

Press Release

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European single market competition under threat by dumping of air fares

- European Regions Airline Association (ERA) has expressed concerns about the dumping of airfares by certain low-cost carriers (LCCs).
- Such practices create significant pressure on regional carriers by directly impacting competition within the Single European Market.
- ERA and its airline members strongly believe in the principle of freedom of air carriers to set prices but are alarmed about the consequences ongoing below-cost airfare practices.

At a time when the entire aviation sector is facing major operational challenges and exponential increases in the price of jet fuel, coupled with the challenges of post-COVID recovery, the lowering of flight costs to below operational prices is irresponsible.

Certain LCCs lean on the practice of unbundling airfares, but for airlines with price transparency, less than €10 for a flight is business suicide. These practices create unnecessary and significant pressure and directly impact fair competition. ERA believes this practice, particularly when carried out by airlines who have received State Aid, should be investigated as it is a total misuse of public funds.

Small-to-medium sized airlines support the regions of Europe by maximising the benefits of tourism with the creation of local jobs, the conservation of natural and cultural heritage and by providing improvements in infrastructure to benefit the regions. When flights are advertised at outrageously low prices, this action could be perceived as encouraging over tourism.

ERA Director General Montserrat Barriga said: “A healthy level of competition is important for our industry but eroding competitors’ margins by selling tickets at extremely low prices, even below taxes or direct costs, will gradually drive airlines out of business and ultimately reduce consumer choice and connectivity in Europe. ERA will continue pushing for transparency on prices, and setting prices above taxes in the current discussions with the European Commission regarding the revision of the Air Services Regulation n.1008/2008. With the impact of the pandemic, our industry’s recovery is incredibly fragile, and it is vital that we attract new recruits to our stretched workforce. Increasing the pressure on the industry, and those working in it, is completely counterproductive.”

For more information, contact corp.comms@eraa.org

* Founded in 1980, European Regions Airline Association (ERA) is a non-profit trade association representing over 55 airlines plus around other 150 companies involved in European air transport, and is the only association that bring together the entire spectrum of companies involved in European aviation. The association supports and defends the airline industry in providing safe, efficient and sustainable air connectivity to all regions of Europe. By lobbying European regulatory bodies on policy matters, ERA promotes and protects social responsibility, environmental sustainability and the development of regional economies and local communities.

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