ADVANCED AIR MOBILITY DISCUSSION PAPER 5

Europe at a Crossroads: Reclaiming Leadership in AAM

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ADVANCED AIR MOBILITY IN EUROPE: AT A CROSSROADS FOR PASSENGER TRANSPORTATION IN EUROPE

KEY MESSAGES

1. ***Europe Risks Falling Behind***
   Once a global frontrunner in Advanced Air Mobility (AAM), Europe is now at risk of losing ground due to setbacks among key European OEMs, regulatory bottlenecks, and stalled infrastructure development. Without decisive action, the continent may forfeit its competitive edge, economic gains, and sustainability benefits.

2. ***A Strategic Opportunity for Airports and AAM Deployment***
   Advanced Air Mobility offers airports—especially regional and underused ones—a valuable new business stream through hosting eVTOL, STOL, *and CTOL operations. It enhances connectivity for the public by linking* underserved areas with cleaner, faster transport. Airports also serve as ideal launchpads for the AAM industry, providing infrastructure, regulatory oversight, and access to established networks to support early operations and growth.

3. ***Why Is Europe Falling Behind?***
   The European AAM industry faces cascading challenges—from a shrinking industrial base and sluggish certification processes to declining investor confidence. These issues hinder technology development, delay infrastructure, and deter airline and operator engagement. Addressing them is critical for successful AAM integration into Europe's broader transport ecosystem.

4. ***What the Industry Needs Now***
   Harmonising certification standards between EASA, the FAA, and other regulators is essential to accelerate adoption. Alignment would reduce time to market, attract investment, and improve integration with existing networks. With coordinated action and collaboration, Europe can reclaim leadership in this transformative sector.

Introduction: Europe at a Turning Point

Advanced Air Mobility (AAM) offers transformative potential for Europe's transport landscape—enabling urban air taxis, regional electric flying aircraft such as electric Vertical Take-Off and Landing (eVTOLs), short Take-Off and Landing (STOLs) or conventional Take-Off and Landing aircraft (CTOLs), cargo drones, and emergency response services. These innovations promise to reduce congestion, lower emissions, and improve connectivity, especially in remote or underserved areas.

Europe initially led the global AAM movement, establishing early regulatory frameworks, public-private partnerships, and pioneering OEMs such as Lilium, Volocopter, and Vertical—alongside established players like Airbus and Leonardo.

AAM presents an emerging opportunity for airports – especially regional and underserved ones which could benefit from improved connectivity. By acting as launchpads for electric flying new sustainable powered aircraft and early market testing, airports can play a central role in enabling AAM's successful deployment across Europe.

Yet momentum is stalling. While other regions—North America, China, the Middle East—accelerate towards commercial deployment, Europe faces regulatory inertia, declining OEM activity, and fading infrastructure plans. Without urgent course correction, Europe risks falling irreversibly behind.

Why Europe Is Falling Behind: A Value Chain Under Strain

1. OEM Setbacks and Market Exits

A shortage of committed European OEMs has created overreliance on foreign manufacturers, increasing the risk of technology misalignment and market delays.

Recent setbacks include:

- Lilium's market exit after financial struggles and acquisition by a transatlantic investor group, affecting over a dozen AAM projects.
- Volocopter's downsizing following its acquisition by China's Wanfeng Auto Holding Group.
- Airbus pausing its CityAirbus NextGen programme amid regulatory uncertainty.

These developments have weakened Europe's high-tech base and eroded investor and public confidence.

2. Regulatory Bottlenecks

EASA's rigorous certification process, while ensuring safety, remains slow and complex—discouraging OEMs and delaying market entry. Local authorities also lack capacity to approve infrastructure like vertiports, compounding delays.

By contrast, the FAA's more agile approach has made the U.S. a preferred launch market for eVTOL developers.

3. A Cascading Impact Across the Ecosystem

The effects ripple throughout the AAM value chain:

- Airlines and operators hesitate to commit without certification clarity.
- Infrastructure projects stall amid uncertainty.
- Investment dries up.

Between October 2024 and April 2025, Europe saw a drop in active AAM infrastructure projects—from 95 to 74. France and Germany's city-based initiatives have halved. The UK and Turkey are filling some gaps with national programmes, while Italy and Spain remain active but underfunded and poorly coordinated at the EU level.

Without decisive action, Europe may lose access to AAM's economic, environmental, and connectivity benefits.

Why AAM Matters for Airports

Airports—particularly regional and underutilised ones—stand to benefit significantly from the rise of Advanced Air Mobility. AAM offers a unique opportunity to extend connectivity to underserved, remote, or poorly linked regions that are currently uneconomical for traditional aviation. By serving as launchpads for eVTOL, STOL and CTOL operations using sustainable power trains, smaller airports can be revitalised, creating new passenger and logistics flows. AAM also acts as a catalyst for the broader adoption of electric and sustainable aviation, helping airports align with decarbonisation targets and sustainability agendas. Moreover, the secure, controlled environments of airports make them ideal proving grounds for early AAM operations, offering fledgling operators the chance to test business models in established markets. As such, airports are not infrastructure endpoints—they can serve as launchpads and key enablers of Europe's AAM future. ACI EUROPE therefore actively opened its membership to vertiport developers and operators.

Strong Value Chain Players Are Key to Success

AAM still faces unresolved technological, regulatory, and operational challenges. Addressing these is vital for integration into mainstream transport.

- Technology barriers: Battery limitations, noise levels, weather resilience, and airspace integration require breakthroughs in propulsion, traffic management, and safety systems.
- Infrastructure demands: Urban environments need vertiports, charging hubs, and planning approvals—challenges compounded by fragmented regulation.
- Public acceptance: Gaining trust on safety, noise, and sustainability is essential.

Europe does, however, have strengths to build on:

- Leaders in conventional sustainable aircraft (CTOL and STOL) such as Pipistrel, Diamond Aircraft, and Aura Aero.
- Strong innovation in hydrogen and hybrid propulsion systems.

There are synergies between these technologies and electric VTOL development. A renewed focus on AAM should leverage these commonalities to accelerate progress.

The Cost of Inaction

If current trends persist, Europe risks:

- Losing competitiveness in a high-growth industry.
- Falling short on climate goals, as AAM is key to decarbonising short-haul travel.
- Missing out on jobs, innovation, and global regulatory influence.

A Path Forward: Harmonisation and Collaboration
The most impactful step Europe can take now is harmonising certification standards with the FAA and other regulators. This would:

- Shorten time to market and reduce costs.
- Attract investment by creating a more predictable regulatory environment.
- Encourage non-EU OEMs to engage with the European market.
- Spur infrastructure development and operator commitment.

Mutual recognition of type certificates and shared best practices would allow Europe to benefit from international momentum while maintaining high safety standards.

National programmes and demonstration projects also have a critical role to play, providing valuable data, building public confidence, and testing integration strategies.

Conclusion: Europe Must Choose to Lead

Advanced Air Mobility is no longer a futuristic concept—it's a global race already underway. Europe still has the talent, infrastructure, and regulatory expertise to lead. But without urgent and coordinated action, it risks becoming a follower in a field it once helped pioneer.

By harmonising certification standards globally, investing in infrastructure, and strengthening its industrial base, Europe can regain its leadership role—bringing cleaner, faster, and more connected mobility to its citizens and improve its sustainable connectivity to underserved regions.

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