



# I FORO DE CONECTIVIDAD AEREA EN LATINOAMERICA

## OSP/PSO Services in the Canary Islands

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## The Canary Islands – General Overview

- Group of 7 islands included in the Macaronesian Territory (Azores, Madeira, Canary Islands and Cape Verde).
- Located 1.300 km down south of Spain and and 150km from West Africa (Morocco).
- Total Population: 2,15 Million Residents.
- Area: 7.500 Square Kilometers.
- Mainly Income: Tourism and Services related to it (35% of GDP).
- GDP 2018: 45.300 Million Euros (2,3% Increase vs 2017).
- Inflation Rate: Steady from 1% to 3% in last Decade
- Unemployment: 20%



## Brief Company Description



Fleet composed of 25 ATRs and 3 CRJ100 (to be replaced by Embraer 195-E2)

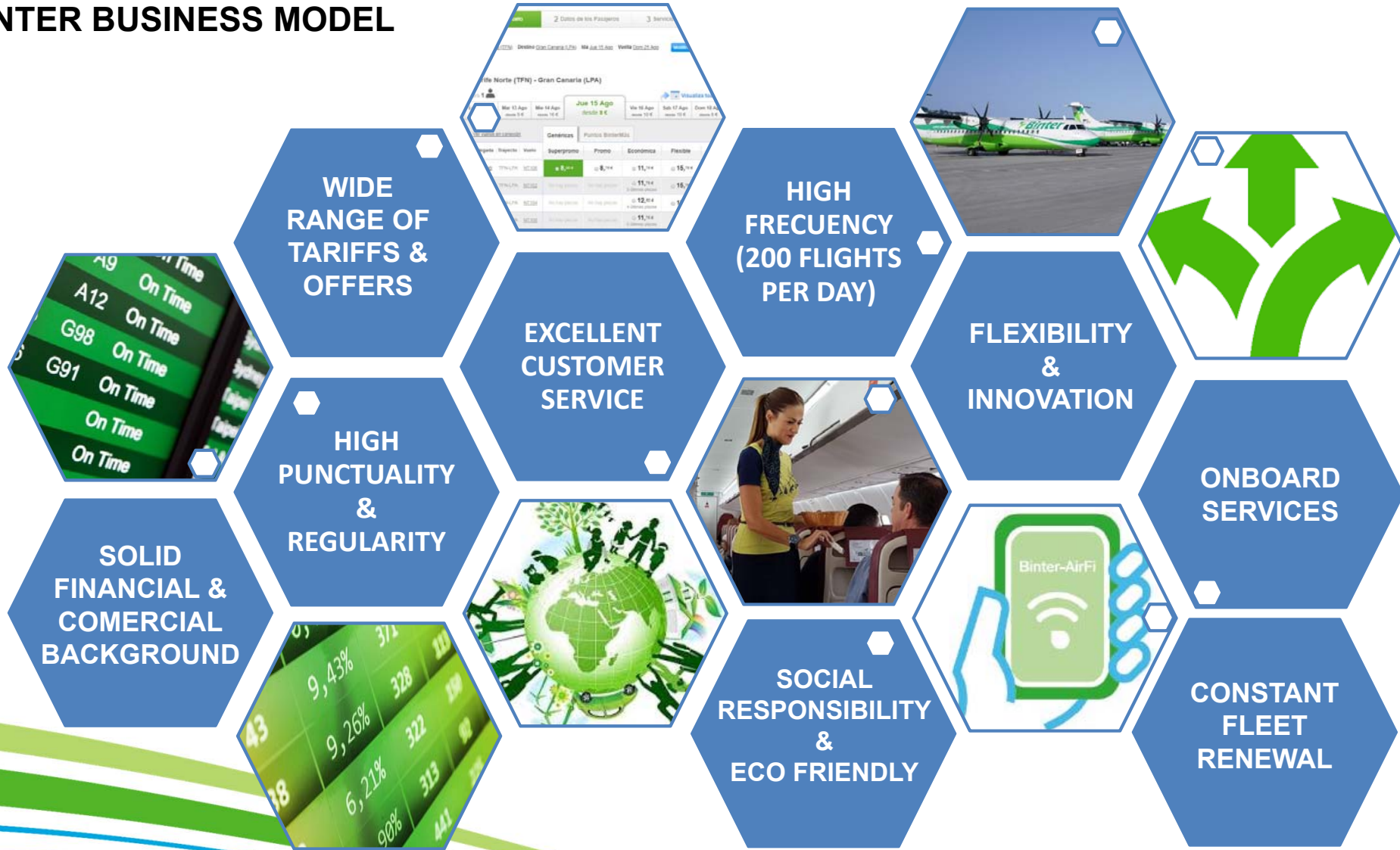


1.500 employees in 15 different companies: Operators, Lessor, Maintenance, IT, Travel Agent,...etc.



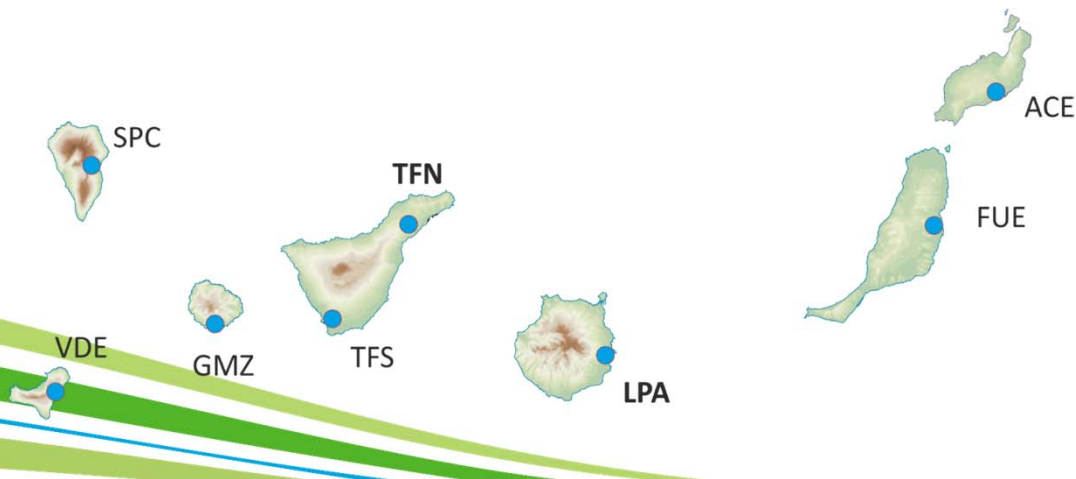
3 AOCs operating in the Canaries, Spain, Portugal, Madeira, Morocco, Senegal, Mauritania, Gambia and Cape Verde

# BINTER BUSINESS MODEL



## INTERISLAND AIR PASSENGERS – CANARY ISLANDS

TOTAL CLASES DE TRÁFICO	2016 TOTAL	2017 TOTAL	2018 TOTAL
TOTAL AEROPUERTOS DE ORIGEN	2.976.566	3.582.560	4.377.189
LANZAROTE	406.914	494.377	584.807
FUERTEVENTURA	328.726	389.411	467.551
GRAN CANARIA	933.391	1.096.765	1.370.811
TENERIFE NORTE	882.456	1.089.344	1.308.387
TENERIFE SUR	19.742	23.613	50.594
LA GOMERA	18.731	24.007	30.746
LA PALMA	309.279	366.147	441.702
EL HIERRO	77.327	98.896	122.591



## PSO DEFINITION AND FUNCTION

PSO: “Any obligation imposed (by the state or any of its public institutions), to the air service operators, from an Airport of a given Region and another one which would be located in a periferic región of the country or in an economic developement stage, or in routes of low density, which would be considered key to the **economical and social developement of such Region**”

“The Obligation will only be imposed when necessary to **guarantee services regarding continuity, regularity, capacity and pricing** that the companies would never asume if they would only look at their comercial interest”

“The Public Service Obligations respond to the **economic and social need** of the resident citicens to facilitate their mobility in segmented territories in which, due to its speed, the air transportation is fundamental”

The PSO regulations stablish (among other) minimum obligations related to:

**Maximum Tariff** for each route and discounts to groups (students, elders, etc.), **Minimum Daily Frequencies**, **Minimum Available Seats per route**, **Time Tables** (starting time In the morning and minimum time at destination for passengers returning the same day) **and Maximum Average Load Factor**.

## PSO DEFINITION AND FUNCTION

The PSO / OSP obligations are imposed to all operators together and each operator must declare the acceptance and the compromise to maintain the programs “communicated” and to preadvise six months in advance of any significant change.

All the routes are in principle open to all operators.

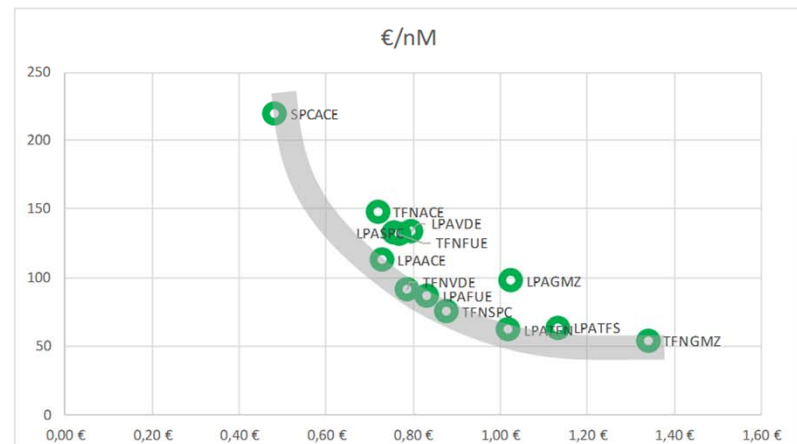
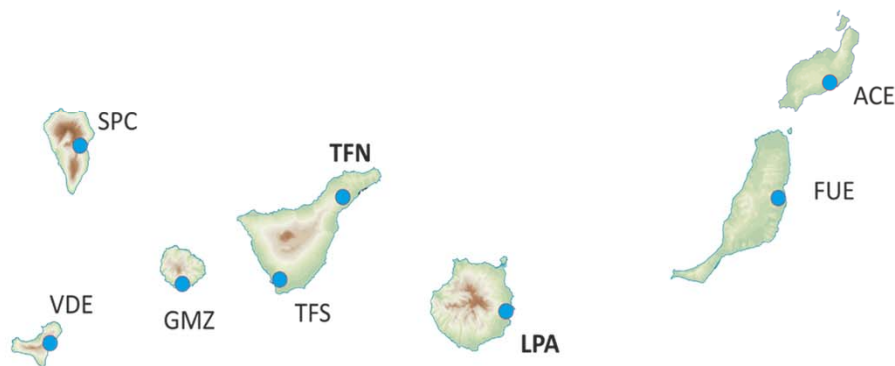
When a route is not covered by any of the operators, the Administration starts a procedure of Public tender and closes the route for the assigned operator for a time period (normally 3 years).

All operators are obliged to inform the Civil Aviation authorities on a monthly basis of complete information about the compliance with the public service obligations, including Average Income per route.



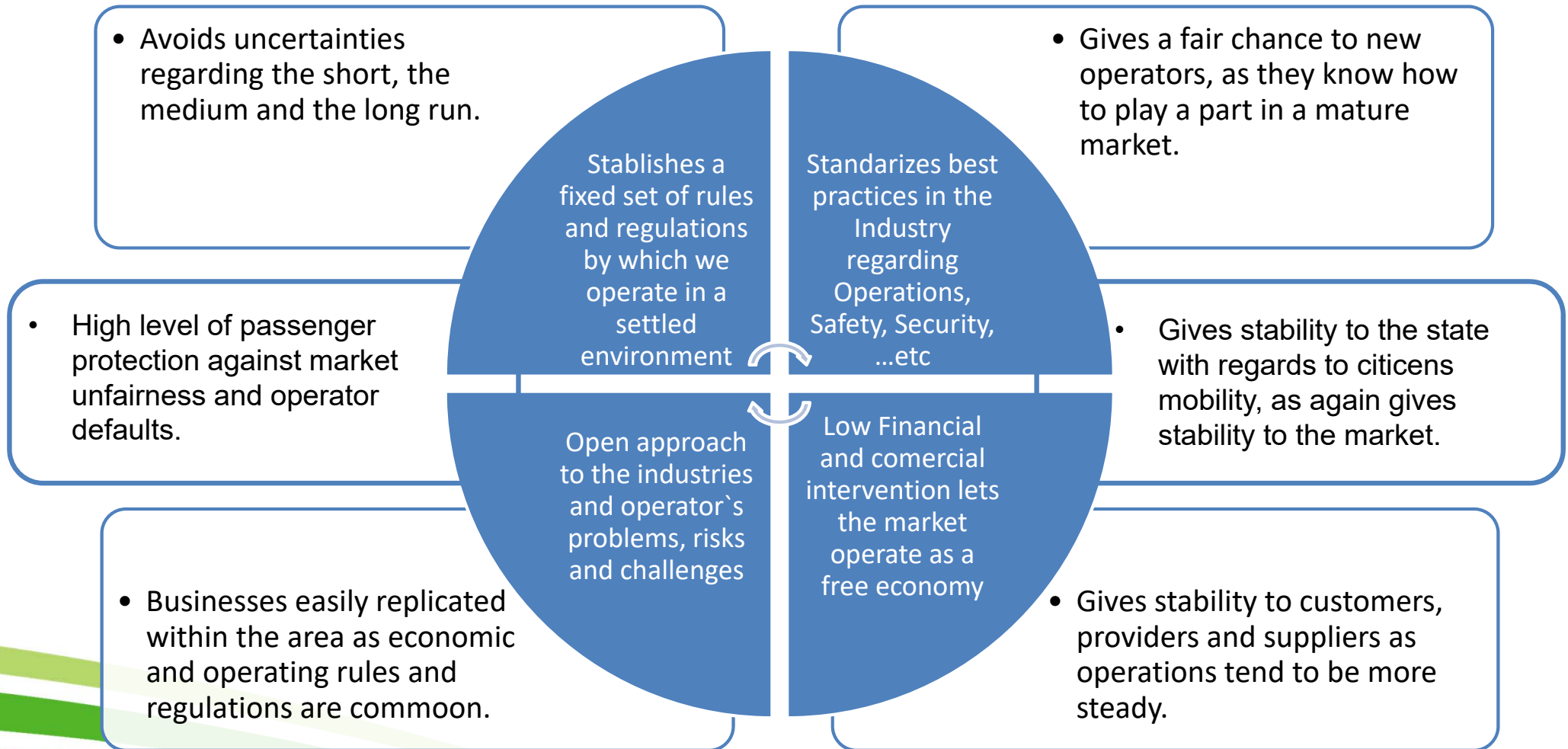
# PSO RULES AND SCHEME EXAPMPLE

				Minimum frequencies per day		Min time at destination	Min seats offered winter	Min seats offered summer	Min seats offered per day winter	Min seats offered per day summer	2006 Tariff	2011 Tariff	2013 Tariff	Miles	€/nM	€/Km	Asm/year			
				Departure	Last return						If full	Summer	Winter		Tariff of reference	Tariff of reference		Last updated Tariff of reference	2013	2013
				Season days																
							147	217												
a)	LPATFN	TFN	7 a 8,30	Últ. Hora		8 h	295.000	393.000	2.007	1.811	52 €	61 €	63 €	61,8	1,02 €	0,55 €	42.518.400			
b)	LPATFS	TFS	7 a 8,30	Últ. Hora		-	19.000	38.000	129	175	52 €	69 €	72 €	63,5	1,13 €	0,61 €	3.619.500			
c)	LPAACE	ACE	7 a 8,30	Últ. Hora	Reinforce	8 h	240.000	378.000	1.633	1.742	67 €	79 €	82 €	112,5	0,73 €	0,39 €	69.525.000			
d)	TFNACE	ACE	7 a 8,30	Últ. Hora		8 h	108.000	180.000	735	829	88 €	103 €	106 €	147,3	0,72 €	0,39 €	42.422.400			
e)	LPAFUE	FUE	7 a 8,30	Últ. Hora	Reinforce	8 h	274.000	402.000	1.864	1.853	60 €	69 €	72 €	86,5	0,83 €	0,45 €	58.474.000			
f)	LPAVDE	VDE	7 a 8,30	Últ. Hora		-	6.000	16.000	41	74	88 €	103 €	106 €	133,3	0,80 €	0,43 €	2.932.600			
g)	LPASPC	SPC	7 a 8,30	Últ. Hora		7 h	43.000	74.000	293	341	82 €	97 €	100 €	132,3	0,76 €	0,41 €	15.479.100			
h)	TFNFUE	FUE	7 a 8,30	Últ. Hora		7 h	65.000	132.000	442	608	83 €	98 €	101 €	131,3	0,77 €	0,42 €	25.866.100			
i)	TFNVDE	VDE	7 a 8,30	Últ. Hora		7 h	60.000	100.000	408	461	60 €	69 €	72 €	91,5	0,79 €	0,42 €	14.640.000			
j)	TFNSPC	SPC	7 a 8,30	Últ. Hora	Reinforce	8 h	274.000	402.000	1.864	1.853	55 €	64 €	66 €	75,2	0,88 €	0,47 €	50.835.200			
k)	SPCACE	ACE						6.800		31	88 €	103 €	106 €	219,8	0,48 €	0,26 €	1.494.640			
l)	LPAGMZ	GMZ					11.000	16.000	75	74	82 €	97 €	100 €	97,6	1,02 €	0,55 €	2.635.200			
m)	TFNGMZ	GMZ					11.000	16.000	75	74	60 €	69 €	72 €	53,7	1,34 €	0,72 €	1.449.900			
							1.406.000	2.153.800											331.892.040	
																Average	93,2 nM			





## CONCLUSIONS



***Binter***

**THANK YOU**

