

The Economic Oversight of Airports

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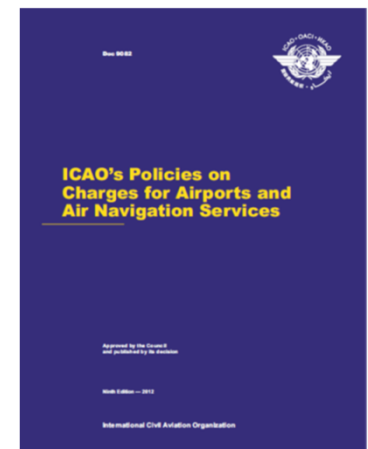
The concept of economic oversight

- def·i·ni·tion

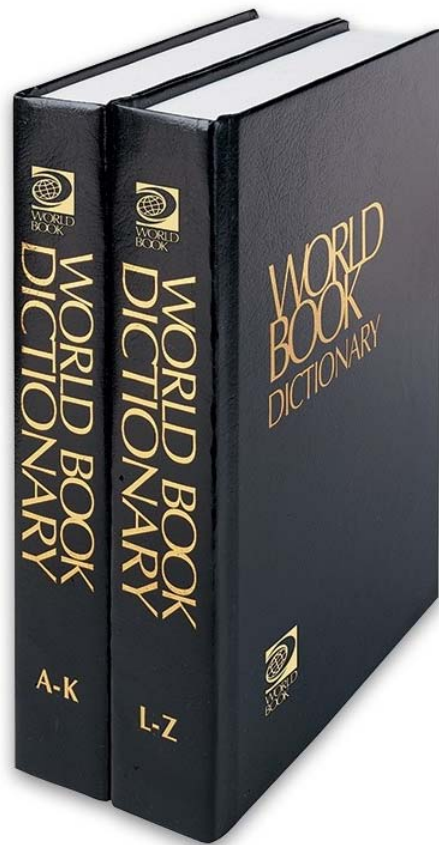
\dē-fə'-nī-shən\

– The main purpose of economic oversight should be to achieve a balance between the interests of airports and those public policy objectives that include, but are not limited to, the following:

- i) Minimize the risk of airports engaging in anti-competitive practices or abusing any dominant position they may have;
- ii) Ensure non-discrimination and transparency in the application of charges;
- iii) Ascertain that investments in capacity meet current and future demand in a cost-effective manner; and
- iv) Protect the interests of passengers and other users.



The concept of economic oversight



def·i·ni·tion

\dē-fə'-nī-shən\
meaning of a word;
can be subjective





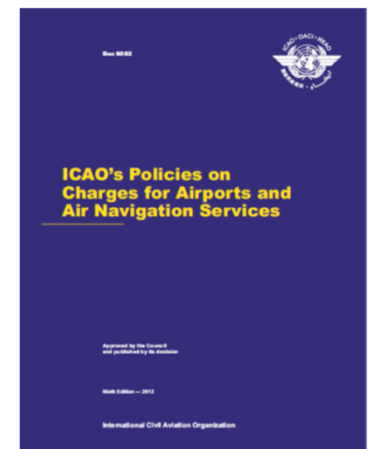
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The economic oversight of airports

- Airports are business in their own rights.
- Airports compete on all aspects of their business.
- Airports are incentivized to expand traffic, not to exploit market power

⇒ **The role of a regulator is to monitor and ensure there is no significant abuse of market power.**

⇒ **The ICAO framework should fully take into account market mechanisms as the main oversight method.**