



Background information

- **Why an EU aviation strategy?**

Aviation¹ is a key driver of economic growth, jobs and trade with a major impact on the EU's economy and the life and mobility of its citizens. As such, aviation plays a crucial role for delivering on the **priorities of the Juncker Commission**², in particular "Jobs, Growth and Investment", "A deeper and fairer Internal Market with a strengthened Industrial Base", "Global Actor" and "Energy Union".

- **The success story of the internal EU aviation market**

Until the liberalisation of the EU air transport sector in the early 1990s, air transport within the EU was a highly regulated industry and there was limited scope for competition. The EU's internal aviation market was an unprecedented game changer, removing commercial restrictions for airlines flying within the EU and boosting the number of routes and frequencies. The boom in aviation services which followed from this liberalisation effort made air transport accessible to a wider travelling public and created unprecedented levels of connectivity for the benefit of businesses, regions, and for related sectors. **Today, the internal aviation market provides Europeans with a vast variety of destinations offered at affordable prices.**

The EU's external aviation policy complements the internal aviation market through the conclusion of comprehensive air transport agreements at EU level. Such agreements aim at creating new growth opportunities for the EU aviation sector and promoting high EU standards. EU aviation policy contributed to the development of the European aeronautics industry which over time became an established world leader. Moreover, EU aviation policy is complemented by the enforcement of EU competition rules aiming at preventing consumer harm from potential anticompetitive behaviour. Today, EU aviation policy thus not only contributes to European integration and cohesion by connecting people as well as contributes to the EU's economy. It also ensures **high standards**, in relation to aviation safety, security, passenger rights and the environment. In this respect, EU aviation policy also

¹ The aviation industry for the purpose of this public consultation is defined as the entire business sector involved in the operation and manufacturing of civil aircraft (airlines, airports, ground services, air navigation service providers, aeronautical manufacturing, general aviation)

² http://ec.europa.eu/priorities/index_en.htm

contributes to wider strategic policy priorities of the EU, such as the decarbonisation of transport, energy efficiency and the fight against climate change.

● Challenges ahead

Yet aviation itself is a **volatile business**. It requires long-term planning and is exposed to high risks, many of which are beyond the control of the aviation sector (e.g. fluctuations of the oil price, political crises, extreme weather conditions, pandemics). At the same time, the **global aviation landscape is changing**: increased demand for air travel, in particular in emerging economies, will be one of the main drivers of aviation in the decades ahead. Also, new and powerful competitors are entering the aviation market. The relative competitiveness of the EU's aviation industry as a whole risks deteriorating, which does not only impact the sector itself, but **may also undermine the high-quality of services** so far provided to its customers. This development could entail consequences for Europe as a **business location** and therefore also for **jobs and growth** in the EU. These existing **challenges** are only matched by the **opportunities** created by the changing landscape of global aviation. In order to allow the EU's aviation sector to fully reap this potential, its competitiveness must be fostered through a comprehensive approach.

The European Commission recognises the importance of aviation as an enabler of growth and it has included, in its **2015 Work Programme "A New Start"**³ an **Aviation Package**, including an **Aviation Strategy**, that aims to provide a comprehensive vision for the competitiveness of the EU aviation sector in particular and the whole EU aviation ecosystem at large.

● Competitiveness through innovation

Innovation should be at the heart of improving the competitiveness of the EU aviation industry. Aviation is one of the strategic global industries with a positive **growth projection** for the decades to come. It is an industry which provides numerous jobs, many of which are highly skilled. Aeronautical manufacturing **drives technological innovations** which spin off into other sectors of the EU's economy and benefit their environmental performance. It is in the EU's interest to maintain the aviation sector as one of Europe's **industrial strongholds and a global service provider**. The European internal aviation market is among the EU's best assets in times of increasing globalisation. A strong internal aviation market, underpinned by an effective and efficient legal framework, benefits the aviation sector and serves as a springboard to the highly competitive global market. Reinforcing the sector's competitiveness through an innovative approach to air transport services should mobilise the full potential of the EU aviation ecosystem serving the economy and the people.

³ http://ec.europa.eu/priorities/work-programme/index_en.htm

Public consultation on the EU Aviation Package: Background information

The purpose of the present public consultation is to gather **stakeholders' views** on the EU aviation sector in order to identify challenges, opportunities and possible measures to improve the competitiveness of the EU aviation sector. The results of this consultation will enable the Commission to define the best solutions to **re-invigorate EU leadership in aviation**. The present consultation mainly focuses on issues that are not addressed in on-going or recently completed initiatives (such as the EU air passenger rights legislation; the guidelines on state aid to airports and airlines). It also does not focus on the issues covered by the recently conducted consultations for the on-going revision of the EASA Regulation 216/2008 (Aviation Safety), the on-going revision of Regulation 868/2004 against subsidies and unfair practices, Remotely Piloted Aircraft Systems (RPAS) or for the SESAR project supporting the implementation of the European Air Traffic Management Network.

The findings of this consultation as well as the findings from those earlier consultation activities will feed into a comprehensive Aviation Strategy.

