



Response to the Issues Paper CP7/2018

Please find below comments by the Ireland Canada Business Association (ICBA) on the Commission Paper CP7/2018 entitled Issues Paper 2019 Determination of the Maximum level of Airport Charges at Dublin Airport (the “Issues Paper”).

ICBA welcomes this opportunity to respond to the Commission’s Issues Paper, covering the process for setting the next price cap governing airport charges at Dublin airport.

The ICBA acknowledges the Commission’s support for the infrastructure investment that is required at Dublin Airport. The programme of planned projects will, in the view of ICBA, bring a balance to the airport’s overall infrastructure as the new runway will be balanced with the availability of more parking bays for aircraft and pier buildings. So while the infrastructure needs are beyond doubt we are concerned that the airport is not in a position to fund the programme as a result of the challenges contained in this Draft Determination. It is considered that passenger charges should reflect the facilities and infrastructure provided yet offer value . We therefore strongly urge the Commission to carry out a third party study on the airport’s ability to fund the programme of works with a substantial cut in aeronautical revenues.

A Blue Skies air agreement was signed between Ireland and Canada in April 2007. It allows Canadian and Irish air-carriers to use each other’s country as a platform to serve other destinations. In line with this, the ICBA endorses the National Aviation Policy’s goal of promoting Dublin airport as a hub and the National Development Plan which calls for the development of Dublin Airport as an international hub. Such a hub requires a specific infrastructure which allows efficient swift movement of passengers and baggage between terminals. To sustain support for the Blue Skies agreement it is vital that Dublin Airport has operational efficiencies which facilitate a competitive connection period for Canadian airlines.

We expect Ireland to consolidate, deepen and expand her partnership with Canada on a political, cultural and economic level over the coming years.

Increase in Direct Air Access between Ireland and Canada

There has been 50 % increase in tourists in Ireland from Canada since 2014. This can be directly attributed to the number of direct flights now operating all year round between Ireland and Canada. Currently Air Canada, Aer Lingus, West Jet, Norwegian Airlines and Air Transat operate routes between Dublin and Canada. The number of destinations served has grown from 2 to 6. We now have direct non-stops flights from Dublin to Toronto, Hamilton, Montreal, Halifax, Vancouver and Calgary. Two of those were delivered this year and unfortunately more competition on the Montreal service has been delayed until next year when Aer Lingus obtains delivery of its new aircraft. We now have Canada linked year-round with a choice in the market for our member companies. This reflects the strength of the relationship between Ireland and Canada and has made Ireland Canada probably the fastest growing country pair at Dublin Airport since 2014. The ICBA anticipates that those airlines flying less than daily services will grow to daily and thus further strengthen the trade, cultural, tourism and business links for the future.



We expect this upward growth to continue as:

- Today 10,700 Canadian work permits are issued yearly to young Irish people under the International Experience Canada programme allowing people aged 18 to 35 to work in Canada for up to two years. This factor will continue to account for the significant increase in the number of Irish tourists visiting family members across Canada.
- Due to Brexit and strained US relations, investment in Europe through Ireland is becoming the preferred option for many Canadian companies. The UK is the nation with which Ireland is in most competition around Canadian investment. Many Canadian service providers are locating a parallel office in Ireland to pre-empt the consequences of Brexit.
- **Comprehensive Economic Free Trade Agreement (CETA)** - The Comprehensive Economic and Trade Agreement between Canada and the European Union was passed by the EU Parliament in 2017 and will be ratified in Ireland by Autumn 2019. Key features of CETA include the removal of 99% of customs duties and opening up the services market. With CETA we expect the open and stable economic relationship that Ireland has with Canada to flourish. Canadian firms looking to establish operations in Europe as a result of CETA are choosing Dublin. To date there has been a 40 % increase in the number of people employed in Canadian companies.
- In response to CETA, and the growing Canadian investments in Ireland, and encouragement by the Ireland Canada Business Association, the IDA has opened an office in Toronto, Canada. This will have far reaching benefits on Canadian investment in Ireland and thus an increase in passenger numbers between these two countries.
- In Global Ireland — DFA's Strategy for the US and Canada 2019–2025, the Irish Government has prioritised Canada as a country where the economic and political relationship will strengthen further during the period 2019 – 2025. The Government has committed to *“Make it easier to travel, work and live in Ireland, or Canada, by opening new air routes, streamlining visa processing, securing new legal pathways to work and increasing the numbers availing of working holiday agreements”*

Consistent with all of the above, we strongly welcome the proposed infrastructure investments that will support the increasing air traffic and passenger numbers between Ireland and Canada. Having the available capacity at Dublin Airport in the past has provided the opportunity for airlines to grow and deliver more seats into the market. Selfishly the ICBA membership has benefitted hugely with the growth in services to and from Canada. We believe from all the factors set out above that this upward trend will continue between both our countries. We would not welcome anything that inhibits or slows the ability to capitalise on these opportunities and as a business association we strongly support the delivery of the necessary infrastructure that secures this opportunity for Ireland.



We urge the Commission, before it issues its final Determination, to carry out an independent evaluation by a financial expert group, familiar with large infrastructural projects, into the ability of Dublin Airport to fund this necessary programme of works. This orderly delivery of this infrastructure is deemed necessary by the airport, its airlines, the Commission for Aviation Regulation, the ICBA membership and a host of other stakeholders. It is vital that the programme of planned capital works can be fully funded by Dublin Airport without compromising its position as one of the country's more successful semi-state companies.