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IFALPA

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Air Transport

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Liberalization – A Cautious Approach



- Considered and thoughtful Regulation is essential for liberalization efforts to benefit all stakeholders.
 - Deregulation since the late 1970's has grown air travel but that has come at a cost.
 - As the AFIMID region considers further liberalization safety and security must be an essential and overarching primary concern.
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Europe – A Case Study

- Can we learn any lessons from the European air liberalization experience?
 - Europe had the advantage of formal structures such as the EU Parliament/Council/Commission etc. in which to process liberalization agreements.
 - Europe also had the advantage of a single Aviation Regulator, EASA.
 - Europe had the ability to settle disputes formally as well with the EU Court structure.
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Measuring Success and Failures

- In terms of growth of traffic\average price per ticket the liberalization of the European air transport system is viewed as a success.
 - Labour it can be argued “paid” a large part of the price of liberalization with intense pressure on wages and conditions across the board. See Harvey/Turnbull 2020 *Has Labour Paid for the Liberalisation of European civil aviation?*
 - Financial Sustainability, Social Sustainability and Environmental Sustainability must be our shared goals. Industry profitability a real question even prior to pandemic.
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Lessons Learned

- Need structures in place to regulate and pace the move towards increased liberalization.
 - Collaboration between Governments, Industry, Regulators and Labour groups must be prioritized and “baked in” to the liberalization process.
 - This will provide a stable and secure path for liberalization that will be absolutely necessary to attract high quality investors to the industry and the region.
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