



## **Restructuring of the European Ground Handling Market after the EU Market Liberalization<sup>1</sup>**

Jürgen Müller and Paul Kemmessies,  
Berlin School of Economics and Gap Team Berlin  
Badensche Strasse 50-51, D-10825 Berlin, Germany  
Phone +49-30-85789-145, Fax: +49-30-85789-199  
E-mail : [jmueller@fhw-berlin.de](mailto:jmueller@fhw-berlin.de)

**Abstract:** This paper examines the liberalization of ground handling services in the aviation industry after the implementation of the European Union Council Directive 96/97. We compare the current organizational structures and look for differences among European countries and between Europe and the United States. Then we examine the market situation after the directive to determine the influence of the directive on competition, prices, and how the organization of the value chain has been affected in the light of transaction cost and institutional economics. This provides the basis for comment and discussion on the optimal organization of the value chain for the ground handling services and the future market structure in those markets that have not been fully liberalized, such as Germany. We analyze these options and make suggestions for the optimal value chain organization of ground handling services and predictions for the future market structure.

Related topic areas : Outsourcing,  
licensing of ground handling services,  
EU Service Directive

---

<sup>1</sup> This paper arose from earlier work of Lena Flohr and Stefan Schulz at the Berlin School of Economics (FHW). Several members of the Gap Team helped in the revisions and translation and further empirical estimates. We thank C. Templin and H.M.Niemeier for providing additional comments. The work originates from the research project GAP (German Airport Performance) that is supported by the Federal Ministry of Research and Technology, see [www.gap-projekt.de](http://www.gap-projekt.de) for further details.