

Europeans for  
Fair Competition



# E4FC MANIFESTO

AN UPDATED AVIATION POLICY  
FIT FOR A NEW ERA

Call for a fair, environmentally and  
socially sustainable EU aviation market



# Introduction



2024 is a crucial year in the European Union: with the new term of the European Parliament commencing in July and the new College of Commissioners entering office towards the end of the year, the strategic priorities of the EU for the coming five years will be redefined. The current global economic and geopolitical challenges underline the importance of re-in-stating and strengthening the competitiveness of European industries including high social standards and sustainability.

Air connectivity has been a fundamental logistical pillar of global society over the past decades. European network airlines have built sophisticated hub-and-spoke systems, providing connectivity for all European citizens and cargo within Europe and worldwide. They also perform a vital function in connecting less popular European destinations. The COVID-19 pandemic showed the aviation industry's essential role in ensuring connectivity, repatriating citizens and transporting masks and medical equipment. When the effects of the pandemic faded, European network airlines facilitated reuniting families, friends and business partners, effectively restarting tourism, production of goods and generally economic activities.

EU airlines operate in a highly regulated environment, with decarbonisation being one of the strategic priorities. However, aviation is a global industry and EU network airlines are competing at the international level to connect Europe with the world. Often non-EU competitors that also serve the European market operate in a far more business-favourable regulatory setting. Still, EU network airlines take responsibility and play a significant role in the industry's global energy transition.

The sector has also witnessed increasing competition with the establishment of new EU business models and the growing access of non-EU carriers to the EU Single Market. Contrary to the effort made by most European network airlines to have decent relationships with their staff and enforce high social standards, new business models often make use of loopholes to circumvent the applicable labour and social law.

Furthermore, some of the non-EU competitors offer lower social protection for their employees and are often faced with no or less stringent sustainability requirements, which leads to even lower operational costs.

Therefore, Europeans for Fair Competition (E4FC) - a coalition of European network airlines and unions representing airline employees fighting for fair competition and high social standards - advocates for **comprehensive and consistent regulatory frameworks for both the internal and external EU aviation markets** and calls for an **updated aviation policy fit for a new era** that highlights the key policy priorities for the future of the EU aviation industry.

# EU aviation policy building blocks

E4FC advocates for the following building blocks as part of the EU aviation policy:

1

Secure the EU aviation industry's strategic autonomy

2

Ensure an EU external aviation policy that promotes EU interests and safeguards a level playing field

3

Sustainability and aviation: Ensure competitiveness and avoid carbon leakage

4

Safeguard European standards and requirements for a socially responsible aviation sector



## Secure the EU aviation industry's strategic autonomy

European network airlines and their employees face fierce competition from outside the EU. For this reason, European legislation must take into consideration the global nature of the industry. In recent years, the European Commission has recognised the importance of maintaining the strategic autonomy and independence of key EU industries, and it has started to take a harder stance on ensuring the **competitiveness and strategic autonomy of aviation as well.**

The European Green Deal Industrial Plan<sup>1</sup>, the EU's response to reinforced industrial policies in the US and other parts of the world, aims to deliver on the decarbonisation objectives of the EU but equally promotes an increased European autonomy in the (green) energy transition. A predictable and simplified regulatory environment also safeguards European employment and allows turning skills into quality jobs with decent incomes.

E4FC believes the EU possesses several tools that can help airlines stay competitive and independent. These include Regulation (EC) 2019/712<sup>2</sup>, Regulation (EC) 1008/2008<sup>3</sup>, provisions in EU comprehensive air transport agreements, as well as Regulation (EC) 2022/2560<sup>4</sup>.

During the past years, European Commission President Ursula von der Leyen emphasised several times the importance of a level playing field to address third-country subsidies that distort competition. She has also underlined the importance of fair competition in achieving net-zero emissions. To stimulate investments to achieve this, the EU must set the right regulatory framework. As part of the European Green Deal Industrial Plan, the European Commission has also pledged **to ensure that foreign subsidies would not undermine the competitiveness of the EU industry in the green transition.**

**E4FC is of the view that the European Commission must have the ability and willingness to act upon and enforce and/or adjust these legislations adequately to maintain a level playing field for European airlines.**

Building on Regulation (EC) 1008/2008, the current ownership and control regime aims to guarantee a consistent environment of fair competition and a truly functioning internal aviation market. The current limit of 49% is already among the highest compared to similar regulatory regimes (e.g. US limits at 25%). Any change to those current rules would endanger strategic traffic rights portfolios and further open the door to unfair competition by - eventually subsidised - non-EU airlines or foreign strategic investors and could also result in the loss of European connectivity provided by EU airlines<sup>5</sup>. The resilience of the European aviation sector should be guaranteed by a regulatory framework safeguarding fair competition and securing the strategic autonomy of EU airlines rather than further increasing access to non-EU capital. Therefore, the EU needs to protect the aviation sector, which contributes significantly to the economy and employment, from foreign takeovers and hidden agendas.

Any new EU (comprehensive) air transport agreements must duly consider the legitimate interests of EU network airlines and have enforceable regulatory convergence on environmental, competition and social

<sup>1</sup> Communication on A Green Deal Industrial Plan for the Net-Zero Age, COM(2023) 62 final

<sup>2</sup> Regulation (EU) 2019/712 of the European Parliament and of the Council of 17 April 2019 on safeguarding competition in air transport, and repealing Regulation (EC) No 868/2004

<sup>3</sup> Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community

<sup>4</sup> Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market

<sup>5</sup> European Commission (2019), Commission Staff Working Document - Evaluation of the Regulation (EC) No 1008/2008 on common rules for the operation of air services [SWD (2019) 296 final], p. 105.

# 1



as well as labour standards as much as possible.

The adjustment, clarification and proper enforcement of existing provisions could also mitigate the risk of social dumping and should serve the objective of safeguarding fair competition while ensuring connectivity and consumer protection. Examples of lack of enforcement of current rules have been the Qatar Airways investment in Air Italy and the Etihad investments in Air Berlin and Alitalia.

**E4FC calls on the EU institutions to safeguard the strategic autonomy and independence of the European aviation industry, ensuring that European airlines do not suffer from a competitive disadvantage vis-à-vis non-EU carriers. Now is the time for EU institutions to properly enforce and/or adjust the current rules and update the current aviation policy to secure a sustainable future for the EU aviation industry and European jobs.**

## Ensure an EU external aviation policy that promotes EU interests and safeguards a level playing field

One of the key objectives of EU external aviation policy is to provide new opportunities for EU airlines in third countries through the EU comprehensive air transport agreements. We hold that these agreements should ensure that third parties are committed to observe the same (fair competition, environmental and social) standards as their EU competitors, in line with prevailing EU policy. This is already the norm for the EU's trade agreements with third countries since they contain rules on trade and sustainable development - both on environmental and social matters.

Therefore, the European Commission must ensure **an effective enforcement** of the existing comprehensive air transport agreements - such as with the State of Qatar. To maintain a level playing field, the European Commission must actively investigate compliance with provisions on fair competition, financial transparency, including safety and environmental and social standards.

In the aftermath of the COVID-19 pandemic, the EU has been focusing its legislative initiatives on transitioning to a sustainable and digital Europe. Due to these changes, the circumstances under which previous comprehensive air transport agreements were negotiated are no longer given. Therefore, the EU Member States **must agree on a new negotiating template to ensure a level playing field in future agreements**. Under the current circumstances, evidence shows that regulatory convergence is a challenge to achieve with non-EU countries, and market opening mainly benefits third-country carriers.

Before granting further market access to non-EU airlines, the European Commission must ensure a **regulatory convergence** with third countries as much as possible. Non-EU carriers planning to operate in the EU must **comply with the principles outlined in the agreement before they are signed**. This approach ensures that fair competition remains a basic prerequisite of the European aviation market and that the EU aviation sector continues to thrive on a level playing field. Moreover, to promote sustainable development, the EU is missing its chance to expand its environmental ambitions via agreements with third countries. Implementing air transport agreements without comprehensive, binding and enforceable environmental requirements that would ensure a level playing field would strongly undermine the credibility of the EU's climate action.

E4FC calls on the European Commission to fully and effectively enforce existing air transport agreements and on the Member States to thoroughly consider and agree on a new negotiating template to bring it in line with the changed circumstances and to ensure the further growth of the EU aviation industry and its jobs. Regulatory convergence should precede (further) market opening.



## Sustainability and aviation: Ensure competitiveness and avoid carbon leakage

In the framework of its 'Fit for 55 package', the European Commission has set ambitious plans to achieve net-zero carbon emissions in the European aviation industry by 2050. However, delivering on these climate ambitions should not be detrimental to the competitiveness of European airlines and endanger European jobs. It also requires all stakeholders, including European and national regulators, to make efforts, as in the end getting to net-zero by 2050 is a joint responsibility.

The transition towards a more sustainable European aviation sector requires significant resources and investments, which significantly add to the costs of European airlines. The study by SEO Amsterdam Economics shows that the road towards net-zero emissions requires premium expenditures of €820 billion over 32 years (e.g., fleet renewal, R&D and alternative fuels)<sup>6</sup>.

Considering the international nature of aviation, **measures that are not placed in a global context** can put EU airlines at a competitive disadvantage compared to their non-EU competitors. This could cause a significant cost increase and shift traffic to hubs outside the EU (without any environmental benefit), consequently damaging the competitiveness of EU airlines, endangering European jobs in aviation, and resulting in carbon leakage.

Therefore, during the next EU political cycle, the EU must **prioritise putting in place competition-neutral corrective measures to avoid such distortions and unintended environmental consequences**. The new European Commission should focus on boosting the competitiveness of the European aviation sector by facilitating **green funding opportunities**.

Furthermore, the EU should address carbon leakage for aviation by eliminating distortion of competition, for example through assessing the inclusion of aviation in the scope of the **Carbon Border Adjustment Mechanism** when it will be revised in 2026. Another core measure would be the integration of **compliance with environmental measures in the EU's comprehensive air transport agreements** with third countries.

**E4FC calls upon policymakers to ensure that EU legislation, aiming to achieve the decarbonisation of the aviation industry, is crafted in such a way that competitive disadvantage for EU airlines and unintended environmental consequences are eliminated.**

<sup>6</sup> Report on the Price of Net Zero, SEO Amsterdam Economics (SEO) and Royal Netherlands Aerospace Centre (NLR)



## Safeguard European standards and requirements for a socially responsible aviation sector

The aviation industry has experienced unprecedented competition in recent years, which has placed great strain on all aspects of aircraft operations. Business models are constantly evolving, new ones emerging, and as a result, often applicable labour and social laws are circumvented and hence social rights are disrespected, which distorts competition within the EU. But as some non-EU carriers have far lower social standards with respect to their staff, there is also distortion in that area.

As a starting point, third-country airlines operating to the EU should **adhere to certain minimum European social standards and requirements, taking into account** the right for every worker to decent working conditions which respect their health, safety and dignity. As an example, the airline must have at least minimum wages applied to their staff and recognise the existence of unions. These fair and just working conditions are key social points to ensure a level playing field and maintain a high safety standard. It is a matter of fairness that non-EU airlines must adhere to these minimum fundamental social rights if they have access to the EU market.

There are also typical examples of unfair competition practices within the EU. These include, but are not limited to, the use of fake or **fictitious home bases**, the misuse or fraud of **social security certificates**, the use of **bogus self-employment**, **the misuse of the posting of the workers<sup>7</sup>** and legal uncertainty regarding **applicable labour and social laws to workers**. These legal loopholes must be repaired sustainably and efficiently.

E4FC is also convinced that the European Labour Authority (ELA) should play a pivotal role in addressing challenges related to cross-border mobility in the European aviation sector.

**E4FC urges the European Commission to ensure a level playing field for all airlines and workers operating in the EU, including from third countries. EU airlines must be able to operate within an unambiguous regulatory framework to avoid the misuse of loopholes in European and national laws. Third-country airlines operating to the EU should adhere to the above mentioned European social standards and requirements.**

<sup>7</sup> Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services



## Europeans for Fair Competition



### About Europeans for Fair Competition (E4FC)

E4FC is a coalition of European network airlines and unions representing airline employees fighting for fair competition and high social standards with the objective to safeguard European aviation, European jobs and to sustain connectivity for Europe's citizens.



### Subscribe to our newsletter!

Scan the QR code or click [here](#) to subscribe to our newsletter.

Rue du Commerce 31  
1000 Brussels, Belgium

info@e4fc.eu  
www.e4fc.eu

