

Strict airport slot rules could instigate aviation trade war between EU, Asia

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Tokyo : Regulators in Asian hubs like Singapore and Hong Kong have threatened to retaliate against European Union plans to force airlines to start using take-off and landing slots frozen during the coronavirus pandemic, a move that could oblige Europe's carriers to fly empty seats for thousands of miles at a loss.

Authorities controlling slots at major Asian airports are ready to slap similar 'use it or lose it' conditions on European carriers flying to Asia's cities - raising the prospect of an industry trade war over the uneven impact of Covid-19.

After rare unity during the pandemic, when carriers were being bailed out or trying to stay afloat, industry leaders said the dispute has rekindled fundamental differences across a fragmented sector as the world stages a multi-speed recovery. Tensions have grown since July, when the EU announced plans to force airlines to use 50 per cent of their rights or lose them to rivals from October. That move partially reinstated competition rules that had been waived as airlines struggled to survive the pandemic.

But while the EU decision reflects a traffic recovery that is well under way in Europe's mainly short-haul market, Asian carriers are protesting they will be unfairly penalised because their long-haul networks will take much longer to recover.

Some Asian regulators have already put European airlines on notice that they will need to fly at least 50 per cent of the time, industry sources said, risking political fights over the future of transport links that are important for global trade. Singapore, one of several Asian jurisdictions to line up previously unreported 'reciprocity' rules, has included the provisions to ensure fair treatment, said Daniel Ng, Director Air Transport at Civil Aviation Authority of Singapore.