WALA XIII – The Airport Law Conference
Paris 2023

Keynote Address

The New E.U.-ASEAN Comprehensive Air Transport Agreement (CATA): Impact on International Air Transport and an Airport Perspective

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EU: 27 member states
Population: 450 million
Aviation Hubs: Paris, Amsterdam, Frankfurt, Rome, Madrid, Munich, Helsinki, Zurich, Vienna (also, still London Heathrow)

ASEAN: 10 member states
Population: 636 million
Aviation Hubs: Singapore, Bangkok, Kuala Lumpur, Jakarta, Manila, Ho Chi Minh City

E.U.-ASEAN CATA

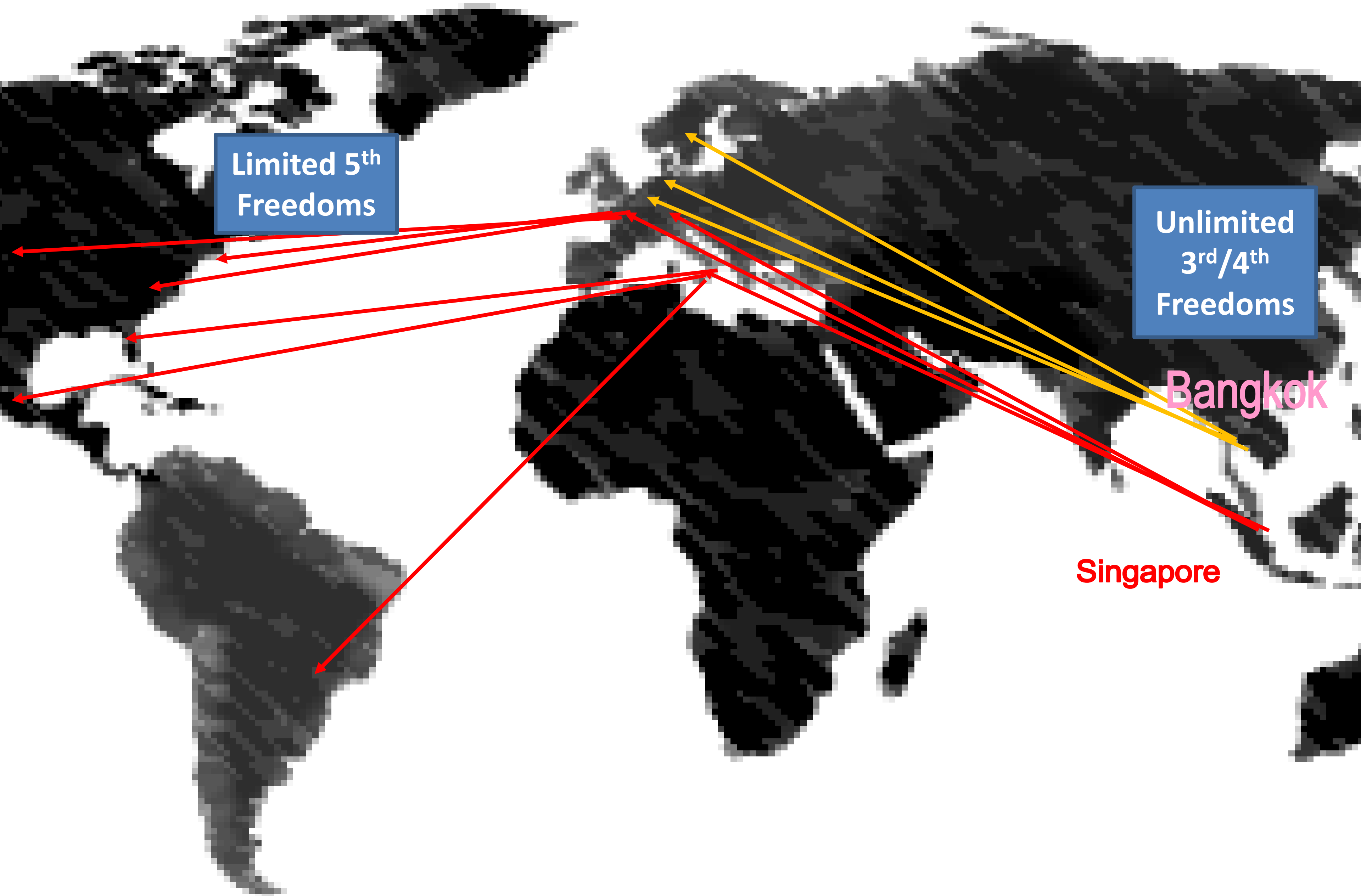
- **Mutual benefits; expands and integrates markets; strengthens both regions' airlines vis-à-vis other players like the Gulf airlines? Strengthens both sides' airport hubs for connectivity**

- **Market Access – 3rd/4th freedoms (unlimited); limited 5th freedoms for now. Does not address slot constraints**

- **Ownership & Control – community carrier designation for EU airlines, but retains classic national SOEC for ASEAN member states' airlines**

- **Adopted in October 2022. Text at https://eur-lex.europa.eu/resource.html?uri=cellar:e8fc76ac-cd2b-11ec-a95f-01aa75ed71a1.0009.02/DOC_2&format=PDF**

    [Note: Annex has further specific limitations imposed by certain ASEAN member states]



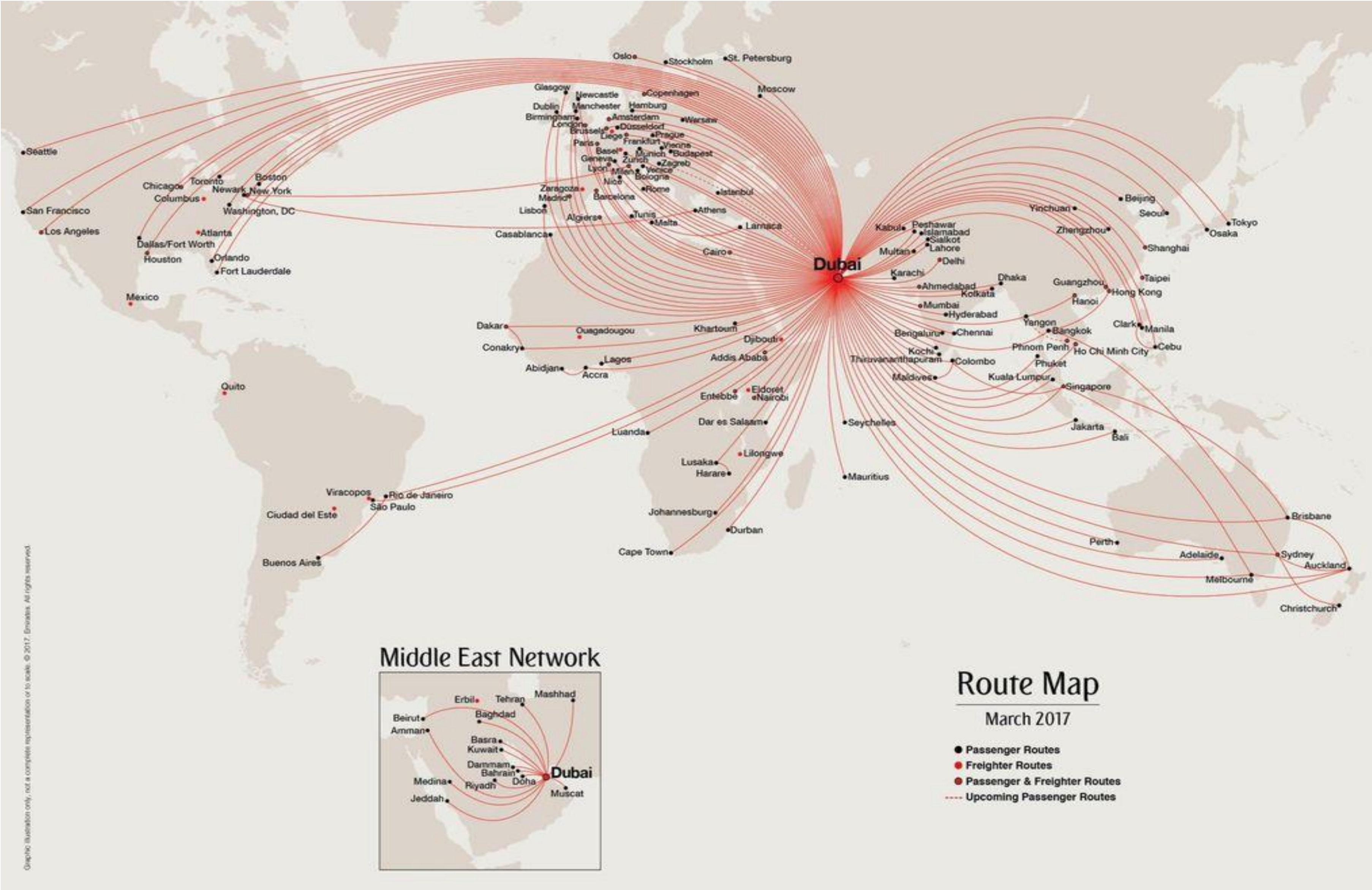
Limited 5th Freedoms
Unlimited 3rd/4th Freedoms
Bangkok
Singapore

Fifth Freedoms – particularly contentious

- 7 times weekly between each country pair e.g. Singapore Airlines' SIN – AMS – JFK, SIN – CDG – YUL [the automatic first 7]

- Within 2 years of CATA's entry into force, another 7 times weekly between each country pair but only if EU airlines (or codeshare partners) don't serve that route e.g. Singapore Airlines' SIN – CDG – CCS (Caracas, Venezuela) [the conditional next 7]

- Lufthansa can fly 7 times weekly FRA – CGK – SYD, and another 7 times MUC – CGK – AKL if Garuda Indonesia (or codeshare partner Air NZ) doesn't serve Auckland from Jakarta CGK



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Addis Ababa
Entebbe
Eldoret
Nairobi
Dar es Salaam
Luanda
Lusaka
Lilongwe
Harare
Johannesburg
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Perth
Brisbane
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Sydney
Auckland
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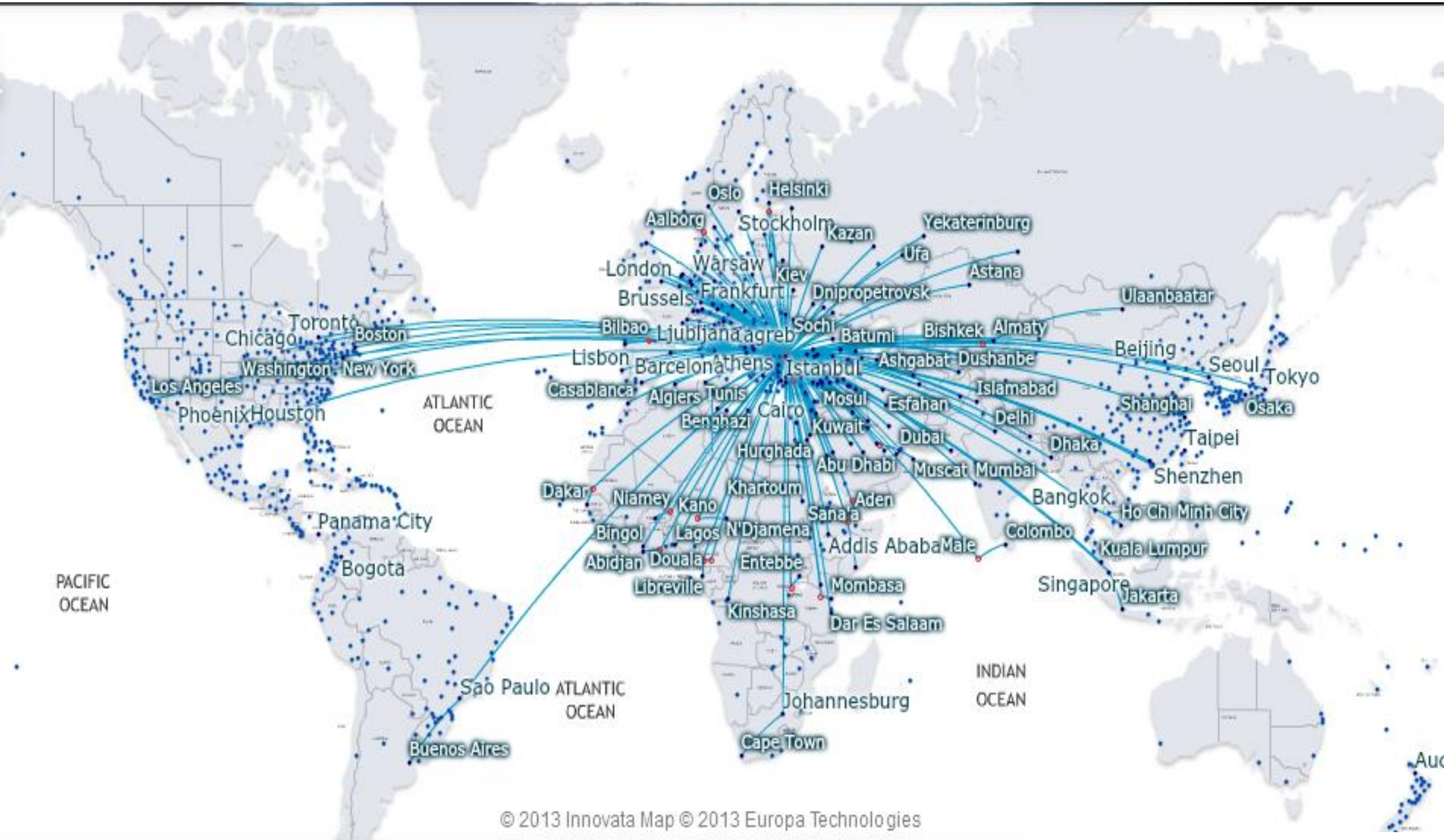
Christchurch
Middle East Network
Erbil
Tehran
Mashhad
Beirut
Baghdad
Amman
Basra
Kuwait
Dammam
Bahrain
Dubai
Medina
Riyadh
Doha
Muscat
Jeddah
Route Map
March 2017
Passenger Routes
Freighter Routes
Passenger & Freighter Routes
Upcoming Passenger Routes

Emirates

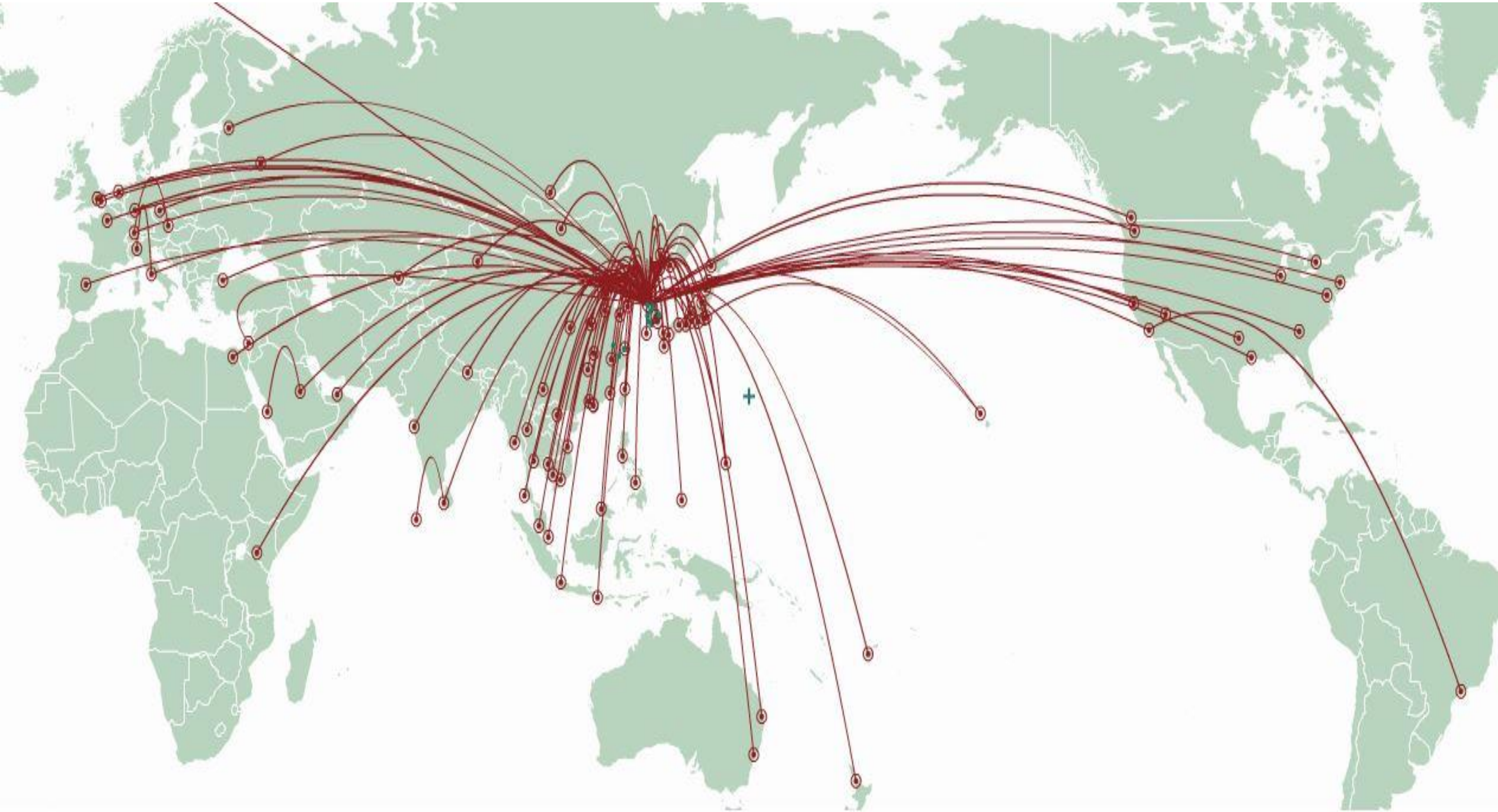
The Battle of the Hubs

oneworld QATAR AIRWAYS القطرية

The Battle of the Hubs



The Battle of the Hubs



SKYTEAM

KOREAN AIR

The Battle of the Hubs

STAR ALLIANCE

AIR CHINA
中国国际航空公司

The Battle of the Hubs

STAR ALLIANCE

Ethiopian
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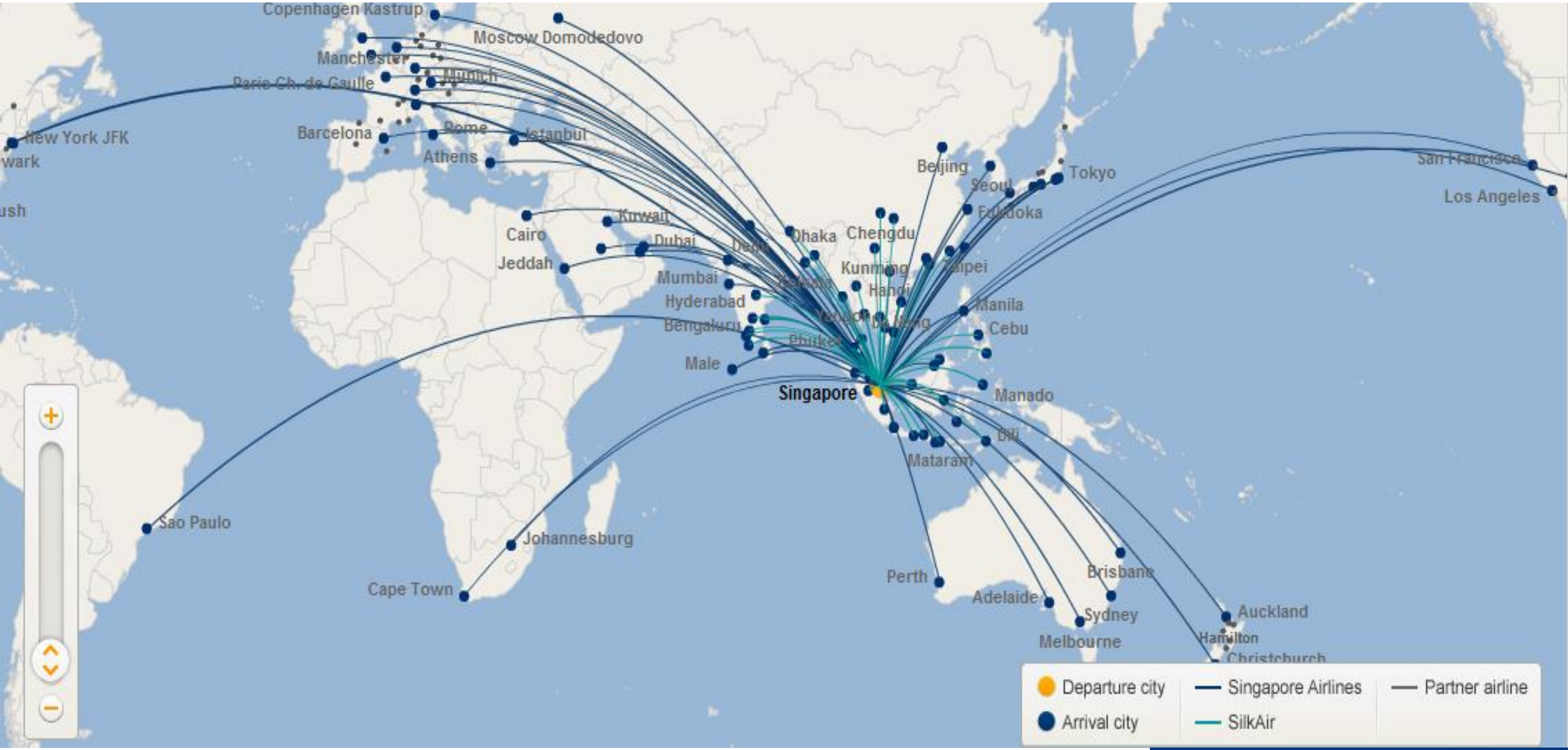
The Battle of the Hubs



STAR ALLIANCE

SINGAPORE AIRLINES

<u>Destinations</u>

Emirates: 35 in E.U., 11 in ASEAN

Qatar: 32 in E.U., 10 in ASEAN

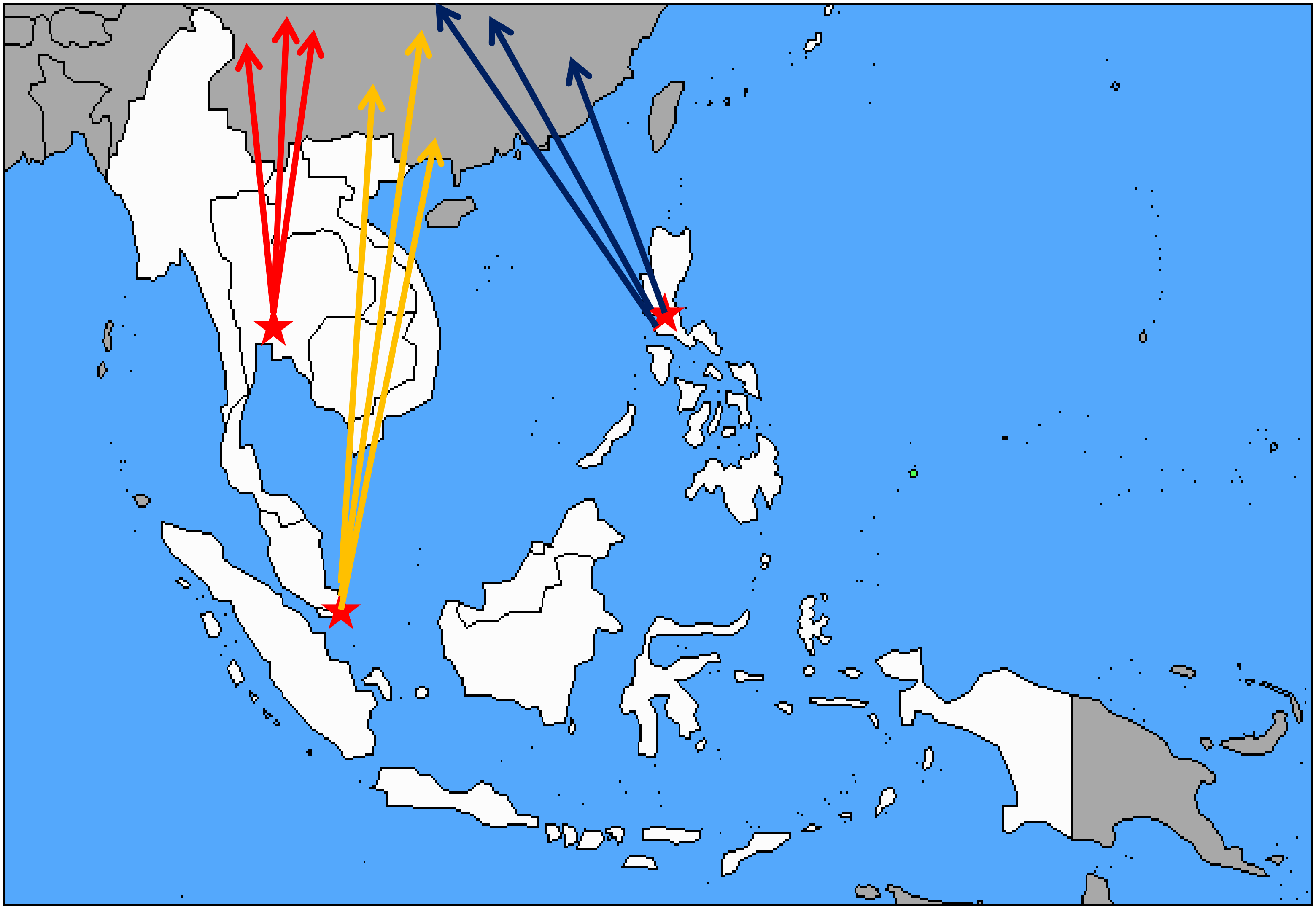
Etihad: 16 in E.U., 6 in ASEAN

Turkish: 67 in E.U. (!!), 10 in ASEAN

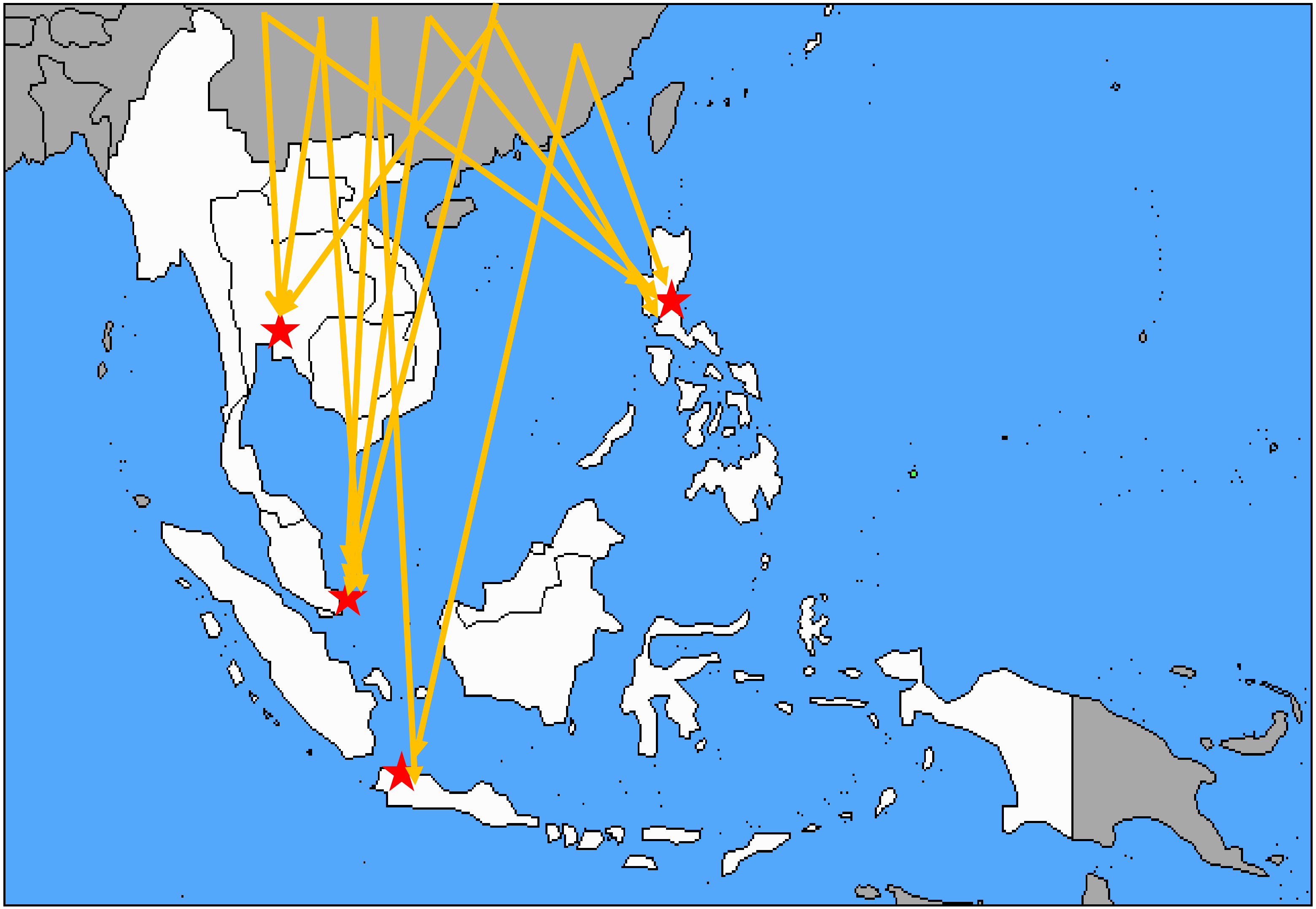
Singapore Airlines: **13** destinations in the E.U.
Thai Airways: **12**
Vietnam Airlines: **3**
Garuda Indonesia, Malaysia Airlines, Royal Brunei: **1** each

KLM: **6** destinations in ASEAN
Finnair: **3**
Air France: **3**
Lufthansa, Swiss: **2** each
British Airways, Austrian Airlines: **1** each

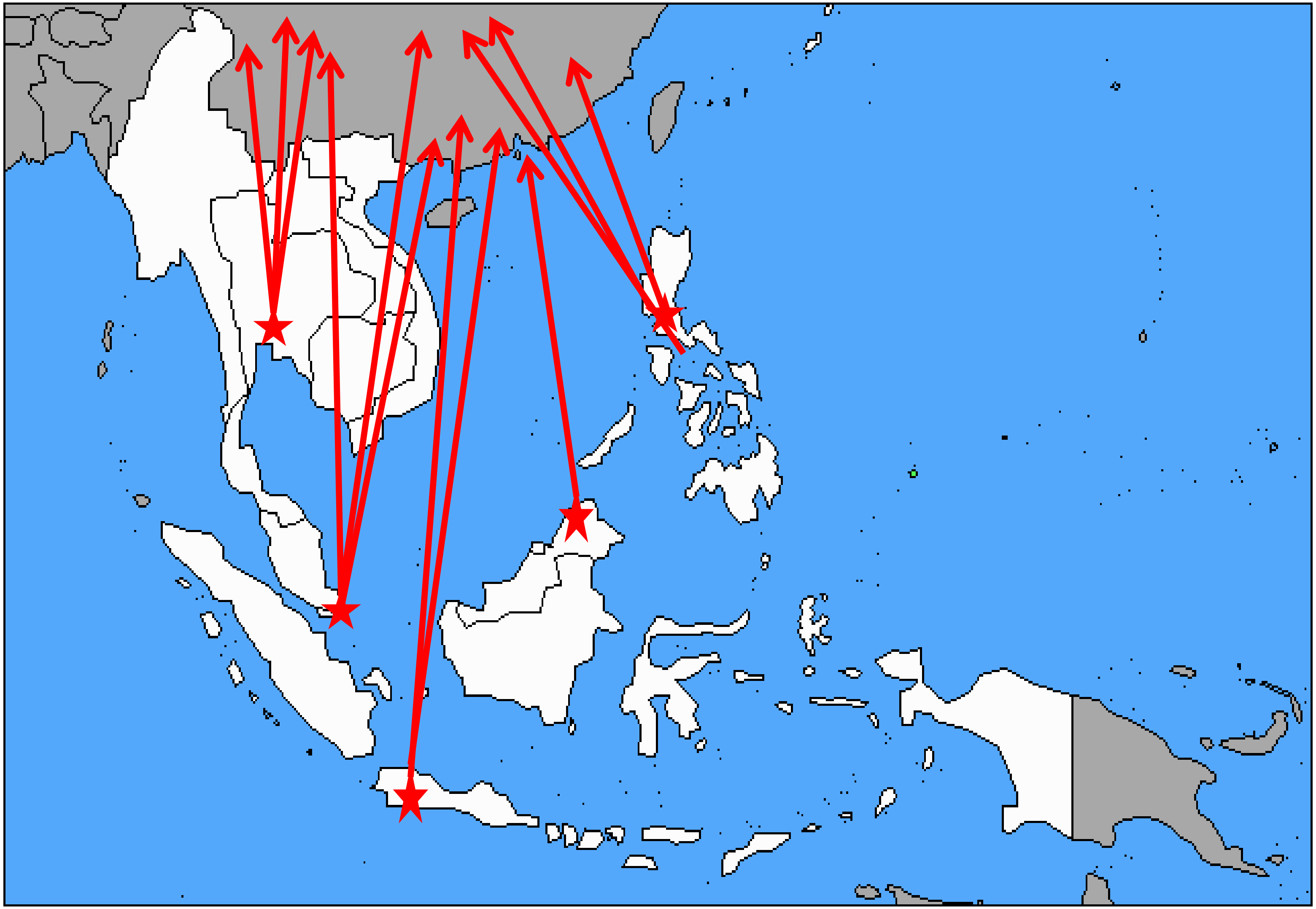
ASEAN-China Air Transport Agreement (2010)
ASEAN Airlines' Network to China – Unlimited 3rd/4th



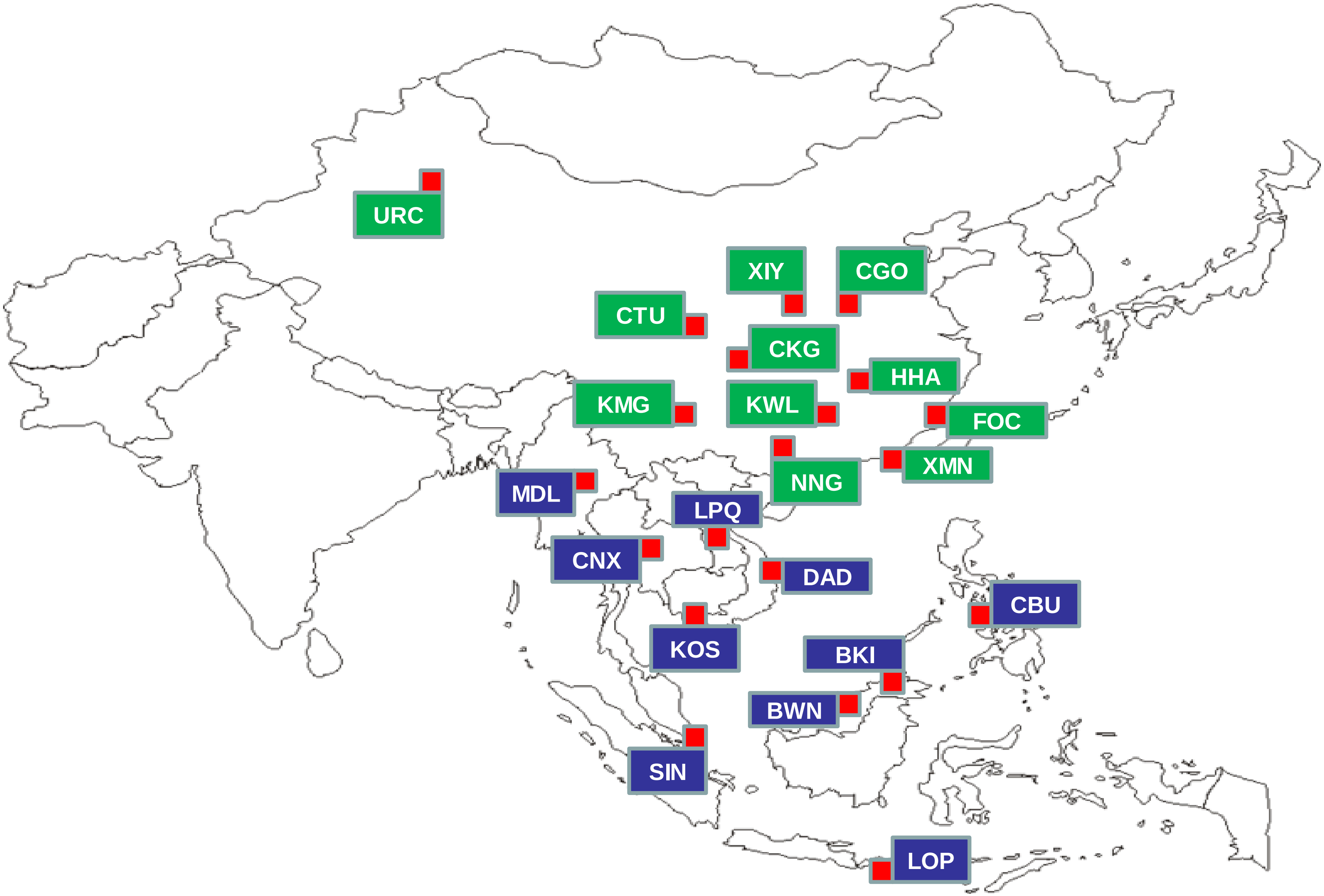
Compare: Chinese Airlines' Network to ASEAN!!



ASEAN Airlines' IDEAL Network to China with 7th Freedom

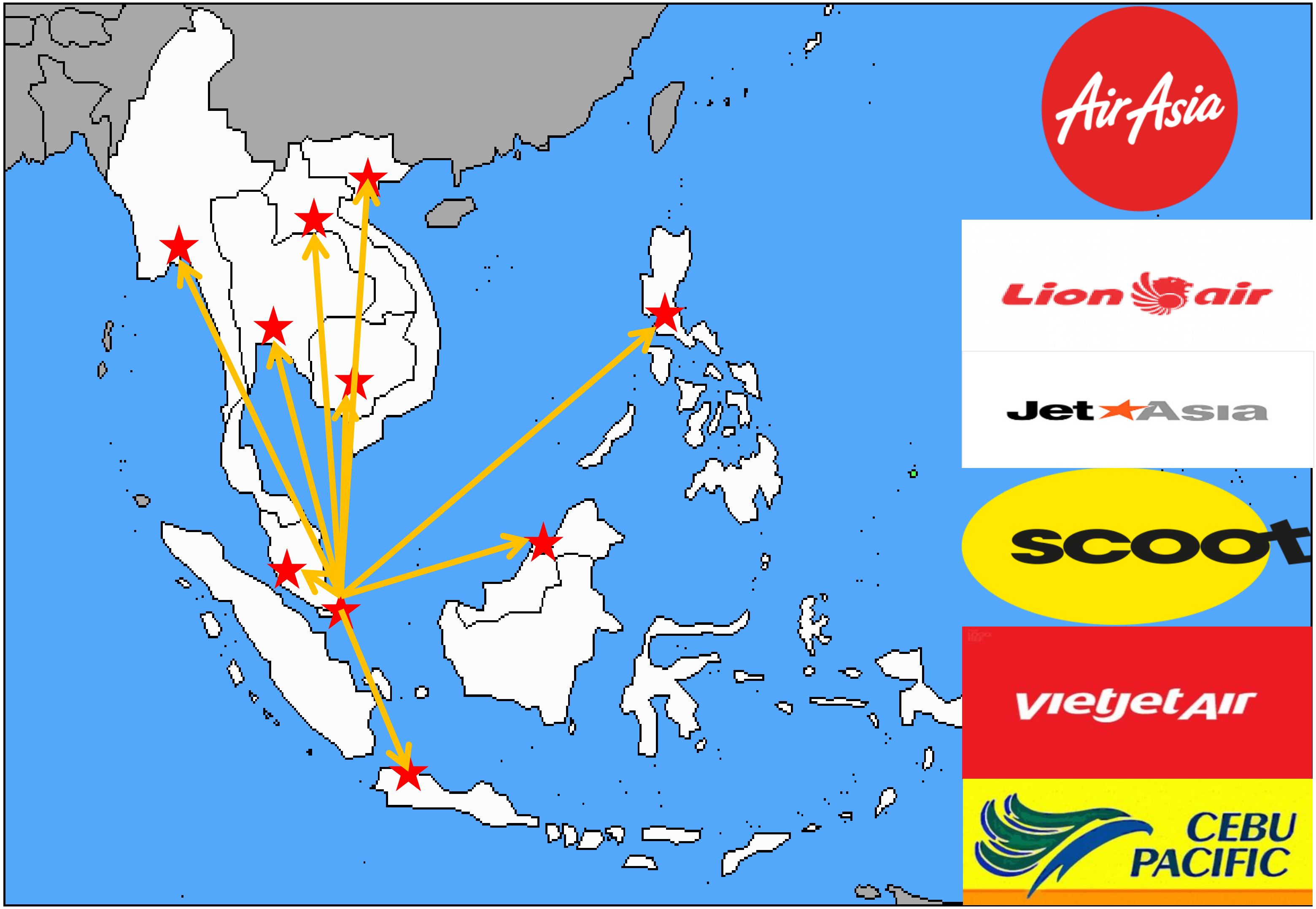


ASEAN-China Limited 5th Freedoms
Meaningless with secondary cities only



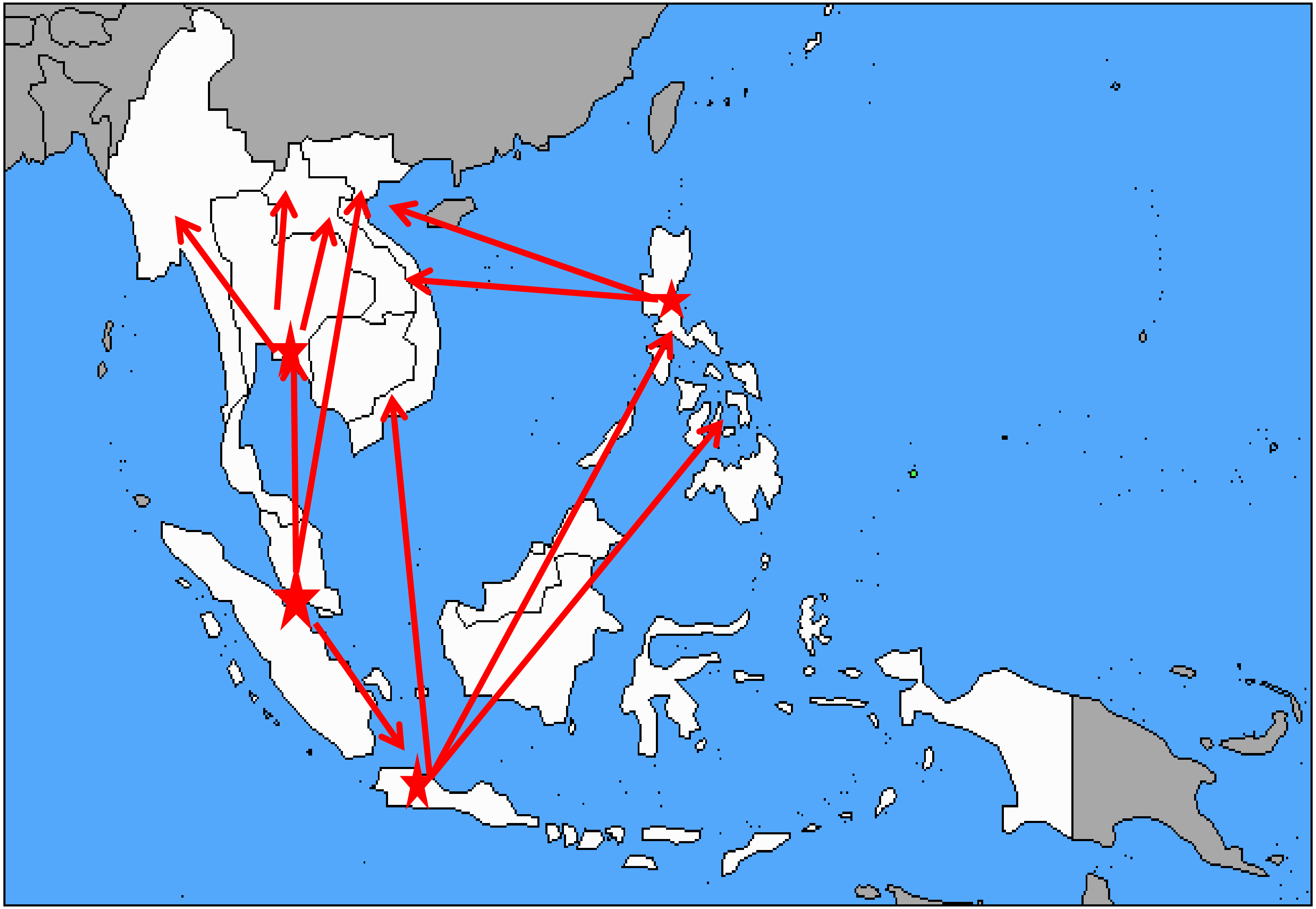
Intra-ASEAN – 3rd/4th freedoms now fully open.

But slot restrictions in Jakarta and Manila

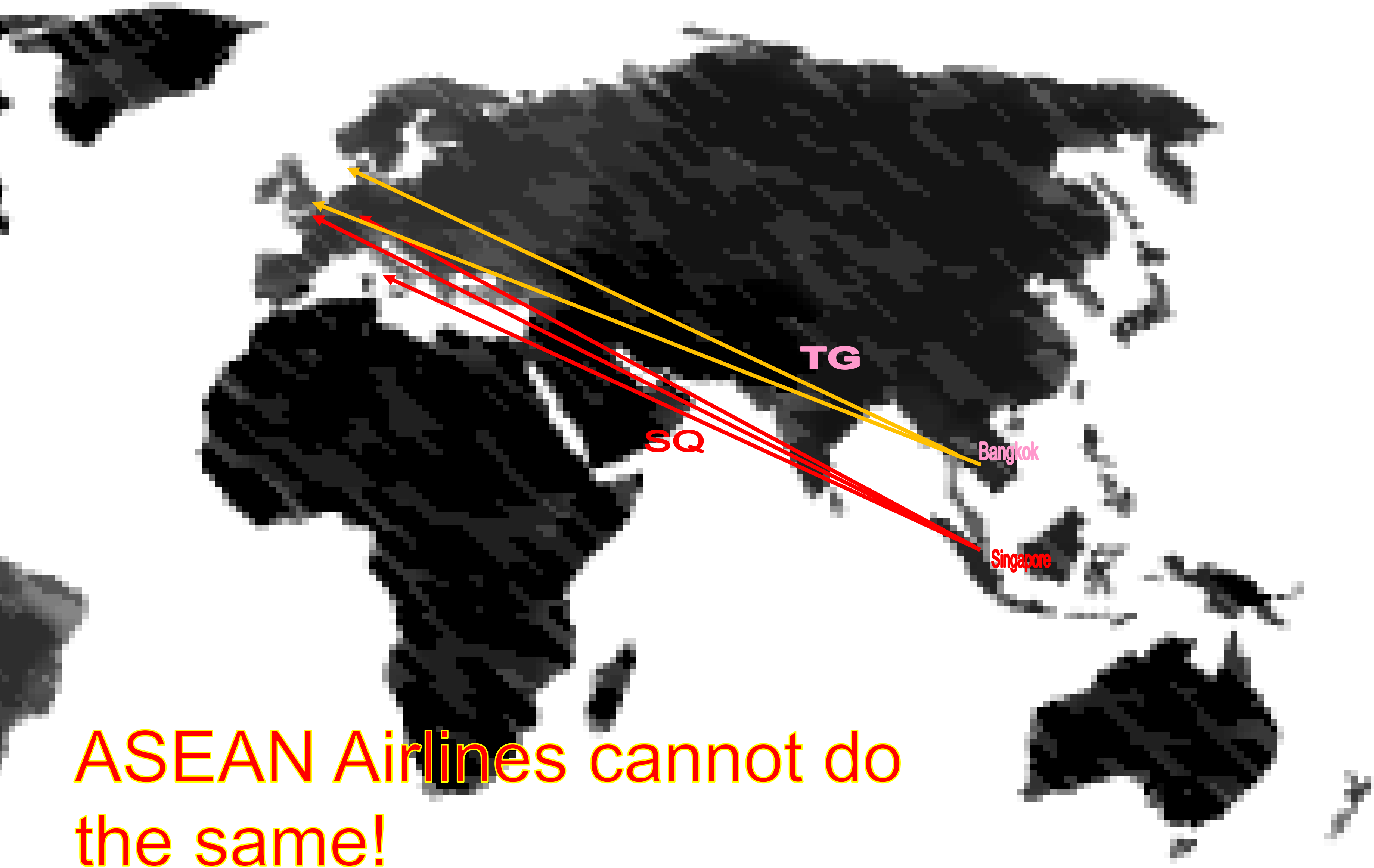


5th Freedoms: open too. BUT what if ..... (!)

What's NOT in ASEAN Single Market – 7th Freedom and Multiple Bases




Amsterdam
Frankfurt
Paris
Rome
Manila
Bangkok
Kuala Lumpur
Singapore
Jakarta
The result of an EU-ASEAN Agreement: similar to China-ASEAN
This can be just ONE airline!



ASEAN Airlines cannot do the same!

E.U.-ASEAN CATA Benefits?

- **Mutual benefit; expands markets; strengthens both regions' airlines vis-à-vis other players, especially Gulf carriers. *Really?!***

- **Market Access – unlimited 3rd, 4th & (limited 5th?!) freedoms; also joint venture (metal neutral) operations. E.U. Community Carriers have immediate advantage in connecting all of E.U. with all of ASEAN**

- **Ownership & Control – relaxed investment opportunities for E.U. in ASEAN airlines? Unclear – Agreement provides for future talks on progressive liberalisation of ownership and control. For now, EU airlines can merge (e.g. AF-KLM, Lufthansa Group), but ASEAN airlines cannot due to SOEC**

- **Specific restrictions/exceptions imposed by certain ASEAN member states (see Annex) – need to be lifted before full liberalization can be achieved**

Airport Perspectives and Interests?

- **ASEAN Single Market & secondary points – growing prospect of secondary cities/airports being served by right-sized planes by alternative manufacturers – e.g. Embraer, ATP. Scoot just secured Embraer regional jets!**

- **For EU-ASEAN: Non-hub airports on both sides will continue to face challenges due to tyranny of distance, aircraft right-sizing, Gulf carriers' competition. But see Scoot's SIN-ATH-BER connection. Fifth freedoms (e.g. through India) may see more EU airlines operate into Bali, Phuket?**

- **New airport developments in Asia – China, India, Indonesia, some greenfield. Continue to be government-owned/led, including by provincial/state governments. Public-private partnership model growing?**

Airport Perspectives and Interests?

- **Role of Airports in ASEAN negotiations – tend to be indirectly-represented, given that most airports are government-owned (thus, represented by Ministries of Transport and/or Civil Aviation Authorities). This should change, given airlines' direct participation and influence**

- **Ownership & Control – relaxed investment opportunities for E.U. in ASEAN airlines *as well as* airports? Unclear – Agreement provides for future talks on progressive liberalisation of ownership and control. For now, EU airlines can merge (e.g. AF-KLM, Lufthansa Group), but ASEAN airlines cannot due to SOEC**

- **Slot constraints – future talks?**

- **Urban Air Mobility - ??**

- **Environment, climate change, SAFs - few details, talks?**