The Decentralization of the Hungarian Air Transport Market and the Growth of Regional Airports

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Agenda

The impact of Malév bankruptcy

Hungarian airports

The Market Position of Debrecen and Sármellék International Airport
- Location and Availability
- Traffic, Appearance of Airlines

Further Development Opportunities of Debrecen and Sármellék Airport

Conclusions Related to the Development of Regional Airports
The impact of Malév bankruptcy

Long-haul flights were terminated literally immediately.

Low-cost airlines have covered 90% of Malév’s destination network.

Full-service airlines such as KLM, Air France or British Airways increased/raised their prices significantly, by as much as 50 to 70 percent.
What effects has all this had on inbound tourism?

The number of tourists arriving for **short-term leisure purposes** has increased considerably.

**Conference tourism** and the number of **business travellers** coming to Hungary have decreased radically, which shows in hotel reservation figures as well.

Also, **inbound tourism from non-EU countries** like Turkey, Israel, Russia or the Ukraine has decreased greatly.
Even though **the amount of inbound tourism** has remained approximately the same as before the Malév stoppage,

Most of those arriving are **less willing to spend**.

As a result, **the total income of tourism has fallen** significantly.
The number of landing sites are more than 70 in Hungary, but only three airports have public airport status and permanent border opening rights:

- Budapest Liszt Ferenc International Airport
- Debrecen Airport
- Sármellék Airport
Hungarian Airports and the surrounding area
Passenger traffic of Debrecen and Sármellék Airport
The Market Position of Debrecen and Sármellék International Airport

- Location and Availability
- Traffic, Appearance of Airlines
- Conclusion

Projects supported by the European Union.
# The Market Position of Debrecen International Airport

## Location and Availability

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2001</td>
<td>Comprehensive development began</td>
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<tr>
<td>2002</td>
<td>Public, commercial and opened for international traffic</td>
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<tr>
<td>2004</td>
<td>International air border crossing point</td>
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<td>2007</td>
<td>Debrecen - 4.7 billion HUF</td>
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### In Eastern Hungary
- The most important airport
- The largest traffic

### Location
- M35 motorway
- 5 km from Debrecen

### Conclusion

Cross border regional opportunities

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*Image of a map showing Debrecen's location in relation to Slovakia, Ukraine, and Romania.*

*Corvinus University of Budapest and Hungary's Renewal logos.*

*The projects are supported by the European Union.*
The Market Position of Debrecen International Airport
Traffic, Appearance of Airlines

- Second largest vehicular traffic airport
  - The largest **charter** traffic
  - **Private** flights traffic
  - **Scheduled** flights
    2012, Wizzair

Antalya (Tailwind, Travel Service Hungary)
Berlin-Tegel (Germania)
Burgasz (Bulgarian Air Charter)
Drezda/Lipcse (Germania)
Hurghada (Air Arabia)
Monastir (Nouvelair)
Eindhoven (Wizz Air)
London-Luton (Wizz Air)
Milánó-Malpensa (Wizz Air)
Moszkva-Domodedovo (Tatarstan Airlines)

Location and Availability ➜ Traffic, Appearance of Airlines ➜ Conclusion
The annual traffic is at least 200,000 people. State or local government resources include resources that can support the airport. Transborder population as potential passenger base is indicated, with the competing Nagyvárad Airport mentioned as a competitor.

The diagram includes sections on location and availability, traffic, appearance of airlines, and conclusion.
The Market Position of Sármellék International Airport
Location and Availability

| In Transdanubia           | • The most important airport  
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<th>• the largest traffic</th>
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| Tourism:                  | • 200,000 passengers travel by plane  
|                           | from the region              |
|                           | • 1,5 million people live in the catchment area |
|                           | • Croatian and Slovenian tourists |
| Location                  | • Lake Balaton               
|                           | • M7 highway                 |
| 2004                      | • 300 + 65 million support  |
| 2005                      | • Fly Balaton Airport        |
| 2012                      | • Hévíz-Balaton Airport      |

Location and Availability ➔ Traffic, Appearance of Airlines ➔ Conclusion
The Market Position of Sármellék International Airport

Traffic, Appearance of Airlines

### 2006
- Ryanair, Six airlines, 80,000 passengers, German and English speaking nations

### 2006 – 2008
- Seasonal travel decreased,
- Indoor spas, thermal hotels in Zala

### 2008
- Economic crisis, Ryanair stopped its flights

### 2010
- Only 20,000 people, German speech area

### 2011
- Flights from Moscow – increased by 25%

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**Location and Availability** → **Traffic, Appearance of Airlines** → **Conclusion**
The Market Position of Sármellék International Airport

Conclusion

- Inbound tourism – At least 200,000 people
- Appropriate transport - Improvement of availability
- Boost the tourism in the Western Transdanubia
- All stakeholders – hotels, tourist services

Location and Availability → Traffic, Appearance of Airlines → Conclusion
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</table>
| **Debrecen** | **Support of local government**  
  **Tourism** | **Prestige investments** | **Scheduled flights**  
  **Dent-tourism**  
  **Science**  
  **Higher education**  
  **Hajdúszoboszló** | **Development of Nyíregyháza**  
  **Nagyvárad Airport** |
| **Sármellék** | **Support of local government**  
  **Tourism**  
  **Balaton**  
  **Hévíz**  
  **Thermal water** | **Seasonality** | **Winter time**  
  **Dent-tourism**  
  **Skandinavian destination**  
  **Charter – therapy guests**  
  **Low cost airlines – wellness**  
  **Kuylin, Hi-Tech Zone - China** | **Weak surrounding**  
  **Lack of business traffic** |
Conclusions Related to the Development of Regional Airports

- Regional airports – landing, parking, ground handling fees
- 2-3 regional airports
  - Low-cost airlines’ service
  - Scheduled flights
  - Economical – 8 medium capacity planes/day
- Modern inter-modal connections

**NEW SZÉCHENYI PLAN**

**CORVINUS UNIVERSITY of BUDAPEST**

**HUNGARY’S RENEWAL**

The projects are supported by the European Union.
Conclusions Related to the Development of Regional Airports

The airport is a business whose revenue consists of not only flight fees and duties, but other revenues.

Apart from small aircraft traffic opposite the current annual several ten thousands that at least hundreds of thousands of passengers are needed.

Also for low cost airlines such a market is attractive, which can provide at least one direct Boeing 737 flight daily.

The financial support of low-traffic rural airports is recommended only in particularly justified cases.
Conclusions Related to the Development of Regional Airports

At least 300 km from each other
⇔ geographical facilities of Hungary

Focus not only on domestic opportunities + the whole region

Debrecen
• Transylvania, Ukraine, Southern Slovakia

Sármellék
• Lake Balaton
• Austria, Slovenia, Croatia
Thank you for your kind attention!

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