

Foreign inward investment restrictions in the aviation sector do not exist in any other economic activity. Even within the aviation industry, they apply only to a single stakeholder in the value chain, namely airlines, while they do not apply to airports, ground handlers, IT providers, caterers and other concessionaires.

These restrictions are often “justified” by factors other than economic or based on misperceived effects on areas such as safety, security, defence, labor/social.

Why are those political concerns not justified in reality?

Safety, security and defence regulations and requirements would remain and apply under national jurisdiction, irrespective of the airline ownership structure.

Inward investment strengthens the airlines economic health, thereby enhancing and amplifying employment prospects and making airlines more attractive for future generations to work in.

On the other hand, there is a multitude of strong economic reasons to relax ownership and control restrictions.

New finance injection opportunities will allow new airlines to enter the market and incumbents to expand and improve their products, all to the benefit of the travelling public including enhanced connectivity, better value for money, higher convenience resulting from wider variety of service choice, greater ability to boost economic development, with positive externalities to all involved stakeholders.

Aviation facilitates globalisation and yet the industry is unjustifiably prevented from having free access to trans-border funding investment opportunities.

Strong consideration should be given to a step-wise relaxation of existing restrictions in the interest of a healthy and sustainable air transport sector not least to the direct advantage of consumers.