Airlines Foreign Ownership & Control

The regionalization as the end of nationality clauses in ASA ?

Words : 4869

ABSTRACT

Foreign ownership and control of airlines has always been a subject that opens up a debate on liberalisation, its challenges but also the political differences between states. Between risk to competition but also allowing for a dynamic market; safety and security at the centre of concerns but already key to international debates, etc...

No solution seems to be in sight to this problem, which has been in place since the Chicago Convention of 1944 and the Agreement on International Air Transport of the same year. But what if the solution was to be found in cooperation at a regional level that would allow global liberalisation to be envisaged in the long term? How could the European Union be the model for inter-regional cooperation as a step towards liberalisation that does not run the risk of "everything at once", while at the same time allowing for the feeding of an ever more varied market that is open to renewal.

SUMMARY

The aviation industry, and more specifically air transport has always been a mirror to society. Through these connections between territories it allows to see the insights of development, and what path has been chosen to what place. This is the recipe of the special nature of "air law". No considerations can be separated from one another : economics questions, legal challenges, security & safety and also technological advances. Air law is not on is own because it has to embrace every aspect that build the air industry as a whole. And this a dogma that need to be memorized for the rest of this article.

Also, to understand the goal of the question asked in this article, we need to remind the lecturer that air transport has been submitted to a massive unequal liberalization. The more the industry grows, the more states entities were asked to either to stay on a bench, or to stay close of air carriers. These different choices were based on cultural, economical and political data. The perfect example to illustrate this observation is the complicated question of airlines foreign ownership and control, and more precisely the nationality clauses included within air services agreement (= ASA).

I. Introduction

The Chicago Convention in 1944 never directly raised the question of foreign ownership and control. However, on the same year was release the "International Air Transport Agreement", which was signed in Chicago as well on the same day of the previous-said convention : December the 7th of 1944. Indeed, this agreement included these two terms : "substantial ownership" and "effective control"[1] concerning air carriers. But in what end ?

The text disposed that "*Each contracting State reserves the right to withhold or revoke a certificate or permit to an air transport enterprise of another State in any case where it is not satisfied that substantial ownership and effective control are vested in nationals of a contracting State, or in case of failure of such air transport enterprise to comply with the laws of the State over which it operates, or to perform its obligations under this Agreement*"[2]. As it appears, this article established a legal mechanism allowing each State to protect itself by withdrawing the air rights given to an air carrier, at the very moment where the air carrier does not comply with partials

[1] Article 1 – Section 6, « *International Air Transport Agreement* », December 7th 1944

[2] *Id. 1*

conditions this State established anymore. This legal mechanism materializes through a "nationality clause" inside nearly every air services agreement. This clause has shaped a bilateral international aviation, where every can have is own interpretation of what "substantial ownership" or "effective control" means.

We propose to divide the states' interpretation of "substantial ownership" and "effective control" into three categories : conservatives, traditionals and liberals.

The "conservatives" tend to interpret these terms on an extreme manner : the substantial ownership is a total state-owned capital, or a 100% owned capital by nationals (by "capital" we considered the financial airlines capital) and the effective control included a state-controlled administration, or the entire administration council is made up with nationals. In these conservatives states we can cite China[3] or Saudi Arabia[4]. The United-States is also one of these conservative state, with an interpretation saying that "substantial ownership" means 75% of the air carrier's capital (meaning that foreign investments are limited at 25%), and "effective control" means that no foreigners can possess a right to vote in the administration council[5]. Therefore, any foreign investment (in domestic or international market) is restrained to financial value, but no company policy can be influenced.

In this condition, we can draw near the concept of "protectionism"[6] and this interpretation. So far, the United States is the biggest air transport market. The three airlines that transported most passengers (before Covid-crisis) were all American[7]. As we can see these states are usually well developed and wish to maintain the idea of a national air transport company flying, and showing, through the world the wonders it

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[3] The Foreign Investment Law, January the 1st of 2000 and the China Civil Aviation Law issued by the Standing Committee of the National People's Congress, March the 1st of 1996

[4] The Kingdom of Saudi Arabia, Civil Aviation Law, 2010 : *https://www.icao.int/sustainability/Documents/Compendium_FairCompetition/Africa/SaudiarabiaCivil_Aviation_Law_English.pdf*

[5] Air Services Agreement between the government of Canada and the government of the United States of America, 2017, *https://www.treaty-accord.gc.ca/text-texte.aspx?id=105086*

[6] "*Protectionism*" : policy of protecting domestic industries against foreign competition by means of tariffs, subsidies, import quotas, or other restrictions and handicaps placed on the imports of foreign competitors, definition by "*Britannica*"

[7] American Airlines, Delta Airlines & United Airlines, International Association of Air Transport Report 2018, official website

can achieved. We need to remind us that the "International Air Transport Agreement" has been written and signed inside one of the most complicated time of history : World War II. Back then, the national carrier was a sign of power and prosperity.

The "traditional" interpretation of the substantial ownership and effective control is a literal application of the terms. It makes then, no difference between an airline company and a classic private/public company, in contrast to the conservatives who keep this particular symbolic to an airline regarding its activities. In these countries, we can find Canada[8], Malaysia[9], Russia[10], India[11] or every member states of the European Union[12]. To these countries, a substantial ownership limit foreign investment to 49% of the financial capital ; and "effective control" limit the number of votes in the administration council (regarding the number of voting-person in each council).

Finally, the "liberals" can be represented by Chile. Indeed, the country entirely "opened" its regulation about foreign investments and property of airlines[13]. It means that to operate on chile's territory, the airlines doesn't have to be owned by a Chilean individuals or entities ; the operator can be exclusively owned by foreign capital that it will not avoid it to pursue commercials activities.

In the challenge that the liberalization of ownership and control regulations, the European Union appears as a viable and durable solution ; therefore the goal of this article is to search if regions and the regionalisation of ownership and control regulation can be the answer to the actual bilateral international air transport activities ?

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[8] *Id. 4*

[9] Malaysian Civil Aviation Act 1969 (the CAA 1969), and The Malaysian Aviation Commission Act, 2015,

[10] The Air Code of the Russian Federation, 1997, Chapter 14 "The Acquisition of the Right to Ownership"

[11] The Air Corporations Act, 1953

[12] Non-exhaustive List

[13] Decreto de la Ley de Aviación Comercial (DL) Decree No. 2564 of 1979 (Commercial Aviation Act)

II – The European Union : liberalization pioneer's

"*The Commission submits that the clause of ownership and control of airlines is contrary to Article 52 of the Treaty*"[14]. In November the 5th of 2002, the European Union Court of Justice bring a first stone to the building of ownership's rules liberalization trough regions.

To be exact, the first sign of the regionalization of ownership rules actually appeared in Africa. In 2000, trough the "Yamoussoukro Declaration", some African states (= members of the African Civil Aviation Commission)[15] agreed to join their "skies" and activities to introduce a unique west-African sky ; it was a the time, a unique policy initiative. Unfortunately, the dream never came to reality ; leaving the European Union as a the first entity to build and applies a liberal foreign ownership and control rules.

In 2002, the European Commission is going to ask for an exclusive competence when it comes to sign bilateral air services agreement, to create a "community clause" and to end a "different speed Europe"[16]. As a result, when a member state of the European Union wished to pass an air service agreement with a third-part country, the agreement need to be send to the European Commission to validate (or not) for every other member state. The third country will therefore not pass an agreement with a single country but with the European Union as one. In every ASA, you'll find the mentioned that to posses a mandatory air transport certificate, the air carrier must me substantial owned, and effectively controlled by a member state, or a national from member state[17]. The first step was to create a solid unit, a bloc.

Then, and this is where the real liberalization happened, is that between each member state those rules entirely disappear. For example, Germany has the possibility to invest a 100% of the capital, and to posses every seat at the administration of a Spanish airline.

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[14] CJUE, November 5th 2002, Commission of the European Communities v. Kingdom of Belgium

[15] http://afcac.org/en/

[16] CJCE, AETR, 1971, or CJCE Avis 2/92, OCDE, or CJE Avis 1/94, OMC

[17] Regulation (EC) n°1008/2008, Article 4 :
https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:293:0003:0020:FR:PDF

European Union aviation transport is, because of this, considered by most as a liberalization playground and laboratory.

III – The liberalization of ownership and control challenges

If the liberalization of the foreign ownership and control was an evidence and a simple choice, all aviation states authorities would have recommended it already. However, as the liberalization of any industry, it raises multiples questions[18].

A) The "fair competition" : fight of economic dogmas

The first problematic this liberalization would raise is the competition field. The International Civil Aviation Organization is making a huge amount of work by trying to build a fair competition field between every state[19]. The Chicago Convention of 1944 never mentioned a competition, even if it talks about an economically safe environment[20].

The challenge is to create a cooperation where "competition" and more precisely "fair competition" means the same thing. For example, a report from the American triad (United Airlines, Delta and U.S Airways) the amount of support received by the gulf triad (Emirates, Qatar Airways and Ethiad Airways) is clearly define as "unfair competition" by occidental carriers[21]. However, we clearly understand that these

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[18] ADLER N. & GELLMAN A., « Strategies for managing risk in a changing aviation environment », *Journal of Air Transport Management*, published in 2012.

[19] *International Civil Aviation Organisation*, « World Conference of Air Transport", Montreal, March 18th – 22nd 2013, Work notes

[20] The Chicago Convention, 1944, Preamble : "*the undersigned government having agreed on certain principles and arrangement in order that international civil aviation may be developed in a safe and orderly manner and that international air services may be established on the basis of equality of opportunity and operated soundly and economically*"

[21] American Airline, Delta Airline & United Airline, « Restoring open skies : the need to address subsidized competition from state-owned airlines in Qatar and the UAE », published January the 28th 2015

carriers do not see it that way ; for a company state-owned, where is the unfair competition in being support by public fund ?[22]

But when we take the occidental perspective, it is like playing monopoly when one of the players is the bank. From that point of view, the competition is not an indiscriminatory "playing field". And this is one of the most impressive accomplishment form the European Union. It created a space where the aviation transport could blossom with the same amount of help ; and of course it didn't help company trough financial disaster by not allowing a distortion of the field (example : Alitalia and Qatar's offer to invest in them, but the part of capital bought would have been superior to the 49% allowed, and State were not allowed considering the past of the carrier), but it permitted the birth of a strong and dynamic market[23].

To give us an idea of challenges that can be faced with a global liberalization foreign ownership and control rules, with can make a bridge to maritime industry and laws. Maritime industry is challenged by flag of convenience. It is a common practiced were maritime companies register their ship in a country with less regarding on regulations and constraint[24] (ex : Bahamas, Malta, Panama, etc…). Those flags of convenience allow to much the acquisition of illegal staffs, or under-payed. It's estimated today, that 60% of international maritime commerce is navigate under this kind of flag[25].

It is not misplaced to believe, an uncontrolled and global liberalization of ownership and control rules would, as it does in the sea industry, implant this practice in air transport. No need to say that insurances' risk, as well as safety and security risks are not to neglect.

B) Security and Safety : a real challenge in a very high expectation industry ?

Trough the global airlines industry, the level of safety and security is one the keystone of every actors involve. The liberalization of ownership and control strike this question

[22] DOUGLAS Ian, « Do the Gulf airlines distort the level playing field ? », *Journal of Air Transport Management*, Volume 74, January 2019, page 72-79.

[23] VARLET Jean « La déréglementation du transport aérien et ses conséquences sur les réseaux et sur les aéroports », *Annales de Géographie*, t. 106, n°593-594, 1997. pp. 205-217

[24] I.MENDELSOHN Allan, « Flags of convenience : Maritime and Aviation", Journal of Air Law, published in 2014, p.79

[25] Id. 24

of security and safety, as ICAO notified in a resolution : "*air carrier designation and authorization for market access should be liberalized at each State's pace and discretion progressively, flexibility and with effective regulatory control in particular regarding safety and security*"[26].

The principal fear of pilots' associations, governments authorities and airlines is the creation of these flag of convenience. Pilots and technicians' experts are afraid of the constitution of a "forum shopping" which could consist on the realisation of a patchwork of different regulations and standards to form an advantageous synthesis for the air carrier.

Another issue rising is the exchange of personal data. Indeed, by playing with airline nationality, passenger data are not submitted to the same level of protection. For example, the Europe Union realize a continuous work of the protection of passenger data with the General Data Protection Regulation[27] (GDPR), but Asian airlines does not ask for the same shielding[28]. For a concrete illustration, an airline cannot transfer passenger personal data unless it is a proportional and necessary means like an investigation, or a governmental inspection. Otherwise, airlines have to erase those data after the reclamation prescription is passed (allowing the passenger to ask for the application of their rights, for the European Regulation n°261/2004 it is 5 years[29]).

European Union is still working on a safety and security cooperation with the EASA (= European Aviation Safety Agency) especially ; they are trying to create a real technical open sky with one and only surveillance system[30]. It will be a gain in term of collaboration between actors (states, airlines, constructors, etc..) and also in term of environment (less fuel consumption). But to get there, European union had to build on

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[26] Resolution adopted by the Assembly, ICAO, 36th Session, Montreal, 18th-28th September 2007

[27] Regulation (EU) n°2016/679, Regulation on the protection of natural persons with the regard to the processing of personal data and on the free movement of such data

[28] MIRONENKO ENERSTVEDT Olga, "Aviation Security, Privacy, Data Protection and Other Human Rights : Technologies and Legal Principles", published in 2017

[29] Court of Cassation, October the 10th of 2019, legal precedent 18-20.490

[30] "EASA launches programme to monitor the implementation of its COVID-19 operational protocol", EASA official website : https://www.easa.europa.eu/newsroom-and-events/news/easa-launches-programme-monitor-implementation-its-covid-19-operational

their previous cooperation and amount of work done. So, is regional aviation community only possible on a previous cooperation ?

C) Does an open sky need a region previous cooperation ?

An European aviation has been possible on this level of integration and cooperation after a series of "package" which were setting up a common policy and diverse subjects. The Regulation (EU) n°2408/92 established : "it is important to establish an air transport policy for the internal market"[31].

Air transport is always, for governments and international organization, a part of development policy. An airport, and airlines connection to the rest of the world allow a territory to grow on economic matter but also on social side. To prove this fact, anyone can check the number of jobs related to the industry on an airport zones ; concerning Paris Airport group (Paris Charles de Gaulle, Paris Orly and Bourget airports) a studied published by the group declare that airport activities induce more than 500 000 jobs[32].

Henceforth, a group of states must build common goals and policies concerning development, but also about economic and legal matters (see previously explained). It appears, with hindsight that an open sky between a group of governments is hard to reach without other connexions. So, if we assume that European Union path is the only way to get to global liberalization of ownership and control rules, an inter-regions cooperation on international stage can be a new scale for the ownership regulations problematics.

That is why, we have to look into different regions trough the world that already start working together at economic level.

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[31] Preamble of Regulation (EU) n°2048/92 on access for community air carrier to intra-community air routes ; https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31992R2408&from=EN

[32] Official Website of Airport of Paris Group ; https://entrevoisins.groupeadp.fr/questions/combien-demplois-cree-le-groupe-adp-et-ses-aeroports/

IV – The actual regionalization through the world

A) MERCOSUR : Air market without integration

MERCOSUR is an economic community that includes Argentina, Brazil, Paraguay and Uruguay. Venezuela has been suspended since 2016, and Bolivia has been in the process of joining since 2012. The common market was established by the Treaty of Asuncion on 26 March 1991[33] with free movement of goods, services and productive factor, and also free movement of citizens. It is not a region as one might hear with the EU, but an economic agreement. It is about majority states with liberal politics and could be an excellent laboratory for air regionalism. Among the member countries of this union is Chile, for example, which, as mentioned above, is a symbol of air liberalism[34]. There is no nationality clause, only the application of a criterion of principal place of business, which in reality is very little regulated[35]. In December 1996, the Fortaleza agreement was signed by the four Mercosur member countries, to which we can add Bolivia and Chile ; then in 2000, Peru joined the agreement.

This plurilateral agreement aimed to develop the air market within South America by going further than the bilateral agreements: since in the bilateral agreements only 10 departure and arrival points were designated for such an area (four times the size of the EU)[36]. However, the agreement only opens the first four freedoms of the air (leaving the 5th and 6th under the agreement of the party state). Like the EU, transport was immediately included in the free trade agreements on an equal footing with services, capital and persons.

However, there is no definition of a common transport policy and no working group is presented in the context of air transport, and there is a clear lack of political will.

On the other hand, there is also a real desire to achieve an EU-Mercosur agreement, since the economic situation of the Mercosur countries seems to be in line with that of

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[33] http://www.sice.oas.org/trade/mrcsr/mrcsrtoc.asp

[34] Clark Inkson & Lynn Minnaert, « *Liberallisation in International Civil Aviation*", published on 2012

[35] Caoilinn Doran « *The Establishment of Airlines in Light of the Recent Flower Transport Case*", published on 2016

[36] Fernández R., Portes J., « Returns to Regionalism. An Analysis of Non-Traditional Gains from Regional Trade Agreements », *World Bank Economic Review*, 2012 vol. 12, n° 2

the EU, with similar growth and trade indices, and they are also important trading partners: the EU accounts for 20% of sales of services, exports and imports[37].

B) ASEAN : European Union embryonic form

In Southeast Asia, ASEAN aims to liberalise its internal market. They have entered into an Open Skie agreement on passenger and freight transport[38]. The agreement would aim to remove restrictions on the first five freedoms of the air. But also, the emerging idea of a EU-style community ownership. ASEAN is the Association of East Asian Nations, established in 1967 and comprising the following ten countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam[39]. It is an extremely dynamic area the fact that international trade is highly concentrated in this area: the Strait of Malacca and the South China Sea account for more than one third of world maritime trade[40]. It is also a region that has experienced, and is still experiencing an economic explosion; one only has to look at the major cities of these countries to understand that they have nothing to envy to the Western megacities (e.g. Kuala Lumpur, Bangkok, Singapore, etc.). ASEAN has returned to the centre of attention in civil aviation, notably in the EU when ASEAN came back to the forefront of civil aviation, especially in the EU, when the negotiation of an Open Skies Agreement between the EU and ASEAN started[41].

The core of my topic is here, the idea of removing nationality clauses within regional agreements/frameworks that would allow them for a simpler and more liberalised negotiation. An agreement under the competence of two simple bodies: one of the EU (in principle the Commission) and one of ASEAN could allow the conclusion of a multilateral agreement between as many as thirty-seven states on the creation of a Single Sky that would span two extremely important parts of the globe, and redefining the geopolitics of air transport.

In 1998, in Makati in the Philippines, an ASEAN agreement was signed, in which that states should coordinate their policies to progressively reduce the limits on intra-

[37] Id 36.
[38] TAN A.K.J, « The proposed E.U.-ASEAN comprehensive air transport agreement: What might it contain and can it work? », *Transport Policy*, 2015
[39] Id. 38
[40] Susan Tee Suan Chin, « The issues on maritime security on international trade activities among sea countries", published 2019, p.57-63
[41] Id. 38

ASEAN investment[42]. Later, in 2003, they signed a multilateral air services agreement that is not open skies, as it does not liberalise air freedoms (the first five freedoms are the only ones to be granted to all states in the agreement), but grants the intra-regional possibility not to carry out an ASA so that "ASEAN" carriers move freely from their home countries[43]. And we see a kind of “clause” also appears in Article 3 on the designation of permitted airlines, this does not mean that the nationality clause no longer appears in agreements between states, it has not been judged contrary to the ASEAN principle (for the time being) and therefore still applies[44].

It is also clear that the notion of "principal place of business" that appears in the multilateral agreement could turn out to be an EU-style notion of principal "establishment"[45].

ASEAN is akin to an embryonic form of the European Union and the prospect of an Open Skies agreement between the two regions would be a great laboratory for the whole idea of this research paper.

Like what is happening in the EU, we could see the creation of a real Eurasian low-cost market that would make it possible to (finally?) challenge the competition from the Gulf[46]. This would also allow for greater connection for passengers with an ever-increasing offer, which would at the same time continue to develop the "hub and spoke" model.

The latter is the basis of the hub model, and this policy has been perpetuated within the EU despite the regional framework. This would also represent a real opportunity for Eurasian investment, which could represent a real opportunity for the EU to import capital. Indeed, the ASEAN market is not likely to shrink anytime soon (if we exclude the current crisis of course), and this could sometimes solidify the European market, as well as vice versa since the European market remains an open door for Asia due to

[42] BILOTKACH V., « Quantifying the impact of low-cost carriers on international air passenger movements to and from major airports in Asia », *International Journal of Industrial Organization*, 2019
[43] Id. 38
[44] Id. 42
[45] Id. 35
[46] SARASWATI Batari, « Low-cost carriers versus full service carriers in ASEAN: The impact of liberalization policy on competition », *Journal of Air Transport Management*, 2014

its stability, its dynamism and also, the capacity of a European population to move more and more easily[47].

However, for the time being, the bilateral agreements, even if they are horizontal, remain in place, while publicly admitting the intention to achieve the first block-to-block air transport agreement in the near future[48].

C) Is a region geographically united ?

The second issue for the regions is whether the geographical criterion really matters. There is an open skies agreement that did not rely on neighbouring countries, but on countries sharing a common vision of air liberalism. In 2001 six members of the Asia-Pacific Cooperation signed an agreement called the "MALIAT"[49] which, while not fundamentally changing the established rules, reduced its notion by leaving in place the idea of citizen control as more important than substantial ownership. Although this has not affected national regulations, it shows that the effort is there and that there is a common will to advance the rules of this market. This agreement binds Brunei, New Zealand, Chile and Singapore[50]. The criterion for determining membership of the region is therefore not geographical[51].

Within the agreement, one can see the intention to liberalise the first seven freedoms of the air, but also (like the EU) the will to abolish the criterion of designation of nationality by ownership and control to replace it by the "principal place of business". Nevertheless, it can be seen that the MALIAT is only very little highlighted and that, in reality, its use is very low. Objectively speaking, it is perhaps not the non-geographical aspect that has prevented the full development of such a project, but rather its extremely precursory nature (like the Yamoussoukro Declaration, for example, which found a tangible application in the European Union shortly afterwards). It would therefore be a shame not to pay attention to this kind of agreement, since the most

[47] ADLER N. & GELLMAN A., « Strategies for managing risk in a changing aviation environment », *Journal of Air Transport Management,* 2012
[48] DUTHEIL DE LA ROCHÈRE Jacqueline, « Aspects nouveaux du bilatéralisme aérien » *Annuaire français de droit international,* 1982
[49] Alan Khee-Jin Tan « Prospects for a single aviation market in southeast Asia", Annals of Air and Space Law, 2009
[50] Id. 49
[51] Aaron Gellman, « Strategies for managing risk in a changing aviation environment", Journal of Air Transport Management, 2012

complex thing is for countries to agree on a common policy, and therefore a common ideology, which is already the case here.

D) Brexit : the exception to the rule ?

While regional integration movements are multiplying across the globe, one exception is making itself known: BREXIT. Already outside many of the pillars of European integration (notably the Schengen area), the United Kingdom has declared its divorce from the Union. Nevertheless, after the "Open Skies" jurisprudence of the European Court of Justice in 2002, the United Kingdom is also part of this unique airspace where the freedoms of the air as flight restrictions are no more than an ancient memory. It is therefore necessary to succeed in rebuilding passenger protection regulations, rethinking the construction of its notion of ownership and foreign control, etc[52].

A major challenge is to recreate a legal basis for commercial flights to and from the state. Since after integration, all multilateral agreements no longer need to be applied, but bilateral agreements with each of the other states need to be recreated.

Furthermore, apart from legal considerations, and as explained above, the liberalisation necessary to ease restrictions on foreign investment in airline capital is the cradle of an expanding aviation market. Proven by the development of the American market after its "deregulation", and the European Union with its Open Skies jurisprudence, the market (especially low cost) that liberalisation feeds risks being affected by a return to a regulated market. Complex market access conditions lead to a market less inclined to develop significant competition.

CONCLUSION

In conclusion, it seems relevant in the light of the unprecedented crisis in the aviation industry to discuss what this crisis could bring to the debate on liberalisation of foreign ownership and control of companies.

Indeed, in the overall objective of saving airlines, regional mutual aid could be a first step to a world affected differently by the virus. Indeed, when we look at a map of the world today, we can see regions of countries applying the same travel policy (Oceania with Australia and New Zealand in connection with the Tasman Pact

[52] Walulik Jan, “Brexit and Aviation Law”, published in 2018

liberalising air transport between the two countries; or the European Union with this reopening of flights in a community and joint manner).

Regional investment to continue to stimulate the market in a regional geographical area would be a solution to the financial holes in which airlines are currently finding themselves. Although the question of state aid is necessary, freedom of capital movements would be a fundamental pillar for the recovery of air transport through carriers capable of assuming the financial burden of the activity.

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