



## Air Passenger Rights and airport shopping: Certainty needed to end consumer confusion and protect airport retailers

**ETRC calls for EU Regulation 261/2004 on Air Passenger Rights to be amended to allow passengers the right to bring airport purchases on-board at no extra cost and in addition to the prescribed hand baggage. The revision of the Regulation provides a unique opportunity to protect passengers' interests and to permanently safeguard essential retail revenues for European airports.**

### Airport purchases and revision of EU Regulation 261/2004

ETRC supports the **principle established in the February 2015 European Parliament first reading position as well as the Council's progress report from May 2015** which reflect current jurisprudence regarding the carriage of hand baggage. We would ask that this principle is enshrined in EU Regulation 261/2004, to the benefit of passengers, retailers and airports in Europe.

**In the 'Vueling case'<sup>1</sup>, the ECJ clarified that the carriage of a passenger's hand baggage constitutes a necessary aspect of the carriage of passengers and that its carriage cannot, therefore, be made subject to a price supplement**, on condition that such hand baggage meets reasonable requirements in terms of its weights and dimensions, and complies with applicable security requirements.

The Progress Report from the Council Working Group includes a paragraph under Article 6d that reflects the findings in the 'Vueling Case' in that the carriage of hand baggage cannot be subject to a price supplement: *"In order to ensure a sufficient personal comfort during their travel, passengers should be allowed to take at no cost personal items and belongings into the cabin, provided that their weight and dimension is reasonable and the items comply with applicable safety and security requirements. Such items may include, for example, a lady's handbag or purse, infant's food, medication, small musical instruments, an overcoat, an umbrella, a small camera, a small music player, reasonable amount of reading material and airport purchases."*

**ETRC therefore asks that the revision of EU Regulation 261/2004 includes a clear and unambiguous reference to the right of passengers to carry onboard personal items, including airport purchases, at no extra cost.**

### Restrictions on carrying airport purchases is detrimental to the passenger experience

Conflicting airline policies have resulted in widespread reluctance amongst passengers to shop at the airport. **Consumer confidence in airport shopping has been considerably undermined** as passengers observe the strict enforcement of these policies by certain carriers, and have at times been subjected by ground handlers to similar restrictions on other carriers without these policies, generating further confusion.

Whilst most airline policies have changed on paper regarding hand baggage allowances, passengers continue to face daily challenges at the boarding gate, forcing passengers to abandon pieces of cabin baggage and airport purchases, negatively impacting the passenger experience.

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<sup>1</sup>Judgment in Case C-487/12, Vueling Airlines SA v Instituto Galego de Consumo de la Xunta de Galicia.



Formalising the right of passengers to bring on-board their airport shopping will simply acknowledge the status quo on policies currently operated by most airlines across Europe. There are no costs involved for air carriers in the adoption and implementation of this amendment.

The ongoing uncertainty for passengers on what constitutes hand baggage and whether they can carry purchases made at the airport onto the airplane negatively affects the travel experience and reduces airport sales, with a consequent reduction in airport revenues and their ability to invest in infrastructure.

### **Retail revenues benefit European airports, airlines and passengers**

**Retail is the largest single component of non-aeronautical revenues at European airports** and is particularly important to the funding of some smaller airports which struggle to break even. Given the intense pressure upon airports to lower charges to airlines, creating – and guaranteeing the conditions for a strong retail and commercial business is the only way that many of these airports will be viable.

An authoritative study<sup>2</sup> carried out on behalf of ETRC, which looked at the effect of on-board carriage of airport shopping, found that:

- The uncertainty created by strict implementation of the ‘one bag rule’ by some carriers has affected the tendency to shop of passengers even on other airlines where there has been no change which has result has been a marked reduction in retail activity and revenues at affected airports, including from passenger perspective.
- Discretionary purchases have made an increasingly valuable contribution to financing airport investment and thus supporting better airports, a greater choice of routes and more connectivity for passengers.
- Airlines have also benefitted from much lower airport charges and better facilities as a result of passenger retail purchases.

**ETRC believes that the current revision of the Regulation on Air Passenger Rights presents a unique opportunity to enhance passenger rights, to protect their interests and provide a permanent solution that safeguards airport retail revenues against future airline policies.**

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***About ETRC***

*The European Travel Retail Confederation (ETRC) represents the European duty free and travel retail industry. ETRC is composed of national and regional affiliated trade associations representing over 200 European companies, Tax Free World Association (TFWA) representing 520 brand companies, and direct corporate membership from individual companies working in the duty free and travel retail trade across Europe and beyond.*

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<sup>2</sup>The economics and regulation of on-board carriage of European airport retail sales’, Dr H. Bush & D. Storey, ETRC September 2013