



Challenges of Air transport in the Danube region

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FLIGHTPATH 2018...

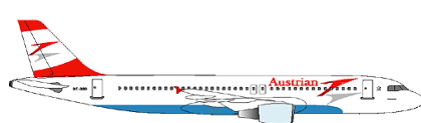
- ◉ Challenge to regional airports and airlines to be more innovative in search for the business model and to work together to better serve the regional air transport needs
- ◉ ECAA agreement has a major role to play in linking candidate countries to EU Member States (Serbia signed in 2006).
 - EASA visits to countries of the region provide good results.
 - All countries of the Danube region are part of SES (Single European Sky) and
 - Serbia and Montenegro are working on joint FAB (Functional Airspace Block) that would fill in the gap between FAB CE, Danube FAB and Blue MED FAB.
- ◉ AirSerbia today
 - Transport passengers and cargo to the 40 destination from Belgrade, home base, to the U.S, Euro-Mediterranean and Middle East destinations.
 - 8 of them will serve routes within the Danube region.
- ◉ Low level of the connectivity within the SEE region (source SEETO comprehensive network)
 - Two regional “hubs” are detected - Belgrade with 8 routes; Zagreb with 7 routes; other 15 airports have max 2 routes within the region.
 - 17 airports and 136 connections were examined.
 - Commission and Western EU Member States are worried of “capacity crunch” there are airports in the SEE with about 80% of airport capacities underused





FUTURE DEVELOPMENT OPERATORS (AIRPORT) ISSUES

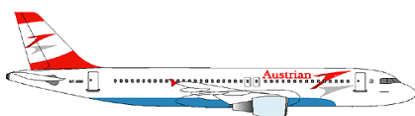
- ◉ Airport “Nikola Tesla” Belgrade is a good example of reinvestment strategy and airport capacity development; some additional investments were re-directed due to Airport “Constantine the Great” Niš lack of financial sources
 - For example, all goals from the General Master Transport Plan in Serbia have been achieved
- ◉ Small airports should be flexible in order to survive, hence being able to adopt to needs of the catchment area they serve.
 - Connections with regional hubs should be performed with smaller airplanes fleet, logistic centres (where needed) planned and general aviation need to be supported.





FUTURE DEVELOPMENT AIRLINES ISSUES

- ◉ Air carriers are nowadays at the most difficult period, while airports and CAAs are at a little better position.
 - National air carriers vs. low cost or low fare
 - Aircraft fleet and aircraft capacity
- ◉ Several opportunities for cooperation between companies that enjoy the respect and trust on regional aircraft maintenance market and quality of services. However cooperation between air operators from various regions remains challenge for the future.



EUROPEAN AIR TRANSPORT MARKET UNDER INFLUENCE OF COOPERATIVE ARRANGEMENTS

- via mergers or full take-overs, or via forming
- alliances global networks

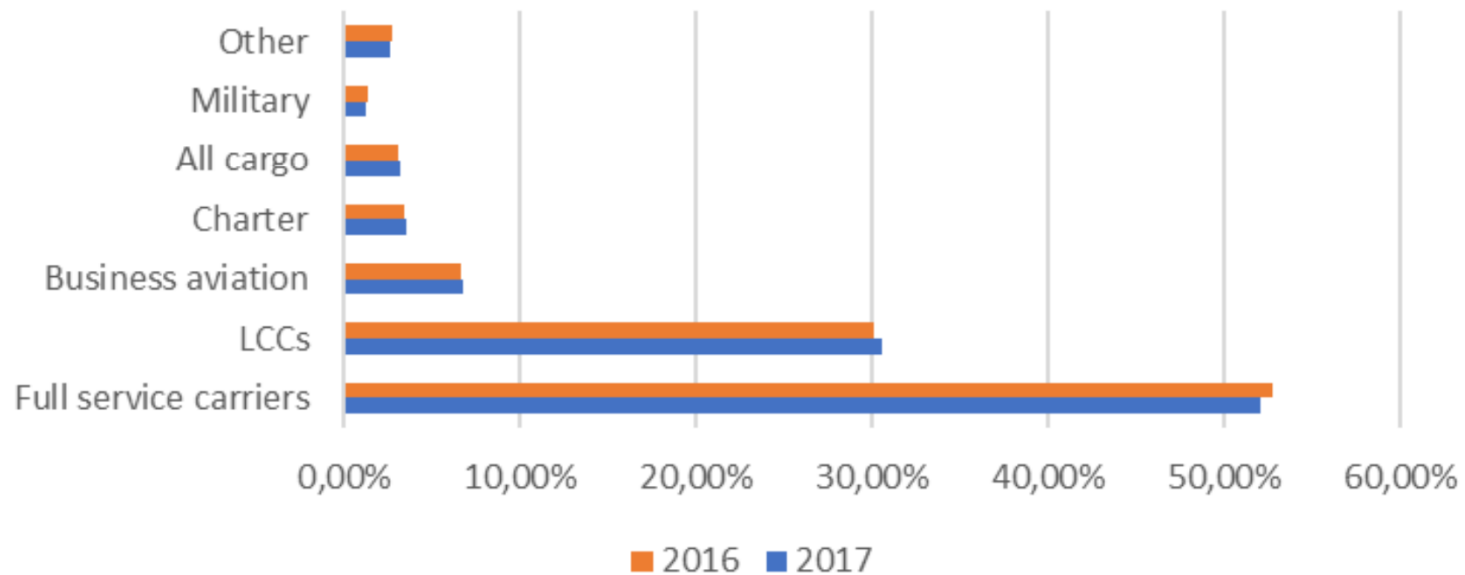
Alliance statistics

Column1	Star Alliance	SkyTeam	oneworld
Member airlines	28	20	14*
Revenue (\$ bn)	181	147	134
Countries Served	191	177	157
Destinations served	1218	1065	978
Share in scheduled capacity offered	22.7%	18.3%	15.9%

Source: Airline Business Airline Alliance Survey, September 2017

**since Air Berlin ceased operations in late 2017, it is no longer part of oneworld alliance*

Comparison of share of European flights per market segment in 2016 and 2017



Comparison of share in European flights per market segment in 2016 and 2017
Source: Eurocontrol Seven-Year Forecast, February 2018

NATIONAL AIR CARRIERS IN THE DANUBE REGION

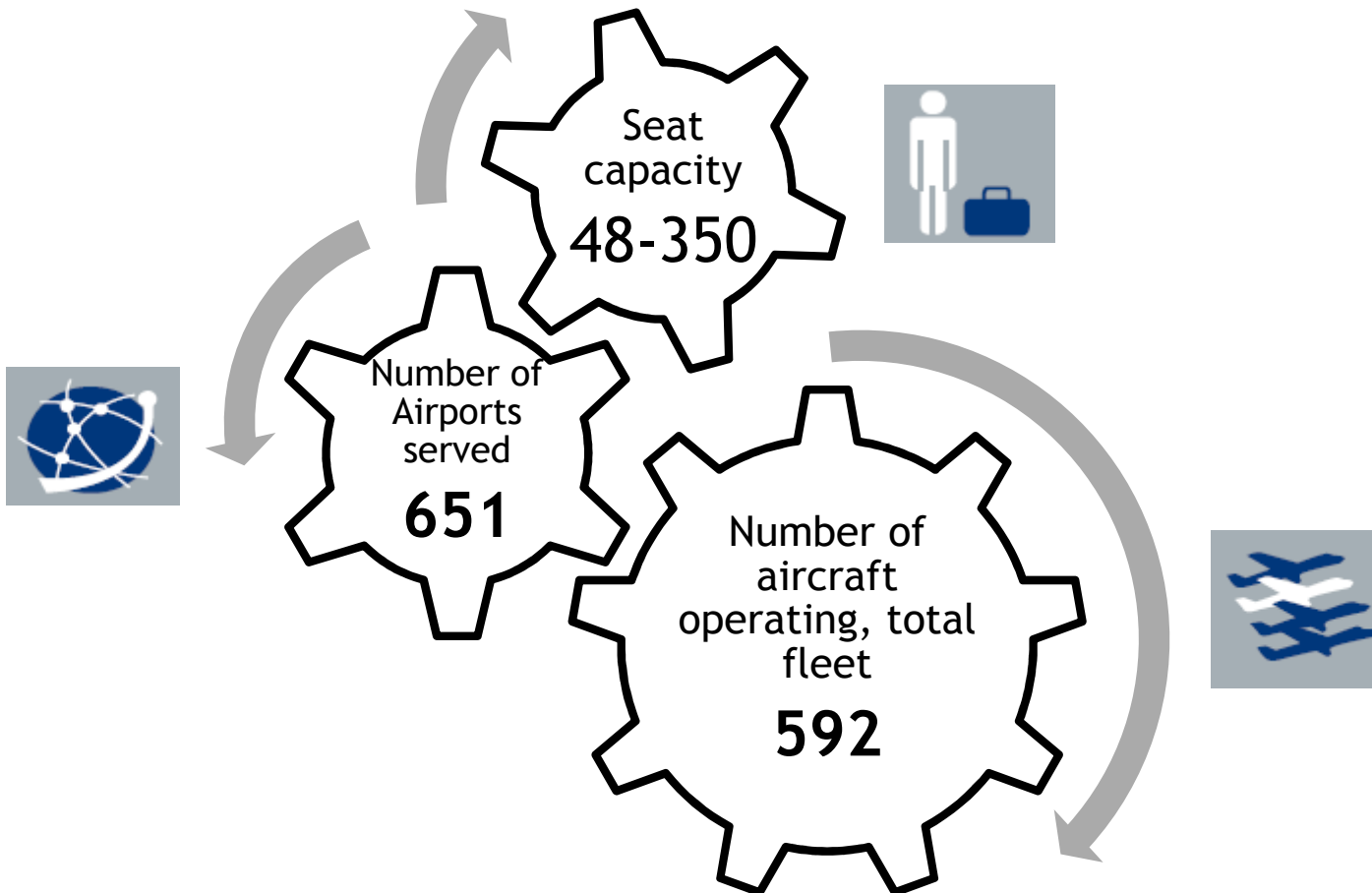


- 14 countries, 12 national air carriers - EU (7), non EU (5);



AIR CARRIERS IN NUMBERS

48-50-64-66-68-70-76-84-86-104-107-108-110-112-113-114-116-130-
134-135-144-148-162-170-174-180-186-189-209-215-276-350



AIR CARRIERS IN NUMBERS

◉ Number of aircraft operating

- Lufthansa (360)
- Austrian Airlines (77)
- Czech Airlines (27)
- Adria Airways (21)
- Croatia Airlines (12)
- Bulgaria Air (9)
- Tarom (24)
- AirSerbia (21)
- FlyBosnia (1)
- Montenegro Airlines (8)
- Ukraine International Airlines (40)
- Air Moldova (4)

Lufthansa 61%; Austrian Airlines 13%; Others 26%

◉ Number of airports served

- Lufthansa (280)
- Austrian Airlines (130)
- Czech Airlines (47)
- Adria Airways (24)
- Croatia Airlines (37)
- Bulgaria Air (28)
- Tarom (37)
- AiSerbia (40)
- FlyBosnia (1)
- Montenegro Airlines (13)
- Ukraine International Airlines (75)
- Air Moldova (20)

Lufthansa 33%; Austrian Airlines 20%; Others 47%

REGIONAL COOPERATION?



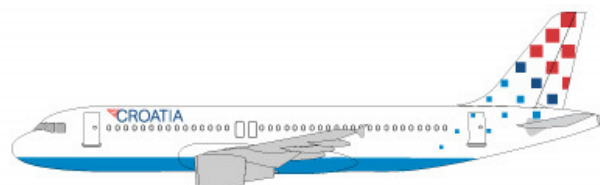
40

- 1 Airbus A330 (254 seats)
- 2 Airbus A320 (172 seats)
- 8 Airbus A319 (142 seats)
- 4 Boeing 737-300 (134 seats)
- 3 ATR 72-500 (70 seats)
- 3 ATR 72-202 (66 seats)



24

- 3 Airbus A319 (144 seats)
- 9 Bombardier CRJ900 (90 seats)
- 3 Bombardier CRJ700 (72 seats)
- 6 Saab 2000 (50 seats)



37

- 2 Airbus A320 (174 seats)
- 4 Airbus A319 (144)
- 6 Dash 8-Q400 (76 seats)



21

- 3 Embraer E-195LR (116 seats)
- 2 Fokker 100 (102 seats)



1

- 1 Airbus A320 (174 seats)

AIR TRANSPORT DEVELOPMENT STRATEGY IN THE DANUBE REGION - CONCLUSIONS

- ◉ **Air connectivity is the key to the economic growth in the Danube region.**
 - 35% of goods travel by air - that's of all world trade by value.
 - 3.5% of the regional and global economy relies on aviation (source IATA, 2013).
 - Aviation will cut its net carbon emissions 50% by 2050 (compared to 2005).
 - 90% of travelers within Europe are able to complete their journey, door-to-door within 4 hours.
 - There is one accident for every 5 million flights on western-built jet aircraft.
- ◉ **Better air connectivity within the Danube region could significantly ensure suitable and sustainable mobility of passengers and freight.**
- ◉ **GA and helicopter transport system (European air transport in 2050) in the Danube region is a solution to improve infrastructure utilization and regional connectivity.**



THANK YOU FOR YOUR ATTENTION!



Further questions:

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