

# PRESS RELEASE

Paris, January 18<sup>th</sup>, 2023

## The French Transport Regulatory Authority publishes its first report on the economic and financial monitoring of airports

*The French Transport Regulatory Authority (ART) publishes its first report on the economic and financial monitoring of airports, an important step in the performance of the new mission entrusted to it by the legislator in October 2021. In this report, ART observes in particular that, despite the disruption in the sustained growth in air traffic observed since 2010 due to the health crisis in 2020, the airports' economic model has been able to withstand thanks to its good initial financial health. In the coming years, this mission will enable ART to monitor the evolution of the economic and financial indicators of post-crisis airports, in a context marked by the sector's ecological transition.*

### ART SEIZES ITS NEW MISSION OF ECONOMIC AND FINANCIAL MONITORING OF AIRPORTS WITH THE PUBLICATION OF A FIRST REPORT

In October 2021, the legislator broadened ART's scope of competences<sup>1</sup> by entrusting it with the task of economic and financial monitoring of the airports under its jurisdiction, with a twofold objective: on the one hand, to enlighten the public debate and decision; on the other hand, to enhance the regulator's understanding of the sector and to enable it to refine its analyses in the execution of its duties of approving airport charge tariffs.

### AIRPORT ACTIVITY APPEARS HIGHLY CONCENTRATED

The report shows that the network of French airports and the specific characteristics of air traffic have favoured the concentration of airport activity around a handful of players. The French commercial air traffic of the twelve airports regulated by ART represents 83% of passenger activity in France and 94% of cargo activity.

### THE GROWTH IN AIR TRAFFIC OBSERVED SINCE 2010 WAS DISRUPTED BY THE HEALTH CRISIS IN 2020 AND THEN MARKED BY THE ONSET OF A RECOVERY IN 2021

Air traffic in France has been growing steadily over the last decade (+4.1% per year in terms of passenger numbers since 2010), disrupted by the health crisis in 2020, then marked by the onset

<sup>1</sup> Article 6 of Law No. 2021-1308 of 8 October 2021 containing various provisions for adapting to European Union law (known as the "DDADUE" law) introduced Article L. 6327-3-2 into the Transport Code, under the terms of which "[the] Transport regulatory authority shall ensure the economic and financial monitoring of the aerodromes mentioned in Article L. 6327-1 and, for this purpose, shall have the right of access to the necessary economic, financial and social information provided for in Article L. 1264-2".

of a recovery from 2021 onwards (between 66% and 85% of 2019 traffic in terms of the number of seats sold).

### **IN 2020, THE AIRPORTS REGULATED BY ART RECORDED AN OVERALL LOSS OF 1.4 BILLION EUROS, EQUIVALENT TO THE DIVIDEND DISTRIBUTIONS ACCUMULATED OVER THE PREVIOUS THREE YEARS**

The airports' business model has been able to withstand the health crisis thanks to their sound initial financial health (marked, on average, by low debt).

After a 2017-2019 period boosted by very good results, the year 2020 generated an overall loss of €1.4 billion for the airports regulated by ART, which is equivalent to the dividend distributions accumulated over the previous three years.

Airport managers have also taken strong measures in response to the decline in their revenues, which are largely based on the use of their hubs (productivity efforts, use of debt, reduction of their investments and freezing of dividend payments).

### **THE ECONOMIC AND FINANCIAL MONITORING MISSION OF ART WILL ALLOW IT TO DOCUMENT THE EFFECTS OF THE PROFOUND CHANGES OCCURRING IN THE SECTOR**

The profound changes occurring in the airport sector, in a context of recovery from the health crisis and ecological transition, are far from over.

ART's continuation of its economic and financial monitoring of the airports under its jurisdiction in the coming years will enable it to document their effects on the airports' economic model.

#### **For further details (in French)**

- [The full report](#)
- [The executive summary](#)
- [The infographics](#)
- [The press release](#)

#### **About the French Transport Regulatory Authority (ART)**

Since 2010, the French railway sector has had an independent authority to accompany its gradual opening to competition: the Autorité de régulation des activités ferroviaires (Araf). Law 2015-990 of 6 August 2015 on growth, activity and equal economic opportunity extended the regulator's powers to road activities - coach transport and motorways.

On 15 October 2015, Araf became the Autorité de régulation des activités ferroviaires et routières (Arafer), with the mission to contribute to the proper functioning of public service and competitive activities for the benefit of rail and road transport customers.

With competence for the regulation of airport charges since 1 October 2019, Arafer became the Transport Regulatory Authority (ART) on that date. Lastly, Law No. 2019-1428 of 24 December 2019 -mobility act- extended the Authority's powers and missions to the opening up of mobility and ticketing data, as well as to the regulation of infrastructure manager activities and security activities carried out by RATP in Île-de-France.

Its opinions and decisions are adopted by a college of five independent members chosen for their economic, legal or technical skills in the field of digital services or transport, or for their expertise in competition matters. It is chaired since 4th August 2022 by Philippe Richert, Vice-President and Acting President.