The efficiency of airport slot rules

Monique De Smet
Summary

- Coordinated airports in Europe
- Slot rules *have been effective* and have ensured optimal airport capacity utilisation
  - Connectivity and growth of routes
  - Access to congested airports bringing competition
  - Efficient use of scarce capacity
- Slot rules *will continue to be effective* and ensure optimal airport capacity utilisation
  - Outcome of the Strategic review of the WSG
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Number of slot coordinated (L3) airports in Europe

Europe: 104
Rest of World: 100

Source: IATA Economics based on SRS Analyzer
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European airports have added over 5,000 new routes since 2009.

Despite capacity constraints, slot coordinated (L3 airports) have added a total of 2,899 routes, increasing the number of routes by 32%.

Source: IATA Economics based on SRS Analyzer
Share of routes, flights and seats from slot coordinated airports in Europe, 2019

- 70% of the routes departing from Europe are from slot coordinated (L3) or slot facilitated (L2) airports.
- These routes have higher frequencies and use larger aircraft and therefore represent 81% of all flights and 84% of all seats departing from Europe.

Source: IATA Economics based on SRS Analyzer
Connectivity in European hubs is strong

According to ACI’s connectivity measure, 7 European airports are among the top 20 most connected airports.

Year-on-year growth of connectivity has been between 2.2% (Amsterdam) and 23.4% (Munich) for them.

Source: ACI EUROPE Airport Industry Connectivity Report 2018
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Growth of European low cost airlines

- Top airports for low cost aviation:
  - Barcelona
  - London Gatwick
  - Dusseldorf

- All congested slot coordinated airports (L3)

- Under EU Slot Regulation
  - Airlines gained access
  - Provided more choice to the consumers
  - Built competitive services
Competition on intra-European routes

- Share of single-carrier routes has decreased from 63% to 60% in the last decade.
- Share of routes with 4 carriers or more has increased from 8% to 10%.

Source: IATA Economics based on SRS Analyzer
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Efficient use of ever scarce capacity in Europe

The 80/20 rule does not lead to wasted capacity

- Utilization of (declared) capacity is well above 80% at L3 airports
- Regular capacity analysis must be undertaken and made transparent for all stakeholders to ensure the actual available capacity is effectively allocated
- The Coordinator can only allocate declared capacity

Available capacity (% of total)

Used capacity (% of total)

AMS | LHR | ORY | MUC | TXL | WAW
---|---|---|---|---|---
100 | 99 | 93 | 92 | 87 | 79

Source: SDG
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WSG Strategic Review – outcomes and next steps

- Trailing an earlier return of unused slots to the slot pool.
- Enhancements to the airport demand and capacity analysis process.
- Provide new entrants a fairer access to congested airports by changing the New Entrant definition from 5 to 7 slots.
- Introducing enhanced slot performance monitoring standards to ensure scarce capacity is used as efficiently as possible.
- The Review will be completed at the end of 2019 with changes published in the newly renamed Worldwide Airport Slot Guidelines in early 2020.
- Airports, Airlines, Facilitators and Slot coordinators will continue to review and enhance the slot process under a new governance structure.
Conclusion

- No slot regulation will deliver more capacity. Slot allocation rules only make best use of what is declared to be allocated. Therefore, effective analysis of capacity and demand is essential, but lacking today. The principles are:
  - Regular review of the demand and capacity situation at each coordinated airport, with all stakeholders involvement.
  - Publish the capacity declaration in a timely and transparent manner, so any airline can use it for planning – to support access and increased competition, as well as better ability to meet the needs of the travelling public.
- The current EU rules are in line with the WSG and do not need to be revised but only enhanced and reinforced.
Thank you for your attention!

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