

Gulf airlines

# HUNDREDS OF MEMBERS OF CONGRESS CALL FOR FAIR COMPETITION

For years, the United States has also suffered from fierce competition from the largest Gulf airlines. The subject is now developing into a first-class political issue.



		Germany	UAE/Qatar
<b>AIRLINES</b>	Billions of subsidies	No	Yes
	Market behaviour consistent with air services agreements	Yes	No
	Private-sector structure	Yes	No
<b>TAXES</b>	Air travel tax	Yes	No
	Tax on earnings	Yes	No
	Employee income taxes	Yes	No
<b>FEES</b>	Airport charges	High	Low
	Air traffic control charges	High	Low
	Aviation security charges	High	Low
<b>ENVIRONMENT</b>	Emissions trading	Yes	No
	Noise abatement	Yes	No
	Noise-based fees	Yes	No
	Bans on night flights	Yes	No
<b>LABOUR MARKET</b>	40-hour workweek	Yes	No
	Job protection	Yes	No
	Unions	Yes	No
	Right to strike	Yes	No

300 members of the US Congress appealed to the US Government to finally take action against the enormous cut-throat competition from the Gulf carriers. In a letter from the US Congressmen DeGette and Coffman dated 25 October addressed to US Secretary of State Rex Tillerson and US Secretary of Transportation Elaine Chao, it said:

“We are increasingly concerned that jobs are in danger. Studies show that the Governments of Qatar and the United Arab Emirates (UAE) have paid over 50 billion US Dollars in subsidies to the state-owned airlines Qatar Airways, Emirates and Etihad Airways. Driven by the subsidies, these airlines have quickly expanded their business activities to the USA in order to create overcapacity at dumping prices on several international routes, and to push U.S. airlines out of the market.

For example, the Gulf carriers currently fly 36 times a day to the USA – an increase compared to the 12 daily flights only five years ago, whereas no U.S. airline flies to Qatar or the UAE.

The subsidies that these airlines receive are not compatible with the air transport agreement which both Qatar and the UAE signed 15 years ago. These bilateral agreements aimed to promote fairness in the market – without state interference. If we fail to enforce our trade agreements, we will jeopardise thousands of middle tier jobs and the long-term interests of American aviation.”

A description of the situation and the need for action do not leave a lot to be desired in terms of clarity – and are to a large extent applicable to the competitive situation in Europe and in Germany.