

# Regional Airports: a new European and national development perspective

**The debate about aviation in The Netherlands is characterized by discussions about problems. Problems like safety, security, noise nuisance and the French take-over of KLM. Due to this focus on problems, the public may perceive aviation as one big problem, according to the Dutch secretary of state on aviation, Mrs. Schultz van Haegen. In this conference report, Airlines will provide you with the highlights of the congress.**

By Jasper Spruit and Willem-Jan Zondag

In her key-note speech during the congress on 'Regional Airports – a new European and national development perspective' held at Rotterdam Airport on October 30th 2003, Mrs. Schultz van Haegen made clear to the audience that the Dutch government will pay more attention to regional airports. Regional airports not only generate jobs, they also improve the local settlement climate. Besides this, the development of regional aviation inevitably has some negative consequences as well. For these reasons, local and provincial governments will get more responsibility in decisions about spatial development around regional airports by a decentralization of ownership and control.

Furthermore, the secretary of state also declared a more economic regime for regional airports. In the past, operating losses of regional airports were compensated by governmental funds. But in the future, the financial management of regional airports will become the sole responsibility of the Airport. These developments should give a positive impulse to regional aviation and are in line with the European policy in this respect.

Some 130 people attended this congress and discussed with the speakers about the policy and business development of regional airports in The Netherlands. Mr. Anne-Cor



*Rotterdam Airport  
Photo: Lenny Survaal*

Groeneveld of the Dutch Aviation Group enthusiastically chaired the session. The Dutch Aviation Group co-organized the congress and represents a number of knowledge, based aviation organizations (e.g. research and consultancy firms) in The Netherlands. Amongst others, the following speakers attended: Mike Ambrose of the European Regional Airline Association, Ronald Wondolleck of Rotterdam Airport, Harry Hensgens of consultancy firm Airport Consulting & Management

and Bouke Veldman, Vice-President at RAND Europe.

According to Mr. Paul Bleumink of Buck Consultants International, the most important reason for existence of regional airports is business aviation while holiday charters are also an important source of income. Handling of air cargo at regional airports is very limited, except for Maastricht Aachen Airport.

Professor Jaap de Wit of the University of Amsterdam gave another interesting lecture. He specifically talked about the question whether low-cost carriers are the new perspective for the Dutch aviation sector? To answer this question, it is important to understand if low-cost carriers generate or cannibalize air traffic. De Wit gave examples of both generation and cannibalization, but in general it depends on the number of transfer passengers and the share of business travellers.

What is also important to understand is which airports low-cost carriers choose. This depends on the particular business model of the low-cost airline, the geographic dissemination of operational bases and the density of population of the catchment area. There are two basic low-cost business models. The first is the 'Ryanair-type', based on the Southwest model. The other one is the 'EasyJet-type'. 'Ryanair-type' airlines will choose Dutch Airports especially as their destination airport and not as an operational base. Professor De Wit expects regional airports in The Netherlands to show a limited growth as a destination airport also caused by overlapping catchment area's.

Professor De Wit concluded his speech with some remarks about the decentralization of ownership and control from the national government to provincial governments. In his opinion, the decentralization and the decision to discontinue compensation for operating losses announced by Mrs. Schultz van Haegen is conflicting with the continuation of tariff regulation for regional airports by the national government.