

GBTA EU BI-WEEKLY WATCH

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I. GENERAL EU DEVELOPMENTS

SCHENGEN AGREEMENT

Further estimates on the price of suspending Schengen

- According to the Bertelsmann Foundation, the end of the Schengen zone would [cost](#) Europe around €1.4 trillion.
- Over ten years, the GDP of Europe as a whole would drop by some €470 billion and the US and China who would have a lower economic growth as a consequence.

BREXIT

Ryanair CEO interview: The European Union has problems, but the UK should stay

- After a marathon of nearly 30 hours, the heads of state and government of the European Union ended up agreeing on a [deal](#) aimed at granting a new arrangement for the United Kingdom's membership of the EU. The British will vote on staying in an EU with differentiated integration on 23 June 2016.
- Furthermore, a British exit from the European Union would encourage debate in the Czech Republic about whether they should follow suit, the Czech prime minister [warned](#).
- In an [interview](#) the Ryanair CEO, Micheal O'Leary, shared his insights on everything that he considers to be wrong within European airspace, how to fix it, the importance of protecting Europe's mandate to allow the free movement of goods and people, and why voters should vote 'Remain' in the "Brexit" referendum.
- Stating that Ryanair is one of the great success stories of the single market, O'Leary said that despite suffering from ill-advised EU legislation the company would still campaign for a "Remain" vote in the referendum.
- "As the UK's largest airline, Ryanair is absolutely clear that the UK economy and its future growth prospects are stronger as a member of the European Union than they are outside of the EU".

I. A FOCUS ON MOST RELEVANT ISSUES

AVIATION STRATEGY

International aviation: EU launches new aviation partnership with China

- On 22 February, the EU launched a new aviation partnership with China, the [EU-China Aviation Partnership Project](#), a 5 year long cooperation programme aimed at increasing mutual understanding on areas such as safety & security and environmental protection in aviation.
- It will be jointly implemented by EASA and the Civil Aviation Administration of China (CAAC) and have at its disposal a €10 million budget through [the Partnership Instrument](#).
- This comes as the Commission is currently seeking a mandate to negotiate an EU-China [comprehensive aviation agreement](#) as part of its new Aviation Strategy for Europe.

- **Next steps:** The partnership aims to build a political agreement on general aviation issues, but does not include unfair commercial practices, air passenger rights, or slots allocation. However it ties in with the future EU and China comprehensive aviation agreement, as it touches upon air safety, security, air traffic management, and airport infrastructure.
- Commissioner Bulc hopes that, within the first half of this year, under the Dutch Presidency of the Council she will be given instructions for negotiations with China and the ASEAN countries.

AVIATION

A4E announces new airline members

- On 25 February, Airlines for Europe (A4E) [announced](#) its first new airline members, Norwegian, Europe's third largest low-cost carrier based in Oslo, and Finnair.
- Thomas Reynaert, A4E's Managing Director explained that he expects A4E to grow its member base over the next months, reemphasising the need to address large scale airport monopolies by removing high charges, taxation, and inefficiencies within the aviation supply chain.
- **Next steps:** If A4E manages to get more support from airlines, its voice will get stronger and this could potentially lead to broader support among EU policy makers.

AVIATION

European Parliament's research body looks at European Commission's EASA Impact assessment

- The European Parliamentary Research Service (EPRS) has published a [briefing](#) on the [impact assessment](#) conducted by the European Commission in the run-up to the [proposal](#) to review the EASA Regulation.
- The EPRS found that the European Commission has been coherent in the sense that its proposal follows the recommendation of the preferred package expressed in the impact assessment.
- The brief concludes that the strengths of the impact assessment are its solid information base, as well as good presentation of stakeholder views and the result of the public consultation throughout.
- It however stresses that the impact assessment could have benefitted from a clearer presentation of the background information and problem definition, as well as more direct reference to the evidence in the field.
