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The Brexit Mapping – What are the Wider Repercussions for Aviation and Tourism?

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UK Prime Minister Theresa May

“We are living through an important moment in our country’s history.

*Following the referendum, we face a time of great national change.
And I know because we’re Great Britain, that we will rise to the challenge.*

As we leave the European Union, we will forge a bold new positive role for ourselves in the world, and we will make Britain a country that works not for a privileged few, but for every one of us.”

“Brexit means Brexit. We must be clear that we are going to make a success of it - that means no second referendum, no attempts to sort of stay in the EU by the back door.”



Theresa May
Prime Minister

The Importance of Aviation to the EU and the UK

Triggering of Article 50: notification in March 2017

What does all this mean for aviation?

- Withdrawal negotiations
- Market access
- European Aviation Safety Agency
- Air Traffic Management
- Early reassurance
- Contingency planning
- Customs
- Third-country agreements



The Importance of Aviation to the EU and the UK: Air Traffic between the UK and the EU and the relative importance of UK traffic in the EU countries

UK traffic to the Top 10 countries (per Passenger numbers)

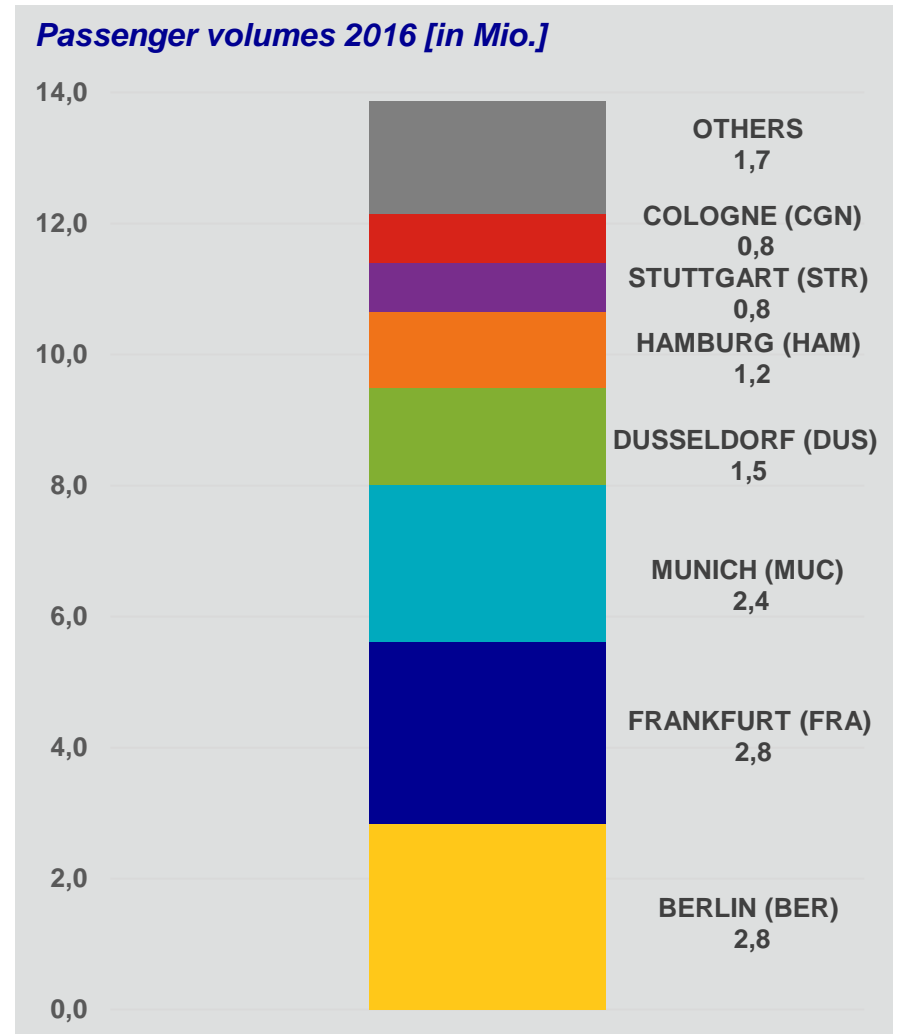
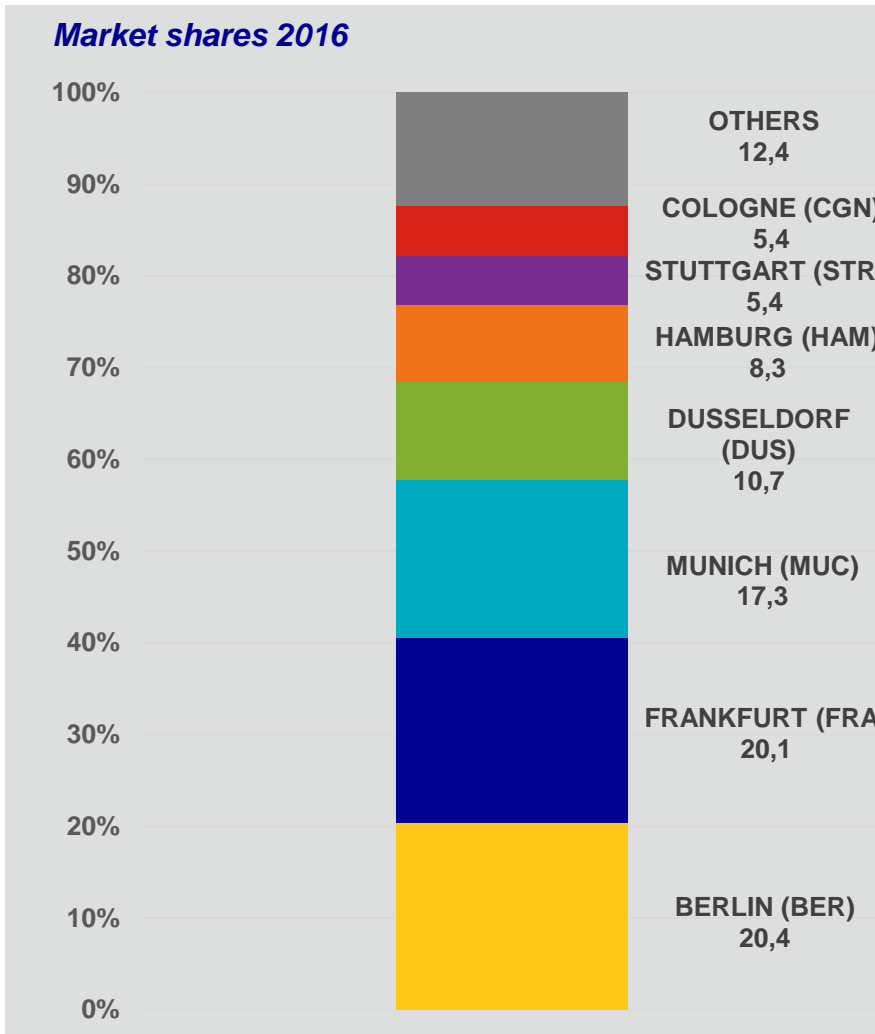
1. Spain: 41.3m
2. Italy: 14.1m
3. Germany: 13.9m
4. Ireland: 12,7m
5. France: 11.6m
6. Netherlands: 10.3m
7. Portugal: 7.4m
8. Poland: 7.1m
9. Greece: 6.6m
10. Denmark: 3.7m

UK traffic as a percentage of total traffic per country Top 10 countries (Passengers)

1. Ireland: 46.1%
2. Cyprus: 45%
3. Slovakia: 41%
4. Malta: 30.8 %
5. Spain: 30%
6. Poland: 28.5%
7. Portugal: 25%
8. Lithuania: 25%
9. Greece: 22.1%
10. Romania: 19%

The Importance of Aviation to the EU and the UK:

Frankfurt and Berlin are the top German destinations in UK traffic.



BER = TXL and SXF / Passenger Traffic between UK and Germany 2016

Source: Eurostat, Passengers carried, October 2017
 Edited by Fraport Market Research Department (UEW-MF)

The Importance of Aviation to the EU and the UK: external dimension: EU – US Aviation Market

EU – US Air Transport Agreement

- **Into force since 2008**
- **largest international aviation market**

EU-US Air Transport Agreement will no longer apply in relation to the UK.

After Brexit: Britain will be required to either enter into a UK – US Air Transport Agreement or sign onto the current EU – US Air Transport Agreement as a non-EU member state similar to Iceland and Norway.



The Importance of UK Tourists to Greece

Importance of UK Market to Greek Tourist Industry (ranks 2nd after German market):

11,3% of total arrivals (2.894.655 visitors)

14% of total overnight stays

15,2 % of total revenues

(source: SETE, Total 2016 data)



Importance of UK Tourists for Fraport Greece:

Total arriving pax on UK originated flights:

2.169.006 (+10% vs 2016)

UK pax market share in total intl traffic: 23,6%
(-3% vs 2016)

(source: SETE, FG data for the period Jan-Sep 2017)



Brexit impact on Greek Economy, Society and Politics

Economy

Tourism:

An estimated 2.9m tourists from the UK visited Greece in 2016, representing 11,3% of total incoming tourism in Greece and 15,2% (i.e. EUR 1.95 bn) of total travel receipts. The UK is the 2nd biggest market for Greek tourism after Germany

Spending / Investments:

A weakening of the British pound would be accompanied by a decrease in total spending and a decline of the interest in investing abroad (such as in the Greek real estate market)

Society

Employment & Education:

UK is the most popular destination for education (more than 35.000 undergraduate and postgraduate students) & employment among Greeks.

Many Greeks will lose one of their most popular alternatives for employment and residency and will be forced to return to Greece.

A large number of Greeks abroad would be forced to return to unemployment-hit Greece and thus the country would have to receive a wave of "migrants"-this time Greek nationals

Politics

Euroscepticism and social unrest:

If Brexit proves to be unsuccessful, triggering big economic, social and political problems for the UK, then social confrontation to EU membership will largely disappear.

On the contrary, if the unfortunate scenarios do not materialize and UK continues to attract investments, create jobs and enjoy growth, this might open again the scenarios about Brexit, although the Greek economy cannot be compared with the UK and its prospects even after Brexit.

Consequences of Brexit



March 2019

The UK will become a “third state”.

Horizontal and EU aviation agreements will no longer apply in relation to the UK.

As far as German-UK relations are concerned, the bilateral aviation agreement of 1955 will apply (until another agreement is concluded).

Other aviation regulations will also cease to be applicable, including:

- Regulations regarding operating permits
- Regulations on passenger rights
- Regulations on emissions trading
- Regulations regarding EASA
- Regulations on aviation security

Transitional agreements could guarantee legal security required for the preliminary planning of airports and airlines



Gute Reise!



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