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Flying through the clouds

Preparing for uncertainty
following Brexit

Foreword

The outcome of the UK referendum on EU membership signals that there are likely to potentially be big changes ahead for the UK economy and the aviation and travel sector. While the timelines and the priorities for the exit process are still being defined, the industry is wondering how best to respond to the growing uncertainty over its future. Much of the debate on what the terms of exit could or should be is taking place at a very high level. But businesses want to know the detail on what to expect in order to plan ahead. In addition, it is very important that the aviation and travel sector gets involved with one voice in the debate when it comes to renegotiation.

In this report we explore why Brexit may be a major event for the aviation and travel industry and discuss what factors businesses in the sector should consider when planning for the short, medium and long term. In the short term our view is that the immediate effect on air traffic as well as revenues in the industry will be governed largely by foreign exchange volatility. In the medium term, when the terms of exit become clearer, regulatory and operational issues could become more pertinent considerations. Airlines and travel companies might need to take strategic decisions on the best course of action for them, especially when addressing the likely future inflationary pressures on the industry's cost base. In the long term, strategies for operations, consumer protection and other regulatory matters as well as customer relationships will have to be considered.

It is important that the aviation and travel industry maintains a sensible approach to planning despite the prevailing uncertainty. Businesses should neither make hasty decisions nor delay their planning or future decision-making. Decisions that have not been thoroughly thought through might lead businesses to miss out on the possible opportunities that could arise during this period of uncertainty. Adopting a passive approach risks delaying key strategic decisions which may then take a long time to implement. Some companies need to make major decisions soon to ensure continuity throughout the exit period and immediately afterwards.

Airlines and travel companies should start assessing what possible impacts Brexit might have on their businesses, implement an internal monitoring process and assess their ability to react to the likely changes effectively. When the time to act comes, it is important that businesses evaluate Brexit-related actions and changes holistically, rather than implementing an array of uncoordinated initiatives.

We hope you find this paper insightful and look forward to your feedback.



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Summary

Why might Brexit be significant for the UK and global aviation industry?

- Aviation and travel are global industries which are influenced by international trade and politics. Any major changes relating to regulation, trade or politics are thus likely to have an impact on the dynamics of these sectors globally.
- The outcome of the UK referendum has created uncertainty over how the UK and the EU aviation sectors will continue to operate and collaborate in a mutually beneficial way. After the UK leaves the EU, the UK aviation sector could see an overhaul which may require significant changes in the way it operates.

Considerations for airlines and travel companies in relation to Brexit

- Airlines and travel businesses should adopt a sensible approach to planning which would include a thorough analysis of the relevant risks and opportunities that are emerging specifically for their organisation before, during and after the exit takes place. During this process businesses should consider a range of different aspects, including:

Economic and financial

- The immediate impact of the vote has largely been financial and economic, affecting the stock market and the value of sterling. The medium-term impact of Brexit on the aviation sector is expected to mainly relate to stalling corporate investment in the sector. In the long term, if the UK experiences lower growth rates and less trade, it could impact the travel sector notably.

Regulation

- The European Common Aviation Area (ECAA), to which the UK has belonged as an EU member state, has contributed strongly to the growth of the UK civil aviation space. Upon exiting the EU this membership would automatically cease unless other alternative arrangements have been put in place. This could lead to several changes in the UK aviation sector with regards to airspace access. The UK might need to renegotiate numerous bilateral agreements, which risks affecting operational efficiencies and hindering the intra-EU operations of UK operators. The UK could also be required to sign bilateral deals with nations across the world, further affecting operational efficiencies.

Corporate governance and strategy

- Depending on the terms of exit and the level of access to the single market, both UK-based airlines and airlines operating in the UK might need to restructure their governance. Companies need to evaluate the extent of change that would be required if full access to the market is not unilaterally agreed upon. In such a scenario, UK airlines would have to enter into an agreement as a third country operator in the EU, similar to any non-EU commercial airline, in order to continue to operate EU-UK, intra-EU or inter-EU flights.

Operational Strategy

- Many of the UK tax and tariff regulations are formed to mirror the EU regulations. Moving out of the EU could lead to additional administrative and operational costs for companies as they adopt new rules. If access to the single market is not unilaterally agreed, there are likely to be changes to migration and employment rules which might affect the cost of hiring and employing UK nationals in Europe and, conversely, EU nationals in the UK.

The consumer and customer relationships

- So far since the Brexit vote consumers have remained resilient and confident and have continued to spend on holidays and travel in general. However, if inflation accelerates consumers' disposable income will be adversely affected, which could, over time, reduce their propensity to travel for leisure. Any slowdown in UK outbound travel would affect airlines globally.
- The applicability of the European Package Travel Directive as well as many other consumer protection regulations is dependent on access to the single market and hence how these regulations are to apply in the UK will be clear only after negotiations.
- Another area under consideration is the General Data Protection Regulation (GDPR), expected to be implemented across the European Union by 2018. The UK is likely to have the option of complying with the regulation while outside the EU or implementing another, potentially more liberal set of rules. The former would support continued access to the EU market while the latter could reduce administrative burden but risk losing access to the EU market.

What can the industry do in the short term?

- Organisations should carry out detailed analysis at the board level to assess the impact of Brexit on their operations as well as their supply chain. This analysis should take place at the highest level.
- Instead of focusing only on the risks, it is vital that businesses look at what opportunities are emerging and use these to their advantage where possible.
- Once the time to act comes, it is important that businesses look at Brexit-related actions and changes in a holistic manner, rather than implementing uncoordinated initiatives.
- Aviation and travel businesses need to get involved in the debate when and if it comes to renegotiation. It will be really important for the industry to speak with one voice so that maximum impact can be achieved in the process.

The UK aviation and travel sector: Why does Brexit matter?

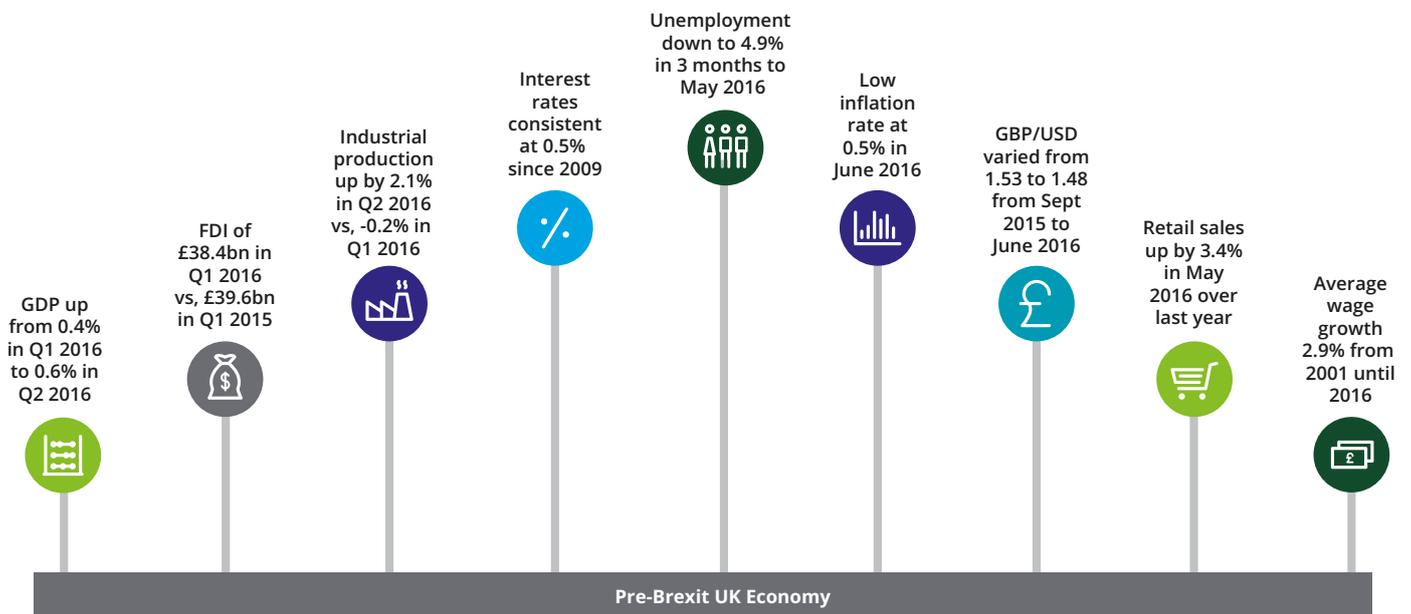
The UK and EU aviation and travel sectors are interdependent and the referendum result has created uncertainty over how these sectors can continue to operate and collaborate in a mutually beneficial way.

Aviation and the economy: Strong ties

Prior to the referendum the UK economy was experiencing promising growth. Amid global uncertainties, the UK was expected to grow faster than most other EU countries, backed by a strong domestic market, low levels of unemployment and inflation and continued growth in the service sectors.

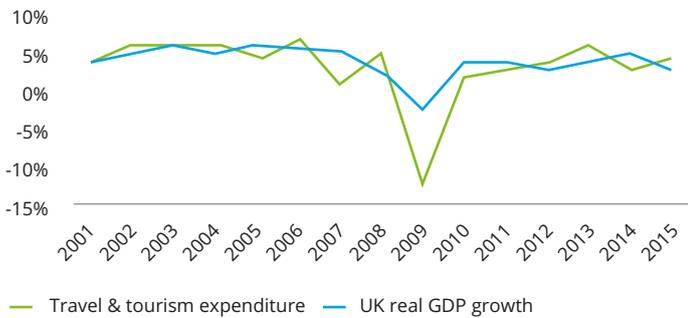
The aviation and travel sectors have significantly benefited from gradually improving consumer confidence and spending over the past couple of years. The improving outlook for the UK consumer and growing demand for leisure travel from the UK has led to spending growth in outbound air travel. Additionally, being a business hub, the UK has been able to attract larger numbers of overseas travellers both from EU and non-EU countries. The growth in spending in the travel sector has also been in line with GDP growth over the past ten years.¹ Despite recent challenges including terrorism, political turmoil and the EU referendum, the contribution of the UK travel and tourism sector to GDP is expected by the World Travel and Tourism Council to grow by 2.4 per cent between 2016 and 2020, compared to 2.1 per cent growth in overall GDP over the same period.²

Figure 1. Pre-Brexit economic indicators



Source: Deloitte analysis based on various sources

Figure 2. UK real GDP vs. air passenger spending (% year-on-year growth)



Source: WTTC

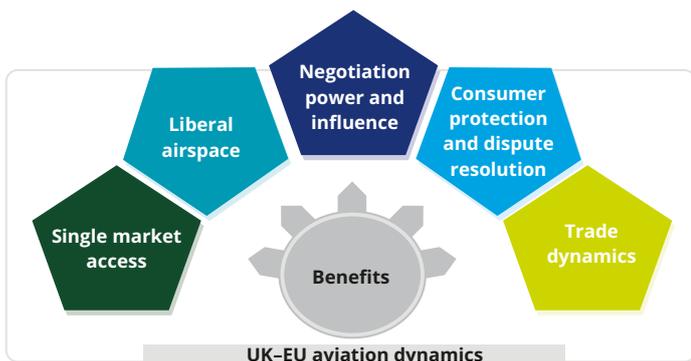
The aviation sector has been a major contributor to both economic growth and employment in the UK. For the past decade, an average of ten per cent of UK GDP was contributed by the travel and tourism sector while around an average of 12 per cent of total employment in the UK was generated by the sector each year.³

Travel and tourism are also key sectors for investment in the UK, with an estimated £14.19 billion invested in the sector in 2015.⁴ Trade and business relations between the EU and the UK are substantial, as demonstrated by our previous report on Brexit published in March this year.⁵ Over three-quarters of international holidays and two-thirds of business visits from the UK are to the EU. In addition, 63% of the UK's leisure travellers come from an EU country, as well as 73% of the UK's business travellers. This emphasises how important access to the single market has been for the sector.

Why might Brexit be significant to the UK and global aviation industry?

The UK is among the largest aviation markets in the world, with its airports carrying 200 million passengers annually.⁶ The outcome of the EU referendum has created uncertainty over how the UK and EU aviation sectors can continue to operate and collaborate in a mutually beneficial way. After the UK leaves the EU, the UK aviation sector could see an overhaul which may require significant changes in the way it operates.

Figure 3. Benefits of the current EU membership to aviation



Source: Deloitte analysis

The European Common Aviation Area (ECAA), of which the UK has been a member as part of its membership of the EU, has contributed significantly to the growth of the UK civil aviation space. Upon exiting the EU this membership would automatically cease unless other alternative arrangements have been put in place. Liberal policies boosted by access to the single market and greater bargaining power have benefited the aviation industry in the UK but also across the EU. This has also led to the growth of low-cost carriers (LCCs) that have become a major force in the EU aviation market. LCCs now contribute 39 per cent of intra-European seat availability, translating to 378 million seats in 2015, up from 250 million in 2010.⁷

The intra-EU and EU-UK routes of both UK and non-UK LCCs are likely to be affected most if the UK's relationship with the ECAA changes significantly. The UK may be forced to sign bilateral trade deals which might harm operational efficiencies and hinder the intra-EU operations of UK operators. It will also have to sign bilateral deals with nations across the world, further denting operational efficiency. Renegotiation risks being more than time-consuming; it is not clear whether the UK has the resources and capability to negotiate such agreements in the short term.

The European Court of Justice (ECJ) is another integral part of EU aviation regulation. Its dispute resolution services have been influential in resolving various EU aviation policy debates and challenges, including those relating to open skies, emissions, tax regulations and passenger compensation.

Open market access has been a key driver of trade dynamics between the UK and the EU. Half of the UK's exports have gone to the EU while 53 per cent of UK imports came from the EU.⁸ Brexit is likely to affect trade and could therefore in turn have an impact on business travel.

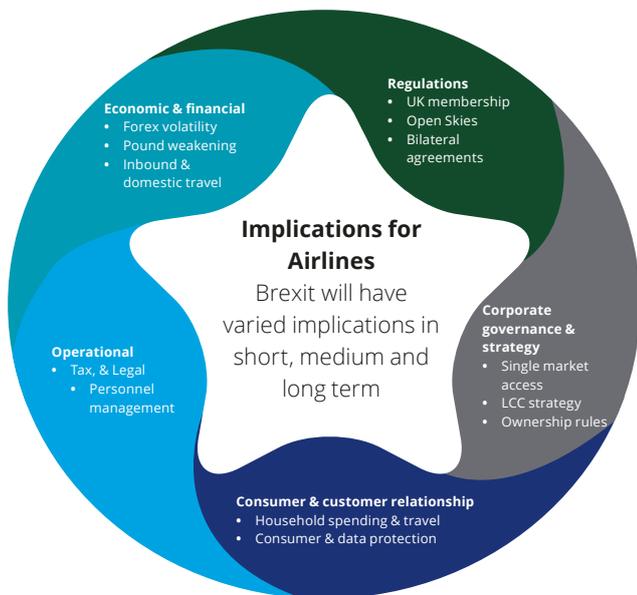
European air travellers are accustomed to a relatively high level of protection through various directives like the Passenger Travel Directive, Passenger Rights, Consumer Rights Directive and compensation and care rights under EC 261/2004. As part of the negotiations, the UK would need to identify which regulations, if any, it would issue to replace them. It is estimated that UK passengers could lose £300 million a year in compensation due to delays and cancellations under the EC 261/2004 regulation if the UK does not embrace the EU regulation.⁹ It is also expected that the Alternate Dispute Resolution system would become more complex as disputes would be likely to become cross-border issues.

Key considerations for the airline industry

Brexit is likely to affect various aspects of the airline industry in the short, medium and long term. As the UK is a major force in the aviation sector, some of these effects could be felt by global, not just UK airlines.

The current period of uncertainty is likely to extend for at least two years if the Government maintains its position of filing for an exit from the EU under Article 50 of the Lisbon Treaty by March 2017. It is therefore important for airlines and travel companies to start assessing the impact Brexit might have on their businesses. There are a number of important aspects to consider, as shown in Figure 4.

Figure 4. Possible implications of Brexit for airlines and travel companies



Source: Deloitte analysis

Economic and financial aspects

The immediate impact of the vote has largely been financial and economic, with aviation stocks and sterling falling sharply.

The pound has dropped to a 31-year low against the US dollar and to a three-year low against the euro as investors sold it in the immediate aftermath of the vote. The Bank of England has reduced its interest rate and resorted to renewed quantitative easing, both of which have also helped to weaken the currency.

A weak pound has boosted inbound travel bookings as foreign visitors have found the UK relatively more affordable.¹⁰ A seven per cent year-on-year increase in UK international tax-free shopping was reported in July 2016, with visitors from Japan, Indonesia and the US contributing the biggest increase.¹¹ British outbound travellers, however, have seen their spending power reduce, particularly in the US and euro zone countries. The number of domestic holidays increased to 5.1 million in August 2016 against a 4.7 million figure during the same month last year, suggesting more Britons are choosing to holiday closer to home.¹²

The referendum result has also seen the share prices of airline operators suffer. Airlines that earn most of their revenues in sterling while making purchases in other currencies have been worst affected. As a result many major airlines continue to trade below their pre-Brexit levels and some have issued profit warnings or cut capacity amid fears of a drop in travel demand and a weak currency.

Stalling corporate investment in the sector is expected to be the main medium-term impact of Brexit on the aviation sector. The Q2 2016 Deloitte CFO Survey, which was taken in the immediate aftermath of the referendum, showed that business optimism and risk appetite had fallen close to 2008 recession levels while revenue and margin expectations were the lowest since 2010.¹³ Business uncertainty is holding back investment which, if sustained into the longer term, could lead to stagnation in the sector. For instance, some LCCs have already cancelled plans to base new aircraft in the UK while others have suggested they plan to cut UK expansion.¹⁴

In the long term, if the UK experiences lower growth rates and less trade, the travel sector could be more affected.¹⁵ The impact might not only be limited to the UK economy but be felt more broadly across Europe and globally.

Regulation

Uncertainty surrounding regulatory changes and new regulatory requirements is another big challenge for the industry and, if prolonged, could inhibit airlines globally from making long-term decisions.

The South East airport capacity question has been debated as a key issue for the UK aviation sector since 2007. Many fear now that the growing focus on Brexit negotiations is going to delay decision-making even further. Although there have been signs that policy-makers still have the capacity question on their agenda, the timelines for decisions are still unknown, adding to the overall uncertainty.

While maintaining the current ECAA membership could be the most advantageous outcome for the UK aviation sector, the ability of the UK to achieve that has been questioned. If the country were allowed to remain part of the ECAA agreement, any impact on the aviation sector would likely be negligible and mainly limited to a loss of influence in the decision-making process due to the loss of the UK's EU status post-Brexit. However, if the current ECAA status is not granted, the existing dynamics of the region could change notably. Without ECAA status, UK operators may be forced to create minority-owned affiliates in the EU that would need separate EU-regulated Air Operators' Certificates (AOCs). Though a relatively simple solution, this would be likely to harm significantly the operational efficiencies enjoyed currently by most if not all UK airlines, increasing their costs of operation.

Changes to the ECAA status could have a notable impact on UK-based operators and ECAA operators who fly inter- or intra-UK routes. Even with bilateral agreements, UK airlines would not be able to fly intra-EU routes and EU operators would not be able to fly intra-UK routes.¹⁶ Bilateral agreements would not necessarily provide full access to the intra-EU routes as multiple agreements would have to be negotiated to allow uninterrupted access to all routes within the EU. Similarly, this would mean restrictions for EU airlines on intra-UK routes.

The major UK airlines could find that EU-UK routes are affected while LCCs in particular may be vulnerable given their exposure to the intra-EU market, both in terms of domestic flights within a given EU country as well as flights between two EU countries.

In the long-haul segment, access to other EU airports is not expected to be a big issue given the limited exposure of UK airlines to the EU market for long-haul routes and low dependence on the UK by EU operators.

However, with respect to airspace freedom the impact could be more notable as UK-based airlines cross European airspace to travel to different parts of the world. The UK would need to negotiate its first freedom rights to ensure operations across EU airspace can continue.¹⁷ The long-haul operations of other EU airlines are less likely to be affected by this as their exposure to UK airspace is minimal.

If the UK were to negotiate a deal with individual EU countries, it might be required to negotiate fifth, sixth, seventh, eighth and ninth freedom rights to ensure continuous operations across the EU.

Additionally, the ECAA has also enabled the UK to be part of other pan-EU aviation agreements. The Open Skies Agreement between the US and the EU and Open Skies agreement with US and Canada are some examples. If no longer part of the ECAA, the UK may need to renegotiate its bilateral Bermuda II agreement with the US. There are also other agreements being negotiated by the EU which include ASEAN, China and the Gulf Cooperation Council. If the UK is not going to be part of these agreements at the outset, its aviation sector could be disadvantaged.

An exit from the EU is likely to diminish the UK's influence on EU aviation policy-making. Traditionally the UK has represented a liberal view among more conservative countries. Future negotiations could focus on more protectionist regimes which might be detrimental to global airlines operating within the EU. Global airlines may also be required to negotiate hard on fifth freedom right deals, if they use the EU as a connector.

The UK has been a strong force in the European Aviation Safety Agency (EASA), which regulates the EU civil aviation market. According to Article 1 of the Rules of Procedure of the Management Board of EASA, a member would not have voting rights in the body without being a part of the EU. The UK could be forced to become a non-voting member, causing a deterioration in its position and making it unable to influence global aviation standards. Acceptance of the UK as a voting member would depend on the full and unanimous agreement of other EASA members.

The UK's Civil Aviation Authority (CAA) is likely to reassume the role of regulator for UK civil aviation. If it decided not to comply with EASA regulations there could be significant operational challenges for airlines and lessors on matters such as airworthiness, aircraft and component modifications. To counter these issues, the UK would have to sign bilateral agreements with all the concerned nations.

Corporate governance and strategy

Depending on the terms of exit and the level of access to the single market, both UK-based airlines and airlines operating in the UK might need to restructure their governance. Companies need to evaluate the extent of change that would be required if full access to the market is not unilaterally agreed upon. In such a scenario, UK airlines would have to enter into agreement to operate as a third-country operator in the EU, similar to any non-EU commercial airline, in order to continue to operate EU-UK, intra-EU or inter-EU flights. The LCCs are particularly affected as they have significant exposure to the EU and UK markets and may have to restructure their operations, which could result in decreased cost advantages, especially as many do not have EU airline operators certificates (AOCs).

Currently, under EU regulation, any airline incorporated in the EU is required to be 50 per cent owned and controlled by companies incorporated in the member states. The UK could adopt a similar regulation that would require a majority stake to be held by a UK-headquartered company. This would mean that any non-UK majority controlled airline would need to restructure. If, however, the UK decided to liberalise the ownership control regulations, it could make the sector more attractive for foreign direct investment.

Operational strategy

Taxation, accounting and legal matters

Many UK tax and tariff regulations mirror EU regulations. Some areas covered by the EU tax rules include VAT, tour operator margin schemes and employment taxes from abroad for UK airline staff, or travel operators with tour representatives working in the EU. Moving out of the EU could lead to additional administrative and operational costs for companies as new rules are adopted. If the UK ends its ECAA membership, companies may also need to change their accounting practices.

Air Passenger Duty (APD) is not an EU tax, which means that, as a result of Brexit, the UK could gain more flexibility in the way it implements this tax. For instance, if the UK decided to adopt differential rates of APD on domestic and international flights it might boost the UK's competitiveness in this sector.

Personnel management

Freedom of movement of labour is a major contributor to the ease of operations within the EU. If access to the single market is retained or, at least, free movement of labour is agreed upon, then very few personnel-related changes can be expected as a result of Brexit. However, other related issues such as taxation would still need to be considered separately.

If, however, there are changes to migration and employment rules the costs of hiring and employing UK nationals in Europe and, conversely, EU nationals in the UK could change. The airline and travel sectors might find it difficult to maintain current employment arrangements and would have to look at new models or alternative arrangements in the EU.

The consumer and customer relationship

Household finances and travel

So far UK consumers have remained resilient and confident since the Brexit vote and have continued to spend on holidays, as shown in the Q2 2016 Deloitte Consumer Tracker.¹⁸ However, there have been some shifts in travel patterns, with domestic travel booming this summer. While there are a range of contributing factors, such as the increased levels of terrorism in various parts of Europe and also limited operator capacity in European 'safe destinations', the weakening of sterling is also likely to have encouraged some travellers to turn to domestic destinations. If the exchange rates between sterling, the euro and the dollar stabilise at a level close to the pre-referendum average, then these impacts might only be short-term.

It is impossible to predict how uncertainty might affect consumers' confidence and their propensity to spend in the medium term as this depends on various factors. However, if inflation starts to accelerate consumers' disposable income will be affected which, over a longer period of time, could reduce their propensity to engage in leisure travel. Any upturn in unemployment or softening of house prices would also be likely to lead to a downturn in consumer sentiment.

Any slowdown in outbound travel could affect airlines globally, and not just in the UK. As highlighted earlier, some of the impact could be offset by higher inbound travel to the UK. As an example, load factors are one area where the balance of outbound vs. inbound travel is likely to affect airlines. Prior to the UK referendum many airline operating routes from the US to Europe enjoyed a steady flow of business travel both ways which meant utilisation in both directions was good. However, post-referendum exchange rate and demand fluctuations have had a positive impact on load factors from the US to the UK while the opposite is true for flights going the other way. The impact on each airline would therefore depend on their customer profile and the routes in which they operate.

Consumer and data protection

The applicability of the European Package Travel Directive as well as many other consumer protection regulations is dependent on access to the single market and therefore how the new regulations will apply in the UK will be clearer only after negotiations. In the case of a full exit, a fresh set of regulations could be agreed upon to protect the consumer travelling to and from the EU.

Meanwhile, during the period of uncertainty, it is important for airline companies to take into consideration the impact of changes in regulations on travellers' confidence. Airlines also need to consider how any changes in consumer confidence will affect the profitability and financial viability of their partner organisations in the supply chain, including travel agents and travel operators.

Another area under consideration is the General Data Protection Regulation (GDPR), expected to be implemented across the EU by 2018. This would mean companies operating in the EU would be required to comply with GDPR rules. After a UK exit, it is probable that the UK would also adopt data protection regulations similar to those in the GDPR in order to maintain unrestricted access to the EU market. This would ensure that the airline industry adheres to stringent data standards and offers consumers high levels of protection against data breaches.

However, if the UK decides to adopt more liberal data protection regulations it will make dealing with EU-based entities more difficult and complex.

What can the industry do in the short term?

Aviation and travel companies should carry out a holistic analysis of the opportunities and challenges facing their businesses, keeping the unique aspect of their business in mind.

The full impact of Brexit largely depends on the policies, regulations and agreements that the UK adopts as part of the exit process. Given the uncertainty around when Article 50 of the Lisbon treaty will be triggered as well as what policy lines the UK would like to pursue in the process, it might seem better or at least easier for airlines to postpone decision-making until more clarity emerges.

However, waiting might mean losing out on opportunities that emerge from the uncertainty in the short term. Additionally, postponing major decisions with long lead times for implementation could be risky. It could make it necessary later to react under tight time pressure, threatening the continuity of operations and also potentially increasing the cost of implementing changes.

Therefore, it is important that businesses carry out structured and detailed sector-based analysis of the possible impact of Brexit, working on the basis of assumptions or formulating scenarios where necessary. It is important that this is a holistic approach rather than looking at individual business processes or functions in a disconnected way. As they evaluate their options businesses need to consider the possible consequences of each decision on all parts of their business as well as any knock-on effects. Hence, taking this process to the highest decision-making level is critical.

The ability of UK industry to influence future aviation policies and practices internationally might be challenged – at least in the medium term before it re-establishes its position outside the EU. Businesses in the aviation and travel industry should work together to push forward their interest in policy and regulatory decision-making. If the industry collaborates and manages to present a unified front on key issues it is more likely to influence other countries who are still part of the decision-making process.

Key aviation and travel bodies should strive to act as a single entity to communicate the concerns and priorities of the industry to policy-makers. If there is a need to negotiate separate bilateral agreements across EU member states it is vital that the industry sings with one voice.

A checklist of questions to frame airline and travel business Brexit analysis

Deloitte has developed a list of questions airlines and travel businesses can use to start their Brexit analysis. However, companies are advised to think beyond these and ensure their analysis reflects the unique circumstances of their own businesses.

Key themes	Key questions to ask	UK travel companies	UK airlines	EU airlines	Global airlines
Influence	How can the UK aviation and travel industry represent their interests best so they are considered in the contract renegotiations?	✓	✓		
	How should we lobby and who should we go to?	✓	✓	✓	✓
Economics and Finance	How much of our business is from the EU/UK?	✓	✓	✓	✓
	Do we or our suppliers receive EU funding; how might that be impacted – and impact us?		✓		
	What impact could uncertainty and change have on the general economic growth and our growth? How would changes in the growth rates impact our financial situation?	✓	✓	✓	✓
	Will there be availability of finance from the capital markets?	✓	✓		
	Should currency or fuel hedging strategies be pursued to dampen volatility created by Brexit?	✓	✓	✓	✓
Strategy and Operations	What is the impact for OEMs and purchasing decisions for airlines?		✓	✓	
	How will my operational footprint and future strategy be impacted?	✓	✓	✓	✓
	Will we now need an EU AOC if we haven't already got one?	✓	✓		
	What is the impact of Brexit on our corporate customers and what does this mean for passenger traffic trends for the future?	✓	✓	✓	✓

Key themes	Key questions to ask	UK travel companies	Domestic airlines	EU airlines	Global airlines
Tax and Regulations	What is the impact on issues such as passenger rights and environmental measures, such as emissions trading without the UK?	✓	✓	✓	
	Would the regulatory framework for our industry change? Would the government push for a deregulatory strategy?	✓	✓	✓	✓
	What could be the impact of Brexit on data protection management? How would that impact our operations and procedures?	✓	✓	✓	
Talent	Could there be potential changes in employment rules?	✓	✓	✓	
	If there is a change in the single market access in terms of employee access, how will this impact my business? What proportion of my staff would be impacted?	✓	✓	✓	
	What is my company's capability to attract/retain talent from the EU or to deploy employees from the UK in EU?	✓	✓	✓	
Communication	When should we establish a Brexit monitoring and evaluating team?	✓	✓	✓	✓
	What should our communication lines be internally and externally?	✓	✓	✓	✓

Endnotes

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17. The freedoms of the air are a set of rights that grant a country's airline the privilege to enter and land in another country's airspace. These rights apply to commercial aviation and were initially formulated as a result of disagreements over the extent of aviation liberalisation in the Convention on International Civil Aviation of 1944, known as the Chicago Convention. For a detailed description of the different rights see also: <http://www.icao.int/Pages/freedomsAir.aspx>
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Notes



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