

Since Ryanair began service from CPH in March 2015, it has been granted discounts (“route incentives”) on airport fees for traffic to the following destinations:

Airport	City	Dates of Service
BGY	Bergamo (Milan), Italy	March 2015 - present
CGN	Cologne, Germany	September 2015 – present
CIA	Rome, Italy	September 2015 - present
CRL	Charleroi (Brussels), Belgium	October 2015 – present
KUN	Kaunas, Lithuania	October 2015 – present
LTN	London, United Kingdom	March 2015 - present
NYO	Nyköping (Stockholm), Sweden	October 2015 – May 2016
STN	London, United Kingdom	March 2017 - present
SVQ	Sevilla, Spain	March 2018 - present

It is relatively straightforward to estimate the total amounts of discounts that have been granted. Three categories of information are necessary to make such an estimate:

- (1) Whether or not the destination qualified for a discount. Qualification of a specific destination is based on whether or not the destination is deemed to be a “new destination” (i.e., previously unserved from CPH). CPH and Danish regulatory authorities have regularly published lists of routes that have qualified for discounts.
- (2) The base fee levels to which specific discounts amounts are applied. CPH has regularly published its fee levels on its website. The fees eligible for discounts are the passenger charge and the take-off charge. The passenger charge is assessed on a per-passenger basis and depends on (a) whether the passenger is a locally originating passenger or a transfer passenger (note: Ryanair doesn’t have transfer passengers at CPH) and (b) whether the flight departs from a regular terminal or the GO facility. The take-off charge is assessed on a per-take-off basis and depends on the maximum take-off weight (MTOW) of the aircraft, calculated on a per-tonne basis.
- (3) The percentage discount applied. Formulas in effect during this time, which have also been published regularly by CPH, have varied as the airport’s policies have changed. For flights within Europe, the formulas have depended on (a) whether the route is seasonal or year-round, (b) the total seat volume on the route and (c) frequency of service on the route. The discounts have been granted for up to five years depending on these criteria, with the amount of discount decreasing stepwise on each anniversary date of the start of the route.

As indicated above, much of this information is available directly from airport and/or regulator-provided documents. Information on the MTOW and passenger volumes are available, or can be estimated from, the following sources.

Factor	Source
Aircraft maximum take-off weight (MTOW)	Irish Aviation Authority Aircraft Register (For all Ryanair 737-800 planes = 66.99 tonnes)
Number of Scheduled Departing Seats	OAG.com Schedules Analyzer
Number of Passengers	Estimated as 85% of the Number of Scheduled Departing Seats

Taken together, we estimate the total value of the discounts granted to Ryanair from the time it began service at CPH until the end of 2018 as DKK 117 million, with a breakdown as follows:

Destination Airport	Total Discount (DKK x1,000,000)
BGY*	18.0
CGN	10.2
CIA*	10.6
CRL*	17.8
KUN	10.0
LTN*	27.5
NYO*	2.8
STN*	19.8
SVQ	0.9

In addition to the estimates explained above, this calculation is based on an assumption that all Ryanair flights departed from the GO facility (total charges, and thus total discount amounts, would be higher if Ryanair used the other terminals). The total amounts could also vary if the actual number of passengers carried was different from the 85% of scheduled seats used in this estimate. Such variation could occur if the carrier had either higher or lower load factors (keep in mind that Ryanair's corporate average during this period ranged from 93-95%). Furthermore, flight cancellations may have reduced the actual number of passengers carried. Thus, the actual amount could be somewhat higher or lower than the DKK 117 million estimated.

Destination Criteria

It is worthwhile to point out that one peculiarity of CPH's route incentive discount is that the determination as to whether a route is previously unserved, and thus potentially eligible for a discount, is based on the specific destination airport. This means, for example, that even though Alitalia, Norwegian, SAS and easyJet served Rome-FCO prior to the time that Ryanair initiated service to Rome-CIA, Ryanair was granted a discount on this route. This practice is highly non-standard among peer airports in Europe. The vast majority of airports grant discounts only if no airport in a given city (as determined, e.g., by the IATA *city* code of the airport) is already being served.

The routes on which Ryanair qualified for discounts despite an incumbent already servicing the same city are indicated with an asterisk in the table above. The estimated discount amounts on these routes total DKK 96 million. Again, the precise amount is dependent on factors that we can only estimate, and could have been higher or lower than this estimate. But nonetheless, this amount seems to have been a substantial portion of the total discounts Ryanair received from CPH.

Discounted Routes as a Percentage of Total Volume

The total scheduled departing seats operated by Ryanair from CPH since it entered in 2015 until the end of 2018 was (is) 3.9 million (source: OAG). Of these, a total of 2.5 million were (are) on routes eligible for discounts. This suggests that Ryanair received discounts on approximately 63% of all of its traffic from Copenhagen.

Based on the list of routes with discounts published by CPH and/or regulatory authorities combined with volume data from OAG, the estimated total number of seats operated on routes eligible for discounts over this time was approximately 4.6 million. Although the specific fees, and thus the total discount amounts, vary from route to route depending on the domestic/short-haul/long-haul nature of the routes, the terminal used, the number of transfer passengers on the flights, the type of aircraft used on the routes and the time since the discount was initially granted, this fact suggests that Ryanair received in the neighborhood of half of all discounts provided by CPH during this time period.

Example Calculation

The following is an example illustration of how the estimate was carried out.

Destination	CIA
Period	July 2017
Time elapsed since start of incentive	1 year, 10 months (2 nd year)
Take-off charge (per tonne of MTOW)	DKK 46.55 (from CPH fee schedule)
Passenger charge (per passenger)	DKK 75.95 (from CPH fee schedule)
Take-off charge discount rate	90% ("High" tier per CPH policy, Y2)
Passenger charge discount rate	60% ("Low" tier per CPH policy, Y2)
Number of scheduled seats	5,869 (from OAG)
Number of passengers	85% * 5,869 = 4,980
Total passenger charge (list price)	4,980 * DKK 75.95 = DKK 378,242
Total passenger charge discount	60% * DKK 400,492 = DKK 226,945
Aircraft MTOW (B737-800)	66.99 tonnes (rounded to 70 tonnes) (from IAA)
Take-off charge (list price)	70 * DKK 46.55 = DKK 96,670
Total take-off charge discount	90% * DKK 96,670 = DKK 87,003
Total discount	DKK 313,948
List price take-off + passenger charge	DKK 474,912
Total discount (%)	DKK 313,948 / DKK 474,912 = 66.1%

The total amount was calculated as the sum of all monthly, route-specific amounts, taking into account variations in the base fee levels and the discount formulas applicable during each time period.