REVIEW OF THE EUROPEAN INVESTMENT BANK (EIB) LENDING POLICY

Introduction

The Board of Airline Representatives in the UK (BAR UK) is the industry association that promotes the business interests of scheduled airlines with a UK operation or representation. Membership comprises 86 airlines (please refer to www.bar-uk.org for more details about us).

On behalf of those members, BAR UK now provides its response to the EIB’s consultation.

Response

The new EIB policy must take into account several requirements to improve the air transport sector. These requirements are the following: safety, cost efficiency, capacity, and support to tackle the global warming.

The Single European Sky ATM Research (SESAR) is the answer to these requirements:

SESAR will improve the safety performance by a factor of 10.

Thanks to the de-fragmentation of the European sky, SESAR will promote a cost efficient system. SESAR will provide Air Traffic Management (ATM) services to the airspace users at a reduced cost of at least 50%. The current cost of inefficiency and fragmentation represents more than 4 billion Euros a year.

The SESAR programme will provide a three-fold increase in capacity. This multiplication of capacity will increase the competitiveness of the EU. This objective is essential since the demand in air transport will increase in the next decades.

Additional infrastructures are crucially needed: With only 2 runways, London Heathrow is congested. SESAR will partially resolve the problem of capacity in the sky; however additional runways and infrastructures are urgently needed on the ground to make the ATM efficient.

Delivering the SES within the agreed milestones is of utmost importance for the future of European Aviation. EU Member States have a key role to play to make the SES a reality. The board of governors of the EIB may not ignore this crucial project.

The Single European Sky is a trans-national project. Airlines flying from and to the UK are flying in the European Sky as well. Advanced technology could be supported by the bank like the Automatic Dependent Surveillance Broadcast (ADS-B) which is a key technology for SESAR. This technology requires a harmonized implementation on the ground and in the air. SPI/IR which is the mandate to implement ADS-B imposes the implementation of ADS-B technology to the airlines and not to the ANSPs. So far and at global level: 35% of aircrafts are equipped with this technology, 11% are planning to implement it and 54% are not equipped yet (source IATA).

The new policy of the EIB must support projects tackling the global warming.
The aviation industry is committed to reach the following targets:

- For the short term (2020), a **1.5% fuel efficiency** improvement on average per year.
- For the mid-term, a **stabilization of net aviation CO₂ emissions** from 2020 onwards.
- For the long-term, a **goal of a 50% net CO₂ reduction** from 2005 levels, by 2050.

To reach these ambitious targets, the industry should get an adequate funding, better infrastructure, advanced technology and a clear coordination between stakeholders for implementation of the rules.

The SESAR programme contributes to modernise and **green up the transport sector**. One of the objectives of the SESAR programme is to enable a 10%-12% reduction in the effects flights have on the environment. The reduction of CO₂ emissions could reach 150 millions tons of CO₂ in 10 years.

The Bank took into account the regional development in its previous credit policy. The EIB should keep this element in the review of its policy.

Aviation is essential in delivering territorial cohesion (regions, islands like the UK and the British islands). The EIB is well aware of this vital role of aviation since the recent loans to renew airlines fleet were provided to carriers contributing to territorial cohesion.

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