

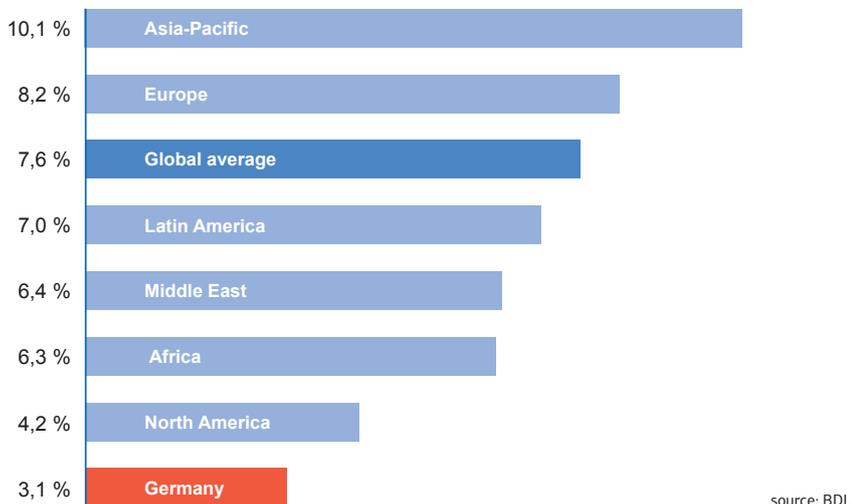
New Federal Government must strengthen air traffic location Germany

Economic stability, preservation and creation of jobs, flourishing trade and modern mobility: According to the Board of Airline Representatives in Germany (BARIG), the empowerment of the air traffic location Germany must be promoted by the coming Federal Government, also and especially in the interest of the German economy. The association, representing the interests of around 100 national and international airlines in Germany, expects CDU, CSU and SPD to make effective and future-oriented use of the chances incorporated in the coalition agreement.

The range of subjects is wide and relieving air traffic from the excessively high charges burden is one of BARIG's main claims. The massive disadvantages currently experienced by the national air traffic sector in comparison to foreign locations lead to an unequal competition. The abolition of the air traffic tax, demanded by various parties, would present an important measure with signal effect in this context. Furthermore, the state must ensure adequate financing of the sovereign task air security. Many areas with comparable security relevance already face extensive state engagement, while to date solely the air traffic industry must bear the respective costs on its own. Moreover, air security processes and related procedures must be executed with greater efficiency. For example, a potential approach to achieving this could involve transferring responsibilities to airports and the aviation industry in certain core sectors.

Global passengers growth 2017

Germany significantly ranks behind the global and the European average



Another major topic is German airport infrastructure. This includes development measures in compliance with the identified needs and expansion of airport infrastructure in locations with increased demand. Only in this way capacity constraints, already existent at several airports, can be successfully overcome and avoided in the future. At the same time, competitive operating hours at airports must be continuously guaranteed since airlines are dependent on definite planning security in this respect.

Dear BARIG members, dear BARIG partners,



2018 is an important year for the air traffic industry in Germany. The formation of a new Federal Government and the underlying coalition agreement offer chances to strengthen

our industry sector with consequent positive and lasting impacts on the economy as a whole. Air traffic is of undisputed relevance as major international economic driver. Supporting air traffic therefore means strengthening the economic system.

The coalition partners' agreement comprises the goal of executing sustainable activity for the air traffic sector on a national level. For instance, the high charges, costs and tax burdens from which air traffic is greatly suffering in Germany must be lowered substantially. At the same time, air traffic infrastructure in general demands farsighted development and continuously competitive operating hours must be guaranteed at German airports.

These measures are urgent and could provide permanent effects. In addition, the strong interplay between strengthening German air traffic and thereby facilitating long term stability, especially for export-oriented businesses and in the field of business travel, deserves consideration.

We therefore appeal to the coming Federal Government to act resolutely. German air traffic must be protected from further losing ground to international competitors. In this respect, the air traffic concept, developed by the Federal Ministry of Transport and Digital Infrastructure in the previous legislative period, acts as a solid foundation. The time has now come to move on from merely rhetoric efforts to the required real action.

Yours
sincerely,



Michael Hoppe
Secretary General



Focus: Air traffic tax

The abolition of the German air traffic tax is an absolutely necessary measure. Since its introduction in 2011, the tax is burdening airlines operating in Germany with over one billion Euros annually. German airlines alone are bearing around half of these costs. The tax increases the price of flying for passengers and negatively affects the creation of value in the air traffic industry. It constrains competitiveness on the international stage and impedes financial possibilities of airlines to invest into modern, more fuel-efficient and quieter aircraft. For this reason, BARIG vehemently and purposefully advocates for a termination of the tax. This measure, as confirmed in various reports, would result in an increased demand in all sectors of passenger transport, consequently enhancing capacity utilisation at airports and improving Germany's position in international competition. The Netherlands and Austria are ideal examples of how promising this measure is. In the mentioned countries, the tax abolition or rather its reduction by 50% led to a considerable and measurable stimulation of air traffic.



BARIG Secretary General Michael Hoppe states, "As demanded by BARIG for several years, the German air traffic tax must be terminated quickly. It would be both irresponsible and incomprehensible of politics to neglect taking action in this respect, since benefits would go beyond the increase of competitiveness. The tax further restricts economic growth and the creation of jobs and in countries where the respective tax was eliminated, consumers and the national air traffic industry noticeably benefited from this measure."



Focus: Aviation security fees

The maintenance of security and order, including the protection of the state and its population against terrorist threats, is a sovereign task. In the case of large events or demonstrations the state commonly provides full financial support for hazard and terror prevention, while in rail traffic the state covers around 80% of costs. From BARIG's point of view it is therefore not justifiable that airlines bear the full costs for air traffic security purposes. Alone in 2017 the airlines in Germany were charged 700 million Euros for passenger and luggage controls, equaling more than 6 Euros per passenger. In this context, airlines are obligated to collect the fees from consumers, only to then forward the money to the Ministry of the Interior.

"This special path chosen by Germany leads to a unilateral burdening of the air traffic industry and distorts international competition," BARIG Secretary General Michael Hoppe explains. "Other European countries have limited costs at a low level and in the United States for example the public sector pays around two thirds of the respective expenses. A relief of airlines in Germany is urgently required. In addition, an increased efficiency is necessary and processes and their management must be thoroughly revised. The described measures would result in a sustainable strengthening of Germany as an attractive air traffic location."

Focus: Infrastructure

Modern air traffic requires an infrastructure that meets the demands of the 21st century, also in Germany. However, infrastructure here is partly outdated, insufficiently effi-

cient and/or inadequately developed. Noticeable consequences are capacity constraints and greatly improvable procedures that produce evadable costs and unnecessary delays. Airport infrastructure especially requires optimisation measures. This challenge must be tackled together by airport operators, airlines and the respective government or regional authorities in due consideration of the real needs of airlines and their passengers. A remarkable improvement of efficiency must be achieved rapidly, while taking into account the connected costs and procedures at the same time. Both framework conditions and state engagement are significantly more ambitious and target-oriented in many European countries. Furthermore, the expansion of infrastructure at locations regarded as relevant by the air traffic industry must not be further treated as a taboo subject. Additionally, continuously growing capacity constraints must finally be overcome.



"The air traffic location Germany faces fierce competition from modern and highly efficient air traffic hubs for example in continental Europe and the Middle East," BARIG Secretary General Michael Hoppe states. "An urgent and noticeable contribution by politics is essential in maintaining the long-term competitiveness of German infrastructure, especially in the interest of companies and consumers."

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