

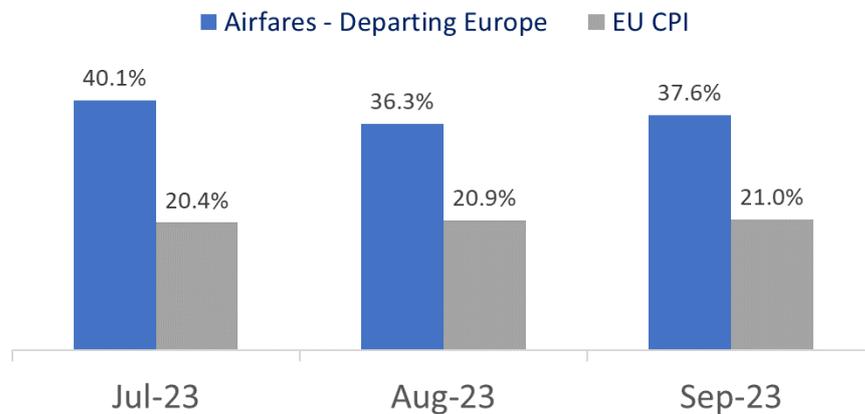
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European air fares rising way above inflation and airport charges

Brussels, 14 November 2023: ACI EUROPE today rebutted claims made by IATA that the increase in air fares in Europe is well below inflation while airport charges would have increased much above it.

While IATA states that air fares in Europe only increased by +16% as of June this year compared to 2019, independent and authoritative data from RDC¹ shows such increase actually standing at +38% over the peak Summer months (Q3) - nearly two times the increase in the average consumer prices index (+20.8%²). October confirmed this trend with air fares even increasing further at +47% when booked 3 months in advance.



Sources: Eurostat HICP index versus same month 2019; Airfares from RDC Apex Europe to All Destinations, weighted average fare, vs same month 2019.

IATA's assertion that airport charges have been continuously increasing above inflation also does not stand scrutiny – as it relies on flawed data from just 2 airports³. In fact, airport charges in Europe this year have increased by +13.6%⁴, far below inflationary pressures hitting airports, let alone air fares.

Olivier Jankovec, Director General of ACI EUROPE said: *“Confronted with inaccurate and misleading data, it is crucial to set the record straight about how air fares and airport charges have actually evolved. Not only have airlines been able to reflect inflationary pressures in what they charge consumers, but they have been able to exert significant pricing power thanks to supply pressures and capacity discipline. Good for them! Conversely, many airports have yet to fully reflect inflationary pressures in their user charges, with regulators often oblivious of these pressures and of how debt accumulated through COVID is hurting their investment capabilities.”*

Beyond that, it is also puzzling to hear IATA asserting that the recovery of the European aviation market is bringing even more competitive conditions, with more airlines and more routes to choose from. The reality is that air connectivity has recovered at a slower pace than passenger volumes. As of June, air connectivity from European airports remained -17% below pre-pandemic (2019)⁵ levels, while passenger traffic was at -5.9%.

Jankovec noted, *“This means that in addition to paying much inflated air fares, consumers tended to have fewer options to choose from. I am sure this is something many Europeans reckon with and have experienced first-hand this Summer.”*

He concluded: *“The market has structurally changed through the pandemic and the recovery, and it is crucial that policy makers and regulators now see through these changes and what lies ahead. In particular, the acceleration of airline consolidation coupled with airports reaching capacity limits will challenge our Single European aviation market and air connectivity developments. This is where economic regulators should step back, as the dominance of airlines today makes intrusive price regulation of airports obsolete. This is also where the 30-year-old EU regulation on airport slots requires urgent review.”*

¹ <https://www.rdcaviation.com/>

² HICP - monthly data (index) (online data code: prc_hicp_midx); Eurostat.

³ IATA claims that airport charges at London-Heathrow will increase by 56%. The reality is that the UK CAA recently approved charges that will result in a 20% reduction in January 2024. IATA also mentions that charges at Amsterdam-Schiphol will increase by 37%, without however mentioning that such charges have been following an unsustainable downward trend since 2012.

⁴ Airport charges for the 50 largest European airports (total passenger) – based on charges for a wide-body, narrow-body, regional jet and turbo-prop aircraft operation, using average load-factors and transfer-passenger numbers. The overall index for each airport is weighted with respect to the actual share movements by each aircraft size.

⁵ [Airport Industry Connectivity Report 2023](#).

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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.