



PRESS RELEASE

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ELFAA: Competition should be prioritised over regulation

BRUSSELS – The European Low Fares Airline Association (ELFAA) views yesterday’s discussions on the European Commission’s guidelines for state aid for regional airports as a key staging post on the journey towards a state aid system that prioritises competition over regulation.

“In a liberalised and competitive aviation market, state aid should be *persona non grata*,” said ELFAA Secretary General John Hanlon, in a presentation to the Association of European Regions (AER) conference on 8 September in Brussels, focusing on state aid and regional airports.

By contrast, ELFAA believes that legitimate commercial arrangements which encourage competition are part and parcel of liberalisation and should in no way be equated with state aid.

At present the considerable employment and economic benefits which low fares airlines bring to regional airports is being jeopardised by the many unjustified state aid litigation cases that continue to be filed under the existing guidelines.

Mr Hanlon concluded: “Resorting to lengthy legal actions only succeeds in wasting scarce Commission, airline, and airport resources, in addition to creating confusion and uncertainty in the marketplace.”

To remedy this situation, ELFAA supports the planned economic analysis of developments in the market for airport services at regional and/or secondary airports. It is critical that this informs the Commission’s planned review of the guidelines due for 2010.

ELFAA believes this to be a pragmatic way out of the current deadlock in the application of state aid rules at regional airports and looks forward to feeding in to the process, at a critical time for both Europe’s regions and ELFAA’s members.

**Notes to the editor:**

ELFAA airlines carry 150 million passengers a year. They account for over 35% of scheduled intra-European traffic, a share which is forecast to grow to over 50% by 2013.

ELFAA airline members include: bmibaby, easyJet, Flybe, Jet2.com, Norwegian, Ryanair, SverigeFlyg, transavia.com, vueling and Wizz Air.

ELFAA airlines operating almost exclusively within Europe, they are a principal stakeholder in European regulation of aviation. ELFAA's primary objective is to ensure that European policy and legislation promote free and equal competition to enable the continued growth and development of low fares into the future, thereby allowing a greater number of people to travel by air.

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