AIRPORT INDUSTRY MANIFESTO

FOR THE NEXT EU POLITICAL CYCLE

2024-2029

ACI
EUROPE
AIRPORTS COUNCIL INTERNATIONAL

SUSTAINABILITY & DECARBONISATION

EU FIT FOR 55
SES2+
'Toulouse Declaration'

DESTINATION 2050
AIRPORT CARBON ACCREDITATION

CONNECTIVITY

OPEN SKIES
SCHENGEN INTEGRITY
VISA FACILITATION

SINGLE AVIATION
MARKET INTEGRITY

*Free market
access & pricing
(Reg 1008/2008)*

*Review of airport
slots regime
(Reg 95/93)*

*Inter-co-modality
policy*

CITIZENS

SOCIAL/TERRITORIAL DEVELOPMENT
COHESION
CONTINUITY & QUALITY

SECURITY
*Raising the baseline -|
stepping up testing
capabilities*

*Increased cyber
security resilience*

SAFETY
*No one-fits-all, cost-
effective & addressing
new air mobility*

AVIATION STATE AID
GUIDELINES REVIEW
*Continued operating aid for
smaller regional airports*

SESAR, CEF & INNOVATION FUND

SAF as 'Strategic Net Zero Technology' (NZIA)

ICAO LTAG
& CORSIA

AIRPORT INVESTMENT
User pays principle & pricing freedom

Sustainable and Competitive Connectivity
- for Passengers, Communities and the Planet

With Europe about to start a new political cycle spanning the next 5 years, the European airport community is hereby presenting its contribution to the EU institutions on transport policy.

The 2020 **Sustainable and Smart Mobility Strategy** - which the European aviation sector fully supported[1] - has laid the foundation for how the EU transport system can become climate neutral through a green and digital transformation, while also becoming more resilient against future crises. Flagship goals - including the uptake of renewable and low carbon aviation fuels, the market readiness of zero-emission aircraft and the development of zero-emission airports are now being progressed through **new and disruptive legislation**[2].

Therefore, **the new political cycle must be focused on implementation - to make sure we make mobility and transport fully sustainable by 2050 at the latest.**

The impending transformations touching all aviation industry stakeholders (in particular for airports, airlines and ground handlers) are truly daunting and fraught with risks. Ultimately, **what is at stake is the future of air connectivity** – and its unique role in supporting livelihoods and jobs, territorial equality and cohesion as well as a strengthened European identity.

Addressing this implementation challenge will require further adaptations and accompanying measures, so that Europe effectively delivers on sustainable and competitive air connectivity - for passengers, communities and the planet.

Against this backdrop, the present contribution :

· Takes stock of the **current situation and outlook** for the sector.

· Reviews the **key challenges** faced by Europe's airports today.

· Proposes **3 strategic priorities** for EU aviation policy.

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[1] 9 December 2020, PRESS RELEASE: Aviation industry welcomes European Commission's Sustainable and Smart Mobility Strategy as it readies decarbonisation roadmap (https://www.aci-europe.org/media-room/294-aviation-industry-welcomes-european-commission-s-sustainable-and-smart-mobility-strategy-as-it-readies-decarbonisation-roadmap.html)
[2] In particular the Refuel EU, AFIR and revision of the EU ETS for aviation which were all adopted in 2023.

POLICY ASKS SUMMARY

1.

ENABLE EFFECTIVE DECARBONISATION FOR AVIATION – WHILE PRESERVING THE SOCIO-ECONOMIC BENEFITS OF AIR CONNECTIVITY

The Fit for 55 package comes with significant risks for air connectivity, which in turn might badly hurt cohesion and competitiveness. Accompanying measures and flexibility mechanisms are thus needed to secure the twin objectives of decarbonising aviation and preserving air connectivity:

➡ Effective support to ensure SAF production in Europe meets both the targets set under RefuelEU and voluntary commitments from airlines - and bridge the price gap with conventional fuels.

➡ Delivering (finally) the Single European Sky.

➡ Abolishing national aviation taxes.

➡ Preserving the ability of smaller regional airports to receive operating aid under the EU State aid Guidelines for aviation beyond 2027.

➡ Launching a dedicated EU Strategy for Intermodality.

SAFEGUARD AND REINFORCE THE INTEGRITY OF THE SINGLE AVIATION MARKET

2.

The Single Aviation Market has been instrumental in implementing the fundamental freedoms guaranteed by the EU treaties, ensuring cohesion and equality – as well as supporting the competitive position of the EU globally.

➡ An urgent and long-overdue revision of EU airport slots rules.

➡ Standing firm and uncompromising on the freedom of airlines to provide services and to establish anywhere in the EU.

➡ Developing further the external dimension of the Single Aviation Market along with Visa Facilitation Regimes.

ENABLE RESILIENT, DIGITALISED & GREEN AIRPORTS

3.

The fundamental transformation of Europe's airports towards a new value creation model based on increased resilience, digitalisation and environmental sustainability will require:

- Access by airports to massive volumes of green energy as well as the development of new on-site green energy production, storage and distribution facilities. The investments needed for that will in turn require both the generation of commensurate revenues and targeted public financing.

- Recognition that airports are best placed to be in control of their operations and the way their facilities are used by airlines and other stakeholders – based on collaboration with these stakeholders through the concept of *'Total Airport Management'*.

- Effective protection against cyber and physical security risks.

Policy and regulations have a crucial supporting role to play in these regards, both at EU and national level by:

➡ Ensuring that airports' green energy needs are fully factored in the EU Energy Policy - with EU financial instruments effectively supporting related investments.

➡ Fully abiding by the *'user pays'* principle for airport charges, along with market and environmentally driven regulation at national level.

➡ Allowing airports to sell goods duty free to arriving passengers.

➡ EU Financial support to SESAR Research & Development as well as Deployment in the next multi-annual financial EU framework - in particular through CEF and Horizon.

➡ Developing a fully integrated EU testing and certification system for security equipment – along with related EU financing (also for airport cyber security capacity building).

These policy asks are further detailed under "Strategic priorities for EU transport policy" (p. 13).

TAKING STOCK - *Where do we stand & What lies ahead?*

This new political cycle comes at a critical juncture for aviation and airports – given the confluence of:

• ### An uneven traffic recovery from COVID-19 & new market realities

2024 should see the European airport network fully recovering its pre-pandemic passenger levels (2019). Yet, this traffic recovery remains uneven, with national and individual airport markets showing significant variance.

In particular, while airports in tourism and leisure-driven markets such as Greece and Portugal have fully recovered and even exceeded their pre-pandemic volumes, others such as those in the Czech Republic, Finland and Germany still remain well below.

These performance variations reflect the new reality of the European aviation market – which involves **significant structural changes, new economics and tensed geopolitics worldwide**, including the Russian aggression against Ukraine. Accordingly, **volatility and instability** are all part of the new normal.

• ### A radically changed European aviation market

The societal and economic transformations triggered by the COVID-19 pandemic coupled with the impact of geopolitical tensions have fundamentally altered the dynamics and structure of the European aviation market:

i) *Resilient leisure-driven demand*

Demand for air transport is now predominantly related to **leisure**, **VFR[3]** and **blended travel[4]**, as consumers have moved from material to **experiential consumption**. Such demand has so far showed significant resilience in the face of inflationary pressures and much increased air fares.

This reflects **the tremendous value citizens put on air connectivity and travel**.

ii) *Low cost expansion & airline consolidation*

Ultra-Low Cost Carriers (Ryanair and Wizzair) have **selectively expanded and increased their market share**, while **Network Carriers** have generally **retrenched on their hub airports and sought to move up-market**, in search of higher yields. However, the top 3 Network Carriers (Lufthansa Group, Air France/KLM and IAG) continue expanding through the acquisition of smaller carriers.

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[3] Visiting Friends and Relatives
[4] Blended travel refers to travel that blends travel and leisure time, including adding extra days to a business trip or working remotely from a different location.

Overall, **airline consolidation is fast progressing** through both attrition (market exit and downsizing) and mergers.

These developments have led to record profitability levels for Europe's airlines in 2024. They also mean **increased competitive pressures upon airports** as recently analysed by Frontier Economics[5].

iii) *Reduced connectivity & consumer choice*

The recovery of air connectivity has lagged that of traffic volumes. Significantly, while direct air connectivity (point-to-point air services) has almost recovered, indirect and hub connectivity remains well below pre-pandemic levels[6].

Airline consolidation in Europe will further impact connectivity developments along with consumers and the rest of the aviation eco-system.

- ## Ambitious and expanding global aviation markets

While the EU aviation market is becoming more mature and consolidated, **aviation in Asia, Africa and Latin America is set for exponential growth**. Such growth is primarily driven by demographics and the rise of living standards. But it is also enabled by **Government policies that support the strategic role of aviation** in economic, social and political terms.

This raises significant issues as regards **the competitive position of European aviation globally** - and therefore **its ability to keep supporting the European economy and cohesion as well as to finance its own green transition.**

Financing and private capital will support aviation investment (be it in fleet renewal or airport infrastructure) where it sees the greatest potential and returns – which means that European aviation is competing globally for that capital.

This also raises the relevance of aviation in terms of soft power projection, at a time when the EU is becoming more geopolitical.

- ## The sustainability and climate action imperative

The EU is leading the greening of aviation with the support and commitment of the entire sector, as per the *Destination 2050* decarbonisation roadmap[7].

Neutralising the climate impact of aviation by 2050 is the mother of all challenges. This is not just about our licence to grow, but about **keeping our license to operate**.

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[5] Frontier Economics: Airport competition in Europe – more prevalent than often realised (https://www.frontier-economics.com/uk/en/news-and-insights/news/news-article/?nodeId=10138)
[6] 2023 Airport Industry Connectivity Report
[7] www.destination2050.eu

The **Fit for 55 package** provides a comprehensive framework to achieve that, in alignment with the Paris Agreement. Yet, aviation remains a hard to abate sector – with no quick and easy decarbonisation pathway as we rely on:

i)   *The availability and affordability of alternative fuels.*

ii)   *The willingness of EU States to finally deliver the Single European Sky.*

iii)   *The development of zero-emission aircraft technology - currently on-going.*

This means **crucial issues need to be addressed as regards the implementation of the Fit for 55 package – especially its wider competitive, economic and social impacts**.

Such impacts have clearly not been fully factored in and require **further adjustments** and **accompanying measures**.

KEY CHALLENGES - *New airport value creation model & European Champions*

The structural changes in the aviation market combined with the sustainability and decarbonisation imperative have far-reaching implications for Europe's airports – requiring **a radical transformation of their business model**.

- **Embracing sustainability & decarbonisation: from aviation hubs to also becoming truly intermodal and energy hubs**

  Airports have been collectively working on reducing their CO_2 emissions since 2009, when ACI EUROPE launched *Airport Carbon Accreditation*[8] – a unique certification programme which has become the global standard for carbon management at airports.

  Today, **289 airports in Europe are certified under *Airport Carbon Accreditation***, accounting for almost 80% of passenger traffic. Last year, these airports achieved a reduction in their emissions of more than -450,000 tonnes of CO_2 (-20%). All have formally committed to achieve Net Zero from those CO_2 emissions under their control (scopes 1 & 2) by 2050 at the latest – **with 130 of them having even set their target date for 2030 or earlier**. In fact, 9 airports have just been certified under *Airport Carbon Accreditation* last December[9] for achieving a net zero carbon balance for emissions under their control.

  All this shows how **carbon management now stands at the very core of the airport business**.

  Airports are now increasingly looking at **reducing their upstream and downstream emissions (scope 3)** - in particular those from aircraft that operate to/from their location.

Key airport actions to reduce their scope 3 emissions:

- Electrification of ground support equipment

- Reconfiguration of airside infrastructure to reduce aircraft fuel burn and emissions on the ground

- Enabling sustainable LTO through sustainable operational measures such as 'Continuous Descent Approach' (CDO) and other operational improvements

- Support for Sustainable Aviation Fuel use

- Revenue-neutral modulation of airport charges based on CO_2 emissions/aircraft technology

- Developing intermodality with other transport modes - in particular rail

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[8] www.airportcarbonaccreditation.org
[9] Amsterdam Schiphol, Eindhoven, Rotterdam-The Hague, Madeira, Ponta Delgada, Beja, Toulon-Hyères, Göteborg-Landvetter and Malmö airports – see : https://www.airportcarbonaccreditation.org/global-carbon-standard-launches-its-new-pinnacle-at-cop28-certifying-airports-for-achieving-net-zero-carbon-balance/

Accordingly, airports need to prepare their facilities for the deployment of zero-emission aircraft (electric, hybrid-electric and hydrogen-powered aircraft) as of 2030/2035. This requires a **reconfiguration of energy provision and related infrastructure at airports**, based on:

   i)   *Securing availability and access to massive volumes of energy, compared to what is currently needed - with such energy coming from renewable sources.*

   ii)   *Developing hydrogen storage/distribution, liquefaction and even production facilities* (at larger airports).

This means airports need to look at both off-site green energy production and availability as well as on-site green energy production and distribution. This will require significant investments still to be quantified.

In doing so, **new opportunities will open up for airports to evolve from aviation hubs to also becoming intermodal and energy hubs** – i.e. renewable energy production and distribution hubs serving not just the needs of their operational stakeholders (airlines and ground handlers) but also their communities.

This new role as energy hubs will drive the continued business transformation of airports, redefining and expanding their societal relevance.

- **Resetting the economic model: decoupling financial viability from volume growth - while still meeting investment needs**

   The financial position of Europe's airports has been significantly weakened by the COVID-19 pandemic and a traffic recovery that has typically been cost-intensive and revenue-weak:

   - While airports suffered **€50 billion** in foregone revenues in 2020-2022, they only secured €3.8 billion in financial aid from Governments (compared to close to €40 billion for European airlines). As a result, **overall airport debt in 2023 remained nearly €40 billion higher compared to pre-pandemic (2019).**

   - In addition, **airports have not been able to reflect steep inflationary pressures** on their labour, utilities and other external costs **in their user charges**. As of October 2023, these charges paid by airlines for the use of airport facilities had increased by just **+13.7%** compared to pre-pandemic (2019). This stands in sharp contrast with the +36% increase in air fares charged by airlines to consumers for the same period – which reflects considerable airline pricing power.

The combination of much increased debt and below required revenue levels has already forced a reduction in capital expenditure – and results in **Europe facing an airport investment crunch**. Airports scaled down investment plans by €27 billion between 2022 and 2024.

And with the prospect of slower traffic growth in the years ahead (due to the impact of decarbonisation policies and modal shifts), **securing the revenues needed to finance decarbonisation and climate adaptation** – along with digitalisation, resilience, cyber security and capacity expansion where needed – **will be increasingly challenging for airports**.

Europe's airports total investment needs by 2040 stand at €360 billion.

Many regulators still seek to apply downward pressures on airport charges to reduce airlines' costs – despite mounting evidence of effective airport competition and the fact that lower airport charges are never passed onto consumers. As a result, airports have been relying on volume growth (i.e. increasing traffic) to maintain their ability to invest and achieve financial viability.

This volume growth-dependent model is no longer sustainable in the context of the climate crisis and the limited possibilities to increase airport capacity.

Therefore, **Europe's airports need to be able to decouple their financial viability from volume growth** – which means that **their unit revenues will need to increase**. This is an absolute prerequisite for them to keep their investment capabilities – and **ultimately become resilient zero-emission transport and energy hubs**.

- ### Safeguarding the 'European airport model' & Airports as *European Champions*

Europe's airports have long ago moved from being mere infrastructure providers to **independent, diversified and efficient businesses in their own right** – abiding by fiscal discipline and largely becoming self-financing (except for the smaller ones).

This has involved a **considerable involvement of private capital**. Today, over **80% of all air passengers in Europe are travelling through airports that have private shareholders**.

Such business transformation has been enabled by the EU Single Aviation Market – and it has been instrumental in ensuring the **quality, efficiency and capacity of European airport infrastructure**.

This has in turn facilitated the development of air connectivity and allowed airports to become **hubs of wider economic activity**. Indeed, the largest airports are often the single biggest employment site in their region and country, while smaller regional airports play an irreplaceable role in ensuring cohesion and territorial equality.

Airports as economic centers & employment sites (on-site jobs)

Paris-CDG: **94.500** jobs
Amsterdam-Schiphol: **70.000** jobs
Barcelona-El Prat: **39.000** jobs
Munich: **33.330** jobs

Brussels: **24.000** jobs
Stockholm-Arlanda: **17.000** jobs
Athens: **16.300** jobs
Budapest: **14.100** jobs

Crucially, this transformation has also seen the emergence of **European airport groups now positioned as global leaders in airport management and development.**

European Airport (Global) Champions

These European Champions are exporting their know-how, and investing across all continents, as their portfolio includes **247 airports in 52 countries** welcoming more than 1.6 billion passengers in 2019 (pre-COVID). Crucially, they are also **promoting ambitious climate action well beyond our borders**, effectively supporting EU climate policies in other world regions.

Safeguarding this European airport model and supporting our European Champions is a must to guarantee a more sustainable and competitive aviation sector.

VINCI Airports: Photovoltaic panels, Las Americas airport, Santo Domingo, Dominican Republic

STRATEGIC PRIORITIES FOR EU TRANSPORT POLICY

Considering the above-mentioned developments and challenges for European aviation, ACI EUROPE is hereby proposing **3 key strategic priorities and related actions** for EU Transport policy over 2024-2029.

1.   ENABLE EFFECTIVE DECARBONISATION FOR AVIATION - WHILE PRESERVING THE SOCIO-ECONOMIC BENEFITS OF AIR CONNECTIVITY

The Fit for 55 package comes with significant risks for air connectivity. Independent analysis[10] shows the related cost increases resulting in passenger **traffic growth decreasing from 5% to 20% depending on the type of airports and routes**. Such decrease inevitably brings about the risk of route closures and frequency downgrades, in turn **hurting air connectivity**.

While **EU hubs** risk seeing transfer traffic diverted to other hubs outside the EU, other airports and in particular **regional airports** will see connectivity significantly impacted by the increasing costs resulting from the end of free ETS allowances on intra-European routes as of 2026 as well as the cost of SAF mandates.

This will in turn hurt both Europe's competitiveness and cohesion – raising the prospect of a backlash against EU climate policies.

Accompanying measures and flexibility mechanisms are thus needed to secure the twin objectives of decarbonising aviation and preserving air connectivity. These must include:

> **1.1.   Effective support to ensure SAF production in Europe will meet both the targets set under RefuelEU and voluntary commitments from airlines - and bridge the price gap with conventional fuels:**
>
> > *i)   Inclusion of SAF in scope of the 'Strategic Net Zero Technologies' under the EU Net Zero Industry Act and access to **dedicated EU financing (grants/loans) for SAF producers.***
> >
> > *ii)   Extension of the **SAF Accounting Flexibility Mechanisms** (which does not require physical provision of SAF at every EU airport) **beyond 2034**.*
> >
> > *iii) Establishment of a **Book & Claim mechanism for SAF**.*
> >
> > *iv)   Reconsideration of the requirement for physical availability of SAF at airports for airlines to benefit from the SAF Allowance Mechanism under the revised EU Emissions Trading Scheme (ETS). This should be accompanied by an EU mapping and monitoring of projected SAF availability at airports.*

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[10] OXERA Impact assessment of Fit for 55 policies on the aviation sector (22 June 2022 - https://www.aci-europe.org/component/attachments/attachments.html?id=2189)

> *v)   Reconsideration and extension of the current 20 million allowances threshold and 2030 time-limit under the SAF allowance Mechanisms.*

> *vi)   Increase financial support for the development of sustainable aviation fuels, including through the Innovation Fund, and simplify the administrative procedure for accessing these funds.*

1.2.   Delivering (finally) the Single European Sky (SES).

Air Traffic Management modernisation and reform has been in the making for nearly 30 years. While technological progress through the SES ATM Research Project (SESAR) programme has made significant advances, the structural reforms needed to achieve step-changes in both capacity and environmental performance have remained stalled.

The SES should be designed in the most effective way so as to reduce CO$_2$ emissions while enhancing connectivity for the travelling public and Europe's regions and communities.

1.3.   Abolishing national aviation taxes, and ensuring that as a minimum these tax revenues should be allocated to the decarbonisation of the sector. In parallel, tax exemptions should be secured for alternative fuels.

1.4.   Preserving the ability of smaller regional airports to receive operating aid under the EU State aid Guidelines for aviation beyond 2027 – to reflect the impact of both structural market changes and decarbonisation policies on these airports and their ability to become financially viable.

1.5.   Launching a dedicated *EU Strategy for Intermodality* based on a **comprehensive European-wide assessment** of the current state of play, environmental and socio-economic impacts, financial costs and support mechanisms and - crucially - obstacles to progress as regards planning and delivery.

This exercise should involve all industry and territorial stakeholders concerned along with EU States. It could be structured around annual ***'Assises de l'Intermodalité'***. It should be based on the principle of neutrality between transport modes, protecting the citizen's freedom of choice – as already signalled by the European Commission. It should also integrate advanced air mobility (AAM) and ensure that the EU Regulatory framework facilitates it.

2.   SAFEGUARD AND REINFORCE THE INTEGRITY OF THE SINGLE AVIATION MARKET

The Single Aviation Market is one of the greatest achievements of the EU. By developing affordable air connectivity, it has been **instrumental in implementing the fundamental freedoms guaranteed by the EU treaties** - in particular the freedom of movement. The Single Aviation Market also plays an essential role in **ensuring cohesion and equality** - as well as in **supporting the competitive position of the EU globally**.

However, the COVID-19 pandemic has caused significant damage to the Single Aviation Market – through harsh travel restrictions and derogations to State aid regimes. This resulted in unprecedented fragmentation and significant competitive distortions.

Concurrently, the decarbonisation imperative has also been used to justify limitations to the fundamental principles of the Single Aviation Market, in particular to the freedom to provide air services - as shown by the French ban on certain domestic flights.
Yet, effective decarbonisation needs to go hand-in-glove with the preservation of air connectivity, which precisely relies on a strong and dynamic Single Aviation Market.

Moreover, airline consolidation combined with increasingly scarce airport capacity risk having a significant distortive impact on the Single Aviation Market.

Therefore, safeguarding and further reinforcing the Single Aviation Market must be a key priority in the next EU political cycle. This requires:

2.1. **An urgent and long-overdue revision of EU airport slots rules.**

EU Regulation 95/93 on the allocation and use of airport slots is 30 years old and reflects a market that no longer exists. While Europe is already home to half of the world's most congested airports, airport congestion is set to worsen further while continued airline consolidation will reinforce the dominance of incumbent major airline groups.

This means **airport slots rules will be <u>THE</u> key strategic determinant for the integrity and well-functioning of the Single Aviation Market** in the coming years. Adapting these rules to our new and prospective market realities and to ensure the most effective use of airport capacity for the benefit of passengers and our communities is all about future-proofing the Single Aviation Market.

2.2. **Standing firm and uncompromising on the freedom of airlines to provide services and to establish anywhere in the EU.**

EU Regulation 1008/2008 sets common rules for air services and constitutes the backbone of the Single Aviation Market. It needs to be **both preserved and made more effective** by:

i) *Confirming unconstrained market access for EU airlines*.

ii) *Liberalising airline ownership and control rules* beyond the current limits to facilitate access to capital.

iii) *Ensure Public Service Obligations are geared to effectively address the connectivity risks implied by decarbonisation costs and support the introduction of zero-emission aircraft on regional air routes.*

iv) *Establishing an 'EU Air Fare Monitor'.*

In addition, ensuring **effective respect and compliance with the 'balanced approach' for noise management at airports as per EU Regulation 598/2014** is of utmost importance to safeguard the integrity of the Single Aviation Market.

2.3. Developing further the external dimension of the Single Aviation Market along with Visa Facilitation Regimes.

Comprehensive aviation agreements with key trading partners such as the US, Canada, ASEAN and neighbouring countries have delivered **considerable benefits to the EU**.

By liberalising market access while ensuring regulatory convergence, these agreements have expanded the EU's external connectivity - thus **directly supporting inbound tourism as well as foreign investment and trade**. They also reinforce **dialogue and alignment on climate action** for aviation beyond our borders.

Significant opportunities still lie ahead to further develop this successful external aviation policy - in particular with **India, Brazil, Mexico, South Korea and Japan**. Of course, such agreements also need to come with **Visa Facilitation Regimes** – in particular the preservation and extension of the Schengen Visa Suppression Agreements.

3. ENABLE RESILIENT, DIGITALISED & GREEN AIRPORTS

The fundamental transformation of Europe's airports towards a new value creation model based on increased resilience, digitalisation and environmental sustainability will require:

- **Access by airports to massive volumes of green energy** as well as **the development of new on-site green energy production, storage and distribution facilities**. The investments needed for that will in turn require both the generation of commensurate revenues and targeted public financing.

- **Recognition that airports are best placed to be in control of their operations** and the way their facilities are used by airlines and other stakeholders – based on collaboration with these stakeholders through the concept of *'Total Airport Management'*.

- **Effective protection against the cyber and physical security risks.**

Policy and regulations have a crucial supporting role to play in these regards, both at EU and national level by:

3.1. Ensuring that airports' green energy needs are fully factored in the EU Energy Policy with EU financial instruments effectively supporting related investments.

The EU has a determinant role to play in facilitating and coordinating related assessments and planning.

This needs to happen at the level of the entire European airport network – to ensure **a coherent and comprehensive approach, with no airport and no community left behind**.

3.2. [Fully abiding by the *'user pays'* principle as regards airport charges, along with market and environmentally driven regulation at national level](#)

The current EU Airport Charges Directive already provides the adequate flexibility for national regulators to move in this direction - **and needs no revision.**

Unfortunately, some national regulators remain obsessed by systematic downward pressures on airport charges. In doing so, they ignore the *'user pays'* principle – a corner stone of green policies - and confuse passengers' interest with airlines' interest.

Also deeply worrying is the fact that the Thessaloniki Forum of national airport regulators has recently published guidance which makes the modulation of airport charges based on the CO_2 emissions of aircraft difficult to implement at airports.

It is high time to connect the dots – and thus ensure that national airport regulators and the Thessaloniki Forum align with both market dynamics and the EU's climate goals.

3.3. [Allowing airports to sell goods duty free to arriving passengers](#)

The introduction of Duty Free sales on arrival through the revision EU Directive 2008/118 on Excise Duty and EU Directive 2006/112 on VAT would be **a cost-free way for EU States to allow airports to tap into a substantial new and sustainable revenue stream**. By contributing to support investment, this would help solving what is becoming systemic airport funding problem.

While this would bring Europe's airports in line with common practice in other parts of the world, it would also have **a positive environmental side effect** as passengers would not carry purchases onboard the plane – saving carried weight on airplanes and consequently reducing emissions.

This now long-standing request from airports, their retail partners and brands has so far been ignored. **It is now time to move forward and make it happen.**

3.4. [EU Financial support to: SESAR Research & Development as well as SESAR Deployment in the next multi-annual financial EU framework](#) - in particular through CEF and Horizon.

3.5. [Developing a fully integrated EU testing and certification system for security equipment](#) under the leadership and coordination of the European Commission – along with related **EU financing**. EU financing also needs to be extended for airport cyber security capacity building So as to effectively guarantee improved resilience.
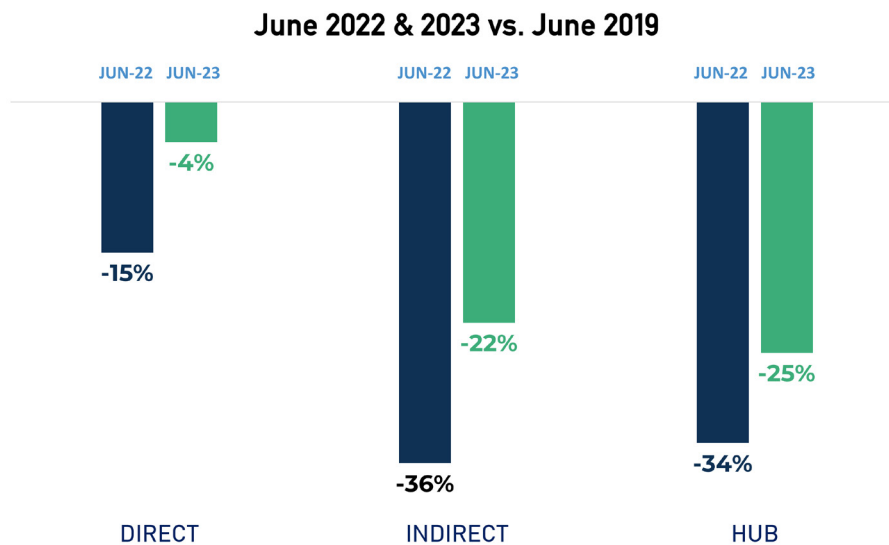
KEY FACTS & DATA

Incomplete and imbalanced passenger traffic recovery from COVID-19

Passenger Traffic (YTD 2023 vs. 2019)

-5%	-31%	-23%	-21%	-21%	-7%	-6%	-1%	2%	12%	12%
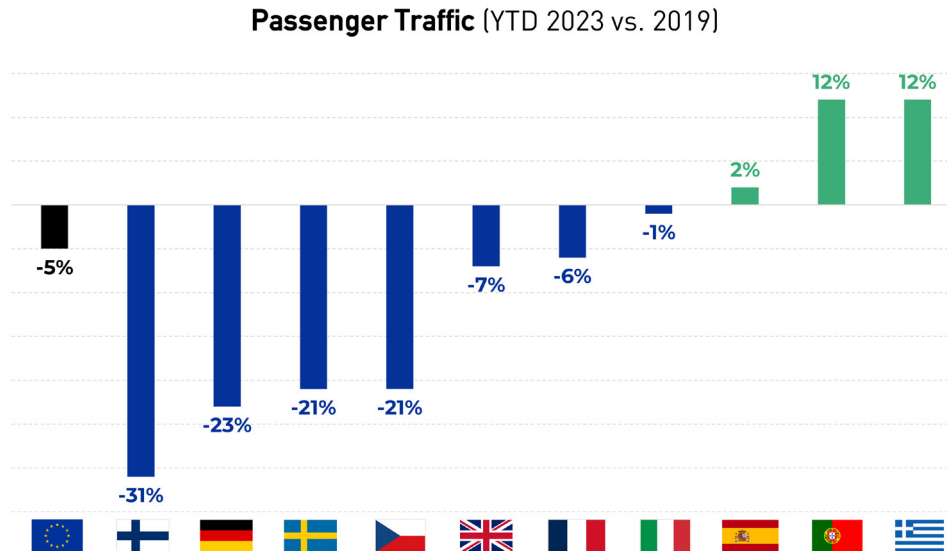
Direct vs Indirect / Hub connectivity recovery

June 2022 & 2023 vs. June 2019

|	DIRECT	INDIRECT	HUB
JUN-22	-15%	-36%	-34%
JUN-23	-4%	-22%	-25%

Airport financials

€50 billion in foregone airport revenues throughout COVID-19
& **€43 billion** increase in airport debt & liabilities post-COVID-19

Airport investment crunch

€27 billion of reduced airport investments (2022-2024), but
€360 billion investment needs for decarbonisation, resilience, digitalisation and capacity
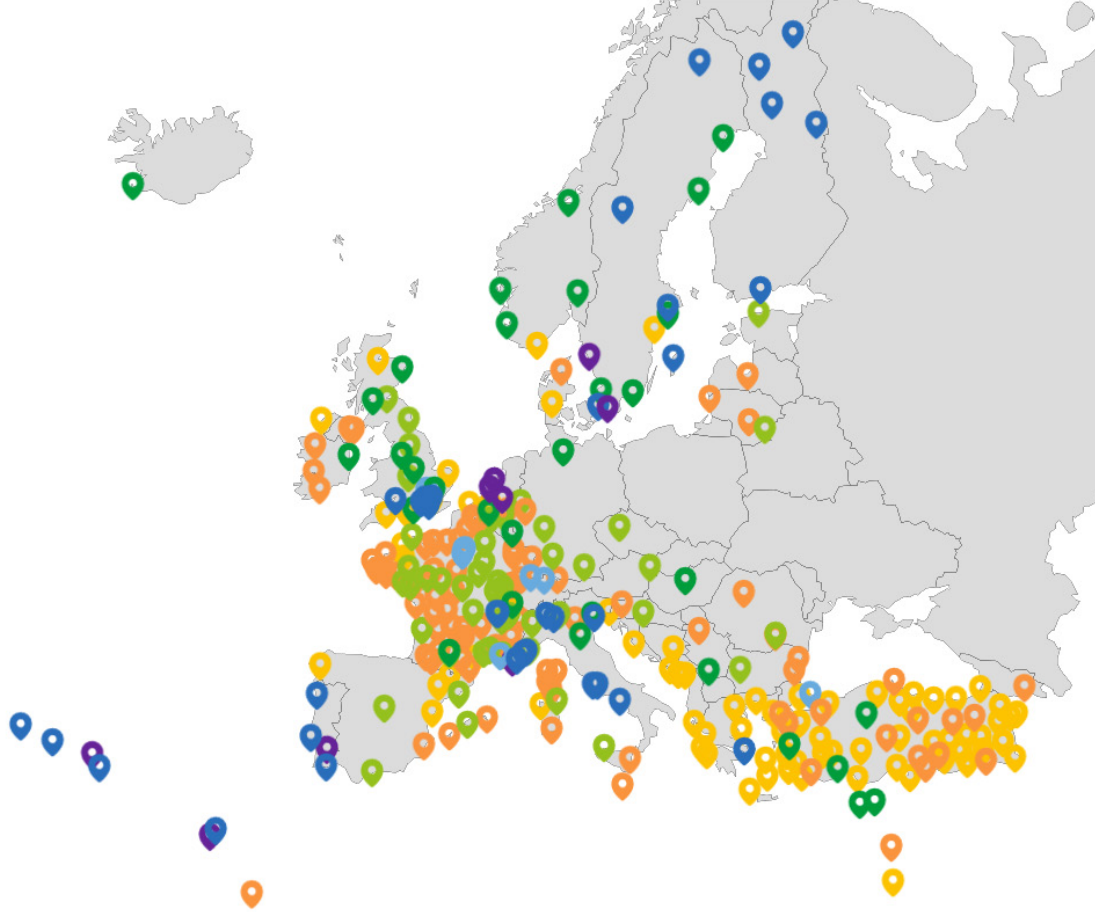
Airport climate action

289 airports certified under *Airport Carbon Accreditation* (**78%** of European air traffic): **-20%** reduction in their scope 1 & 2 emissions achieved in 2023

All these airports are committed to achieve Net Zero for CO_2 under their control by 2050 at the latest, with **130** of them having set their target date at 2030 or earlier

9 airports have already achieved Net Zero carbon balance in Europe - Level 5 of *Airport Carbon Accreditation*

Amsterdam Schiphol	Eindhoven	Rotterdam-The Hague	Beja, Madeira and Ponta Delgada	Göteborg Landvetter and Malmö	Toulon Hyères

Airport service quality

Across all airport size groups, customer satisfaction at European airports exceeds **4** (on a 5-point scale) – up on average by **6%** compared to 2013 and at all-time highs*.

European airports have optimised their use of infrastructure by handling **35%** more passengers per runway in 2023 versus 2013 and **11%** more aircraft movements per runway in the same time, thus demonstrating their commitment to efficiency and productivity.

Over **80%** of passengers in Europe travel through airports with private shareholders.

*Tied with 2019 level, and excluding COVID-19 years when surveys were not representative.

AIRPORTS COUNCIL INTERNATIONAL

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 European countries. Our members facilitate over 90% of commercial air traffic in Europe. In response to the Climate Emergency, in June 2019 our members commited to achieve net zero carbon emissions by 2050.

Based in Brussels, we lead and serve the European airport industry and maintain strong links with other ACI regions throughout the world.

Released on 23 January 2024 at the annual ACI EUROPE New Year Reception, in Brussels.