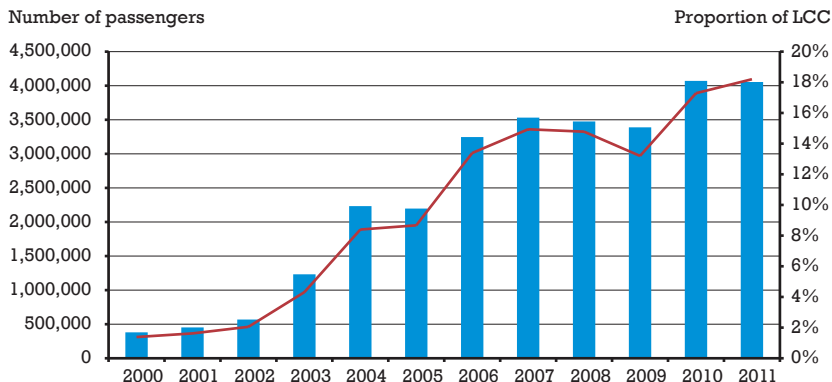


Development in low-cost traffic at Copenhagen Airport (2000–2011)



	2010	2011	Growth, per cent	Share 2011, per cent
IDP	9,607,000	10,239,000	6.6	
Local	7,310,000	8,000,000	9.4	78
Transfer	2,297,000	2,239,000	-2.5	22

Source: Copenhagen Connected and Copenhagen Airports-CPH.

Airport is also experiencing stiff competition from cities such as Hamburg, Stockholm, Oslo, Reykjavik and Hel-

sinki, with all competing to gain market share. Furthermore, there is the long term threat from Berlin, where a new

large airport with an annual capacity of up to 27 million passengers will be ready within the next few years. Over time, the airport is expected to reach an annual capacity of up to 45 million passengers.

In 2008, 21.5 million passengers passed through Copenhagen. In comparison, 19.3 passengers passed through Oslo and 18.2 million through Stockholm that year. Copenhagen Airport had the largest number of passengers ever in 2011, but the gap between the three airports over the period 2008–2011 narrowed somewhat. In 2011, Copenhagen had 22.7 million passengers, Oslo and Stockholm, 21.7 and 19.1, respectively. Stockholm and Oslo experienced a higher growth rate than Copenhagen and are catching up on Copenhagen's position as the leading Scandinavian airport hub.

The proportion of low-cost traffic (LCC) is growing rapidly. In 2000, it amounted to about 3 per cent of the total traffic and, by 2011, it had grown to represent about 18 per cent, equivalent to just over four million passengers annually. The low-cost airline EasyJet is the airport's third largest airline today.

Budget airlines are helping to create the essential accessibility, primarily from European markets, because many business people choose the cheapest alternative when travelling within Europe. At the same time, low-cost carriers increase competition among airlines significantly because they have a different cost base to the traditional carriers.

More LCC routes mean that there are cheaper and more alternatives for passengers travelling point-to-point in Europe. In other words, traditional airlines will find it difficult to fill their planes

on the so-called feeder routes¹ when flying in direct competition with low-cost carriers, because they risk losing the point-to-point traffic², which helps to anchor a route. Thus, they risk having to reduce the number of departures on these routes. Copenhagen's position as an aviation hub thus risks being eroded if the feeder traffic to the intercontinental routes is eroded further.

Along with the increasing number of LCC routes, the proportion of transfer traffic (passengers flying to an airport in

¹Feeder traffic is defined as traffic from Norway, Sweden, the Baltic countries, Poland and northern Germany to the Copenhagen hub, where passengers change planes to continue on to other destinations in Europe or overseas destinations.

²Point-to-point-traffic is that between two cities, without the possibility of stopovers and transfers. Point-to-point traffic refers to the fact that travellers only use a flight to get from A to B and not from A to C via B.

order to change flights to another destination) is in decline. In 2005, the total transfer traffic was 33.4 per cent of the total number of international departing passengers (IDP). In 2011 this had dropped to 22 per cent, an 11.4 per cent fall.

International routes are essential

In addition to being the central traffic hub in the Øresund Region, Copenhagen Airport is also a major northern European traffic hub. The airport has so far performed well compared to the rest of Europe's big cities when measured by international traffic and the number of passengers – 2011 was a record year with 22.7 million passengers.

But the struggle to attract new routes is tough, and Copenhagen risks losing ground. Amsterdam, for example, is targeting Scandinavian routes outside Copenhagen, Helsinki is targeting traffic to emerging markets in Asia, and

Berlin is expanding its airport capacity significantly. Therefore, Copenhagen Airport needs to strengthen its hold on international traffic and launch an offensive strategy to secure its position as the most important transport hub for the Øresund Region and northern Europe.

Copenhagen Airport has, for example, formulated an ambitious strategy to maintain the airport's status as an efficient hub and ensure growth potential under the title 'World Class Hub'. Also, Wonderful Copenhagen has launched the project 'Copenhagen Connected'. Both projects aim to strengthen and expand the accessibility of Denmark and the Øresund Region. This goal is achieved through targeted marketing to attract and secure international flights to the region.

It is important to keep in mind, however, that it is not just about maintaining existing services and attracting new routes to the airport. It is very much about attracting the right routes. Whether it is international investment, tourism or highly skilled labour, it is essential that there is a wide network of international flights to and from Copenhagen Airport. This connects Copenhagen and the Øresund Region with emerging markets. Accessibility is a prerequisite for Denmark to be seen as an attractive destination for tourists, international conferences as well as for companies and organisations to establish new headquarters.

Case study

In 2011 and 2012, Copenhagen Connected helped to establish direct flights between Copenhagen Airport and a large number of destinations of importance to Danish industry. This is particularly the case for routes to Toronto, Shanghai, Dubai and San Francisco, Bahrain and several others.

A good example is the direct route between Dubai and Copenhagen with the Middle East's largest airline, Emirates. The route will improve access not only to the Middle East but also to key markets

in South and Southeast Asia, Australia and Oceania. The new route became a reality after Copenhagen Connected, in partnership with Copenhagen Airport, had been in dialogue with Emirates about developing the route.

The agreement with Emirates makes it possible to market Copenhagen, Denmark and the Øresund Region heavily in Australia and India in order to increase the demand for travel to Copenhagen.

Copenhagen Connected

Copenhagen Connected is a Wonderful Copenhagen initiative. The project falls under the Global Connected umbrella and, through targeted marketing, aims to stimulate demand and thus the accessibility of Copenhagen, Denmark and the Øresund Region.

Copenhagen Connected is supported by a wide range of public and private partners:

Wonderful Copenhagen

VisitDenmark

The City of Copenhagen

The Capital Region

Region Zealand

Foundation for the Promotion of Denmark

Copenhagen Airport

and others

The City of Malmö

Lund Municipality

Scania

In addition, a number of prominent companies and organisations expressed their support for the project, including:

LO, Danish Metal, DI, Danish Chamber of Commerce, A.P. Moller-Maersk, Carlsberg, FLSmidth, University of Copenhagen and others