Weekly Briefing

Lithuania social briefing:

Air flights to Lithuania reroute to avoid overflying Belarus

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On 23 May, the geography of air travel in and around Lithuania has unexpectedly dramatically changed due to a severe incident that involved the breach of international civil aviation rules – an abuse of air navigation procedures by the authorities of neighbouring Belarus. On that day, a Ryanair flight FR4978, while overflying Belarus en-route to its final destination, Lithuanian's main airport in Vilnius, was forcefully diverted using a Belarusian fighter jet and landed in Minsk. The aeroplane was kept at the airport for seven hours before getting a permit to depart for its original destination. At it became apparent during the enforced stop-over in Minsk, the sole purpose of this operation was to detain and imprison two passengers on board: a political activist Raman Protasevich, who had a status of a political asylum seeker in Poland while temporary staying in Lithuania, and his partner holding a Russian passport, Sofia Sapega, a student of the European Humanities University, a de facto Belarusian university in exile in Vilnius.

The incident created several repercussions, of which the main one is related to declaring a ban effectively on using the Belarusian airspace by the EU Air Navigation Service Providers supervised by the national authorities according to the EU Commission Regulation 2017/37. Until the International Civil Aviation Organization (ICAO) Council decides, following a fact-finding investigation of this event (launched on 27 May), the aircraft operators ought to reroute their flights to avoid overflying Belarus in compliance with the measures taken. For the time being, it has resulted in creating a no-flying zone over Belarus for the EU based airlines, thus significantly changing a regional network of air travel on the EU Eastern borders.

Below is a brief overview of the measures taken to limit the accessibility of the Belarusian airspace, following the decisions taken by the EU and international civil aviation authorities to temporarily impose restrictions on air transportation between the EU Member States and Belarus. It also considers the potential impact of these changes on Lithuania's civil aviation sector.

The incident of 23 May has no precedence in the annals of civil aviation in Europe. For the first time in post-Cold War Europe, an aircraft on a commercial flight was detoured under a false pretence to detain the passengers by the country providing an air space for overflight. As stated by EASA in a Safety Directive, "the circumstances surrounding this action cast

serious doubts on the respect shown by Belarus for international civil aviation rules and is indicative of an abuse of air navigation procedures by the Belarusian authorities".

On 25 May, Lithuania's Ministry of Transportation turned to the International Civil Aviation Organization (ICAO) to recognize the Belarusian airspace as unsafe. On the same day, the European Union Aviation Safety Agency (EASA) issued a Safety Information Bulletin advising aircraft operators having their principal place of business in one of the EASA Member States to avoid operations in Minsk airport. On 2 June, EASA enforced this recommendation by issuing a corresponding Safety Directive applicable to all EASA Member States' national competent authorities responsible for the certification and oversight of Air Navigation Service Providers. Meanwhile, Lithuania and the other EU Member States banned the Belarus state airlines Belavia from accessing their airspace as a punitive measure for disregarding the sovereignty of the EU Member States over its civil aviation service providers according to the Chicago Convention. EASA also advised all third-country operators flying to or from EASA member states to avoid Belarusian airspace until further notice.

Though the commentators have been quick to point out that the measures taken would severely affect Belarusian civil aviation, Lithuania's civil aviation sector might also experience some difficulties accessing the transit passengers in Belarus. Though the prospect of accessing the customer base in Belarus has recently highly diminished due to the enforced restrictions for Belarusian citizens on travel by the authorities in Minsk.

The recent growth of the civil aviation sector in Lithuania benefited from the increased numbers of international travellers from neighbouring Belarus. Vilnius International Airport has, almost for a decade, provided the gateway for accessing the EU airports for business and leisure travellers from Belarus, which had a limited number of direct connections with the EU airports serviced from Vilnius by low-cost airlines such as Ryanair, Wizzair.

After the initial decade of the decline of air travel after the privatization of the national airlines and the aborted attempts to create a viable alternative to the defunct national airlines, including a lower-cost airline company owned by the municipality of Vilnius, a decade ago, Lithuania embarked on the ambitious plan to become a regional hub for civil aviation. Firstly, it consolidated the three international airports (Vilnius, Kaunas, Palanga) under one authority, a state enterprise, Lithuanian Airports. Secondly, it opened the airports to the low-cost carriers connecting Lithuania to their extensive networks across Europe. Thirdly, Lithuania increased the accessibility of its airports to the passengers from neighbouring countries, first and foremost, from Belarus.

In 2016 a regular transportation of passengers using shuttle buses started from Belarus to the airports in Vilnius and Kaunas at a frequency of four times a day. A connecting flight from Minsk was operated by Belavia eight times a week already since 2013. Thus, Vilnius International Airport became an essential entrance for Belarusians travelling to and from the EU. The initial estimations made five years ago that Vilnius airport would serve about 4 million passengers soon surpassed the expectations. During the record-breaking year, 2019, Vilnius International Airport served over 5 million passengers, while another 1,2 million passengers travelled through the other two airports in Kaunas and Palanga.

The concept of a catchment area here is vital to understand the importance of the travellers from Belarus for the growth of Vilnius as a regional civil aviation hub. The catchment area is the geographic area from which an airport can reasonably expect to draw commercial air service passengers. Several factors define it, including the proximity of a competing airport (in this case, Minsk), airfares and destinations offered (due to the availability of low-cost airlines), the capacity of the flights on the routes serviced from a particular airport (especially as concerning more frequent and charter flights), a flight frequency and low-fare carrier presence at nearby airports and so on. The demand for air service within the catchment area is directly impacted by the population numbers using air travel, depending on income levels and local economic activities.

Based on the pre-COVID passenger flows, one can estimate that almost half of the catchment area for Vilnius International Airport encompasses the Minsk region - the area inhabited by a population of nearly three million people. The initial plans for the growth of civil aviation estimated that at least 0,5 million passengers from Belarus could be potentially gained. In 2019 the number of Belarusian tourists, excluding the transit passengers, who stayed at least one night in Lithuania reached more than half a million.

At the same time, Vilnius faced increasing competition from Minsk. The national carrier Belavia in Belarus has, over the last few years, tried to expand its reach within the EU by opening and operating more direct routes and starting to act as a carrier for transit passengers to and from Russia and Ukraine. From 2015 to 2019, it almost doubled in size and had planned to operate additionally 25 routes from Minsk to the EU, UK and Ukraine. The growth of Belavia was due to the conflict between Russia and Ukraine; the Belarus carrier provided a link between the two countries engaged in a never-ending conflict. The Belarusian national airlines had been increasingly growing capacity to operate the direct EU routes, growing in the EU segment between 2015-2019 by 55 per cent and passing the one million seat mark in 2019.

The incident of 23 May left Belavia in a precarious situation, de facto removing the Belarus civil aviation from the role it had started to play as an aspiring regional hub that could pose competition in the long run to Lithuania's airports servicing the Belarusian travellers. According to the Aviation Connectivity Index, Lithuania's and Belarus' civil aviation sectors made significant progress in expanding air travel connectivity over the last decade. In 2019 Lithuania occupied 68th place in the global ranking of aviation connectivity weighted by the number of inhabitants (the country ranked only 91st in 2009). In comparison, in 2019, Belarus was ranked 115th (ranked 132nd globally in 2009). However, Belarus has been lately catching up with Lithuania in the overall assessment of international air connectivity due to its long-haul flights to non-EU airports: it is ranked in the 2019 International Air Connectivity Index as 100th, while Lithuania only slightly above – 89th.

The suspension of the Belarus air space for civil aviation activities of the EU flight carriers and the tightening rules for international travel for the Belarus population by the authorities in Minsk has effectively narrowed the catchment area for the Vilnius International Airport. Hence, to regain a part of the pre-COVID passengers during the holiday season and in anticipation of easing conditions for facilitating cross-broader travel due to vaccination, the Vilnius International Airport announced at the end of May the reopening of 50 destinations.

The Ministry of Transportation has embarked on preparing a new strategy for the civil aviation sector in Lithuania for the period until 2030. According to the comments released by the ministry representatives, there is a need to capitalize on Lithuanian civil aviation's existing capacity by finding new ways to create more added value per passenger and flight kilometre. The vice-minister responsible for the new strategy stated that "in terms of its potential, Lithuanian aviation does not yet contribute enough to the country's GDP". Competing with other regional airports for more transit passengers cannot provide enough sources for value creation. Lithuania's civil aviation sector lacks long-haul air flights operators that could generate transit flows connecting passengers travelling between Europe's airports and the countries on its eastern borders. Hence, developing a denser network of intra-EU flights for frequent travellers becomes a straightforward option.

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