



**Preparatory meeting of transnational
cooperation project**

**“Air traffic and logistics
development between the EU rural
areas and China”**

**20-21 March 2019
Tartu, Estonia**

Air traffic & logistics development between the EU rural areas & China



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Presentation structure

- Preconditions and advantages for cooperation with China;
- Short overview about the trends in aviation in Europe and China;
- Project proposal - main aims and activities, potential partners and expected outcomes;
- Next steps.

Advantages to work with China

- Cooperation agreement between the Chinese Central Government (SAFEA) and European LEADER Association (ELARD) was signed in March 2018. Valuable contacts were established on the level of Chinese Central Government;
- Open EU-China cooperation platform for all European countries in the field of regional development, rural vitalization & sustainable migration;
- Chinese interest to develop one belt, one road investments and cooperate with a network with European coverage.

Main future trends in aviation

- There will be a huge demand on airport services in the near future – both cargo and passenger services.
- Eastward shift in aviation's centre of gravity continues. The Asia-Pacific region will drive the biggest growth with more than half the total number of new passengers over the next 20 years coming from these markets.
 - According to the IATA passenger numbers could double to 8.2 billion in 2037 which poses significant challenges for the aviation industry
<https://www.internationalairportreview.com/news/77038/exponential-passenger-increase/>;
 - Gatwick Airport has published a draft master plan to increase capacity at the UK hub, which allows an extra 10-15 movements per hour, potentially increasing cargo from 102,000 tones today to 325,000 tones by 2032/33, and shifting projections of passenger numbers in that year to 68m-70m compared with 57m-61m with the current system.



Main future trends in aviation

- Expansion of the Chinese Aviation industry

Boeing estimates that China will need approximately 7800 new airplanes and it will be accountable for 18 % of all worlds commercial airplane fleet. China is interested in developing their own airplanes and aviation industry.

This means that there is also a need for the development of the expertise and aviation industry personnel, pilots, mechanics etc. and development of the logistic systems both domestically and internationally.

Main future trends in aviation

- Chinese new airplane companies

There will be more and more Chinese airline carrier companies to be established in the next 5 years (the time China will surpass the U.S.A as the largest aviation market), however, these companies must first gain experience before they are allowed to fly international routes. As the Chinese aviation industry is young and developing, not many companies have yet long enough track record to fly the international routes.

Therefore in the future, if there is a European Partner network whom they can develop together this will be an advantage for both sides.

Main future trends in aviation

- Cargo and logistics followed by the individual passengers

Trade is the key for the growth and prosperity for both sides - Europe and China. Together with economic growth Chinese traveling abroad is growing fast. Therefore when first developing cargo and logistics connections between China and Europe this will lead to an economic growth and then the cooperation can be extended to individual passengers and tourism. Once the logistic system is sound then it will be relatively painless to establish passenger connections as well.

Ningbo is a One Belt One Road Air Logistics Pilot Zone city.

Main future trends in aviation

- Capacity of European aviation market is needed to grow.

Europe's aviation market is currently fully saturated when it comes to airplane companies and airports. Also, major EU airports cannot receive more flights from growing areas like China and the rest of the Asia, for simply the reason that there are no open slots available.

This means there is a demand to develop new airports in European Rural Areas and outside the major cities to China and the rest of Asia.

Opportunities for SME's

- › Provide expertise for the platform
- › Offer services and machinery for the platform
- › R&D
- › Take part in innovative and entrepreneurial development programs and policies in China.

Opportunities for SME's

NEW MODEL

USF-PLATFORM

Aviation and logistics platform

Development Challenges

Expert recruitment

Services

Trade

Feasibility for foreign direct investment

TRADITIONAL MODEL

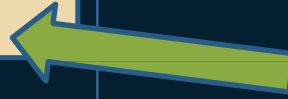
Demand from public sector

JV's in China

Acquisitions in Europe

Expert recruitment

EUROPEAN CITIES AND COMPANIES



Project proposal
“Air traffic & logistics
development between the EU rural
areas & China”

Open concept – developing
together with partners

Main aims of the project

- To provide new impulses to secondary/rural/regional airports in Europe for development and investments;
- To build European secondary airports network;
- To enhance cooperation between European airports and build cooperation with Chinese airports via joint development of aviation, airport, cargo and logistics technology;

Main aims of the project

- EU-China training consortium establishment to enable training programs for pilots, mechanics, logistics, etc;
- To build business platforms for SMEs in China and Europe;
- To develop cargo and passenger routes between European airport network and with China.

Interested potential Partners

- Airports in Europe and China:
 - Tartu, Estonia
 - Seinäjoki, Finland
 - Halmstad, Sweden
 - Maribor, Slovenia
 - Teruel, Seve Ballesteros-Santander, Badajoz, Spain
 - Pisticci, Italy
 - Airports in China (Ningbo and others)
- Research and development organizations in Europe and China:
 - Local action groups in Partner countries;
 - Robocoast network experts and companies in Finland;
 - City governments and state investment agencies in Partner countries;
 - Estonian Aviation Academy

Negotiations still ongoing

- Linz, Austria
- Ostrava, Brno, Czech Republic
- Krakow, Poland
- France
- Moldova

Map of airport network

European network
of airports

Airports in China
(Ningbo and other airports)

Vision 2018

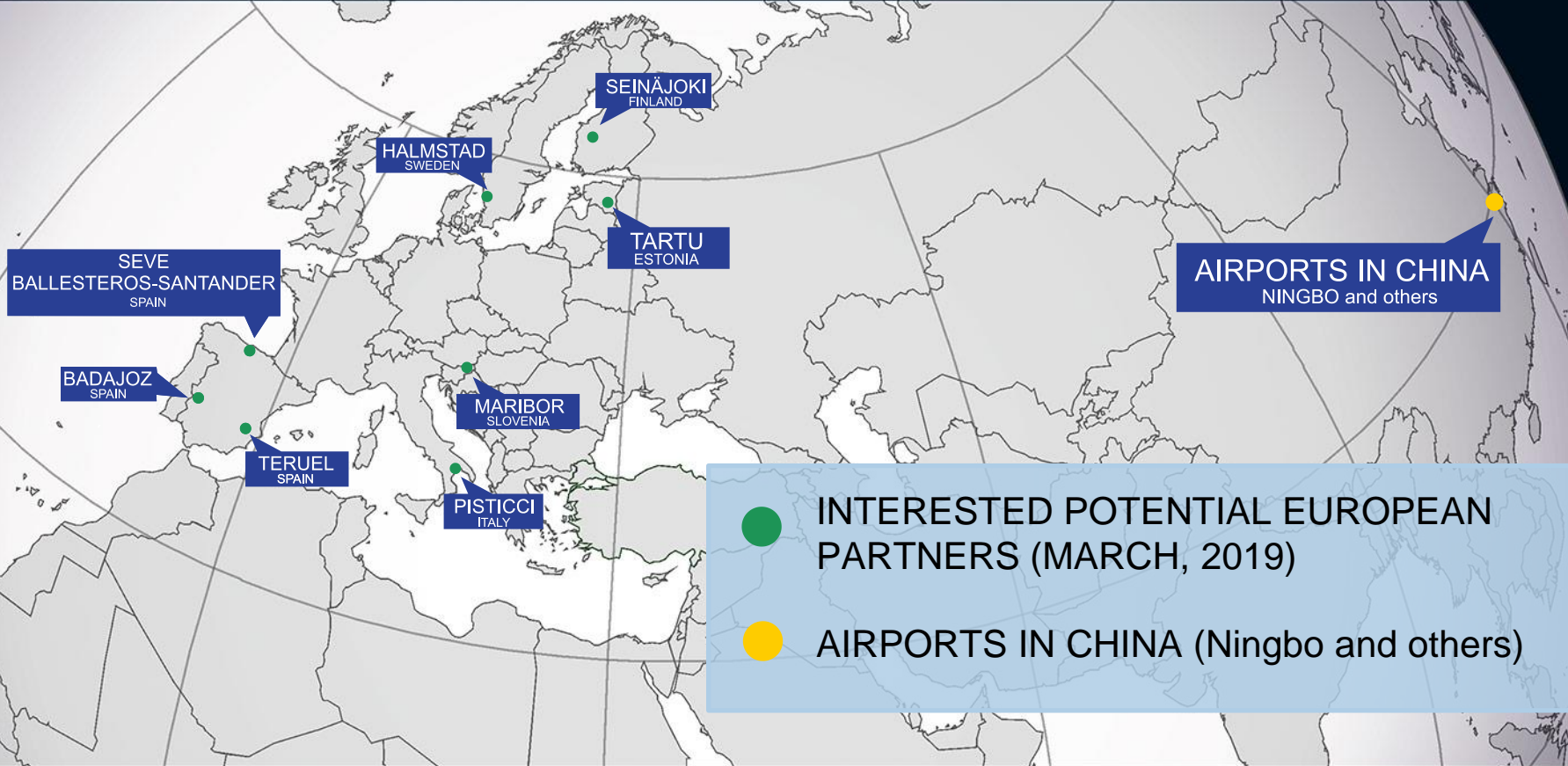
Reality 2037 or sooner



Building a network - state of play



Map of interested Partners



Expected outcomes

- New activities and investments in secondary airports and participating regions;
- EU-China aviation training consortium;
- Business platforms development for SMEs;
- Cargo and passenger routes between European secondary airports and China;
- Stronger regional and local development.

Preparatory activities, next steps

- Negotiations in and with Partner countries;
- Project consortium building and signing the Memorandum of Understanding;
- Development of the LEADER cooperation project activities plan and budget with Partner countries;
- Starting with LEADER cooperation project activities in October-November 2019.

LEADER cooperation project

- LEADER TNC project in 2019-2021 that can potentially include:
 - Negotiations at local, state, European level and with Chinese partners;
 - European airports network development;
 - Feasibility study of the airport network operations and routes, mapping of investment needs;
 - Concept/strategy of the Belt and Road Initiative cargo and passenger airport network operations and routes;
 - EU-China aviation training consortium establishment;
 - Business platforms development for SMEs in Europe and China.

Finances and time schedule

- LEADER transnational cooperation project in 2019-2021: ca 300 000 EUR altogether with 8 countries (European partners and China);
- Activities and investments according to the developed strategy and feasibility study since 2022-...
 - Possible resources: state funds and budget, European Structural and Investment Funds, Eurasia Foundation, private investors, etc.

Thank you!