

The economic conditions of international integration of air transport in the Slovak Republic

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The content is a comprehensive overview of the integration of air transport of the Slovak Republic in international structures. The aim is to get a comprehensive overview in this area. This work explains how the Slovak Republic cooperates with the European Union, what forms and in what rate. The work mentions also the transport structure of the Slovak Republic and the evolution of the Slovak economy. In conclusion, it is evaluated what actions should be taken by the Slovak Republic in order to achieve the international standards and reach the international level of countries.

Keywords: integration, liberalization, single european sky (SES)

1. INTRODUCTION

Air transport is one of the most important sectors of contemporary globalized economy. It allows the personal contacts with people with different cultures. It is able within twenty-four hours to transport everything and everyone between two points on Earth.[1]

The transport is one of the key factors of development of every modern society, but it is not an aim in itself but a means of economic development and a condition to achieve the social and regional cohesion.

The transport policy as sectoral policies is a prerequisite for the development of the Slovak Republic and it represents a specific form of assertion of national interests in the area of development of companies and they conditioned by other sectoral and cross-sectoral development policies. Therefore, the society-wide respectively public interest has supra-individual character. Its bearer are public and social activities, the common denominator of which are needs and goals recognized by the society. [2]

The implementation of the transport policy meets a wide spectrum of needs and demands in connection with the process of unification and development of economic relations, which involves in the last decade an important increase of demands for mobility that refers to the dynamic development of the Slovak Republic and economic growth. The challenge for the transport policy of the SR is therefore to respond properly to the emergent demands to the transport sector in line with the objectives of sustainable development, balanced regional development, social approach

and efficient exploitation of land for the development of transport.

The effectiveness of transport policy in relation to the entry of the SR into the EU and globalization processes of transport lies in its acceptance and consistent implementation of proposed measures. [2]

2. The liberalization of the transport market

At accomplishing the strategic goals of the SR in the field of air transport it is necessary that the role of the regulator takes into account in the context of European transport policy and legal environment of the EU the observance of required conditions for service providers. In relation to the EU process it is necessary to ensure sustainable development of air transport services at regional level as well.

In relation to the transformation of the Slovak airports management and privatization of airports it is necessary to maintain the public character of airport infrastructure and to permit the transparent access of airlines carriers to the air transport market with an effective exploitation of airspace by assuring the security, operations and protection of civil aviation.

Thanks to the constantly growing importance of air transport in relation to the economic growth the question of effective exploitation of airspace is important. In the context of the reform of outdated architecture management of European air transport it is necessary to focus on improving the effectiveness and safety of air traffic through the transforming area of pan-European management of air traffic navigation - Single European Sky.

Measures: at Central bodies of state administration level, Ministry of Transport:

- on the transport market – to allow the transparent access of air carriers to the market with regard to the European regulatory rules,
- to maintain the public character of airport infrastructure through the special status of infrastructural assets,
- to ensure the effective exploitation of airspace, ensuring the protection of air transport,
- to form by means of legislation the transport market conditions and to create a liberal regulatory framework according to the EU legislation,
- to carry out the operation of public airports according to the principles of regulated equal economic competition, to implement EU legislation in connection with the creation of the Single European Sky. [2]

Liberalisation of air traffic represents gradual elimination of designated, capacity, frequency, price and other obstacles in providing of air services in order to create the air transport system organized on the basis of free market, where all the basic economic questions are answered by the interaction of forces of supply and demand, without direct intervention of the state.

From a macroeconomic point of view, the matter is about the adoption of measures leading to the shift of curve of supply and demand for the air transport.

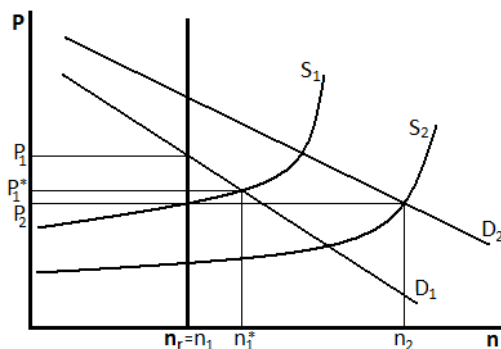


Figure 1 Graph of air transport liberalization

2.1 Advantages and disadvantages of European integration

The European integration as a process of unification, understood by almost everyone to be the entry into the EU, is currently one of the most debated issues in political forum, the leaders of

which have set it as an important strategic foreign policy goal.

- ❖ Economic benefits:
 - The removal of trade obstacles
 - Realization of free movement of persons
 - Firming of market economy
- ❖ Non-economic benefits:
 - Reinforcement of foreign political prestige and its legal character as well
 - Development of cooperation in different types of areas
 - Participation in the implementation of common and coordinated policies of EU, including environmental policy
- ❖ Disadvantages:
 - Reduction of total state budget revenues
 - Increasing competition
 - Loss of national sovereignty
 - An overall increase of costs of economic restructuring [3]

2.2 Development of external policy in the sector of aviation

"Open Sky" distinguishes three areas that fall into the exclusive competence of the Community: computerized reservation systems, price tariffs valid within the Community and the flight schedules, all three areas are fully subjected to Community legislation. The aim of Community policy is primarily the employment of "open sky" and the general securing of harmonization of all international air services contracts between Member States and the third countries with Community legislation. The real long-term instrument of this policy must be the conclusion of agreements between the EC and its partners worldwide. The first essential step is to negotiate an agreement with the United States of America, and then, the conclusion of agreements on the basis of interests of the European aviation industry will follow.

2.3 Single European Sky

Slovakia, Austria, Bosnia and Herzegovina, Croatia, Czech Republic, Hungary and Slovenia signed an agreement aimed at establishing of "functional airspace block in Central Europe" (FAB CE). This is an important step towards the

creation of "Single European Sky". The member States take the measures necessary to create the functional airspace blocks and the political objectives of legal regulations concerning the Single European Sky adopted in 2004 take little by little the real dimension. Present agreement signifies the creation of the fourth block of FAB in Europe.

These blocks are an important driving power that helps to reach more increasing efficiency and to change the services environment of the air traffic management (ATM). There are new possibilities for the cooperation that are offered to the air navigation service providers. It helps to facilitate the achievement of new binding aims in the context of performance set out in the legal regulations concerning the Single European Sky. FAB CE will mean the airspace with the high density and the main traffic flow in the direction east - west, but the aircrafts will on their way to the northern part of the airspace often cross a number of providers of air navigation services. The intensity of traffic to the western and southern parts of FAB increases.

FAB CE will be managed by the Council (decision-making body) representing the interests of both civil and military aviation and will be composed of the following subcommittees:

The Joint Coordinating Committee of civil and military airspace (Joint Civil Military Airspace Coordination Committee, JCMACC) for strategic coordination of national airspace management and airspace planning policies management, for management processes of flows and airspace capacity and cooperation between civil and military aviation.

The coordinating Committee of national supervisory authorities (National Supervisory Authorities Coordination Committee, NSA CC). Other bodies established at needs by the Council in order to execute, operate and develop the FAB CE. It is expected that the other Member States of EU will sign a similar agreement in the coming year. At the same time the European Commission signed a memorandum on cooperation with the International Civil Aviation Organization (ICAO). This is the basic document aimed to reach the greater EU engagement in the matters that fall in the scope of ICAO. The Europe will be able to participate in the preparatory works in creating

policies and setting standards of ICAO in the spheres of security, protection, in the environmental aspects and traffic management and will also be able to make better use of resources through sharing information and activities coordination. The involvement of the EU will also help in the develop the program SESAR, it is the European air traffic control modernization o exploitation management. This program is aimed at developing a new generation air traffic management system that is able to ensure the safety and fluidity of air transport worldwide in the next 30 years. However, to ensure true interoperability of future systems it will be necessary to adopt the technical standards applicable worldwide. In a recent ICAO General Assembly Resolution on International Aviation and Climate Change was established an extensive program of other works. The Europe will be able through this Memorandum to contribute intensely to this effort. [4]

2.4 Air transport infrastructure and SR

The program focuses on the development of air transport to improve its safety. Its aim is to contribute to the creation of conditions for liberalization of air transport market. It is administered by the Ministry of Transport, Construction and Regional Development of the Slovak republic..

Resources shall enable the repair and maintenance of aviation infrastructure and serviceability of 5 Slovak Airports Administration's airports for 1650 operating days, completing the Kosice terminal and a project preparation and installation of security systems for three airports. [18]

Civil aviation infrastructure in the SR is mainly represented by airports, previously owned by state, serving to the public international and domestic passengers transportation, cargo and mail transportation. Air transport infrastructure consists of 5 airports with international status that are in competence of state organization Slovak Airports Administration (SSL). The basic network of Slovak airports is sufficient. Bratislava, Kosice, Poprad-Tatry and as of 01.10.2001 Piešťany are explicitly civil airports. Sliač is a military airport, where a civilian traffic is operated as well. Zilina airport is also owned by state, but operation is

realized by private joint stock company Airport Zilina. All these airports have the status of international airports.

2.5 Legislation

Slovakia as a member of the European Union is a part of common EU aerial market. It is liable to all principles of the common EU transport policy and all legal acts in force that are applicable for common aviation market. Conclusion of bilateral aviation agreements belongs to the exclusive competence of each state. Even conclusion of own ASAS is responsibility of each member state. The condition is that they must be in line with EU principles - that means that in the scope of airline designation Slovakia can not enter into contracts that grant certain rights to air carriers established in Slovakia only, but to all air carriers based in the EU.

The two most important agreements that were negotiated at EU level are - The open sky agreement between U.S.A and EU and The Air Transport Agreement between Canada and the EU. Both of them also apply to Slovakia. Legislation on economic dimension of international civil aviation is specific in two ways: on one hand, it is governed by 65 years old Convention on International Civil Aviation, on the other hand, by Article 6 it leaves the specific provisions on scheduled air services between the countries on the mutual agreement of those countries. Any country that intends to operate scheduled air services have to sign a bilateral aviation agreement with every country with which it wants to join the scheduled air links. Bilateral air agreements may have a wide variety of forms from liberal to quite protectionist ones. The decision always depends on the specific negotiations of the two countries. By this way a complicated system of several thousands bilateral aviation agreements on qualitatively different levels has been established.

In the future, it is recommended to simplify international legal business and operating conditions in international civil aviation. It has been done the most successfully by European Union through the Joint European Sky project and Open sky agreements with the USA and Canada. [5]

2.6 Development of the Slovak economy

Up to this year, Ministry of Economy has prepared The economic development of Slovakia, including transport development, which is prepared by Ministry of Transport and the SDS SAS will be to a significant extent influenced by the ongoing transformation of global civilization and capability of the Slovak economy to adapt to the conditions of forming global economy and world market that will affect the future development of the entire system. Supposed factors of the development that are decisive for the next decade:

- degree of industrialization of the economy;
- Openness of the economy; Degree of self-government administration;
- degree of centralization or decentralization of the economy;
- Degree of concentration;
- Respond flexibly to changes and prepared long-term economy development program. The growing integration of European economies and the creation of the single market have a decisive impact on the future development of the transport. [6]

The economic principles

- Equal Opportunities and harmonization of the conditions
- Effective use of financial resources
- Transfer of total cost, including externalities to the subjects of their origin[2]

2.7 Governmental support of SR

The Government will support further development of Bratislava airport as the most important air transport junction in Slovakia by entry of a strategic partner and by creating the conditions for air operators to open the scheduled lines of passenger service. The Government will support the establishment of functional airspace block of central Europe with maintaining of air navigation services provided by Slovak Republic and ensures the implementation of the single European air space. .

Government in accordance with EU transport policy enhances the increase of the level of air

service safety, aviation security, creating of transparent conditions for regulation of air operators, as well as conditions for their liberal access to the Slovak market with applying of the reciprocity principle.

3. Conclusion

Thesis focuses on the economic conditions of international integration of air transport in the Slovak Republic.

It has been found that the Slovak Republic has insufficient capacity of airport infrastructure, deficiently developed network of routes and lack of air operators.

But on the other hand, the Slovak Republic is the industrial country with most progressive developing economy despite of the fact that a poorly developed network of trails on the other hand, has developed a network of airports. For this reason, the Slovak government should invest to the above-mentioned construction project of Bratislava airport to attract foreign investors, because the Slovak Republic has an excellent geographical location. Possible non-use of geographic potential of SR we do not reach the worldwide level. Our entry into EU has revealed the issues as reduction of fees for planes escorting over the territory of Slovakia, the fees for navigation services could be controlled more strictly by international organizations, the cross-subsidy problems could appears and there is a threat that the Slovak airport`s approaching fees could reach extreme high levels and thus the foreign carriers would start to avoid Slovak airports. However, the air transport of the Slovak Republic seems to be good, but to reach the level of other states, the modernization of the airports, taking new foreign operators and as the most important step - completion the above-mentioned air transport infrastructure must be done.

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