



Air traffic rights: Maintaining fairness in aviation

There are vocal calls from interested parties to roll out the red carpet to highly subsidized state-owned airlines from all over the world – whose employees however have to make do without any minimum social standards – and to extend air traffic rights. This is absurd: These rights are the only bargaining chip for the EU and the Federal government to retain a balance in global aviation, as air traffic is not subject of the rules of the WTO.

State-owned airlines are already flooding Germany today

Airlines with high levels of state support are already pressurizing Europe today with huge excess capabilities. For example, Turkey: Between 2006 and 2016, Turkish Airlines expanded its capacity to Germany by 116 percent, in order to construct the world's largest hub in Istanbul at the gateway to the EU and to operate it with travelers from the EU. There are also no night curfews in place here. A clear mandate by the Turkish government – disproportionate and displacement-oriented capacity growth as a reason of state.

Another example, Dubai: Emirates, strongly subsidized by the state, draws away 2.4 million intercontinental passengers from German airports every year. For this, the state-owned company employs approx. 230 people in Germany. By comparison: The Lufthansa Group employs close to 70,000 people in Germany.

Maintaining mutual advantages through air traffic

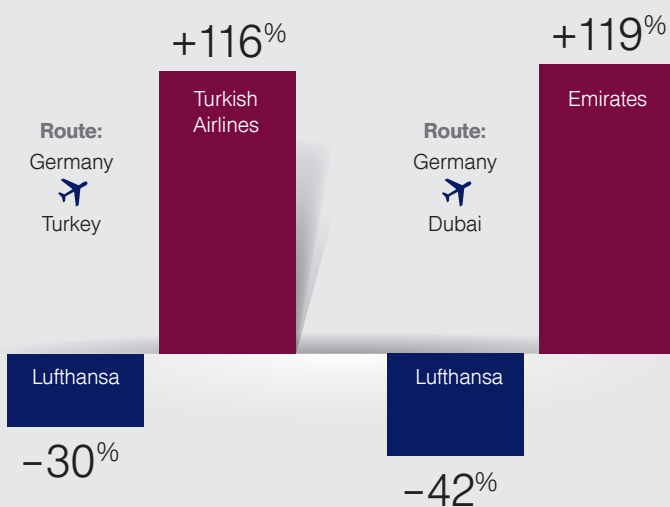
Major Asian players are demanding more take-off and landing rights in Germany, but they are not prepared to open their markets in return, for example to grant slots at key airports. The demand for additional take-off and landing rights without access to their own infrastructure contradicts the elementary premise of reciprocal – that is, mutually beneficial – aviation agreements.

Air traffic rights: Globally valid rules

In multilateral or bilateral agreements, nations regulate in particular how intensively airlines may transport persons or goods between countries. Because air traffic is exempt from the WTO, aviation agreements – together with European regulations – are the only lever available to ensure market behavior that, to some extent, conforms to competition.

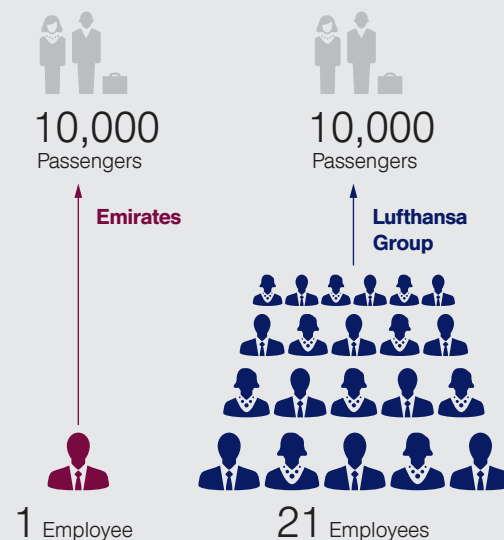
Foreign airlines crowding out by means of excess capacity

Seating capacity progression from 2006 to 2016



Source: OAG, company-own calculations

Staff numbers per 10,000 passengers in Germany



Source: OAG, Emirates, company-own calculations