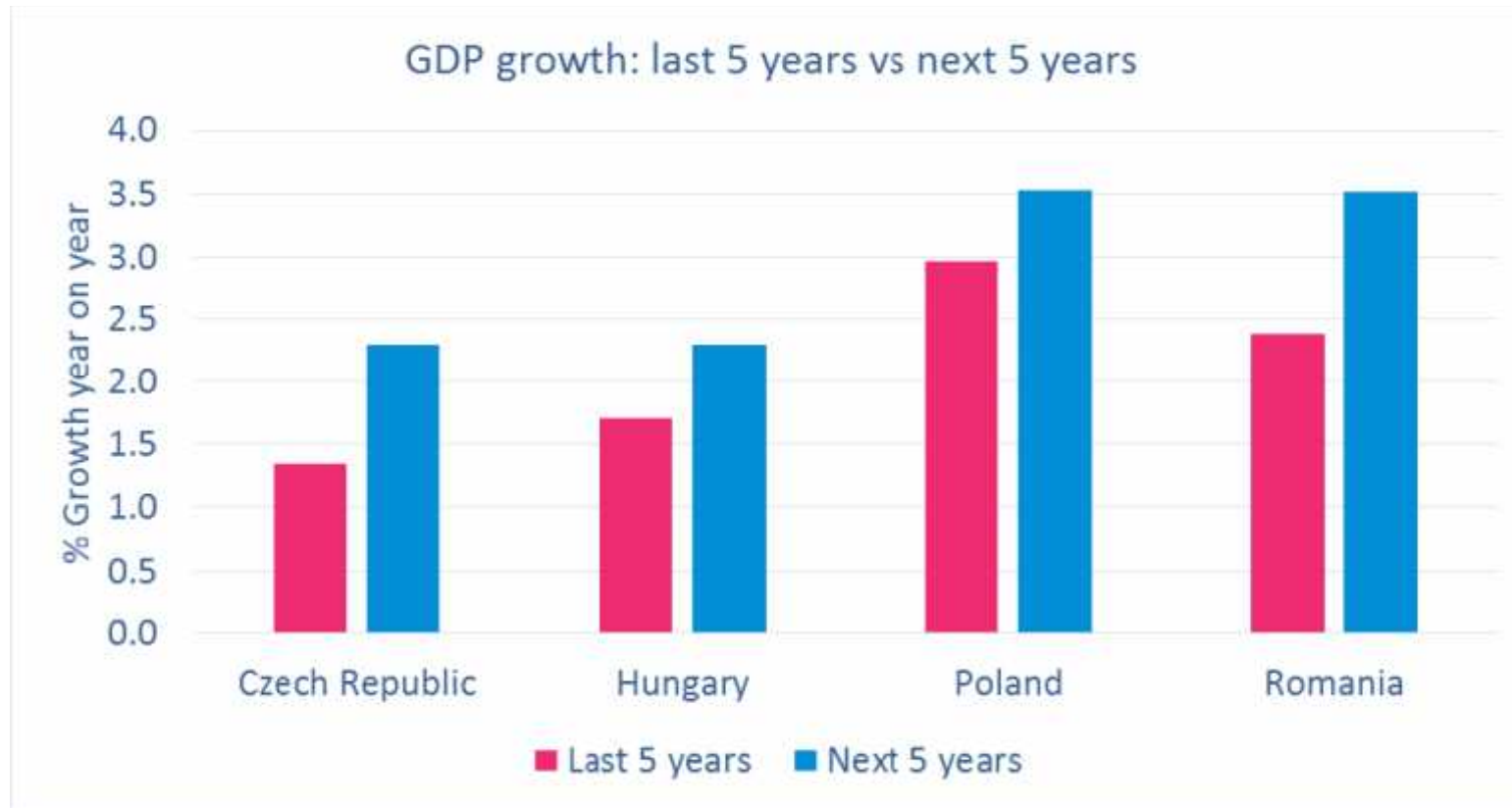


Source: WTTC

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Aviation in CEE: Opportunities and areas for focus

Economic outlook in CEE is relatively upbeat



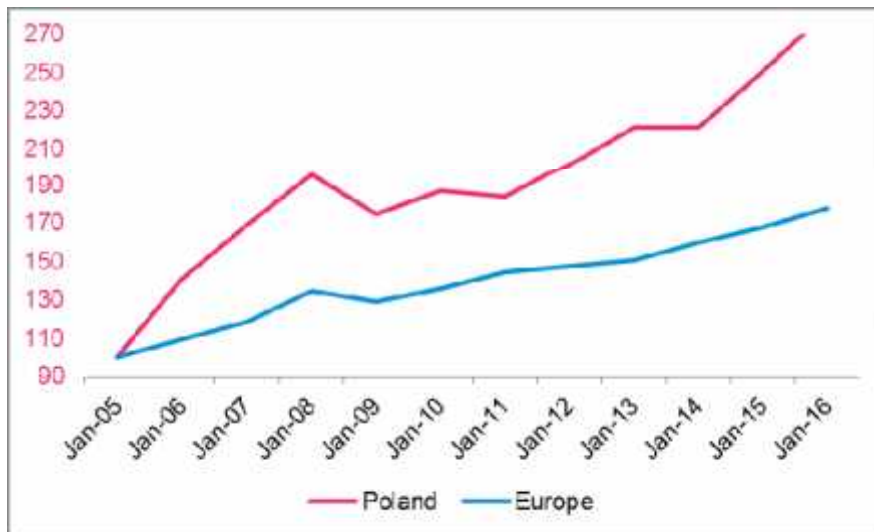
Source: IMF

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Capacity growth outpacing rest of Europe

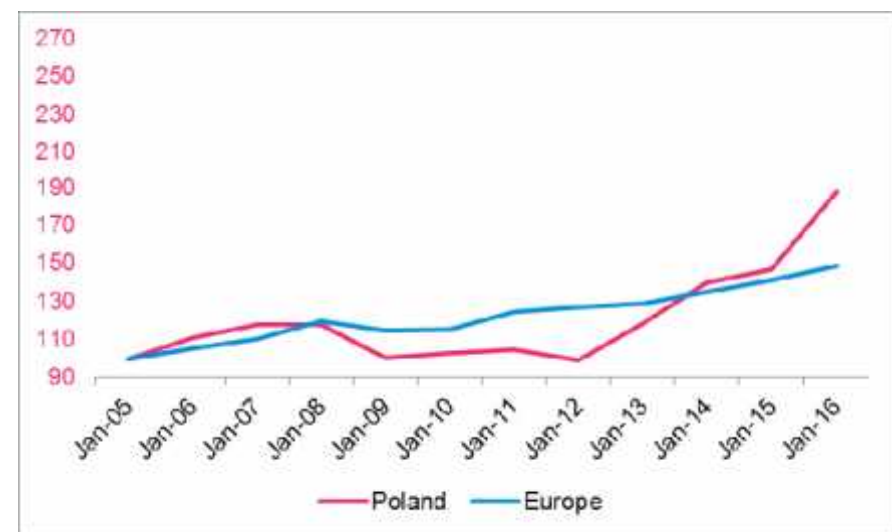
Short & Medium- Haul ASKs

Index, Jun2005 = 100



Long- Haul ASKs

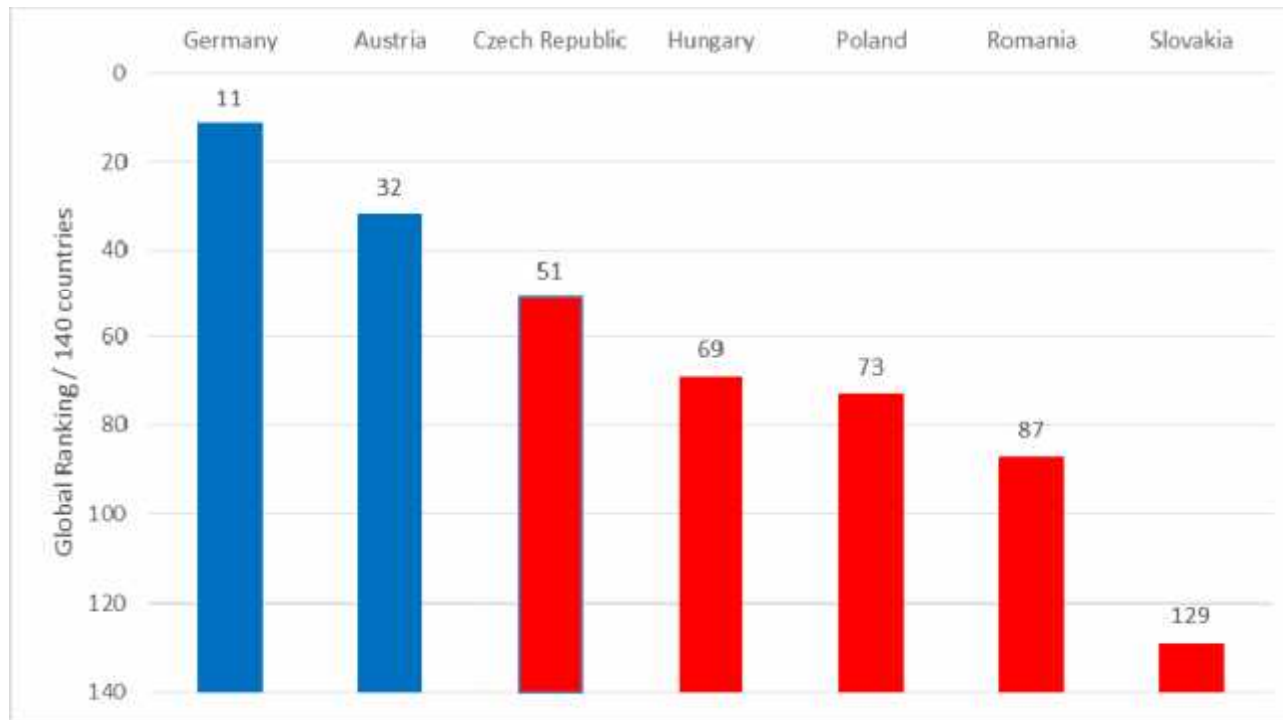
Index, Jun2005 = 100



Source: SRS Analyser

Competitiveness underpins connectivity

Air Transport Infrastructure & Connectivity: CEE and selected countries

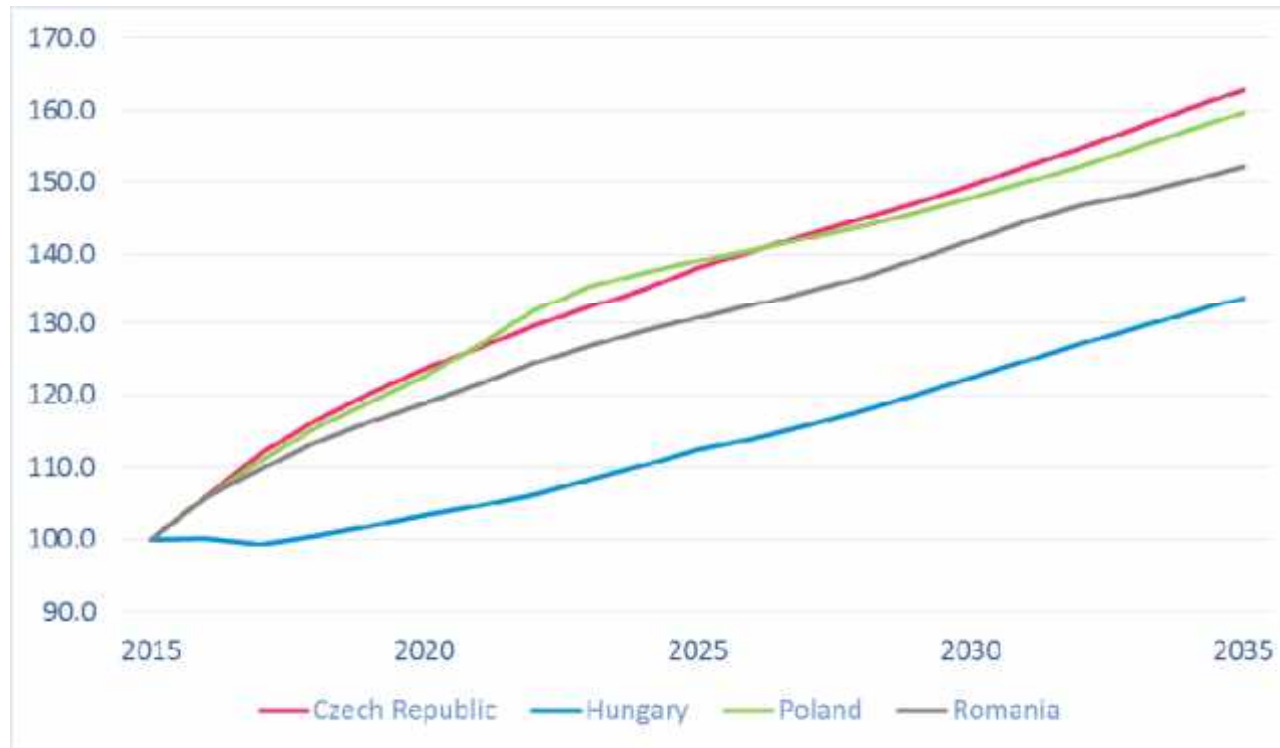


Source: WEF

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Significant Demand Growth Potential in CEE

Passenger Demand Growth 2015-35 (Index: 2015 = 100)



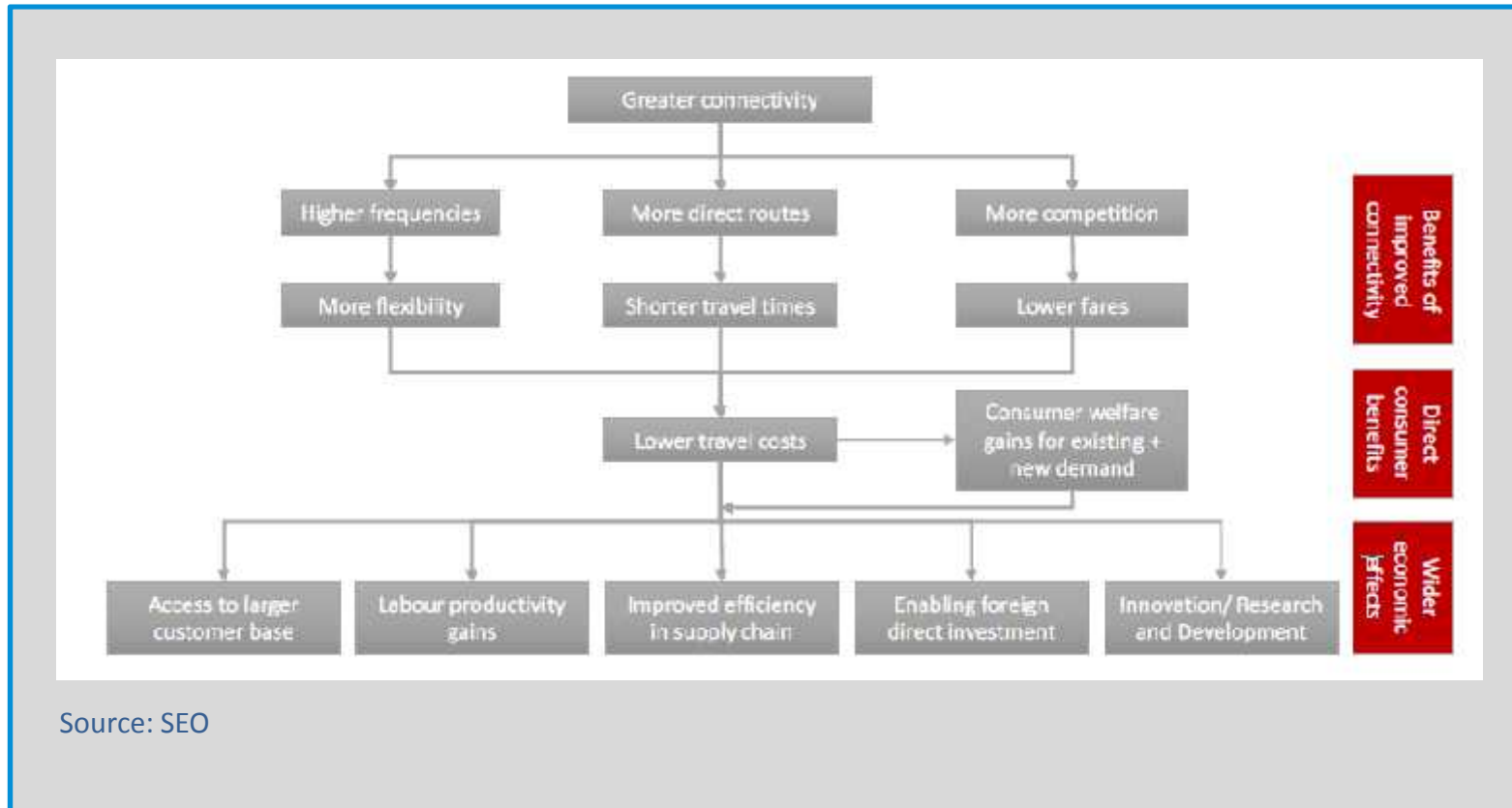
Source: IATA / Tourism Economics 20-year Passenger Forecast

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Benefits of airspace modernization

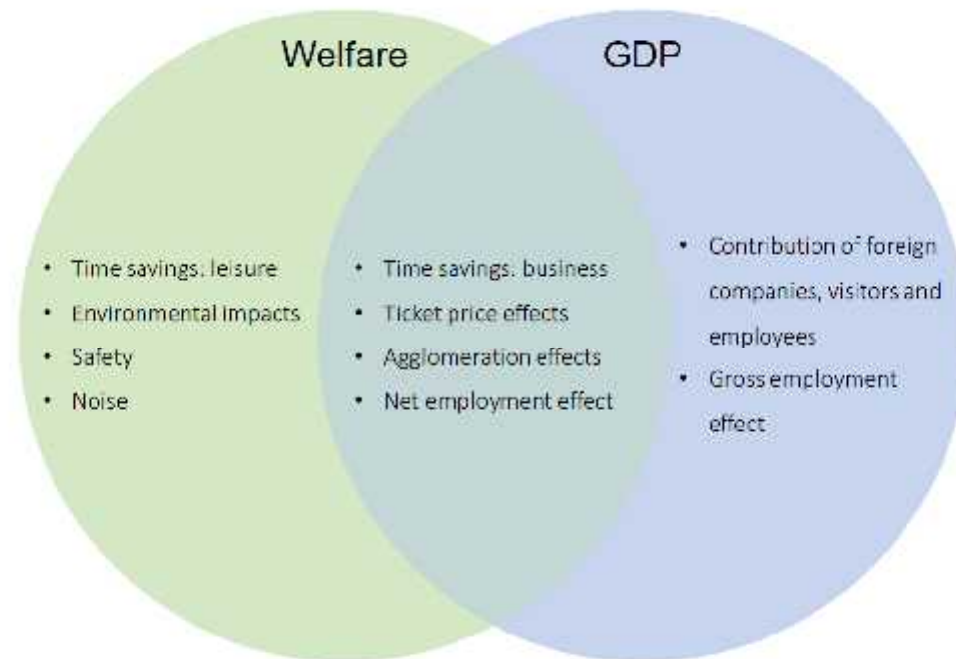
Routes to Prosperity

Connectivity delivers consumer and economic benefits



Source: SEO

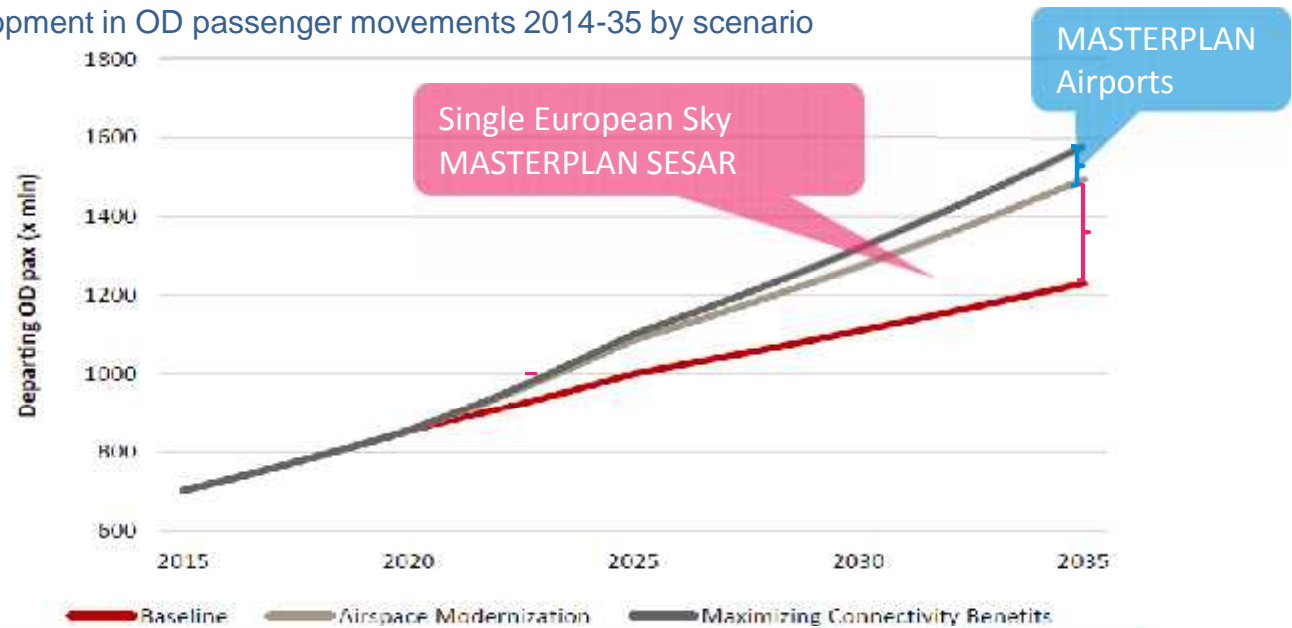
2 different but complementary approaches



Source: SEO

Constraints bite hardest after 2025

Development in OD passenger movements 2014-35 by scenario

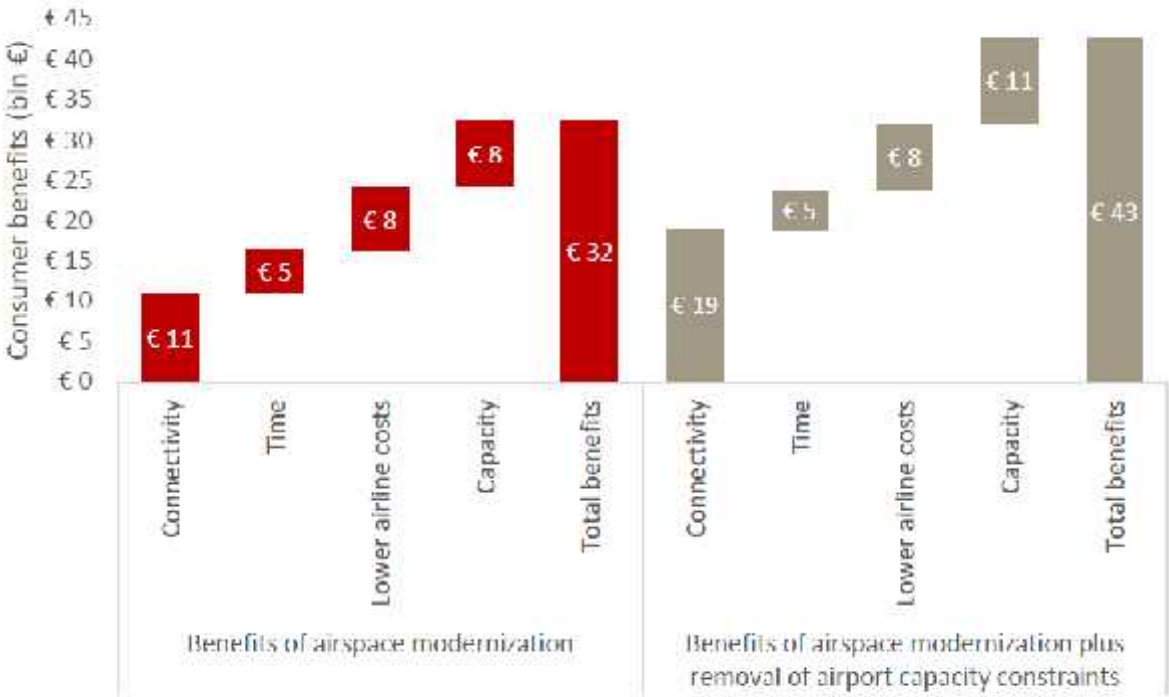


Scenario	Departing OD passengers (mln)				Annual growth in passenger movements		
	2014	2020	2025	2035	'14-'20	'14-'25	'14-'35
Baseline	675	853	1,001	1,231	4.0%	3.8%	2.9%
Airspace Modernization	675	853	1,006	1,495	4.0%	4.4%	3.9%
Maximizing Connectivity Benefits	675	853	1,101	1,678	4.0%	4.8%	4.1%

Source: SFO analysis

Consumer benefits could exceed EUR40bn if capacity constraints in the air and on the ground are removed

Consumer benefits of airspace modernization and airspace modernization plus removal of remaining airport capacity constraints in 2035



Source: SEO NetCost;

Consumers would benefit from time and cost savings

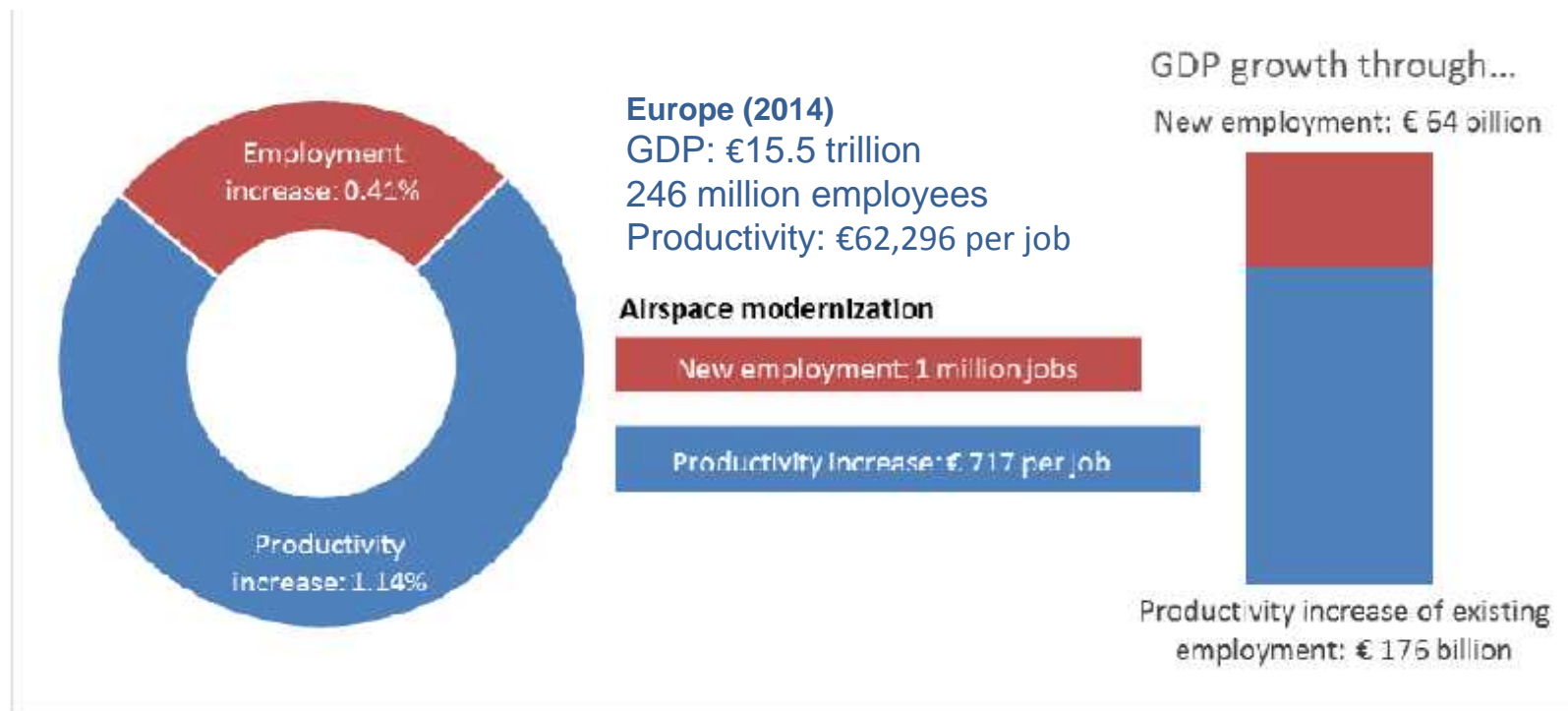
Time and cost savings on a representative intra-European flight



Source: SEO

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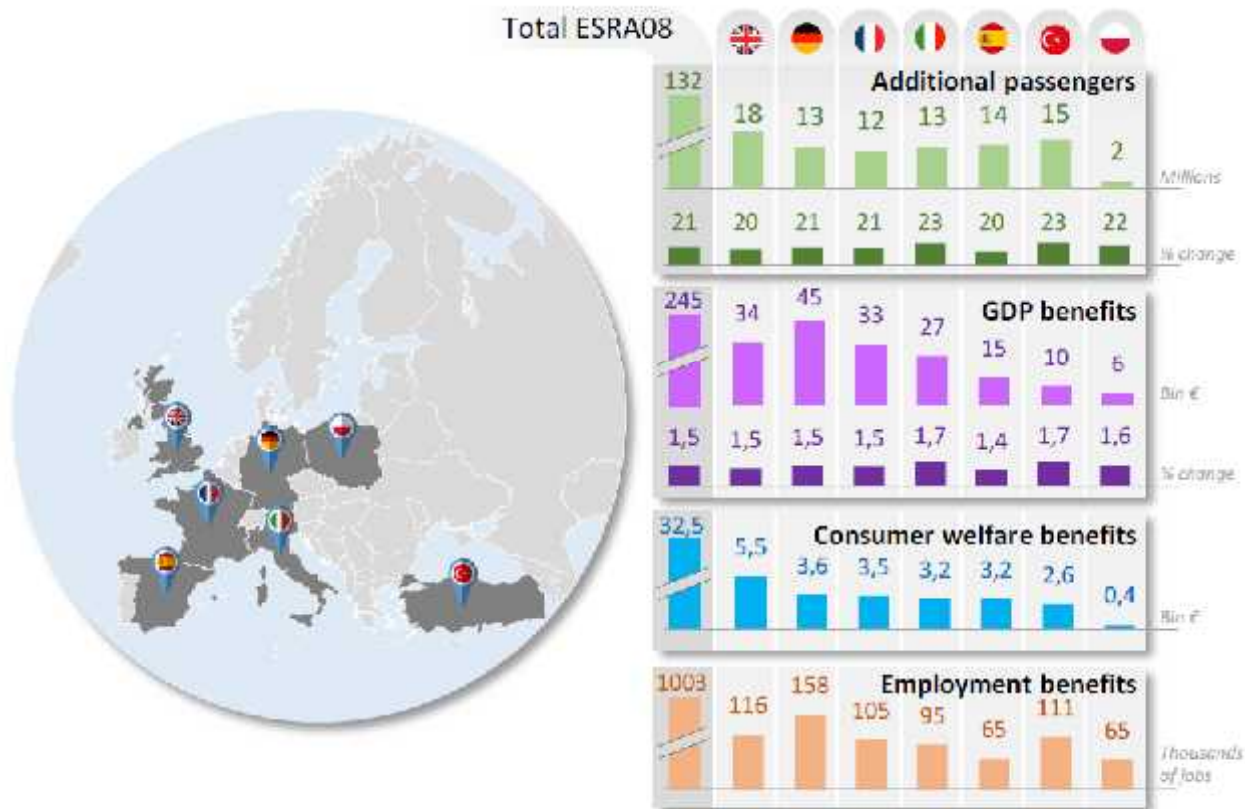
Airspace modernization would also deliver economic benefits; boosting trade, investment and productivity



Source: Eurostat, SEO

Note: Figures are shown for EU28 + Switzerland + Norway + Turkey

Summary of the economic impacts



Source: SEO

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Next Steps: Develop and implement National Strategies aligned with achieving the SES principles

- Commitment from CEE countries to achieve the **Single European Sky** goals, starting by SESII+
- Implementation of the technological and operational improvements aligned with the SES ATM Research (**SESAR Masterplan**)
- This should be part of the **“National Airspace Strategy”** developed and implemented by the CEE Countries
 - ✓ Governance inclusive of industry
 - ✓ Meaningful consultation with airspace users
 - ✓ Milestones/interim KPIs towards delivery of SES goals
 - ✓ Ensures best practice Business Continuity
 - ✓ Cost/benefit analysis
 - ✓ Integration with wider European airspace network to maximize efficiency
 - ✓ Link with domestic noise/environmental legislation and Defense needs



For more information please visit:
www.iata.org/europe-airspace

THANK YOU

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