

AVIATION LIBERALIZATION AS A MEANS TO PROMOTE INTERNATIONAL TOURISM: THE EU–MOROCCO CASE

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ABSTRACT

This paper analyzes the extent to which the liberalization of the airline market between the EU and Morocco has led to significant changes in both air services and leisure travel, thus contributing to the Moroccan tourist master plan to attract 10 million tourists. Liberalization has led to a large expansion of regular air services in terms of the number of seats and routes supplied but also to a decrease in charter business. The low-cost airlines are the main player in this move. International leisure mobilities to Morocco have also strongly increased, although the relation with air transport liberalization is less clearly established. The increase concerns both Moroccans living abroad and foreign tourists. Air transport has increased its market share despite the significant decrease in the number of tour operator packages sold. The increase is particularly large among Moroccan citizens living abroad, suggesting new habits with regard to long-distance mobilities.

Keywords: Air transport liberalization, Air travel, Low-cost airlines, Charter airlines, Leisure travel, Visits to friends and relatives, Morocco

1. INTRODUCTION

Aviation has long been recognized as a key driver of international tourism, especially on long-distance routes and for insular destinations (Button and Taylor, 2000). According to the WTO (2006), 40% of the international tourists now travel by airplane. Aviation regulatory regimes are fundamental, since regulation may restrict the range of routes operated by airlines, prevent competition, and control fares, thus restricting the tourist business and

influencing its spatial patterns (Forsyth, 2008). Conversely, it is often said that aviation liberalization promotes tourism. For example, Shaw (1982) believes that “given the importance to the tourism industry of having efficient airlines cater for their customers, the tourism industry should be favouring further liberalization.” Forsyth (2006) writes that “aviation regulation remains a constraint on tourism growth.” Papatheodorou (2008) affirms that “the liberalisation of the market has resulted in a dramatic reduction of fares, especially on routes where LCC operate, with an undoubtedly positive effect on leisure tourism.” According to Seetaram (2010), airfares can be seen as vital performance indicators for many tourist destinations.

The literature confirms that many liberalized air market have experienced significant network developments and decreases in average fares, notably thanks to low-cost airlines (LCAs) (see, for example, Alderighi et al. 2012; Burghouwt, 2007; Dobruszkes, 2008 and 2013; Fu et al., 2010; Goetz and Vowles, 2009; Koo et al., 2010; Vowles and Tierney, 2007). On the other hand, these positive effects are spatially inequitable within developed countries (Goetz and Vowles, 2009; Papatheodorou, 2002) and seem less evident when developing countries are involved.. For example, several open skies involving the US and developing countries have not really impacted air services (Dobruszkes and Mwanza, 2007). Furthermore, the impact on chartered air serviced is usually not considered, although LCAs may drive them away (Williams, 2001; Almeida, 2012).

As for tourism, the impacts of aviation dynamics are mixed. Of course, many tourist destinations would not exist without air transport. For example, the initial boom of the tourist industry and tourist expenditures in Spain used to be largely based on charter flights from Northern Europe (Forsyth, 2006). In contrast, Duval and Schiff (2011) found little evidence that new direct air services from a range of five countries have increased inbound tourist flows to New Zealand. When such an effect occurred, it rather concerned non-holiday travel purposes. Focusing on three US-Caribbean markets, Warnock-Smith and Morrell (2008) found a positive impact of liberalization on air traffic growth, although there is no distinction between tourists and other passengers. New or cheaper air services may also benefit to immigrants visiting friends and relatives (VFR) in their home country (Burrell, 2011).

Even the effect of LCA services on tourism is not always assured (Chung and Whang, 2011). For example, Rey et al. (2011) and Aguiló et al. (2007) found that LCAs have a positive impact on international arrivals in Spain and on reduced seasonality. However, there is a decrease in the length of stay associated with new tourist preferences (i.e., several shorter holidays throughout the year instead of one annual, long leave). Donzelli (2010) found a positive LCA impact in Southern Italy, with more tourist arrivals and less seasonal fluctuations. He concludes that “public policies, for example, could promote attractiveness of an area to tourists by providing incentives to regional airports to support low-cost network improvement.” Focusing on international tourism from the UK to Malta, Graham and Dennis (2010) make the assumption that new LCA services are responsible for increasing tourist arrivals. They also conclude that they induce more first-time visitors. Lian and Denstadli (2010) analyze the 2003-2007 dramatic increase in arrivals to Norway from the EU countries. Their models show that the drop in fares, largely due to the advent of LCAs, is the main factor in the air passenger increase. On the other hand, Ryan and Birks (2005) found that Trans-Tasman LCA services had only a limited impact on the tourist industry. Actually, several researchers have shown that low-cost flights may be more associated with VFR

travel than with tourism (e.g., Castillo-Manzano and Marchena-Gómez, 2010; O'Connell and Williams, 2005). Clearly, not all tourist markets can be easily stimulated. Furthermore, the benefits in some regions are usually not considered as being potentially part of a zero-sum game involving losses elsewhere.

In this context, the aim of this paper is to analyze how the open-sky agreement signed between the EU and Morocco has impacted both the provision of air services and leisure travel. This market offers an interesting case study for several reasons. First, the international airline market between the EU and Morocco has been liberalized, leading to significant dynamics including the launch of many new low-cost services. International accessibility and affordability have thus changed. Second, this market is concerned with various kinds of travelers. Indeed, there are many Moroccan immigrants living in Europe, and Morocco is an important tourist destination for many Europeans. Third, border controls give Moroccan authorities the opportunity to collect information on virtually all arriving passengers and their travel purposes, providing useful material for researchers. This material allows us to make the distinction between immigrants and tourists, a key point to avoid confusing international arrivals and international tourism. Unlike most of the existing literature, this paper focuses on a liberalized air market involving both developed and developing (or intermediate) countries. Furthermore, it is based on comprehensive datasets on both transport services and travelling passengers and pays special attention to trends in the charter airline business.

The rest of the paper is as follows. Section 2 describes the new legal environment for airlines linking Europe and Morocco. Then Section 3 gives the useful methodological details. Sections 4 and 5 show the results for the dynamics of the supply and the demand, respectively, followed by the conclusions.

2. LIBERALIZING AIR TRANSPORT BETWEEN EU AND MOROCCO: NEW RULES OF THE GAME WITHIN A TOURIST-ORIENTED STRATEGY

In the early 2000s, following the views of the main Moroccan business association (Confédération Générale des Entreprises Marocaines (CGEM)) as stated in an internal document¹, the Moroccan government set up a new master plan for tourism called Vision 2010, later updated and renamed Vision 2020 (Ernoul, 2009; Minca and Borghi, 2009; Scherle, 2011). In 2000, tourism and travel already constitute a significant part of the Moroccan economy, although not dominant: 12.3% of the GDP, 10.6% of the employment 13.1% of the capital investments and 3.4% of the governmental investments, according to official figures (Lanquar, 2011; for a more detailed panorama of the Moroccan tourism cluster, see, for example, Porter et al., 2008). However, tourism was stagnant and suffering from under-investment to the extent that parties involved in (or concerned by) this business could arguably be worried about international competition (Scherle, 2011). Thus, as a key part of its neoliberal turn, the government aimed to increase the tourist business through both quantitative expansion and market diversification. In contrast with other North-African

¹ Quoted by Scherle (2011).

countries, Moroccan tourism is largely linked to the main historical capitals (Marrakech, Fez, Meknes and Rabat). The master plan aims to expand seaside resorts on both the Atlantic and the Mediterranean coast. Quantitatively speaking, its most ambitious objective is to attract 10 million tourists in 2010 and 20 million in 2020, growing from 4.3 million in 2000.

This ambitious policy is made up of several constituents, including training, accommodation, new seaside resorts (Azur Plan) and transport accessibility. Morocco intends to mobilize all forces, both public and private, Moroccan and international. This is consistent with the progressive liberalization and internationalization of the Moroccan economy and its new neoliberal perspective (Cherkaoui and Ben Ali, 2007; Scherle, 2011). At this prospect, aviation should be expanded in terms of both volume and routes served and made cheaper. To achieve this, the Moroccan government opted for the liberalization of the international air market to or from the EU. Unambiguously, the agreement signed between the government and the CGEM on the tourist strategy states that “the liberalization of air transport represents one of the best ways to contribute to the set up of a new tourist policy”, its anticipated result being “boosting competition, attracting new operators, and so doing creating conditions conducive to a rapid growth in the sector which would support tourism, by gradually suppressing restrictions on offer and prices” (Moroccan Government and CGEM, 2001, translated by the authors).

It is in this context that the Moroccan government started negotiations on air transport with the EU in the early 2000s. This led to a multilateral, liberal agreement signed the 12 December 2006². In its pursuance:

- Any EU or Moroccan airline can operate any route between any EU airport and any Moroccan airport.
- The Moroccan airlines are authorized to carry traffic between any EU airports if these services originate or terminate in Morocco (fifth air freedom). For example, Royal Air Maroc could operate a flight from Casablanca to Madrid then Paris and carry traffic from Madrid and Paris.
- Conversely, the EU airlines are authorized to carry traffic between any Moroccan airport and an airport located beyond, provided that these services originate or terminate in the EU and that these points are located in the countries of the European Neighborhood Policy³. For example, Iberia could operate a flight from Madrid to Casablanca and then Tunis and carry traffic from Casablanca to Tunis.
- Frequencies, capacities and fares are freely set by the airlines.

It is clear that the agreement only concerns international transport. Domestic air services by a Moroccan airline within an EU country or by an EU airline within Morocco are explicitly left out of the agreement. Nevertheless, this agreement has led, de jure and de facto, to the end of the oligopoly that used to benefit the incumbent airlines. With regard to France, for example, only Royal Air Maroc, Air France and some charter airlines previously held the right to carry traffic to or from Morocco. The rest of this paper analyzes how the new liberal framework has led to changes in both air services and tourists mobilities.

² The full agreement was published in the Official Journal of the European Union L 386, Volume 49, 29 December 2006 (<http://eur-lex.europa.eu>). See Articles 2, 8 and 12, and Annex 1.

³ Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldavia, Morocco, Palestinian Authority, Syria, Tunisia and Ukraine. This restriction only applies to passenger services. Of course, all rights are valid in both directions.

3. DATA AND METHODS

This paper focuses on both supply (i.e. air services) and demand (i.e. people travelling). In contrast with most published works, it is mainly based on comprehensive data covering the entire EU-Morocco market rather than on surveys and case studies covering one airport or one region. Air services are known mainly through the use of OAG databases which describe worldwide, scheduled air services in a geographically disaggregated manner. For each flight, they indicate the operating airline, frequency and number of seats. The supply is described exhaustively and is available for the period from January 1991 to January 2012.

An important distinction has been made between traditional and low-cost airlines. As there is no consensus on which airlines are low-cost, we followed the method proposed by Dobruszkes (2013) that consists of analyzing fares. Empirically, it appears that LCAs usually offer fares of around EUR 0.10 per seat-km and/or half the price offered by conventional airlines⁴. Finally, multiple airports of a same city have been merged in order to perform analysis at the city or city-pair level (for example, Paris includes Paris Charles de Gaulle and Paris Orly). However, secondary airports remote from the cities they serve, such as Beauvais-Tille for Paris (83 km) or Hahn for Frankfurt (126 km), were not included in these groupings.

Unfortunately, OAG data do not cover charter flights. Thus, disaggregated data obtained from the Moroccan airports authority (Office National Des Aéroports (ONDA)) were also used. They make the distinction between regular and non-regular flights, the latter being mostly related to the charter business. However, these data do not include the number of seats, which gives better indications on volumes supplied by the airlines. Furthermore, we know that nowadays, some charter airline passengers book “seat only” products instead of traditional tour operator (TO) packages. This is why some figures on packages sold by tour operators were also used to investigate to dynamics of the chartered air services.

As for demand, the figures gathered by the Moroccan tourism monitor allow for assessing leisure mobilities through international arrivals. These statistics have two advantages. On the one hand, they are comprehensive, given that any traveler entering Morocco must complete a form at customs. On the other hand, they make the distinction between the official class of “Moroccans living abroad” (“Marocains résidant à l'étranger”) and others, named “foreign tourists”. As a rule, a Moroccan citizen cannot give up citizenship, even in case of naturalization abroad (Belbah and Chattou, 2002). Thus, he or she is always identifiable as a (former) Moroccan and sorted as a Moroccan living abroad (MLA). Among leisure mobilities to Morocco, this allows for making the distinction between MLAs who can be considered as being mainly VFR travelers and leisure international tourists, arguably more related to “foreign tourists”. Moroccan tourism monitor figures also give international arrivals at the airport level, geographical origin, transport mode, nights in classified accommodations, etc. All of this allows for assessing tourist dynamics beyond the basic number of annual arrivals. All these data were used to detect and to analyse changes in supply and demand patterns through adequate maps, graphs and indexes computations. We always considered the flows

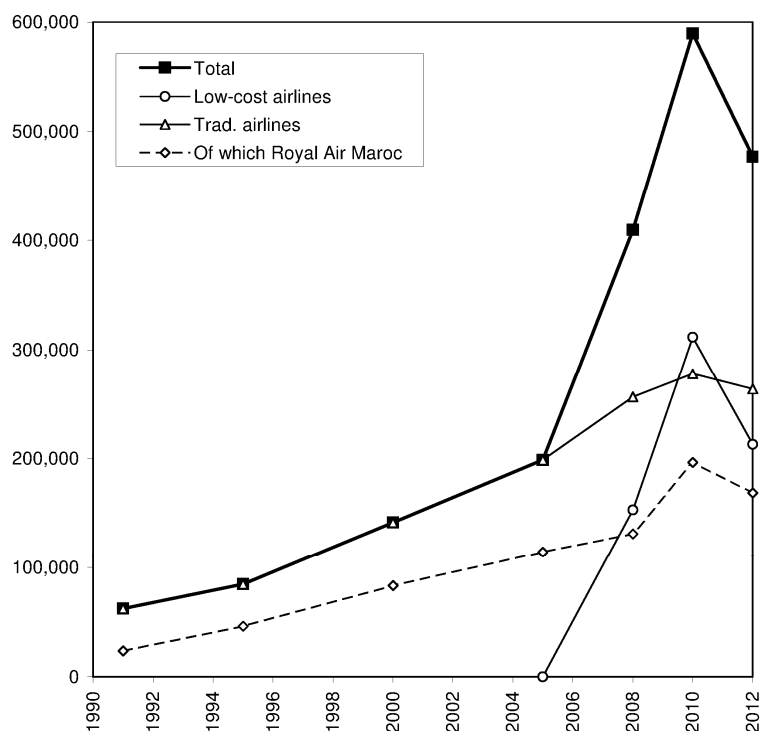
⁴ As also found by Doganis (2006).

from Europe to Morocco only. Econometric analysis is beyond the scope of this paper, though we do acknowledge that time series analysis and additional variables (as trend in GDP, exchange rates, international trade, etc.) would be a useful further forward.

4. THE DYNAMIC OF AIR SERVICES BETWEEN EU AND MOROCCO

The liberalization of the EU-Morocco market has indisputably impacted air links over the Mediterranean Sea. Figure 1 shows that the volume of air services from the EU and Morocco was already increasing before liberalization, but the growth rate has strongly increased in the aftermath. Despite the recent decrease, which might be as consequence of the global crisis and/or the Arabian revolutions that do not concern Morocco yet may have frightened travelers, the number of seats has reached an unprecedented level. Furthermore, the airlines responsible for the increase have changed. The pre-liberalization dynamics were mainly due to the incumbent airlines, namely the flag airlines of the respective countries (Royal Air Maroc, Air France, Iberia, etc.). In contrast, post-liberalization dynamics are mostly due to the very fast expansion of the LCAs, as Figure 1 and Table I demonstrate⁵. Comparing pre- and post-liberalization provisions of regular air services, Table I shows indeed that the LCAs now supply almost half of the EU-Morocco market and are responsible for 87% of the 2005-2012 increase in terms of flights and 77% in terms of seats. Concerning the 2010-2012 LCAs' decrease, about 54% is due to Atlas Blue's integration into Royal Air Maroc and 22% to Air Arabia Morocco's cuts.

Figure 1 – The trend in regular air services from EU to Morocco (number of seats supplied in January). Source: OAG and authors' calculations.



⁵ It should be noted that considering January data on the supply (instead of annual data, not available due to cost constraints) has no significant impact on the results here. The January 2005/January 2010 increase in air services is consistent with the increase in annual passengers. Monthly figures provided by the Moroccan tourism monitor on international arrivals demonstrate that temporal patterns have remained stable (namely, foreign tourists are rather well balanced throughout the year, while MLAs mainly visit Morocco during the summer).

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Table I – The recent changes in regular air services from EU to Morocco. Source: OAG and authors' calculations.

	Jan. 2005		Jan. 2012		Trend		Increase due to the LCAs
	All	LCAs	All	LCAs	2005-2012	Annual	
Flights	1,657	0%	3,058	40%	+85%	+12%	87%
Seats	198,803	0%	476,882	45%	+140%	+20%	77%

This dynamic has thus deeply changed the way Morocco is linked to Europe. In 2005, the Moroccan flag airline (Royal Air Maroc) and the French one (Air France) together held 73% of this market in terms of seats supplied (57% and 16%, respectively). Considering the number of seats supplied between the EU and Morocco, Table II shows major changes after liberalization. While Air France services stagnate (-3%), Royal Air Maroc strongly took advantage of the new air freedoms to expand its activities on this market (+48%). However, longer-term analysis (Figure 1) puts this increase into perspective. Royal Air Maroc's expansion to the EU has been continuous for two decades. It increased faster between 2008 and 2010 following the full integration of its low-cost subsidiary Atlas Blue in 2009. Then the airline adapted its level of services following the financial losses experienced in 2009, 2010, and 2011. However, the Moroccan flag airline remains top-ranked in absolute terms, but its market share decreased from 57% to 35% following the massive expansion of new low-cost services. In 2012, three LCAs rank between Royal Air Maroc and Air France, while a fourth is closely behind the French airline. Considered as a group, the two main European LCAs, Ryanair and EasyJet, and Jet4You, a Morocco-based airline now belonging to the German group TUI, now supply as many seats as Royal Air Maroc. Liberalization of the EU-Morocco airline market seems to have benefitted both Moroccan and European airlines. This contrasts with open-sky agreements linking a developed country with an underdeveloped one. In these cases, it has been shown that the dynamics are often limited and benefiting to the airlines based in the developed countries (Dobruszkes and Mwanza, 2007). The fact that Morocco is an intermediate country with a rather well-established and solid airline probably explains the difference.

Table II. The main airlines linking the EU to Morocco (threshold: more than 2% of all 2012 regular seats). Source: OAG and authors' calculations.

2012 rank	2005 rank	Carrier	Low-cost	Jan. 2012 seats	2012/2005	2012 share	2005 share
1	1	Royal Air Maroc	N	168,423	+48%	35%	57%
2	N.A.	Ryanair	Y	73,710	INF	15%	0%
3	N.A.	EasyJet	Y	46,008	INF	10%	0%
4	N.A.	Jet4you	Y	45,672	INF	10%	0%
5	2	Air France	N	30,000	-3%	6%	16%
6	N.A.	Air Arabia Maroc	Y	29,322	INF	6%	0%

N.A.: not applicable. INF: launched from scratch.

Between the EU and Morocco, the LCAs have similarly penetrated pre-existing routes (48% of the 2012 low-cost seats) and new markets (52%), involving both frontal competition with the incumbent airlines and contribution to route diversification. The LCAs have indeed played an important role in terms of city-pairs linked. This dynamic is summarized by Figure 2. In early 2005, 57 regular routes linked the EU and Morocco (here and hereafter, the two directions are counted once). Following the liberalization of this market, nine routes have ended, but most of the routes (48) have remained; 70 new routes have been launched. As a result, the number of airline routes has doubled, implying a more diverse network and more

direct flights between cities or regions. The current network is a new one for more than half (59%) according to the number of routes. However, the new routes only represent 31% of the 2012 number of seats. This implies that the new routes are rather low-density; namely, they are operated with smaller aircrafts and/or lower frequencies than the inherited routes. Given that the global average density has increased, this suggests that the density has increased on the pre-existing routes. Again, the LCAs played a large part in the dynamic, involved in three-quarters of the new routes launched (17% with and 57% without any traditional airline competing). Interestingly, the low-cost and the traditional airlines have launched routes in separated markets, since only 17% of the new routes are operated by both low-cost and traditional airlines. New routes were mostly launched by Ryanair (26 routes). This is consistent with its well-known niche strategy. Other airlines that took part in the dynamics include Jet4You (12) and Royal Air Maroc (12).

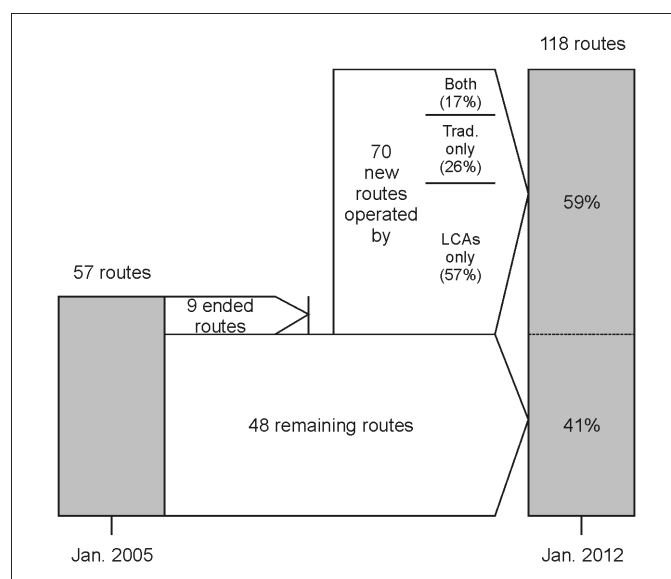


Figure 2 – The recent regular airline routes dynamic between the EU and Morocco. Source: OAG and authors' calculations.

Mapping the inherited and the new routes helps us understand airline strategies. Figure 3 shows the inherited network, that is, the routes that existed before liberalization and are still operated. As the largest Moroccan city and the economic capital, Casablanca has had the most diversified regular airline network from/to the EU, followed by Agadir, a well-established seaside resort. In Europe, cities involved are only part of Western Europe and are the main cities from countries with Moroccan immigrants (mainly, France, The Netherlands, Belgium, Italy and Spain), with close economic relations (France) and with international tourist habits (e.g. the UK).



Figure 3 – EU-Morocco regular services existing in both January 2005 and January 2012.

Figure 4 shows the routes opened between 2005 and 2012. In Morocco, most of these new routes serve secondary cities rather than Casablanca. Both tourist regions (Agadir, Marrakech, Fes) and emigration regions (Nador and Oujda in the north-east) are targeted. Emigration regions are important for the airlines, because immigration usually induces VFR flows to or from the home-country (respectively, visits by or to migrants). The LCAs especially focus on regional airports and thus arguably on tourist and VFR mobilities. In Europe, additional cities are now served, and part of the new routes remain traditional north-south charter flights. Liberalization has thus unquestionably led to diversification of the EU-Morocco regular air network, with more direct access to/from both Morocco and Europe.



Figure 4 – EU-Morocco regular services existing in January 2012 but not in January 2005. Continuous lines show routes where the low-cost airlines are present. Source: OAG and authors' calculations.

Figure 5 shows how air traffic from the EU has changed at the Moroccan cities level, distinguishing traditional and low-cost airlines. It confirms that the recent dynamics have mainly benefited regional airports rather than Rabat (the political capital) and Casablanca (the economic one). Several airports that used to be served by limited regular services have indeed experienced large growth. Figure 5 confirms that this growth is mainly due to the LCAs. Like in Europe, liberalization has led to the expansion of most (but not all) regional airports serving tourist areas or large, secondary cities that were neglected or given up by traditional airlines preferring the spatial concentration of their network on a hub (for instance Royal Air Maroc at Casablanca airport) or in traditional markets (for example, Air France cancelling its flights to regional Moroccan airports and concentrating them on Casablanca and Rabat⁶). Thus, the dynamics mainly benefit Marrakech, which was already the second

⁶ Although Rabat can be seen as a secondary city in terms of population and its airport is classified as a secondary one, the city is the political capital of Morocco. Since Casablanca airport is 120 km away, this justifies

largest Moroccan airport in 2005 and the main tourist destination. Marrakech tends to converge with Casablanca in terms of airline seats supplied, although not necessarily in terms of destination range.

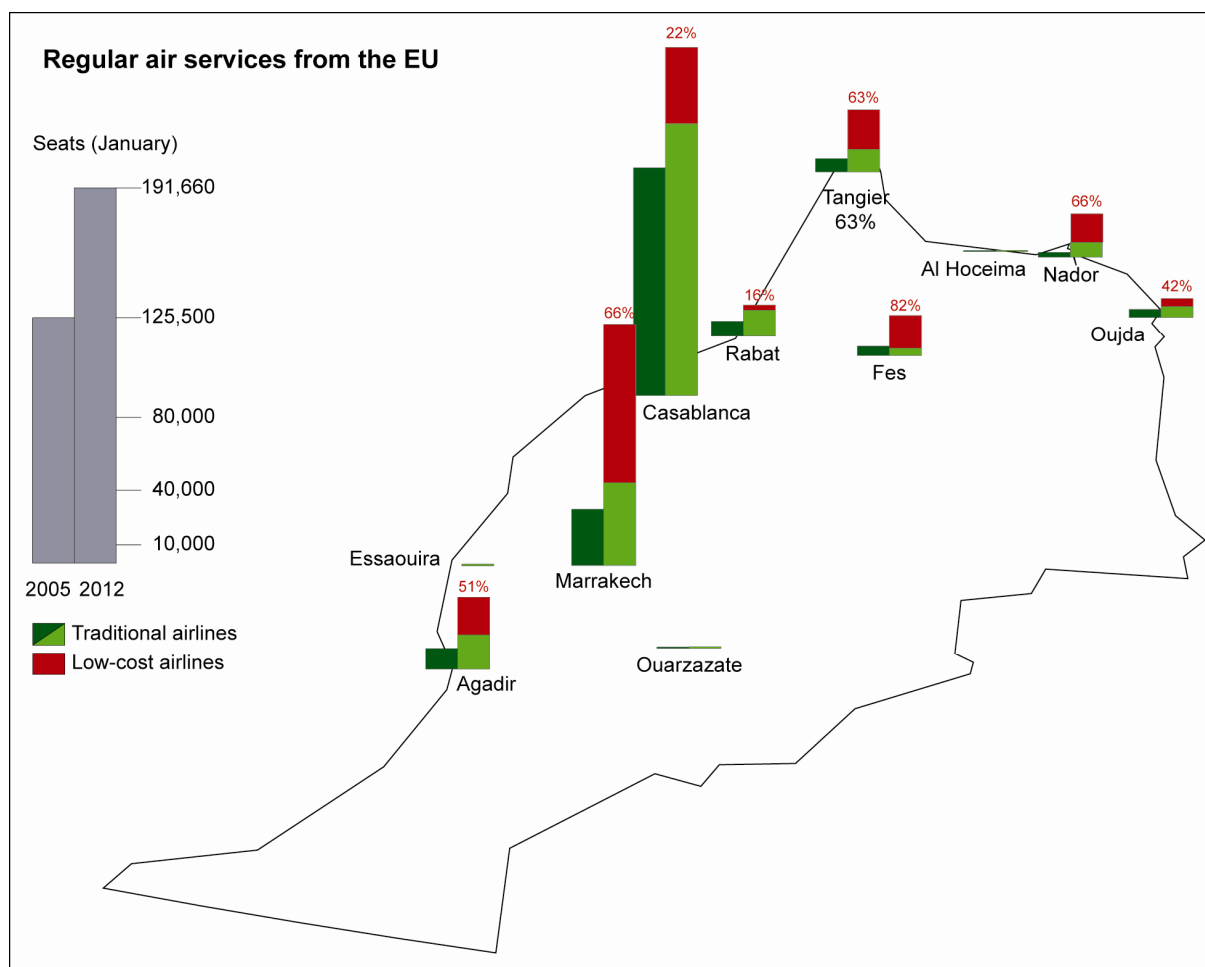


Figure 5 – The increase in EU-Morocco regular air services at the Moroccan city level. Source: OAG and authors' calculations.

Even with LCAs gaining market shares against the incumbent, regular airlines on tourist destination (Marrakech, Agadir, etc.) or on niche markets, regular airlines have succeeded in saving, on average, their absolute position to most of the cities they were already serving in 2005. In some cases, they have even increased their outputs. For example, between 2005 and 2011, Air France doubled its number of flights from Paris to Rabat (from 716 to 1,455⁷) while using larger airplanes. Actually, the main losers of the recent dynamics are the charter airlines, whose tourist customers are targeted by the LCAs. Despite some methodological limitations⁸, the number of charter flights serving Morocco from all over the world decreased by 66% between 2005 and 2011, according to ONDA's figures. However, this seems to

a direct flight to Paris and Madrid given strong diplomatic links and the large of Moroccan immigrants in France and Spain.

⁷ Source: ONDA.

⁸ The number of flights is an imperfect proxy of the supply (since airplanes' capacity may vary) and of the demand (according to the load factor). Furthermore, a same flight may mix TO passengers and seat-only passengers.

underestimate the magnitude of the charter decline from Europe. Indeed, as Table III shows, most of the main 2005 charter airlines used to be European and have since exited the market or gone bankrupt. In contrast, there are a few airlines which have significantly expanded the charter business to Morocco. Furthermore, their 2011 output is mostly lower than for many airlines in 2005.

Table III. Trend in charter flights to Morocco (per year, all originating countries). Selection: airlines supplying at least 124 flights a year (4 flights a month in average) in 2005 and/or 2012. Source: ONDA and authors' computations.

Airline	Registration	2005	2011	Trend Comment
Atlas Blue	Morocco	2,116	0	-100% Bought by Royal Air Maroc
Top-Fly	Spain	1,463	0	-100%
Air Méditerranée	France	1,401	337	-76%
Air Horizon	France	1,116	0	-100% Bankrupt
Star Airlines				
then XL Airways France	France	653	15	-98%
Thomas Cook Belgium	Belgium	402	778	+94%
Europe Airpost	France	400	457	+14%
Axis Airways	France	294	0	-100% Bankrupt
Transavia NL	The Netherlands	272	17	-94%
Binter Canarias	Spain	224	4	-98%
Blue Line	France	202	0	-100% Bankrupt
Aigle Azur	France	169	9	-95%
MyTravel Airways	UK	156	0	-100% Integrated into Thomas Cook Airl.
Luxair	Luxembourg	146	2	-99%
Thomas Cook UK	UK	129	0	-100%
Jet4you	Morocco	0	471	INF Belongs to TUI
Amsterdam Airlines	The Netherlands	0	186	INF
Travel Service	Czech republic	24	184	+667%
Canary Fly	Spain	0	181	INF
Germanwings	Germany	0	130	INF

INF: infinite growth from scratch.

This trend confirms Williams' (2001 and 2008) findings showing that LCAs tend to cannibalize the charter business on short- and medium-haul markets. Charter airlines are thus more and more confined to long-haul destinations or to regular flights. Two models thus confront each other according to the distance. Charter flights are part of TO packages along with landside services (airport/resort transfer, accommodation, meals and tours). LCAs airlines offer "no-frill" flights only, although they also try to sell various extras. The former model used to meet tourists' needs on destination choice and local assistance at a time when obtaining information was not so easy. Of course, TO packages remain attractive for many tourists, especially for beach or pool-oriented vacations in remote or exotic areas. However, the use of charter flights is declining, as the TOs can also book blocks of seats within some airlines' regular flights. Arguably to balance its recent losses, Royal Air Maroc announced in September 2012 that it would offer more capacity to the TOs still interested in Morocco. In contrast, the LCA model offers to those autonomous tourists the "self-packaging" and "self-booking" option. Tourists must work harder to arrange their holidays, but they get a high degree of flexibility. The Internet is fundamental in this turn. The next section analyzes how these supply-side dynamics are linked to changes in the mobilities.

5. THE IMPACT ON INTERNATIONAL LEISURE TRAVEL TO MOROCCO

Such dynamics in the provision of air services correspond to significant changes in leisure mobilities. Recall that the Moroccan government aimed to attract 10 million tourists by 2010. Figure 6 shows the dramatic growth in international tourist arrivals, from 4.27 million in 2000 to 9.34 million in 2011. Thus, the goal was nearly reached. This apparent success should be put into perspective through an analysis of the so-called tourists. Indeed, these common official statistics merge both “foreign tourists” and “Moroccans living abroad” (MLAs). Since the MLAs largely match the VFRs, the tourist figures mix two potentially different kinds of leisure mobilities. And yet, Figure 6 also demonstrates that the increase in tourist arrivals is equally due to foreign tourists and MLAs, who represent 53% and 47% of 2011 international arrivals, respectively. This means that the apparent success of the Moroccan tourist policy is half due to Moroccan immigrants visiting their home country. Our intention is not to create a hierarchy between leisure and VFR travel, even if the MLAs are less associated with tourist infrastructures⁹. Despite this, Moroccan authorities have turned their attention to the MLAs and attempt to keep strong links with them (Belbah and Chattou, 2002). Indeed, from an economic perspective, they represent an important source of income, as transfers of funds by MLAs reached 50.2 billion dirhams in 2009 (EUR 4.47 billion), which is nearly the same as tourist receipts¹⁰.

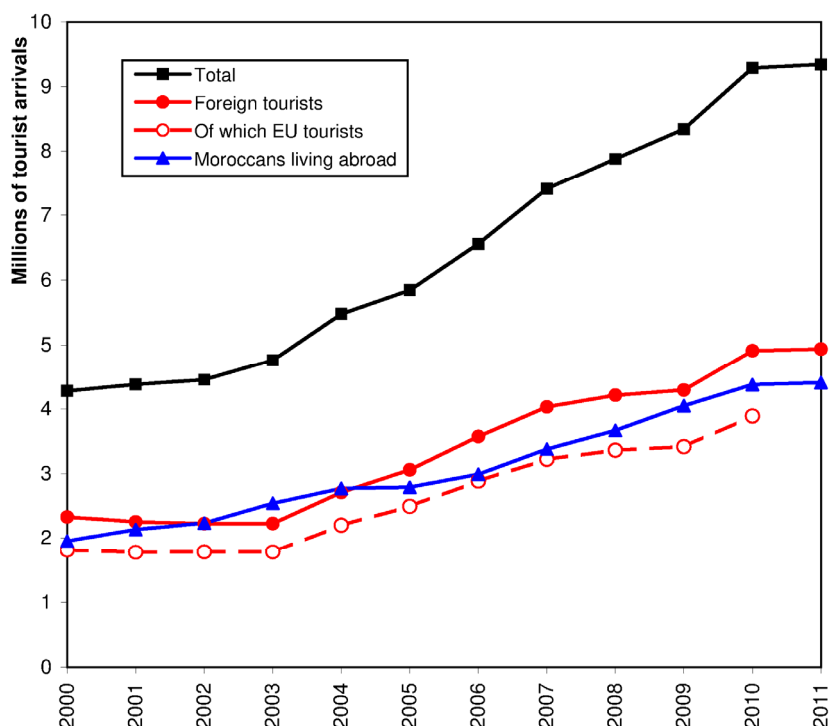


Figure 6 – The increase in international tourist arrivals in Morocco. Source: Moroccan tourism monitor.

⁹ In 2010, the MLAs only represented 22.5% of the nights spent in commercial accommodations, while they counted for 47% of the tourist arrivals.

¹⁰ Source: High Commissioner for the Plan.

This increase questions the link with liberalization of air transport. Indeed, as Figure 6 shows, the growth in tourist arrivals started before liberalization. Furthermore, the share of EU tourists among foreign tourists has remained stable (around 80%), but one expects faster growth from liberalized airline markets. This might suggest that there is no link. However, there are two arguments for such a link. One can reasonably state that the liberalized air services, and particularly LCAs, have induced many new trips to Morocco. Without the new, low fares and the new airline routes highlighted in Section 4, the growth in tourist arrival likely would not have been so large. Moreover, the pre-liberalization volume of air services would not have been sufficient to cope with the new level of the demand. The liberalization of the air services might be a cause or a consequence of tourist flows' expansion, but the two problems are intimately connected.

Along with the growth in tourist arrivals, there have been significant changes in leisure mobilities and tourist practices. It is not always possible to isolate the EU tourists from other foreign tourists, but the former represent 80% of all foreign tourists; thus, they strongly influence the available figures. The most significant change concerns transport modes (Table IV). Foreign tourists have long privileged air transport for access Morocco. This transport mode is indisputably the one that has attracted most new foreign tourists. Between 2005 and 2010, airlines reinforced their market share from 77% to 83% and attracted more than 1.7 million additional foreign tourists each year. In contrast, before the liberalization of the EU-Morocco air transport, the MLAs mainly accessed Morocco by sea in the context of coach-and-boat or car-and-boat journeys. Shipping lines has succeeded in keeping a similar volume of MLAs without taking advantage of the general increase in arrivals. Indeed, most of MLA arrivals have benefited airlines, which attracted more than three times the number of MLAs in 2010 than in 2005. As a result, their market share dramatically increased from 23% to 47%, while shipping lines represented 35% of the MLA market in 2010 compared to 58% in 2005. It is clear that lower fares and direct services to Moroccan regions have made air transport more affordable and more attractive for Moroccan immigrants. This confirms the strong link that may exist between LCAs and VFRs, as suggested by the aforementioned literature. However, in absolute terms, shipping lines have nearly maintained the same number of passengers, while road transport has increased. This is arguably linked to cheaper and easier travel for families who bring back bulky things to their home country, such as gifts and/or as household goods.

Table IV. Tourist arrivals (millions) vs. transport mode. Source: Moroccan tourism monitor.

	Foreign tourists		Moroccans living abroad	
	2005	2010	2005	2010
Air	2.338	4.076	0.648	2.058
	77%	83%	23%	47%
Road	0.298	0.442	0.519	0.788
	10%	9%	19%	18%
Sea	0.419	0.393	1.621	1.532
	14%	8%	58%	35%
Total	3.056	4.910	2.788	4.378

Another change that can clearly be linked to the liberalization the EU-Morocco airline market is the decline of TO packages. There are no comprehensive figures available from Moroccan authorities. However, some figures from national business associations demonstrate the

turn. In France, the main source of tourists for Morocco, the sale of all-inclusive packages fell from 525,883 in 2005 to 385,521 in 2011 (a 27% decrease)¹¹. As a result, some Morocco-oriented TOs, like Voyageurs Associés or Royal Tours, decided to stop flights trade and to focus on local services, i.e. accommodation, tours and visits. However, they failed in remaining profitable and went bankrupt. As for charter airlines, many survivors tend to offer the “seat-only” product in order to save some market shares. Tourists are moving toward more flexibility and more freedom. A long weekend in Marrakech has become banal.

This turn is arguably connected with the changes observed in the number of nights spent in commercial accommodations by foreign tourists¹². The increase (+14% between 2005 and 2010) is slower than the international tourist arrivals growth (+61%). As a result, the average number of nights has decreased by 29%, from 4.00 to 2.84. Of course, these figures should be considered carefully, since not all nights are reported to authorities. However, they suggest a decrease in length stay that is most likely connected to the long-weekend-in-Marrakech mood replacing the all-inclusive packages.

Others changes in tourist patterns in Morocco are more difficult to link with the liberalization of air transport and changes on the supply side. For example, this is the case with foreign tourists' originating country. While EU citizens consistently represent about 80% of this group and French tourists remain the main group (35% in 2000 and 37% in 2010), Figure 7 suggests diverging trends. Several significant increases started before the liberalization of air transport. Some markets seem difficult to simulate (German and Italian ones); this might be linked to cultural or national habits according to tourist destinations, although this should be investigated by tourist sociologists along with how people respond to changes in the supply when they select tourist destinations. In contrast, French-speaking countries, with deep and old links with Morocco and most countries with many Moroccan immigrants (France, The Netherlands, Belgium and Spain) have known high growth rates. This might be due to the fact that last-generation immigrants automatically or easily obtained citizenships by birth or from 12 to 18 years old and are thus not counted as MLAs. This implies that part of the so-called foreign tourists includes children of MLAs and thus VFR tourists. In other words, the number of VFRs from EU to Morocco may be even larger than the MLA field suggests.

¹¹ Source: CETO (French TOs' business association). Figures compare the November 2010–October 2011 period to November 2004–October 2005.

¹² The nights spent in commercial accommodations by the MLAs are quite negligible.

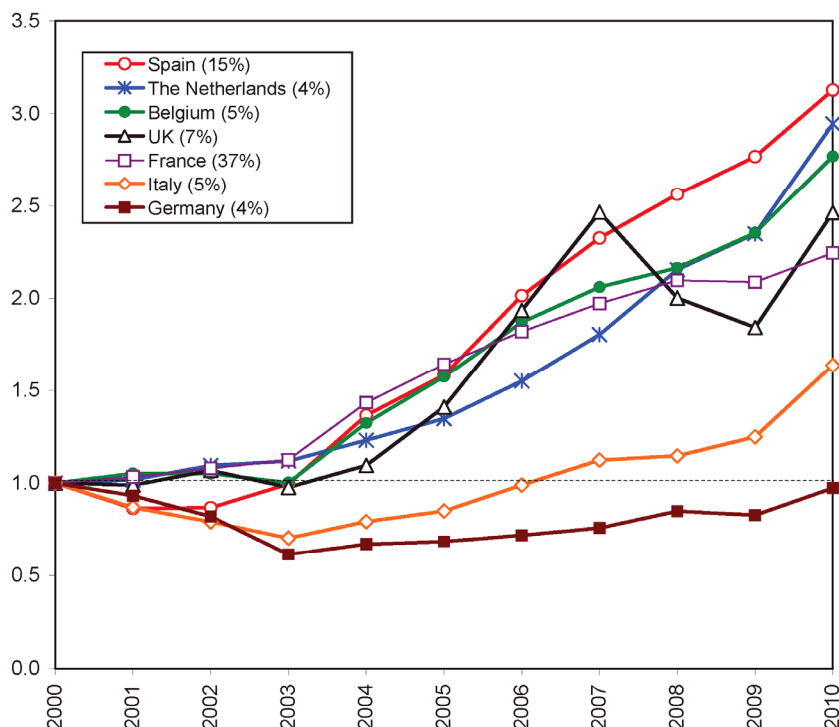


Figure 7 – Trend in foreign tourists arrivals (main citizenships, 2000=1). Into brackets are the 2010 shares.

Finally, the spatial pattern of tourist destinations within Morocco has remained rather constant. As stated above, the Moroccan tourist master plan aims to diversify the tourist business through the expansion of seaside resorts. Until recently, Agadir was the only Moroccan seaside resort. Only two new ones have opened: Mazagan on the Atlantic coast (115 km from Casablanca airport) and Saïdia on the Mediterranean coast between the Oujda and Nador airports (respectively 52 km and 79 km). In 2010, these new resorts represented less than 1% of the nights spent in commercial accommodations. The Nador and Oujda airports remain largely used by MLAs, who represented 79% and 87% of the tourist arrivals, respectively, in 2010. The liberalization of air transport has not led to more-balanced tourist geography. In 2010, 35% of the nights in commercial accommodations were spent in Marrakech, 27% in Agadir and 9% in Casablanca, a very similar pattern compared with 2005. Figure 5 suggests that most of the dynamics in airline flows seems remain focused on urban and historical tourist destinations. This is consistent with the LCA product, its flexibility and its customers, who are interested in short breaks. Seaside holidays remain more in line with charter flights; one wonders if Morocco should try to re-expand the charter industry in order to promote its new seaside resorts.

In short, the dynamics in air services has mainly benefited MLAs and foreign tourists visiting pre-existing urban tourist destinations. Both use more LCAs instead of charter and traditional airlines. Moroccan immigrants take advantage of more affordable transport, while tourists tend to use Marrakech and other cities for short stays.

6. CONCLUSIONS

Focusing on the EU-Morocco market, this paper analyzes how air transport liberalization has impacted both airline networks and leisure mobilities. Using comprehensive data covering the entire market provided unique material that guarantees the soundness of our results. It also aids in bridging the gap between air transport and tourism, two highly interdependent fields that are often analyzed separately (Landré and Peeters, 2011; Duval, 2012). In contrast to the existing literature, this paper considers a case involving developed countries (the EU) and a developing or intermediate country (Morocco). Like within the USA or the EU, liberalization of air transport has led to the expansion of LCAs and LCAs led to a strong increase in air services in terms of both number of seats and routes served, especially to regional Moroccan airports. However, this has also led to significantly fewer charter flights. This confirms that charter airlines are not able to resist to competition from the LCAs on liberalized, short- or medium-haul markets. In terms of leisure mobilities, Morocco nearly reached its quantitative objective (10 million tourist arrivals in 2010), but half are MLAs more related to VFR than to leisure tourism and foreign tourists' length of stay has decreased. Moreover, LCA travel is strongly associated with VFR travel, and LCA tourists tend to have shorter stays at their destination. Moreover, the growth actually started before aviation liberalization. However, one could argue that without liberalization and air services growth, the demand could not have grown so dramatically. Furthermore, the spatial pattern of visited areas has remained stable, as seaside tourism has not really expanded. The LCAs appear to be part of the changes, but their exact impact remains poorly understood since fully disaggregated data on international tourists were not available. However, Moroccan immigrants have arguably taken advantage of cheaper services to increase visits to their home-country and to use airplanes instead of surface transport modes.

Notwithstanding environmental impacts, these dynamics confirm that liberalizing air transport may lead to its quantitative and geographic expansion. This suggests that countries interested in expanding their tourist activities may consider this regulation change to improve their international accessibility. However, one should be careful not to make any hasty interpretations based on alleged automatic effects. The liberalization of air transport in the sense of allowing any airline serving any route is useful if one cannot count on the established airlines to promote such new services or if one believes that low-cost air services are specifically required to meet tourist policy. If the liberalization of EU-Morocco air transport has led to a massive expansion, it is arguably because there was a strong potential for additional air travelers between the two partners. Europe has many Moroccan immigrants keeping social links with their country, and Morocco offers several beautiful cities that are really suitable for both city-breaks or multi-city, longer stays. Travel time from the EU is not as long (for example, 3.5 hours from London to Marrakech), and no visa is required for EU citizens. Morocco has proven being politically stable in comparison with Egypt and Tunisia, for example. In sum, European tourists can experience a kind of "oriental" exoticism (Minca and Borghi, 2009) close to Europe that is not so expensive. In addition, not all impacts on tourism mobilities are necessarily great, as shown by the slower increase in nights spent compared with tourist arrivals. Also, the decline of the charter airlines business demonstrates that not only changes in regular services should be analyzed when assessing the impact of air transport liberalization. However, the general rule in research on aviation remains to

consider only regular services, mainly because there are few available data on charter airlines services.

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