



EUROCONTROL Forecast of Service Units: May 2010 Update

Summary:

This document presents the update of EUROCONTROL forecast of total service units for 2010 and 2011. The forecast is based on information available as of 19 May 2010.

The total service units in the Eurocontrol 2002 Charging Area in 2010 are forecast to be around 108.4 million, 1.7% higher than in 2009. In total, this is very near the previous forecast update of February 2010 but there has been a number of upward and downward revisions at the State level.

The forecast is around 0.7% below the ESRA02 total of States' forecasts used in November 2009 for establishing the cost-bases and unit rates for 2010.

The total service units in the Eurocontrol 2002 Charging Area are forecast to grow by 4.2% in 2011 (compared to 2010 forecast service units), to around 113.0 million.

The service units forecast will next be updated on 22 September 2010.

1. INTRODUCTION

This report presents an update of 2010 and 2011 forecast of service units (SUF) for EUROCONTROL States participating in the Multilateral Route Charges System, down to individual charging area level. This update is based on information available as of 19 May 2010.

The raison d'être of the EUROCONTROL forecast of service units (SUs) is to provide ATM stakeholders with an independent view of future changes in service units within EUROCONTROL charging areas. It can also assist the States when establishing unit rates for route charges.

Section 2 describes the forecasting methodology, section 3 summarises the past evolution of total service units, and section 4 highlights the main forecast results. Two tables attached in the Annex present the forecasts for individual States participating in the Multilateral Route Charges System.

2. EUROCONTROL FORECASTING METHODOLOGY

The forecasting methodology is based on time series analysis, using actual monthly data of total 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 January 2010. The EUROCONTROL flight and overflight forecast prepared in May 2010¹ was used as supporting information in developing this forecast² of service units.

The actual data for April 2010 have been adjusted³ for the drop in service units due to flight cancellations resulting from the eruption of the Eyjafjallajökull volcano. The traffic disruptions in May 2010 are accounted for in the service units forecast by using the flights and overflight data of the short-term traffic forecast which has been adjusted for these also.

3. PAST EVOLUTION OF TOTAL SERVICE UNITS

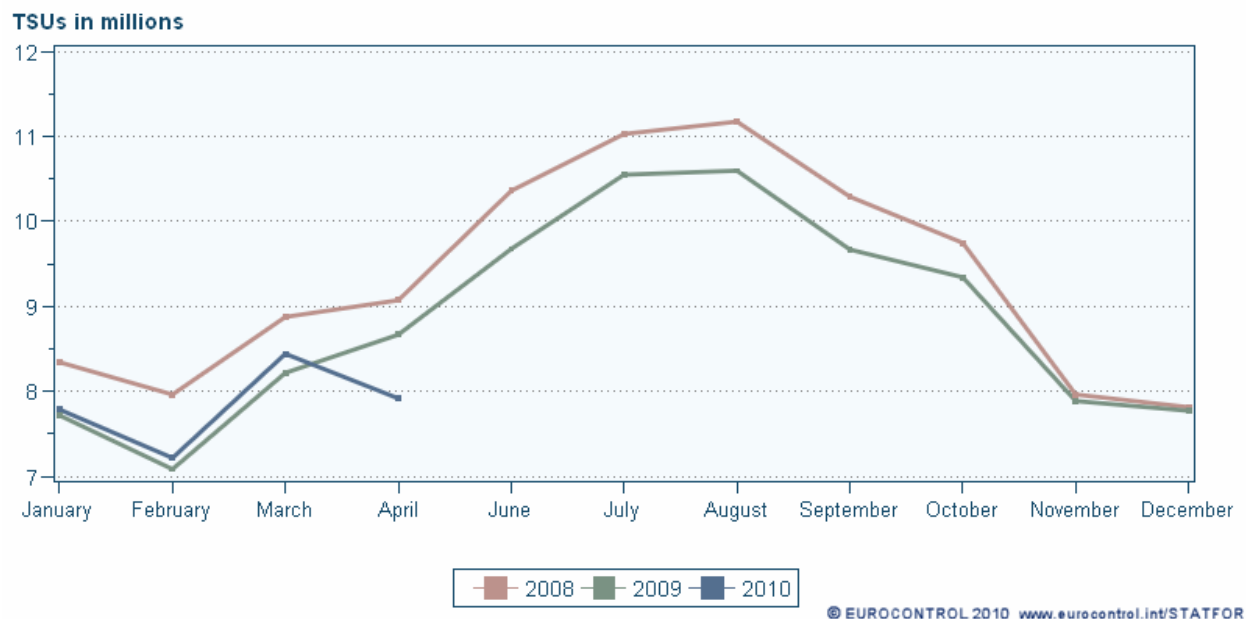
Figure 1 presents the monthly evolution of the total service units (TSUs) recorded in the Eurocontrol 2002 Charging Area⁴ from January 2008 to April 2010. The total service units in ESRA02 were below the levels from twelve month ago throughout the whole of 2009. In total, the TSUs in 2009 were some 5.4% below 2008 (while 2008 TSUs were about 2.1% higher than in 2007). Last months of 2009 and first months of 2010 have shown slight signs of recovery, with TSUs first nearing the levels from a year ago and finally surpassing them in January 2010. However, the 2010 values are still about 5%-10% below the 2008 figures. April 2010 was marked by the effects of flight cancellations due to Eyjafjallajökull volcano ash safety concerns and the total service units in ESRA02 dropped to almost 9% below April 2009.

¹ EUROCONTROL Short-Term Forecast, Flight Movements 2010-2011, EUROCONTROL STATFOR, May 2010

² 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. Since the flight forecast is influenced by factors such as economic growth, the service units forecast will also be influenced by economic growth forecasts.

³ More on the ash cloud impact and adjustment method in: *Ash Cloud, April 2010: Impact on Traffic*, STATFOR Doc394 (available on request from statfor.info@eurocontrol.int).

⁴ 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 (TSU) recorded in ESRA02 charging area in 2008-2010

4. FORECAST RESULTS

Figure 2 presents the 2010 and 2011 total service units forecast per State prepared by Eurocontrol STATFOR on behalf of CRCO in May 2010. The forecast for 2010 in Eurocontrol 2002 Charging Area is a moderate growth of 1.7% to 108.4 million SU. This is around the same levels as in the previous update⁵ of the forecast but several States have seen downward and upward revisions. The forecast is around 0.7% below the ESRA02 total of States' forecasts used in November 2009 for establishing the cost-bases and unit rates for 2010. In 2011, the forecast for ESRA02 is a stronger growth of 4.2%, the total service units reaching around 113.0 million.

Estimates of chargeable service units per State in 2010, based on Eurocontrol SU forecasts and numbers of exempted service units in 2009, are presented in Figure 3. The total chargeable service units in the Eurocontrol 2002 Charging Area in 2010 are estimated to amount to around 106.5 million, 1.7% above 2009 figures. In 2011, the forecast is for around 111.0 million chargeable service units in the ESRA02, 4.2% above the 2010 forecast levels.

In March 2010, the traffic in Europe saw its first increase after 17 months of decline. Load factors have increased and the TSUs were often above what had been forecast previously. In April however, several States (mainly in Western Europe) saw a significant drop in traffic and service units due to airspace closures in result of the Icelandic volcanic activity. The traffic disruptions continued at a lower scale also in May 2010 and though at the moment of writing this report the eruptions seemed to have halted, there is a risk of resuming and creating further obstruction for air traffic.

There are further downward risks in the forecast. The economic outlook now seems to be rather more uncertain than a couple of months ago and the possibility of a double-dip recession in Europe now cannot be ruled out. In the shorter-term, industrial action (e.g. Greece, British Airways) could further decrease the forecast for 2010 in the relevant States.

As explained in the September 2009 issue⁶, forecasts for Serbia & Montenegro, Poland and Lithuania must be treated with extra care as these are based on a limited set of historical data. These regions are not included in the aggregated zones CRCO88, ESRA02 but are included in the TOTAL.

⁵ EUROCONTROL Forecast of Service Units: February 2010 Update, STATFOR Doc387 v1.0

⁶ EUROCONTROL Revised Forecast of Total Service Units for 2009 and 2010, STATFOR Doc364 v0.2

A. State-by-state forecast of service units

Figure 2. Forecast of total service units in 2010-2011 – May 2010 update

Charging Area		2009 Actual TSU	2010 STATFOR Forecast TSU	2010/2009 Forecast Growth	2011 STATFOR Forecast TSU	2011/2010 Forecast Growth	2010 States Forecast TSU ⁷	2010 STATFOR/States
EB	Belgium/Luxembourg	2,078,793	2,071,743	-0.3%	2,164,076	4.5%	2,210,602	-6.3%
ED	Germany	11,912,989	11,973,289	0.5%	12,467,294	4.1%	12,184,000	-1.7%
LF	France	16,779,861	16,656,922	-0.7%	17,272,399	3.7%	17,023,376	-2.2%
EG	UK	9,914,403	9,503,661	-4.1%	9,865,516	3.8%	10,262,500	-7.4%
EH	Netherlands	2,425,841	2,426,991	0.0%	2,520,763	3.9%	2,481,000	-2.2%
Ei	Ireland	3,560,633	3,557,628	-0.1%	3,741,322	5.2%	3,464,000	2.7%
LS	Switzerland	1,396,243	1,420,090	1.7%	1,494,983	5.3%	1,411,798	0.6%
LP	Lisbon FIR	2,501,219	2,566,092	2.6%	2,624,245	2.3%	2,628,788	-2.4%
LO	Austria	2,423,824	2,489,707	2.7%	2,635,840	5.9%	2,440,600	2.0%
LE	Spain	8,358,173	8,495,328	1.6%	8,787,594	3.4%	8,320,427	2.1%
GC	Canary Islands	1,492,498	1,539,870	3.2%	1,624,164	5.5%	1,514,730	1.7%
AZ	Santa Maria FIR	3,478,747	3,601,752	3.5%	3,688,807	2.4%	3,739,144	-3.7%
LG	Greece	4,138,832	4,363,063	5.4%	4,517,265	3.5%	4,406,126	-1.0%
LT	Turkey	8,086,183	8,660,329	7.1%	9,241,647	6.7%	8,403,672	3.1%
LM	Malta	416,028	447,358	7.5%	458,817	2.6%	415,000	7.8%
LI	Italy	8,144,736	8,464,598	3.9%	8,779,888	3.7%	8,387,280	0.9%
LC	Cyprus	1,273,476	1,365,112	7.2%	1,440,167	5.5%	1,309,980	4.2%
LH	Hungary	2,038,443	2,092,785	2.7%	2,155,976	3.0%	2,055,000	1.8%
EN	Norway	1,494,584	1,514,028	1.3%	1,556,455	2.8%	1,509,942	0.3%
EK	Denmark	1,358,804	1,405,187	3.4%	1,469,537	4.6%	1,384,998	1.5%
LJ	Slovenia	330,983	355,028	7.3%	365,633	3.0%	345,682	2.7%
LR	Romania	3,132,895	3,297,049	5.2%	3,466,075	5.1%	3,230,000	2.1%
LK	Czech Republic	2,022,528	2,118,636	4.8%	2,221,916	4.9%	2,005,245	5.7%
ES	Sweden	2,906,484	2,882,968	-0.8%	2,977,548	3.3%	2,961,023	-2.6%
LZ	Slovakia	767,550	816,381	6.4%	871,110	6.7%	803,000	1.7%
LD	Croatia	1,298,237	1,418,270	9.2%	1,493,870	5.3%	1,408,000	0.7%
LB	Bulgaria	1,798,292	1,860,274	3.4%	1,975,339	6.2%	1,772,245	5.0%
LW	FYROM	180,155	180,522	0.2%	190,374	5.5%	198,000	-8.8%
LU	Moldova	138,857	162,057	16.7%	175,089	8.0%	138,700	16.8%
EF	Finland	727,050	717,557	-1.3%	749,499	4.5%	735,000	-2.4%
LA	Albania	354,587	393,702	11.0%	425,760	8.1%	386,522	1.9%
LQ	Bosnia-Herzegovina	578,774	639,538	10.5%	718,264	12.3%	664,344	-3.7%
LY	Serbia & Montenegro	1,782,884	1,850,621	3.8%	1,957,114	5.8%	1,736,486	6.6%
EP	Poland	3,092,271	3,322,556	7.4%	3,549,326	6.8%	3,040,811	9.3%
EY	Lithuania	341,247	360,292	5.6%	390,744	8.5%	339,000	6.3%
CRCO88	CRCO88	66,323,224	66,303,074	0.0%	68,887,004	3.9%	67,680,965	-2.0%
ESRA02	ESRA02	106,577,341	108,424,276	1.7%	112,993,207	4.2%	109,149,858	-0.7%
TOTAL	TOTAL	112,727,104	114,990,985	2.0%	120,034,414	4.4%	115,317,021	-0.3%

⁷ States' forecasts used in November 2009 for establishing the cost-bases and unit rates for 2010, Enlarged Committee document CER-88-2009-3278/REV

Figure 3. Forecast of chargeable service units in 2010-2011 – May 2010 update

Charging Area		2009 Actual TSU	2010 STATFOR Forecast TSU	2011 STATFOR Forecast TSU	2009 Actual Exempted SU in %	2009 Actual Chargeable SU in %	2010 Chargeable SU Estimate	2011 Chargeable SU Estimate
EB	Belgium/Luxembourg	2,078,793	2,071,743	2,164,076	1.9%	98.1%	2,032,500	2,123,100
ED	Germany	11,912,989	11,973,289	12,467,294	1.3%	98.7%	11,816,800	12,304,300
LF	France	16,779,861	16,656,922	17,272,399	1.1%	98.9%	16,474,100	17,082,800
EG	UK	9,914,403	9,503,661	9,865,516	1.9%	98.1%	9,327,500	9,682,600
EH	Netherlands	2,425,841	2,426,991	2,520,763	1.3%	98.7%	2,395,000	2,487,600
Ei	Ireland	3,560,633	3,557,628	3,741,322	2.2%	97.8%	3,477,700	3,657,300
LS	Switzerland	1,396,243	1,420,090	1,494,983	0.3%	99.7%	1,415,600	1,490,200
LP	Lisbon FIR	2,501,219	2,566,092	2,624,245	1.8%	98.2%	2,519,400	2,576,500
LO	Austria	2,423,824	2,489,707	2,635,840	0.3%	99.7%	2,482,600	2,628,300
LE	Spain	8,358,173	8,495,328	8,787,594	1.4%	98.6%	8,378,500	8,666,800
GC	Canary Islands	1,492,498	1,539,870	1,624,164	0.9%	99.1%	1,525,400	1,608,900
AZ	Santa Maria FIR	3,478,747	3,601,752	3,688,807	3.4%	96.6%	3,477,600	3,561,700
LG	Greece	4,138,832	4,363,063	4,517,265	2.5%	97.5%	4,253,400	4,403,700
LT	Turkey	8,086,183	8,660,329	9,241,647	3.7%	96.3%	8,344,000	8,904,100
LM	Malta	416,028	447,358	458,817	3.3%	96.7%	432,700	443,800
LI	Italy	8,144,736	8,464,598	8,779,888	2.6%	97.4%	8,245,000	8,552,100
LC	Cyprus	1,273,476	1,365,112	1,440,167	1.0%	99.0%	1,351,100	1,425,400
LH	Hungary	2,038,443	2,092,785	2,155,976	2.5%	97.5%	2,041,400	2,103,100
EN	Norway	1,494,584	1,514,028	1,556,455	1.1%	98.9%	1,496,900	1,538,900
EK	Denmark	1,358,804	1,405,187	1,469,537	0.8%	99.2%	1,394,400	1,458,300
LJ	Slovenia	330,983	355,028	365,633	0.7%	99.3%	352,700	363,200
LR	Romania	3,132,895	3,297,049	3,466,075	4.0%	96.0%	3,166,100	3,328,400
LK	Czech Republic	2,022,528	2,118,636	2,221,916	4.0%	96.0%	2,033,100	2,132,200
ES	Sweden	2,906,484	2,882,968	2,977,548	0.4%	99.6%	2,871,500	2,965,700
LZ	Slovakia	767,550	816,381	871,110	0.1%	99.9%	815,200	869,800
LD	Croatia	1,298,237	1,418,270	1,493,870	0.4%	99.6%	1,412,000	1,487,300
LB	Bulgaria	1,798,292	1,860,274	1,975,339	0.7%	99.3%	1,846,400	1,960,600
LW	FYROM	180,155	180,522	190,374	0.2%	99.8%	180,200	190,000
LU	Moldova	138,857	162,057	175,089	0.1%	99.9%	161,900	174,900
EF	Finland	727,050	717,557	749,499	0.9%	99.1%	711,400	743,100
LA	Albania	354,587	393,702	425,760	0.7%	99.3%	390,800	422,600
LQ	Bosnia-Herzegovina	578,774	639,538	718,264	0.1%	99.9%	638,700	717,300
LY	Serbia & Montenegro	1,782,884	1,850,621	1,957,114	0.1%	99.9%	1,848,800	1,955,200
EP	Poland	3,092,271	3,322,556	3,549,326	0.5%	99.5%	3,304,500	3,530,000
EY	Lithuania	341,247	360,292	390,744	0.4%	99.6%	358,800	389,100
CRCO88	CRCO88	66,323,224	66,303,074	68,887,004	1.5%	98.5%	65,322,700	67,868,400
ESRA02	ESRA02	106,577,341	108,424,276	112,993,207	1.8%	98.2%	106,448,500	110,934,200
TOTAL	TOTAL	112,727,104	114,990,985	120,034,414	1.7%	98.3%	112,986,000	117,941,500

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