

Germany as an aviation hub

# KEEP SECURITY FEES STABLE

Germany is lagging behind the rest of Europe in the recovery of air traffic: While most European countries have returned to pre-crisis levels, German air traffic is currently operating at only 75% of its pre-coronavirus capacity. This is largely due to high local costs for aviation infrastructure. The planned increase in the aviation security fee threatens to further weaken Germany's connectivity.

Rising fees and taxes are making air travel in Germany increasingly expensive. The air traffic tax was raised significantly in the middle of the pandemic. Air traffic control charges have more than doubled since 2021, and aviation security fees have also risen noticeably at many German airports. Consequently, location costs are significantly lower in other EU countries. For instance, when an Airbus A320 takes off from a German airport, government-induced costs can amount to up to €4,000. Compared to neighboring countries, this is four to ten times as much. This presents a real competitive disadvantage, as fees and charges can now comprise up to a third of the total price of the airfare.

**Aviation security fees as a cost driver**

Despite this, the German government intends to further increase aviation security fees once again. In the past, the fee had been limited to €10 per passenger to prevent German airports from becoming more expensive and to maintain manageable costs for airlines and passengers. The federal government then covered the excess amount. However, the approved increase of this cap to €15 per passenger, already greenlit by the Federal Cabinet, is detrimental not only to the industry but also to connectivity and value creation in Germany. This applies, in particular, to federal states with strong air traffic locations. It affects supply and demand.

In order to reduce costs and simultaneously enhance security check performance, more airports should assume responsibility for security checks. Currently, the federal police oversee this at most airports. A more efficient and innovative approach would involve a division of tasks, with the federal government focusing on legal and technical supervision, while airport operators handle security technology procurement and personnel and process management.

**Development of aviation security fees since 2019**

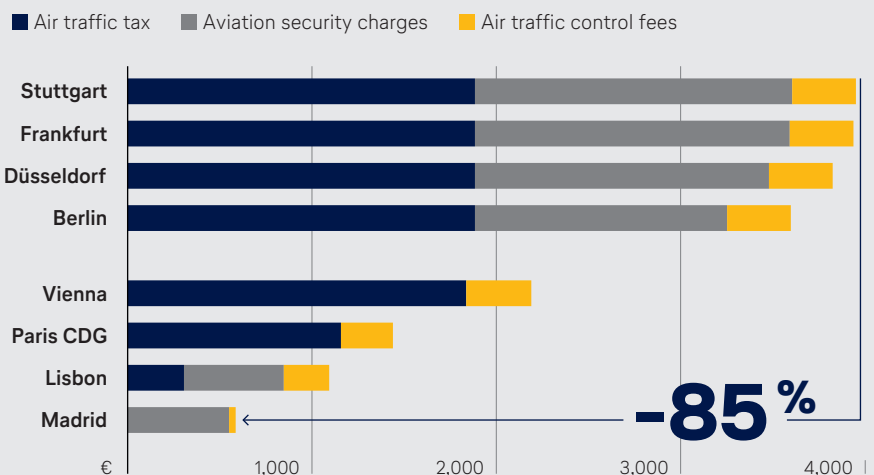


Source: BDF

**The federal states are now in charge**

Concerning aviation security fees, the power lies in the hands of the federal states: The decision on the proposed increase will be made in the Federal Council in mid-December. The federal states have every reason to reconsider the government's initiative. Instead of entering into legal and economic uncertainties, the increase in the aviation security fee should be suspended for 2024 to facilitate air traffic recovery and secure strong aviation locations in the federal states.

**Location costs in comparison**



Source: BDL; Assumptions and others Airbus 320neo aircraft; 30 percent of passengers with checked baggage.