



Traffic Development Policy

2019 – 2020



Rev. 1 Post COVID-19
effective from 1st April 2020



Traffic Development Policy

Assumptions

Given the changing scenario in the European Air transport industry and the stiff competition from other airports located in the same catchment area, Genoa Airport must take all necessary measures to consolidate and develop air passenger traffic, by providing a wider range of convenient travel opportunities and with the aim of contributing to the economic and social development of Liguria Region.

Objectives

The Traffic Development Policy is intended to increase and consolidate traffic to and from Genoa airport offering commercial incentives to air carriers, with reference to:

1. New point to point connections: develop new scheduled routes to domestic and international airports, including capacity or frequencies increase on existing routes.
2. Hub Carrier: increase continental and intercontinental connectivity through new direct flights to major hubs that serve destinations worldwide.
3. Home Carrier: select one or more air carriers, irrespective of having Genoa Airport as the base for the carrier's aircraft, able to deliver significant traffic volumes through a multi-year growth and/or multi-route development plans.
4. Deseasonalisation and off-peak operations: increase traffic during the Winter IATA Season and off-peak time

Note (COVID-19)

In order to accelerate the resumption of the pre COVID-19 traffic and the network of air connections, Genoa Airport is willing to waive the published landing fees, for a limited period of time, subject to the carrier taking a commitment in terms of destinations/capacity/frequencies etc...



Traffic Development Policy

Commercial Policy

The incentive system, hereafter exposed, intends to regulate the traffic development according to transparent, fair, non-discriminatory principles, with the aim to increasing company's profitability and to better exploiting the airport infrastructures.

Genoa Airport uses own revenues and resources only, in order to support this incentive policy. Furthermore, for each single application the so-called Market Economy Operator ("MEO") test must be satisfied.

Parameters

- The incentive consists in a pre-fixed amount multiplied by the number of revenue adult departing passengers.
- The incentive amount is "ex post", i.e. it is granted after all requirements and obligations pertaining to the incentive contract are fulfilled.
- Incentives may vary according to the strategic relevance of the route, whether it's operated in peak/no peak hours and can be increased for flights operated during IATA Winter Seasons.
- Bearing in mind the importance of entrepreneurial initiative, Genoa Airport may evaluate other types of incentives and co-marketing activities, submitted by carriers willing to develop new programs aimed at increasing the number of served destinations and passenger volumes, in line with Genoa Airport's growth strategy.

Duration and Validity

The present incentive policy shall be effective from March 14, 2019.

The duration of the agreement may vary from a minimum of 1 year to a maximum of 5 years, unless extended.

Traffic Development Policy

The present Traffic Development Policy is applicable to carriers committed to achieve the above objectives. To this end, the strategy includes:

- a) New scheduled routes (Attachment A)
- b) Long term development plans (multi year or multi routes growth plans)
- c) Incremental traffic on existing routes (same carrier or new entrant)
- d) Seasonal charter chains and incoming routes



Traffic Development Policy

a) New scheduled routes of strategic relevance

Start-up of new scheduled routes, not already operated by a scheduled carrier, having at least 1 weekly rotation.

- The carrier shall commit itself to operate continuously throughout the IATA season with not less than 12 rotations.
- The carrier is granted incentives per revenue adult departing passenger.
- Duration of the incentive scheme: up to 5 years, unless extended.

b) Long term development plans (multi year or multi routes growth plans)

For carriers with the capacity to offer to Genoa Airport multiannual and/or multiple route development plans, effectively contributing to a noticeable growth of airport traffic, the incentive program is based on minimum volume thresholds and fixed value incentives per adult departing passenger. The duration of the incentive contract may be up to 5 years, unless extended.





Traffic Development Policy

c) Incremental traffic on existing scheduled routes, underserved in accordance with an appraisal made by Genoa Airport (same carrier or new entrant)

INCREMENTAL TRAFFIC (same carrier) on existing routes: difference between the number of carrier's passengers, departing from Genoa Airport and bound to a given airport, during an IATA season or a given period of time and the number of the same carrier's passengers, departing from Genoa Airport and bound to the same airport during the corresponding IATA season or given period of time of the previous year.

- The carrier is granted incentives for incremental departing adult passenger only.
- Duration of the incentive scheme: up to 5 years, unless extended.
- The incentive may vary according to the strategic relevance of the route.

INCREMENTAL TRAFFIC (new entrant): a new carrier operates a new service on an already-existing route (underserved).

- The Carrier is granted incentives per departing adult passenger.
- Duration of the incentive scheme: up to 5 years, unless extended.
- The incentive may vary according to the strategic relevance of the route.

Note

The incentive may be granted based on an assessment made by Genoa Airport of the strategic relevance of the route, the past commercial performance of the same, the potential growth both in terms of forecasted passengers traffic and profitability, the proposed business model (i.e. point to point vs. hub connections).

In case of unexpected major events that could adversely affect the profitability of an existing route, Genoa Airport will evaluate the possibility to extend the duration of an existing agreement or stipulate a new one, even in absence of any increase of operations.

Traffic Development Policy

d) Seasonal charter chains and incoming routes

- New connections, having at least 1 weekly rotation (1/7), mainly dealing with the tourists incoming and cruise traffic. In addition to the destinations listed in Attachment A, the contribution could be recognized also to charter flights with countries/destinations not included in any bilateral agreement.
- The Carrier is granted a marketing contribution. Not applicable to spot charter flights.
- Duration of the incentive scheme: up to 5 years, unless extended.
- The incentive may be granted to the carrier or to the tour operator. It may vary according to the strategic relevance of the route, whether it's operated in peak/no peak hours. It can be increased based on seasonality (i.e. October to May).





Traffic Development Policy

Terms of application

Requirements and conditions to adhere the programme

- Only carriers holding a valid AOC can access the incentive programme.
- The incentive programme is subject to having the parties signed a contract before the start of the operations referred to.
- Not less than 80% of the flights which have been planned before the start of the seasonal operations should be operated during the following IATA season.
- Payment of incentives is conditional upon the signature of an incentive contract and the punctual payment of any charges and fees due by the carrier. Furthermore, any other breach by the carrier to a contractual obligation may hinder payment of incentives.



Traffic Development Policy

Access to the incentive programme

Presenting Applications

Carriers interested in this incentive programme are invited to submit their offer via e-mail to our Business Aviation Department (**marketing@airport.genova.it**).

The Application shall contain the following details and specifications:

- Destination/activity to be evaluated
- Start-up date
- Period of operations
- Planned frequencies and schedule
- A/C details (MTOW and seats no.)

Genoa Airport shall review the documentation and its contents in order to select the carrier(s) which best satisfy the stated Traffic Development Policy objectives.

The assessment shall be done based on:

- number of proposed routes and volume of planned traffic
- strategic relevance of the route(s)
- number of frequencies and capacity offered on the proposed route(s)
- carrier market penetration
- seasonality and schedule of the proposed route(s)
- type of aircraft, operated on the route(s) or included in the carrier's fleet
- outcome of commercial negotiations with the carrier

In any case, Genoa Airport shall reserve the right to make the final evaluation on the profitability of the route(s) before submitting the incentive contract wording to the carrier.

After the end of the incentive programme, the carrier shall do its best endeavours to continuously operate the route(s) for a period of time which will be not less than the duration of the incentive programme.

Both parties shall treat as confidential and do not disclose to third parties without the prior consent of the other party all terms and conditions of the incentive contract and commercial documents exchanged between the parties during the negotiations, unless provided for by applicable regulations and directives.



Traffic Development Policy

Attachment A – Strategic routes

ITALY	Trapani, Reggio Calabria, Trieste
FRANCE	Paris (all airports), Nantes, Bordeaux, Lyon, Toulouse, Figari
UK	London LHR, Manchester, Bristol, Birmingham, Edinburgh, Glasgow, Liverpool
IRELAND	Dublin, Cork, Belfast
RUSSIA & UKRAINE	Moscow, Saint Petersburg, Kiev, L'viv
SPAIN	Madrid, Barcelona, Valencia, Alicante, Bilbao, Seville, Canary Islands
PORTUGAL	Lisbon, Porto, Faro
SWITZERLAND & AUSTRIA	Zurich, Geneva, Wien
GERMANY	Hamburg, Berlin, Frankfurt, Cologne, Düsseldorf
BELGIUM	Brussels
SCANDINAVIA & ICELAND	Copenhagen, Oslo, Stockholm, Helsinki, Keflavik
ROMANIA	all airports
CZECH REPUBLIC	Prague
HUNGARY	Budapest
POLAND	Warsaw, Krakow
BULGARIA & MOLDOVA	Sofia, Chisinau
GREECE	all islands
CROATIA	Split, Dubrovnik
MOROCCO	Casablanca, Marrakech, Fez, Tangier
TURKEY	Istanbul
ISRAEL	Tel Aviv
UAE	Dubai, Abu Dhabi
QATAR	Doha
USA & CANADA	New York, Toronto

The list of destinations could be subject to periodic variations and/or implementations.

The list includes all destinations to be considered a priority for the development of Genoa Airport.

Other airports, not included in the list, may be proposed by the carrier. In this case Genoa Airport will assess the potential of the proposed route(s) both in terms of potential passengers traffic and profitability and decide accordingly to include them in the list.