

## **The need to reduce Athens International Airport charges**

One of the key benefits arising from any extension of the Athens International Airport (AIA) contract is the increase of tourism in Athens, and therefore the improvement of the economy and the employment in the wider area.

Although AIA can handle 35 million passengers per year, it currently only handles 15 million and this figure is dropping year by year. A growth prospect in these figures could be feasible only if the issue of excessively high airport charges is dealt with. The AIA and Greek State currently charge € 42/passenger (total charges for an international flight of 100 passengers within the EU on an Airbus A320) while Barcelona Airport charges € 17, Rome € 18, Istanbul € 16 and Lisbon € 16. In other words, AIA is 250% more expensive than similar competing airports around the Mediterranean.

Bearing that in mind, it's essential to re-examine the charges and reduce them by 50%, to bring them closer to the figures charged by competing countries. If this were to be done, it is estimated that over the next 2 to 3 years the number of passengers would rise by 1.5 million on an annual basis. That would contribute € 960 million to GDP, and would also increase the State's revenues by € 288 million.

In addition to the clear benefits for the local and national economy, the AIA could still remain profitable despite reducing the charges, if the following steps were taken:

1. The entire airport modernisation and development tax collected from the airport use, could be paid to the AIA (currently the Greek State receives 25% of it).
2. The entire Terminal Navigation Charge, which the Hellenic Civil Aviation Authority first imposed in 2010 for the airport use, could be paid to the AIA (currently the Greek State receives 100% of it).
3. The price for extending the contract by 20 years could be used not only as direct income for the State but also to ensure lower charges over time.

When the Government signs the new extension agreement, we call upon it to immediately rationalise the AIA charges. To continue the irrational, asymmetrically high current charges will (a) most certainly further marginalise Athens as a tourist destination, and (b) mean that Greek airlines, that currently generate public revenues and provide jobs, become defunct.