The Association of Public Services and Public Enterprises Austria (VÖWG) represents the interests of the public economy as well as enterprises owned or partly owned by public bodies and companies contracted to perform services for government or other public-sector bodies.

We recognise the role that EU competition policy plays in ensuring an effective internal market in aviation. Globalisation, rising demand, the maturing low cost carriers, aided by EU competition legislation and the removal of commercial restrictions for airlines, have combined to bring down the price of air transport and increased the number of airports and air routes in the EU. We also note however the urgent need for Europe to boost its competitiveness in a global context, as Europe faces a delayed economic recovery.

With the proposed guidelines the European Commission is taking a stricter approach to state aid. Therefore the EC reduces the freedom of local and regional authorities to support airports and airlines.

Airports are granting connectivity improvements and in addition they contribute in a huge amount to the EU GDP and employment. We therefore underline the significant economic development and territorial cohesion benefits aviation can bring to regions. These positive externalities seem to be underestimated by the EC.

As the Commission notes, but then seems to contradict within its proposals, the vast majority of airports cannot currently be profitable and only remain on the market because of public support. In some cases, publicly supported airports need to be able to incur yearly losses where the wider economic benefits of the airport to the region significantly outweigh any operating losses internal to the airport. The decision if the region benefits from airports should be made by democratically elected local, regional, or national politicians in line with the Member States’ governance structures. These structures are most legitimate and suitable to decide on these questions for the benefit of their local areas and regions.

Therefore we oppose a “one size fits all” approach to this complex situation in very heterogeneous Member States.

We propose a state aid approach on a “higher-level” and less detailed which focuses only on ensuring that sufficient safeguards are in place to be able to act only in limited number of cases e.g. when airport duplication or long-term overcapacities seem likely.