



**GOBIERNO
DE ESPAÑA**

**MINISTERIO
DE FOMENTO**



Spanish Air Transport Policy

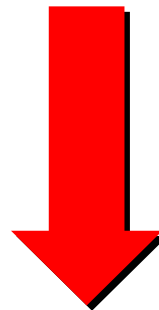
An Approach to Liberalisation

Eugenia Lloréns Beltrán de Heredia
Directorate General of Civil Aviation

EU-AFRICA AVIATION CONFERENCE
Windhoek, 2-3 April 2009

SPAIN POLICY FOR AIR TRANSPORT

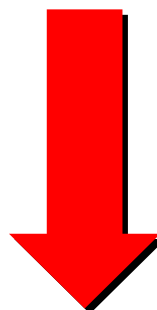
Regulated liberalisation vs. deregularisation



- Concerted government action vs. specific interest of one sector
- Promotion of tourism, trade and economic development
- Economic interest of the regions
- Opportunities and benefits for citizens

SPAIN POLICY FOR AIR TRANSPORT

Four pillars



- ① Capacity and infrastructures
- ② Competitiveness
- ③ Air transport competitive costs
- ④ High quality, safety and security standards

① Capacity and infrastructures

Airport Capacity

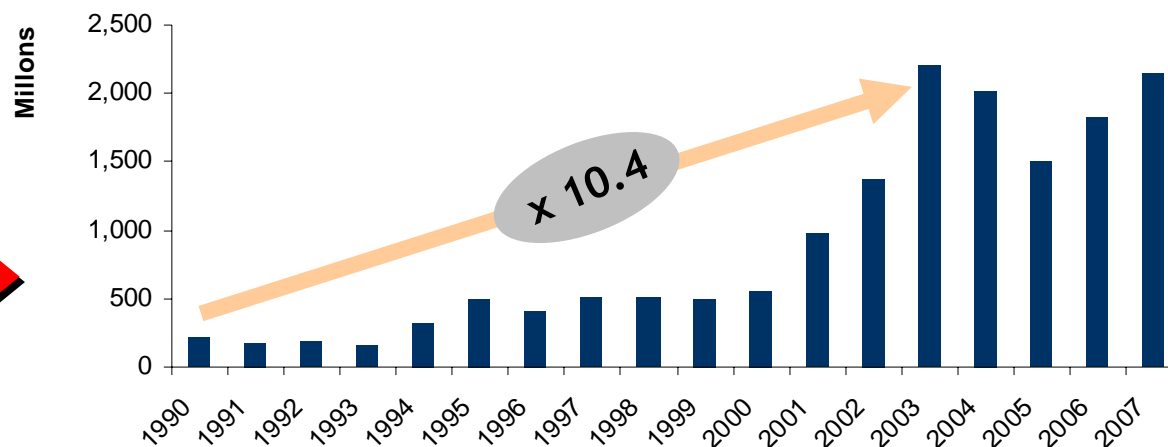


Mvts/h	1994	2008	
MADRID	50	98	↑ 96%
BARCELONA	40	64	↑ 60%
PALMA DE MALLORCA	30	60	↑ 100%

Investment



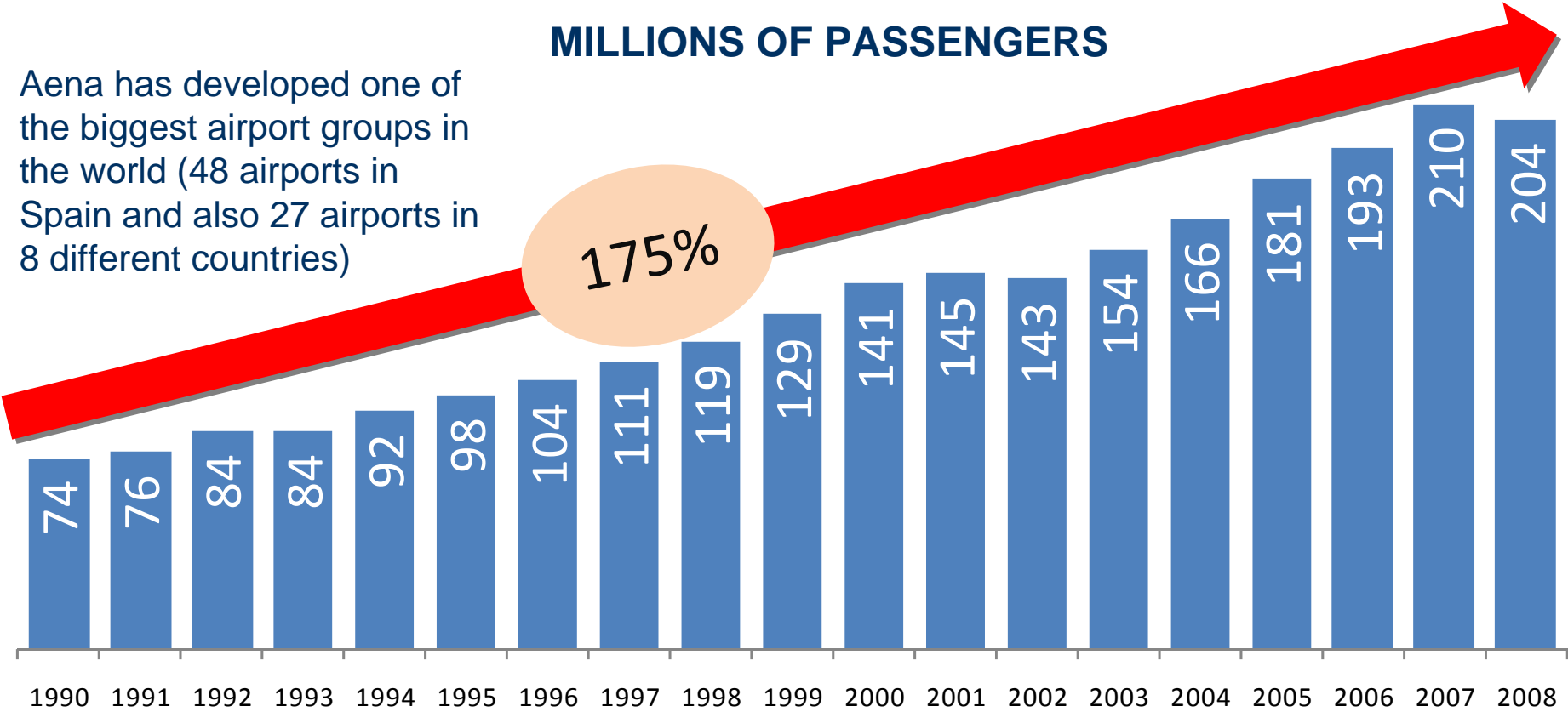
Airport Investment in Spain (€)



GROWTH OF ANNUAL PASSENGER TRAFFIC IN SPANISH AIRPORTS

MILLIONS OF PASSENGERS

Aena has developed one of the biggest airport groups in the world (48 airports in Spain and also 27 airports in 8 different countries)



Between 1990 and 2007 traffic grew annually at an average 6.3% (two points higher than the European average rate)

4th world place by number of passengers

Source: Ministerio de Fomento (2009)

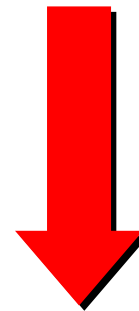
② Competitiveness: More airlines

1992



Scheduled: Iberia public group

Non Scheduled: 7 charter airlines



2008



Scheduled: Iberia and 11 more airlines

Non Scheduled: 13 charter airlines

② Competitiveness: More handling providers

Pre-1994



Monopoly: high prices

1994



1st step towards liberalization (earlier than EU Directive): 2 handlers at 3 airports, better quality, lower prices.

1997



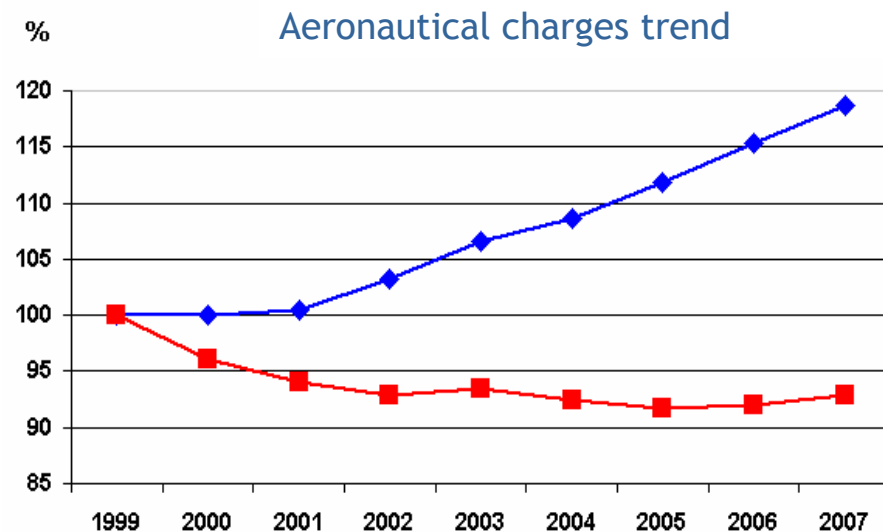
2 handlers at 13 airports

2008

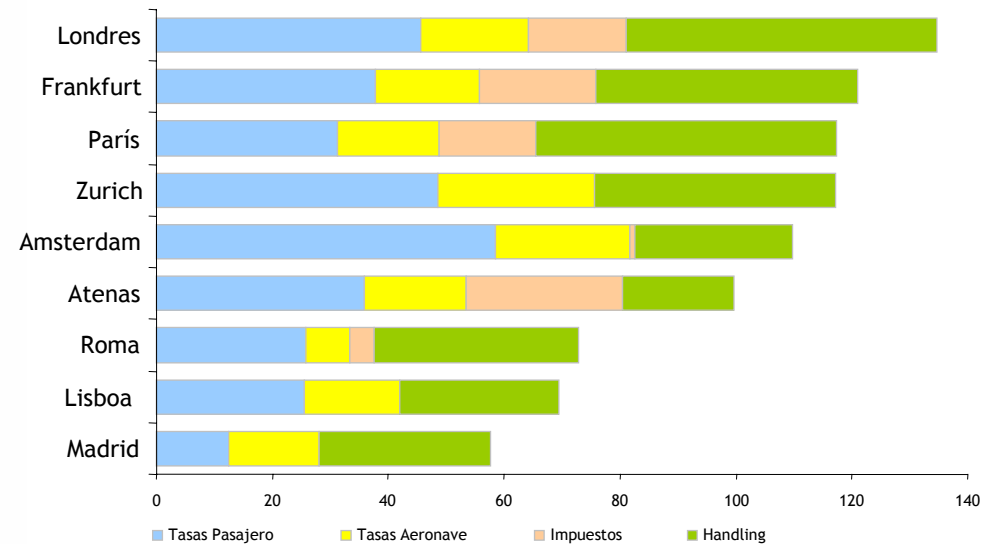


3 handlers at 4 airports, 30% decrease on reference prices

③ Air transport competitive costs



◆ ■ Aeronautical charges
■ - Aeronautical charges (consumer price index adjusted)





④ High quality, safety and security standards

- Safety regulations (EU-OPS regulations on air transport operations)
- Security standards (Regulation 300/2008 on common rules in the field of civil aviation security)
- Air passenger rights (Reg 261/2004 on overbooking, cancellations and delays, Reg 1107/2006 on rights of disabled persons in air transport and Reg 1008/2008 on common rules for ops of air services)



Results:

- Spain **2nd** tourist destination after France, ahead of USA and China
 - ✓ **57.4** million foreign visitors to Spain in 2008, **77.3%** by plane
- Tourism **11%** of GDP (132 billion euro)
 - ✓ Air transport **7.8%** of GDP
 - ✓ Madrid and Barcelona airports **3%** of GDP (farming 2.3% to GDP)
- **683,000** jobs generated by Madrid and Barcelona airports



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Windhoek, Namibia

April 2-3, 2009

A PROCESS IN THREE LEVELS



- ① Pre-EU liberalization process
- ② Within EU liberalization process
- ③ Bilateral and with EU Community



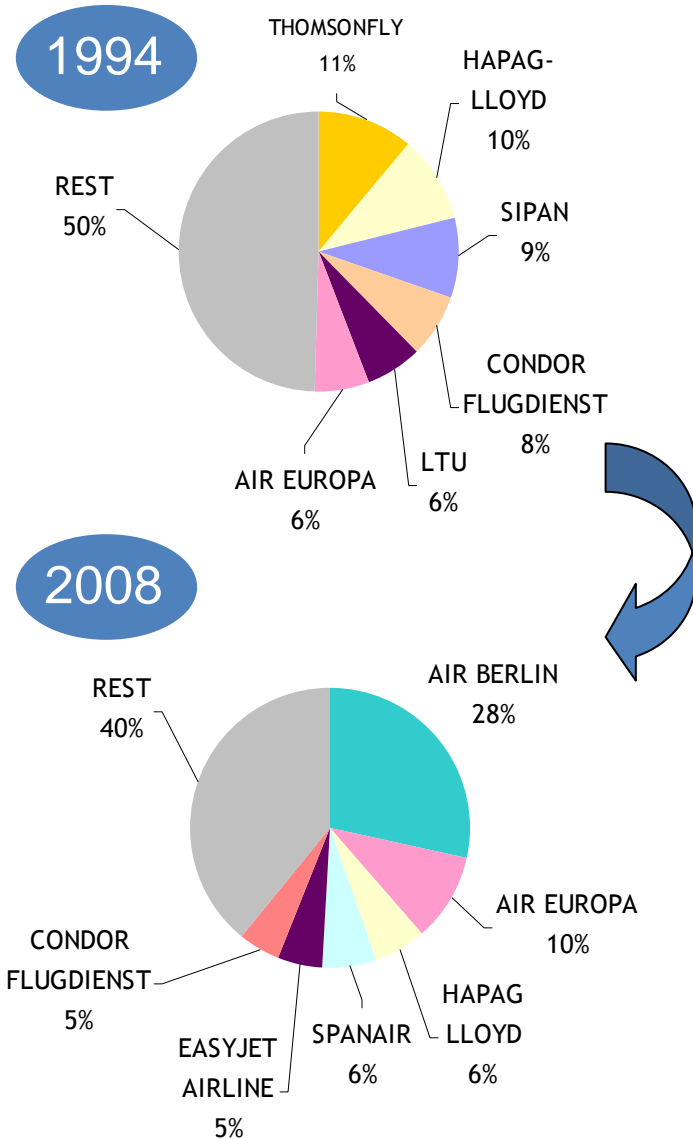
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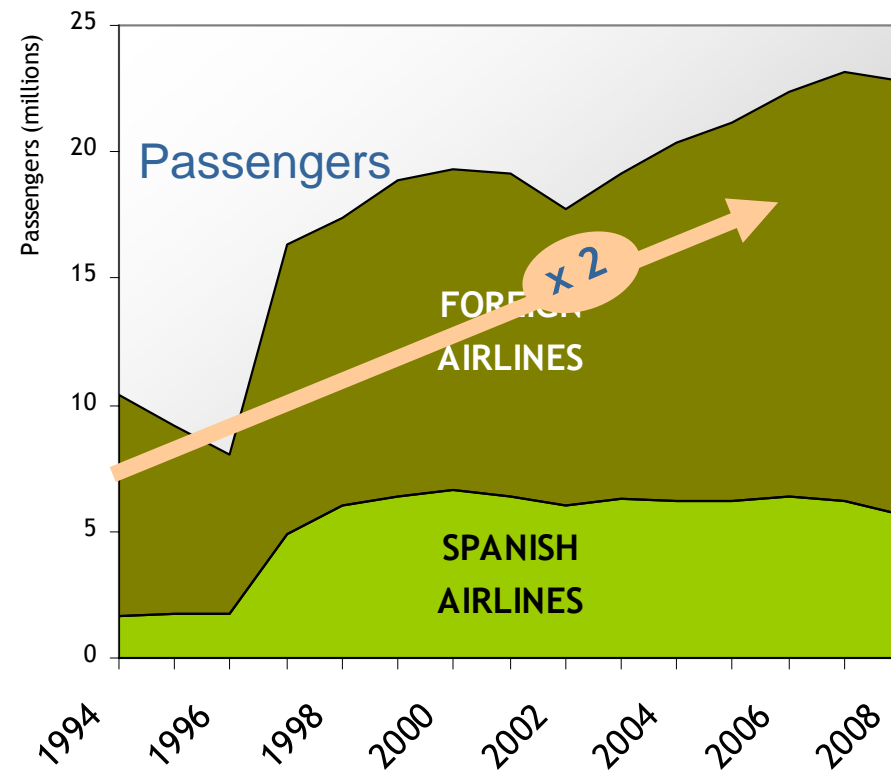
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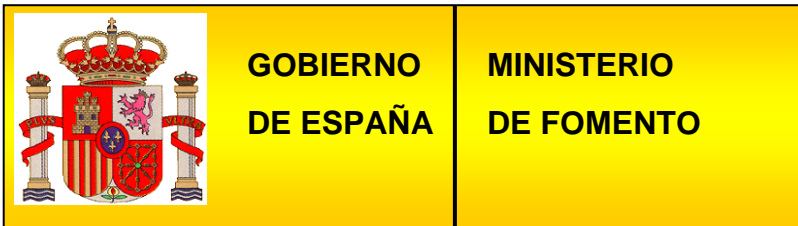
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Palma de Mallorca development



Source: Ministerio de Fomento (2009)



Support of EU liberalization process:

More carriers

More routes

More carriers per route

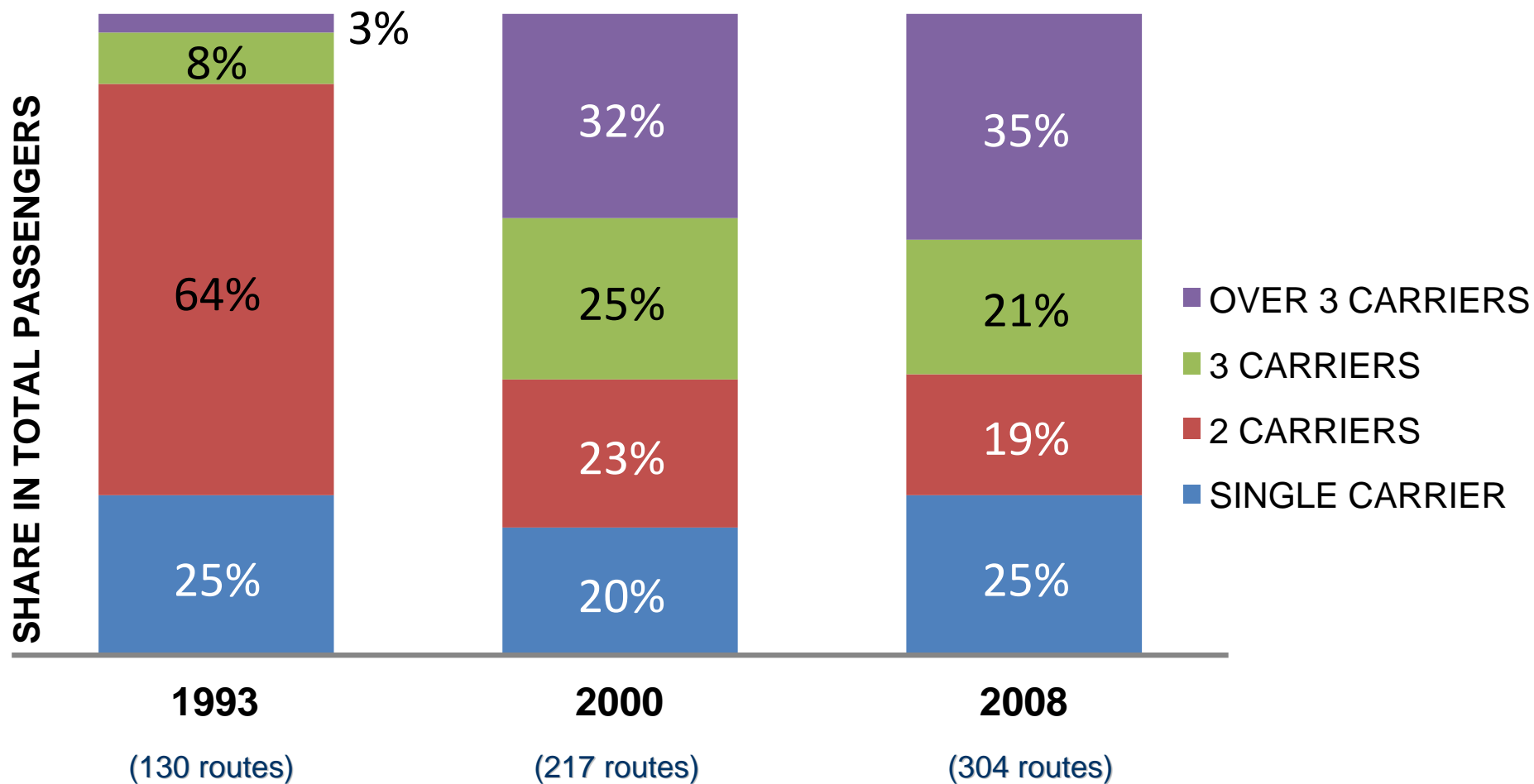
MORE OPPORTUNITIES FOR PASSENGERS

More connectivity

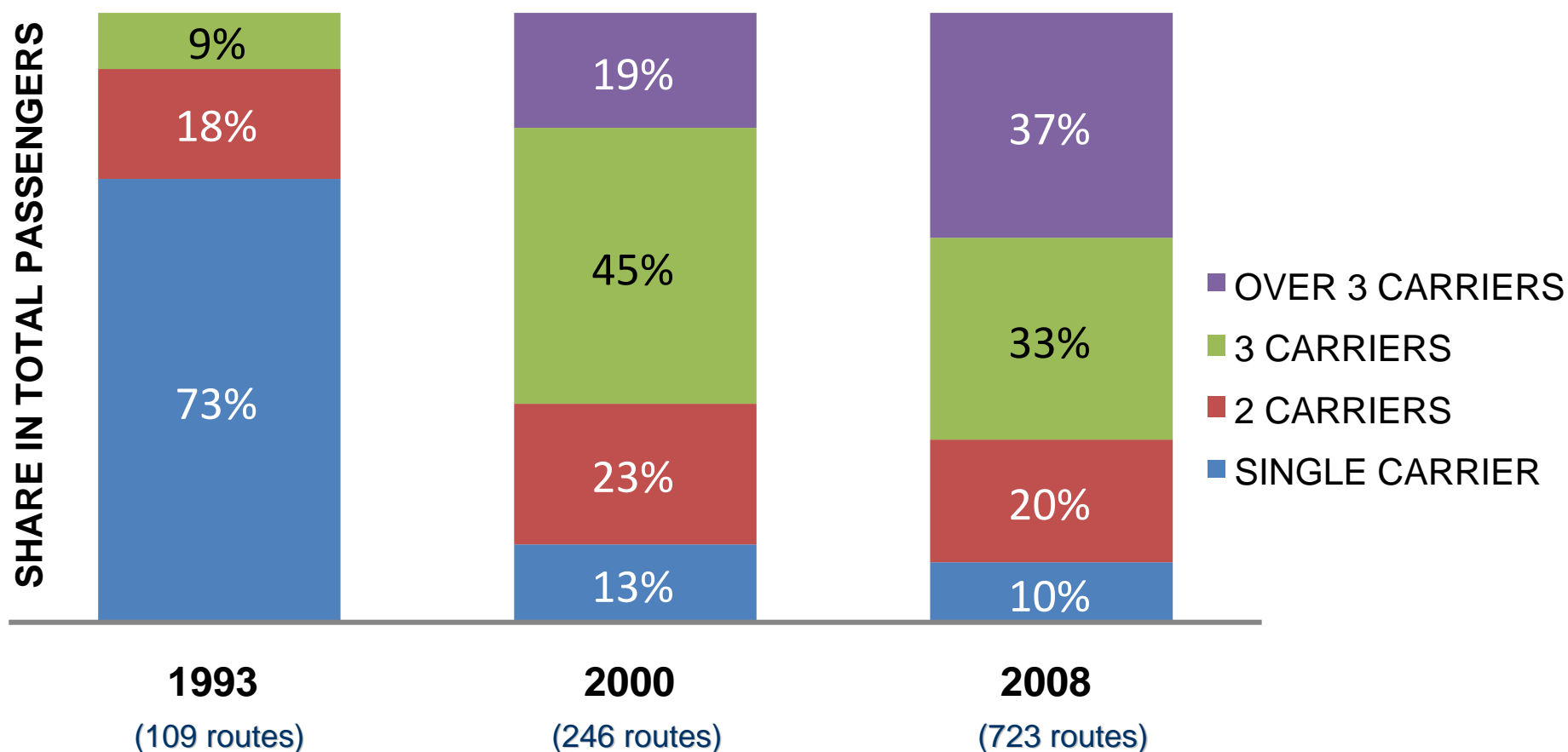
More affordable fares

**POSITIVE ECONOMIC, SOCIAL
AND POLITICAL IMPACTS**

Increased competition in domestic routes in 1993-2008



Increased competition in European routes from Spain in 1993-2008





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INTRA EU AIR FARE EVOLUTION

MAD - LON

1993 → 700 € (Basic)
200 € (Lower)

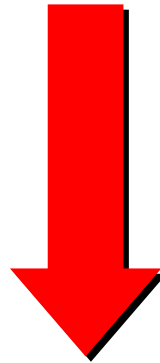
2008 → 1,000 € (Basic)
40 € (Lower)

PMI - FRA

1993 → 685 € (Basic)
200 € (Lower)

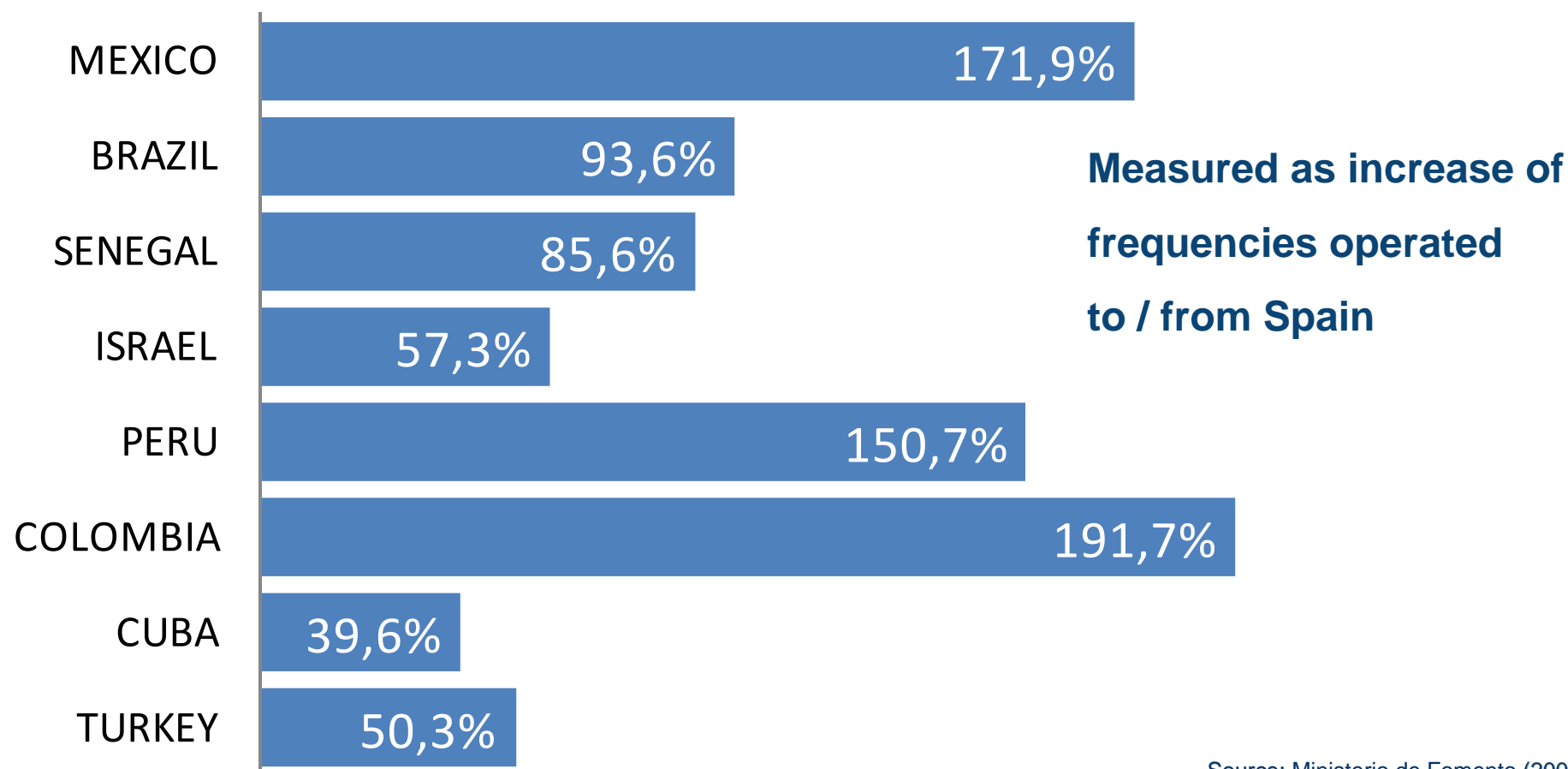
2008 → 1,000 / 687 € (Basic)
67 / 45 € (Lower)

Bilateral approach with 3rd countries:

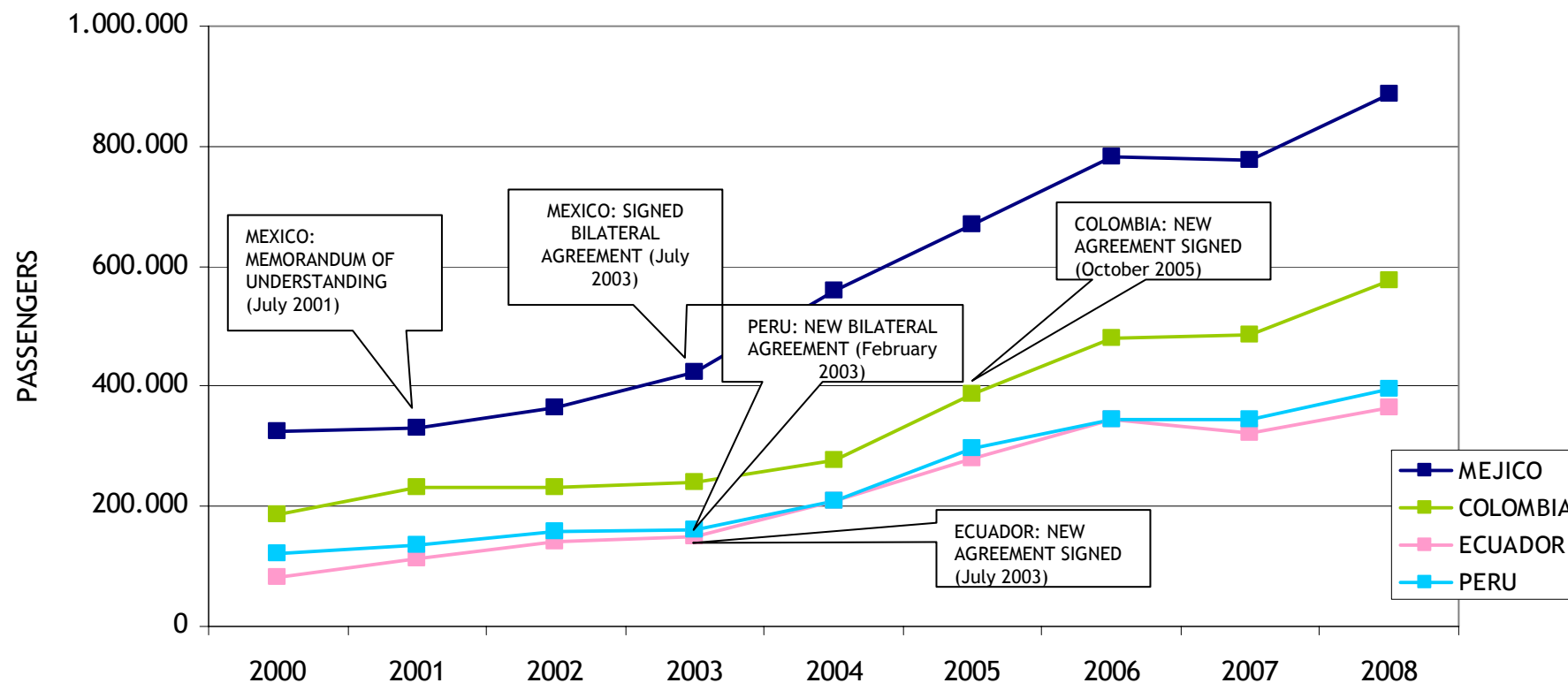


- Main place of business vs. ownership and control
- Liberalization of direct links
- Opening of territory – opportunities for the regions
- Maximal reciprocal operating flexibility
- Guarantee of standards and quality

Traffic growth (2000-2008) prompted by new bilateral agreements



Increased number of passengers prompted by re-negotiating bilateral agreements



EU-USA Open Skies economic impact (5 year forecast)

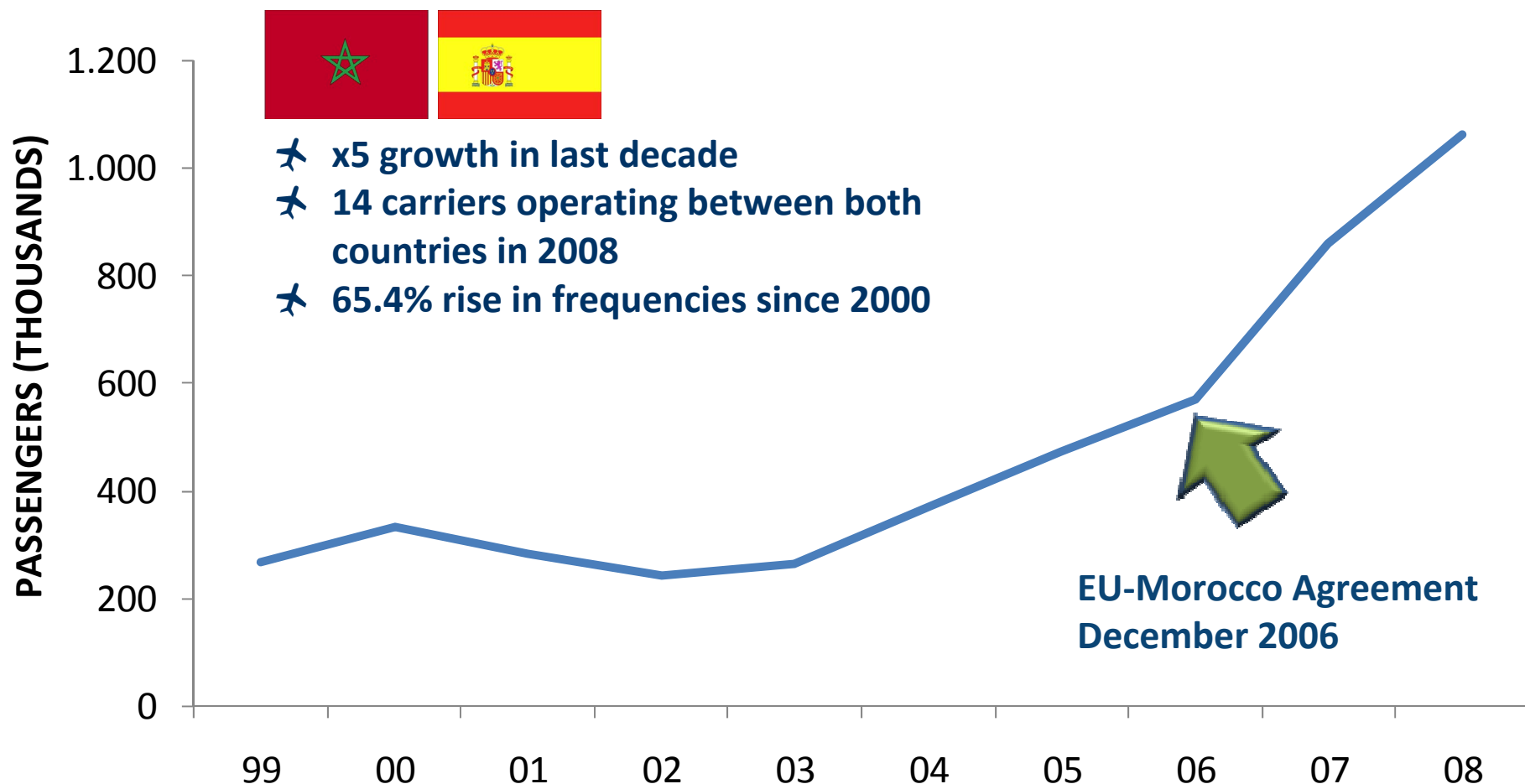
- 25 million new passengers
- 12 billion euro savings
- 80,000 new jobs generated

CURRENT SITUATION



- ✈ 19 carriers operating between both countries in 2008
- ✈ 16.8% rise in frequencies (28% in passengers) since 2000

Spain-Morocco air traffic





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And Africa?:

- EU-Africa
 - ✓ Support EU plan for action 2008-2012 for air transport
 - ✓ Participation in the Euro-Mediterranean Transport Forum (5th Meeting: 17 December 2008)
- Spain-Africa
 - ✓ In the framework of the “Plan Africa” (2006-2008-2012):
Promotion of trade/foster air transport opportunities and links
 - ✓ Participation in the Occidental-Mediterranean Group of Ministries of Transport (5th Meeting: 17 November 2008)

Thank you

http://www.fomento.es/mfom/lang_en/direcciones_generales/aviacion_civil/

