

Europe 'big five' airlines launch new alliance

AMSTERDAM: In an unprecedented step, Europe's five largest airline groups including budget carriers EasyJet and Ryanair on Wednesday launched a new alliance to combat rising airport charges amid a fierce battle with Gulf rivals.



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The new association dubbed Airlines for Europe (A4E) brings together the budget airlines, Lufthansa, Air France-KLM and the International Airline Group, parent company of both British Airways and Iberia. The alliance will "represent the interests of its members when dealing with the EU institutions, international organisations and national governments on European aviation issues," it said in a statement at the launch at Amsterdam's Schiphol airport.

Bringing change to EU aviation

In their first act, the five managing directors of the member airlines called for swift steps to stop European travellers being "fleeced by excessive airport charges" and for the removal of "unreasonable taxes".

"Six months ago we got together to agree that Europe needs a loud and unified and clear voice to represent the airline industry in order to bring changes to the EU aviation framework," said Willie Walsh, chief executive of IAG. The new association will "support and create jobs and support the interest of aviation in Europe," he said.

European Transport Commissioner Violeta Bulc welcomed the move, saying: "Not only do we want a very strong internal aviation market... but we also want to ensure that European aviation stays a leading force in shaping global aviation."

A demand for reduction in charges

The alliance said it is demanding "a significant reduction" in the charges which are "paid by hundreds of millions of EU travellers." Citing a recent study, Air France-KLM chief Alexandre de Juniac revealed that airport charges at the largest 21 European airports had soared by 80 percent since 2005 even as the average price of airline tickets has fallen by about 20 percent. "At the 10 largest airports the increase was even greater, close to 90 percent," he said.

"These increases mean that passengers have had to pay an extra 5.4 billion euros (\$6.11 billion) in airport charges over the last 10 years." The airline bosses urged the "EU to take action lowering the cost of the EU's airports by ensuring that monopoly airports are effectively regulated."

Expect to see action

The association is also taking aim at unions within the air traffic control sector, with Ryanair chief executive Michael O'Leary saying "we want to eliminate air traffic control strikes that affect thousands of passengers."

"We expect to see action this year," O'Leary said, adding the association believed that reform on airport directives will be implemented before the end of 2016.

Gulf rivals

The launch of the new association comes on the eve of an EU Aviation Summit, being hosted by the Netherlands as part of its six-month presidency of the European Union. It also follows European allegations that their Gulf rivals enjoy a competitive edge due to what they say is unfair financing from their energy-rich, deep-pocketed state owners.

But Europe's largest airline bosses, whose businesses transport around 460 million passengers a year, remained coy on the issue of tackling rivals from the Gulf saying that it was an area of disagreement. "Competition by the Gulf airlines wasn't an area where we could find common ground," Walsh told journalists.

The new alliance also intends to push for a more reliable airspace by reducing the costs of air traffic control through the completion of the Single European Sky plan. The aim of the project, launched in the late 1990s, is to make European skies more competitive, secure and environmentally friendly by eliminating national borders.

Source: AFP

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