EUROCONTROL Revised Forecast of Total Service Units for 2009 and 2010

Summary:

This document presents the EUROCONTROL revised forecast of total service units for 2009 and 2010 based on information available as of 22 September 2009.

Total service units in the EUROCONTROL 2002 region (ESRA02) are forecast to decline by 4.9% in 2009 (vs. 2008 actual). This forecast revises downwards (-0.4%) the previous 2009 forecast issued in May 2009. This forecast is 7.5% below the States' forecast used for establishing the 2009 unit rates in November 2008.

Total service units in the EUROCONTROL 2002 region (ESRA02) are forecast to grow by +3.4% in 2010 (vs. revised 2009 forecast)

The next forecast of service units will be issued on 23 December 2009 (SUF4).

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1. INTRODUCTION

This report presents a forecast of service units within EUROCONTROL States participating in the Multilateral Route Charges System. It provides an update of the EUROCONTROL 2009 and 2010 service units forecast down to individual charging area level. This report is based on information available as of 22 September 2009.

The raison d'être of the EUROCONTROL forecast of service units is to provide ATM stakeholders with an independent view of future changes in service units within EUROCONTROL charging areas. This is aimed at helping States to establish unit rates for route charges and informing consultations of stakeholders.

Section 2 describes the forecasting methodology. Section 3 presents the evolution of the situation to date. Section 4 highlights the main forecast results. Two tables attached at Annex present the forecasts for all States participating in the Multilateral Route Charges System.

2. EUROCONTROL FORECASTING METHODOLOGY

The forecasting methodology is based largely on time series analysis. As of May issue, the time series analysis included the EUROCONTROL flight and overflight forecast[1]. The revised 2009 and 2010 forecasts have been computed using monthly data of **total** actual service units recorded in the route charges system from January 1990 (or first month of operation in the route charges system) up to and including **August 2009**. It is therefore a 16-month ahead forecast.

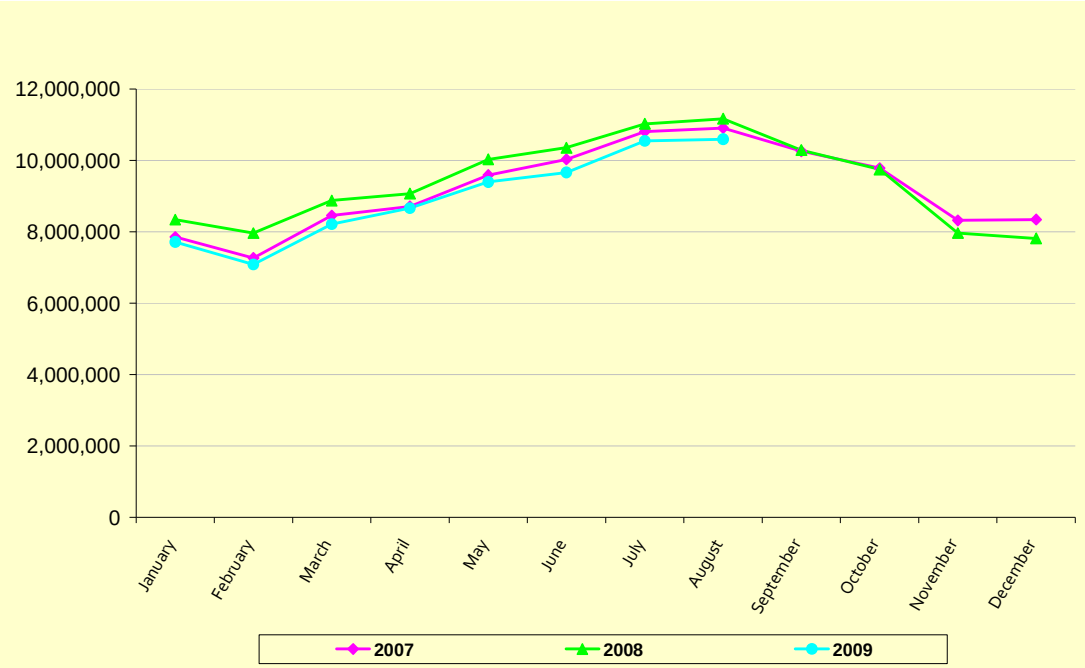
3. MONITORING THE SITUATION TO DAT E (2008 AND AUGUST2009)

The total service units recorded in the ESRA02 Area[2] during the full year 2008 were some **+2.1%** higher than in 2007. The first eight months of 2009 had 6.5% fewer service units than the same period of 2008. **Figure 1** presents the monthly total service units in the ESRA02 Area from 2007 to latest available month.

[1] Growth rates of service units and flights are typically different, but correlated. For States where that correlation contributes statistically to a better forecast, the flight forecast influences future growth in service units. For other States, the flight forecast is not used. Since the flight forecast is influenced by factors such as economic growth, the service unit forecast will also be influenced by economic growth forecasts.

[2] The "Eurocontrol 2002 Charging Area" is composed of 30 individual charging areas: Belgium-Luxembourg, Germany, France, U.K., the Netherlands, Ireland, Switzerland, Portugal Lisboa, Austria, Spain Continental, Spain-Canaries, Portugal-Santa Maria, Greece, Turkey, Malta, Cyprus, Hungary, Norway, Denmark, Slovenia, Czech Republic, Sweden, Italy, Slovak Republic, Romania, Croatia, Bulgaria, FYROM, Moldova, and Finland. It is also referred to as the ESRA02 (EUROCONTROL Statistical Reference Area 2002).

Figure 1: Actual total service units recorded in the ESRA02 charging area in 2007-2009



4. FORECAST RESULTS

Figure 2 presents the forecasts of total service units for 2009 and 2010. These are forecast to decline by 4.9% in 2009 (vs. 2008 actual) and to grow by 3.4% in 2010 in the EUROCONTROL 2002 Charging Area or ESRA02.

As stated in the May issue, Serbia-Montenegro, Poland and Lithuania have been recently added to the CRCO forecast. The forecasts for these regions must be treated as less certain than for longer-established regions, because they are based on a very limited set of historical data. These new regions, as well as Bosnia and Herzegovina, *are not* included in the aggregated zones CRCO 88, ESRA02 but *are* included in the TOTAL.

Overall, this updated forecast for 2009 (107.2 million SU – ESRA02) is 7.5% lower than that established at the end of 2008 (116 million SU – ESRA02 - States' 2009 total service units forecast presented at the November 2008 session of the enlarged Committee).

This new forecast is 0.4% below the previous one published by STATFOR in May 2009 (107.6 million SU – ESRA02). Nevertheless, this new forecast is 2.9% below the 2007 actual figure (110.3 million SU – ESRA02).

There is significant uncertainty, particularly in the 2010 forecast. Although the decline in traffic has stabilised during the summer months and economic forecasts have been recently revised slightly upwards, the signs of economic recovery are still mixed. There have also been announcements of further cuts in capacity by European airlines for the winter 2009/2010 timetable. At the same time, full economic recovery may also be delayed because of continuing structural weaknesses, meaning that much of the risk for next year is downside. Implicit in the traffic forecast for many regions is a (weak) recovery at the end of 2009, but this recovery may arrive 3-6 months later.

On the other hand, a few States located in the Adriatic region, are showing strong overflight increases. The possible flight re-routings in these areas represent an upside risk for 2010 forecast.

Figure 3 presents the breakdown of the forecast for 2009 and 2010 into chargeable and exempted service units, estimated on the basis of the proportions observed in 2008.

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A. Forecast of total service units in 2009 and 2010

Figure 2. Forecast of total service units in 2009 and 2010 (SUF – September 2009)

		Charging Areas	2008 Actual Total Service Units	CRCO 2009 Forecast Total Service Units	2009/2008	CRCO 2010 Forecast Total Service Units	2010/2009		States 2009 forecast Total Service units (Nov. 2008)°	CRCO Sep 2009 / States Nov. 2008
EB	*+	Belgique/Belgium-Luxembourg	2,220,106	2,095,165	-5.6%	2,210,602	5.5%		2,292,700	-8.6%
ED	*+	Allemagne/Germany	12,749,260	11,925,637	-6.5%	12,370,279	3.7%		12,650,000	-5.7%
LF	*+	France	18,034,193	16,959,600	-6.0%	17,526,423	3.3%		18,469,073	-8.2%
EG	*+	R.U./U.K.	11,043,630	10,066,934	-8.8%	10,177,028	1.1%		10,814,780	-6.9%
EH	*+	Pays-Bas/Netherlands	2,621,275	2,435,015	-7.1%	2,493,565	2.4%		2,682,000	-9.2%
EI	*+	Irlande/Ireland	3,823,471	3,538,784	-7.4%	3,498,593	-1.1%		3,982,400	-11.1%
LS	*+	Suisse/Switzerland	1,471,851	1,420,067	-3.5%	1,498,284	5.5%		1,521,347	-6.7%
LP	*+	Portugal Lisboa	2,676,891	2,521,680	-5.8%	2,628,788	4.2%		2,771,686	-9.0%
LO	*+	Autriche/Austria	2,565,596	2,416,454	-5.8%	2,426,053	0.4%		2,610,000	-7.4%
LE	*+	Espagne/Spain - Continental	9,128,844	8,467,198	-7.2%	8,857,841	4.6%		10,287,276	-17.7%
GC	*+	Espagne/Spain - Canarias	1,713,085	1,486,010	-13.3%	1,502,898	1.1%		1,957,211	-24.1%
AZ	*+	Portugal Santa Maria	3,483,618	3,578,624	2.7%	3,739,144	4.5%		3,480,229	2.8%
LG	+	Grèce/Greece	4,258,001	4,107,752	-3.5%	4,360,354	6.1%		4,257,305	-3.5%
LT	+	Turquie/Turkey	7,628,625	7,995,565	4.8%	8,403,672	5.1%		8,102,500	-1.3%
LM	+	Malte/Malta	421,760	414,687	-1.7%	429,844	3.7%		426,700	-2.8%
LI	+	Italie/Italy	8,660,349	8,122,949	-6.2%	8,618,938	6.1%		9,066,971	-10.4%
LC	+	Chypre/Cyprus	1,310,890	1,288,594	-1.7%	1,357,703	5.4%		1,357,700	-5.1%
LH	+	Hongrie/Hungary	2,092,142	2,045,402	-2.2%	2,030,294	-0.7%		2,133,000	-4.1%
EN	+	Norvège/Norway	1,537,052	1,496,039	-2.7%	1,509,942	0.9%		1,562,000	-4.2%
EK	+	Danemark/Denmark	1,474,287	1,357,694	-7.9%	1,384,959	2.0%		1,557,800	-12.8%
LJ	+	Slovénie/Slovenia	341,546	334,940	-1.9%	346,774	3.5%		345,148	-3.0%
LR	+	Roumanie/Romania	3,240,107	3,188,045	-1.6%	3,267,898	2.5%		3,200,300	-0.4%
LK	+	Rép. Tchèque/Czech Rep.	2,019,121	2,019,381	0.0%	2,034,368	0.7%		2,100,000	-3.8%
ES	+	Suède/Sweden	3,271,474	2,924,867	-10.6%	2,941,646	0.6%		3,433,052	-14.8%
LZ	+	Slovaquie/Slovak Republic	762,261	789,177	3.5%	863,554	9.4%		803,000	-1.7%
LD	+	Croatie/Croatia	1,270,788	1,344,577	5.8%	1,442,888	7.3%		1,272,000	5.7%
LB	+	Bulgarie/Bulgaria	1,746,648	1,786,782	2.3%	1,819,664	1.8%		1,669,815	7.0%
LW	+	ARYM/FYROM	182,055	183,311	0.7%	195,968	6.9%		196,000	-6.5%
LU	+	Moldavie/Moldova	115,284	132,680	15.1%	144,392	8.8%		131,414	1.0%
EF	+	Finlande/Finland	790,805	741,969	-6.2%	747,197	0.7%		787,800	-5.8%
LA		Albanie/Albania	324,951	356,414	9.7%	386,522	8.4%		321,000	11.0%
LQ		Bosnie-Herz./Bosnia and Herzegovina	524,687	584,789	11.5%	664,344	13.6%		539,400	8.4%
LY		Serbie-Mont./Serbia-Montenegro	1,747,513	1,767,234	1.1%	1,924,049	8.9%		1,883,210	-6.2%
EP		Pologne/Poland	3,229,758	3,043,070	-5.8%	3,207,863	5.4%		3,807,875	-20.1%
EY		Lituanie/Lithuania	383,561	344,089	-10.3%	362,240	5.3%		412,200	-16.5%
	*	**CRCO 88**	**71,531,820**	**66,911,168**	**-6.5%**	**68,929,498**	**3.0%**		**73,518,702**	**-9.0%**
	+	**ESRA 02**	**112,655,015**	**107,185,579**	**-4.9%**	**110,829,553**	**3.4%**		**115,921,207**	**-7.5%**
		TOTAL	**118,865,485**	**113,281,175**	**-4.7%**	**117,374,571**	**3.6%**		**122,884,892**	**-7.8%**

° *Total Service Units as presented in Table 1: "Cost - Base and National Unit Rate: 2009 Forecast Account" presented at the November 2008 session of the enlarged Committee*

B. Forecast of chargeable service units in 2009 and 2010

Figure 3: Forecast of chargeable service units in 2009 and 2010 (SUF – September 2009)

Charging Areas			CRCO 2009 Forecast Total Service Units	CRCO 2010 Forecast Total Service Units	2008 Actual Exempted SU in %	2008 Actual Chargeable SU in %	2009 Chargeable SU Estimate°	2010 Chargeable SU Estimate°
EB	*+	Belgique/Belgium-Luxembourg	2,095,165	2,210,602	1.6%	98.4%	2,061,300	2,174,900
ED	*+	Allemagne/Germany	11,925,637	12,370,279	1.1%	98.9%	11,794,600	12,234,400
LF	*+	France	16,959,600	17,526,423	1.1%	98.9%	16,770,500	17,331,000
EG	*+	R.U./U.K.	10,066,934	10,177,028	1.5%	98.5%	9,919,100	10,027,600
EH	*+	Pays-Bas/Netherlands	2,435,015	2,493,565	1.0%	99.0%	2,410,700	2,468,700
EI	*+	Irlande/Ireland	3,538,784	3,498,593	1.8%	98.2%	3,474,100	3,434,700
LS	*+	Suisse/Switzerland	1,420,067	1,498,284	0.3%	99.7%	1,415,800	1,493,800
LP	*+	Portugal Lisboa	2,521,680	2,628,788	1.7%	98.3%	2,479,400	2,584,800
LO	*+	Autriche/Austria	2,416,454	2,426,053	0.3%	99.7%	2,409,400	2,418,900
LE	*+	Espagne/Spain - Continental	8,467,198	8,857,841	1.3%	98.7%	8,356,600	8,742,100
GC	*+	Espagne/Spain - Canarias	1,486,010	1,502,898	0.9%	99.1%	1,472,200	1,488,900
AZ	*+	Portugal Santa Maria	3,578,624	3,739,144	3.5%	96.5%	3,454,000	3,609,000
LG	+	Grèce/Greece	4,107,752	4,360,354	2.6%	97.4%	4,000,300	4,246,300
LT	+	Turquie/Turkey	7,995,565	8,403,672	3.5%	96.5%	7,715,000	8,108,800
LM	+	Malte/Malta	414,687	429,844	4.5%	95.5%	396,100	410,600
LI	+	Italie/Italy	8,122,949	8,618,938	2.5%	97.5%	7,916,100	8,399,500
LC	+	Chypre/Cyprus	1,288,594	1,357,703	1.2%	98.8%	1,272,800	1,341,100
LH	+	Hongrie/Hungary	2,045,402	2,030,294	2.1%	97.9%	2,003,200	1,988,400
EN	+	Norvège/Norway	1,496,039	1,509,942	1.0%	99.0%	1,481,300	1,495,000
EK	+	Danemark/Denmark	1,357,694	1,384,959	0.6%	99.4%	1,348,900	1,376,000
LJ	+	Slovénie/Slovenia	334,940	346,774	0.6%	99.4%	332,800	344,500
LR	+	Roumanie/Romania	3,188,045	3,267,898	3.2%	96.8%	3,085,000	3,162,300
LK	+	Rép. Tchèque/Czech Rep.	2,019,381	2,034,368	3.5%	96.5%	1,948,600	1,963,100
ES	+	Suède/Sweden	2,924,867	2,941,646	0.3%	99.7%	2,916,600	2,933,300
LZ	+	Slovaquie/Slovak Republic	789,177	863,554	1.9%	98.1%	774,100	847,000
LD	+	Croatie/Croatia	1,344,577	1,442,888	0.5%	99.5%	1,337,800	1,435,600
LB	+	Bulgarie/Bulgaria	1,786,782	1,819,664	0.8%	99.2%	1,772,100	1,804,700
LW	+	ARYM/FYROM	183,311	195,968	0.3%	99.7%	182,700	195,400
LU	+	Moldavie/Moldova	132,680	144,392	0.2%	99.8%	132,400	144,100
EF	+	Finlande/Finland	741,969	747,197	1.0%	99.0%	734,900	740,100
LA		Albanie/Albania	356,414	386,522	1.0%	99.0%	353,000	382,800
LQ		Bosnie-Herz./Bosnia and Herzegovina	584,789	664,344	0.1%	99.9%	584,000	663,400
LY		Serbie-Mont./Serbia-Montenegro	1,767,234	1,924,049	0.1%	99.9%	1,765,600	1,922,200
EP		Pologne/Poland	3,043,070	3,207,863	0.6%	99.4%	3,025,600	3,189,500
EY		Lituanie/Lithuania	344,089	362,240	0.4%	99.6%	342,600	360,700
	*	**CRCO 88**	**66,911,168**	**68,929,498**	**1.3%**	**98.7%**	**66,017,700**	**68,008,800**
	+	**ESRA 02**	**107,185,579**	**110,829,553**	**1.7%**	**98.3%**	**105,368,400**	**108,944,600**
		TOTAL	**113,281,175**	**117,374,571**	**1.6%**	**98.4%**	**111,439,200**	**115,463,200**

° Estimate based on the proportions of chargeable and exempted service units observed in 2008

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For further information please contact:

STATFOR, the EUROCONTROL Statistics and Forecast Service

statfor.info@eurocontrol.int

http://www.eurocontrol.int/statfor

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