

## **Gotland - Air Transport**

Regular air traffic between Gotland and the mainland started in 1933. Already in the 1940's the airline concerned was operating under a specially constructed discount system.

Different discount systems were introduced and were followed in the 1940's by direct subsidies to Linjeflyg, the company commissioned by the state for Gotland airline traffic. Subsidies were based on number of passengers – more passengers, higher subsidies. The number of passengers increased substantially, as did governmental subsidies. The system was altered and it was decided that subsidies be fixed to a reasonable traffic supply according to the estimated base of customers. The purpose of the subsidies system was, as said by the government, "...to maintain a satisfactory air traffic for Gotland". During 1982 and 1991 the total amount of subsidies was 14.5 million SEK annually. That year (1991) state subsidies ceased and one year later (1992) domestic air deregulation in Sweden was launched.

This deregulation meant, among other things, profitability for each route proper. Air traffic to/from Gotland was to carry its own costs. Free pricing and the right to enter and exit the market freely resulted in air companies on short notice abandoning an air route. This was also the case for Gotland. Linjeflyg, operating on Gotland since 1957, was purchased by SAS – this company and some other companies (with jet planes) leaving Gotland within three years after deregulation. After that jet smaller turboprop aircraft has largely replaced planes.

After deregulation flight prices rose substantially, in Gotland and elsewhere in regions with similar prerequisites, and the traffic extent diminished. Contributing here to this was likely new competition from fast ferry traffic.

In protest of derogation of air traffic and lack of competition – only one company operating – was established Gotlandsflyg largely by local entrepreneurs. This was meant to be a local prize-pusher and by low prices bring forth increased travelling, hence also better regional development possibilities.

As a result prices went down and trip frequency went up. Presently Gotlandsflyg and Skyways (biggest air operator in Sweden) fly to and from Visby and the two major airports of Stockholm year-round. Another company, Direktflyg, maintains traffic Visby – Linköping, also year-round. The "Gotlandsflyg Concept" has extended to three other places.

In summer air traffic is extensive with lot of destinations domestic and abroad. There are several charter flights during the year. In one year you can count circa 300 000 passengers in Visby Airport.

Visby Airport is owned by state agency Luftfartsverket (Swedish Civil Aviation Authority). A governmental report has recently pointed out Swedish strategic airports, the classification due to their importance in fulfilling national transport political goals mainly through increased regional accessibility for the inhabitants and the local/regional economy. Visby Airport is one of ten such strategic airports proposed to receive state subsidiaries covering 100% economic loss of airport operation.

In order to reduce carbon dioxide the Government a couple of years ago proposed a new air tax to be imposed. Some destinations in north Sweden would be exempted from it but Gotland only partially by taxing only flights to Visby. Gotland and others disputed the proposal. It was argued that it is indeed high priority to reduce adverse effects of air traffic on the climate, but Gotland as an island where air traffic is extremely important, should not be burdened by this tax. The proposal was withdrawn as a whole with the entering of a new government.

The airline companies and Visby Airport has proposed that 10% of subsidies to ferry traffic should be invested in a so called Ferry-Flight. The purpose of this would be to mix air and ferry passenger transports in more flexible ways over the year. You'd think less in type of transport / ferry - air /, more in environmentally friendly transports of individuals. The proposal is that present fast ferry on the Oskarshamn route is exchanged by a slower ferry October to April and a new air route Visby – Växjö (some 100 kilometres inland from Oskarshamn) is established together with bus connections to the nearest main railway station. The proposal has been met with mixed reactions. Some fear that the ferry traffic on the southern route might be worsened.

Summarizing, air traffic to and from Gotland is at present on the whole well functioning. At the same time there is uncertainty for example about the effects of “a climate adjusted” air traffic. Although undisputedly positive environmentally this would likely mean higher price levels and maybe reduced trip frequency – a tough blow on Gotland and its development.