



Competition between Europe's airports: new analysis highlights shifting dynamics as airline power tightens grip

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Brussels, 9 May 2023: ACI EUROPE has today released a comprehensive and empirical analysis of competition between European airports. It depicts a new aviation market paradigm where the increasing buyer power of the airlines in Europe squeezes Europe's airports ever further as they strive for financial stability and resilience.

The synopsis, [**Fierce Competitors, Fragile Foes**](#) builds upon the Frontier Economics study published earlier this year [**Airport Competition in Europe: Recent and Future Developments**](#). Both look at how competition between airports works and has kept evolving, with competition now strongly playing out on a pan-European level. This takes place across a highly fragmented network of close to 700 airports - with only 7 major airline groups being the protagonists in choosing between airports for their routes, aircraft bases and growth.

The structural market changes resulting from COVID-19 pandemic have only increased the power of airlines over airports. These include the relentless expansion of Ultra-Low Cost Carriers, accelerating airline consolidation and tight airline capacity management. The constant level of route openings and closures – the so-called route churn – along with changes in capacity on existing routes all documented by ACI EUROPE provides indisputable evidence of airports being under constant competitive pressure to attract and retain air services.

Delivering the keynote address at the Routes Europe event in Łódź, **ACI EUROPE Director General Olivier Jankovec** said: *"Routes Europe has at its core the concept of air connectivity, which as we know is the life-blood of our nations and regions, our economies and our societies. The Routes events are essentially a beauty contest – with airports vying to attract the footloose airlines, who can and will leverage bargaining power through size and flexibility. If competition between airports did not exist, neither would the Routes event."*

Airport competition of course isn't a bad thing, quite the opposite. But the fact is that the reality of airport competition remains largely ignored by national regulators across Europe. The result

is airports being over-regulated with price caps and limited commercial freedom. Meanwhile, airlines enjoy unrestrained pricing power vis-à-vis consumers with no checks and balances whatsoever. Let's be honest here: these regimes are all about protecting airlines and their shareholders, and they do little to protect consumers. This needs to change – and we look forward to further engaging with regulators on this.”

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ACI EUROPE is the European region of Airports Council International (ACI), the only worldwide professional association of airport operators. ACI EUROPE represents over 500 airports in 55 countries. Our members facilitate over 90% of commercial air traffic in Europe. Air transport supports 13.5 million jobs, generating €886 billion in European economic activity (4.4% of GDP). In response to the Climate Emergency, in June 2019 our members committed to achieving Net Zero carbon emissions for operations under their control by 2050, without offsetting.