**Description of Elective Course**

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| **Institute:** | RBS/ IBMS |
| **Course code:** | RBS Aviation Economics (RBS AV-ECON) |
| **Course name** | Aviation Economics |
| **HP elective** | No |
| **New course module** | Yes |
| **ECTS** | 2 |
| **Language** | English |
| **Max. aantal studenten** | 30 |
| **Theme positioning of the institute** |  |

**Accountability to the steering group:**

Within the HBO business studies in the Netherlands the topic of Aviation Economics is not treated yet. There are a few universities and private institutions that provide courses on Aviation Economics. The economics lecturers of IBMS consider the topic Aviation Economics highly relevant for the future of our students. Aviation Economics will give a new direction to future research/studies/internships and projects within RBS. It will cover micro-economics as well as macro-economic features within airports, airplane companies, on-board business and off- board business.

**Recruitment:**



The Aviation Economics course provides theoretical background and case studies. Topics such as airport capacities (supply and demand), contribution of aviation industry to the economy of countries and to business expansion, competition between airline companies, employments (seasonal unemployment) and environmental changes are discussed in this course. These topics are relevant to the RBS study as well as to the aviation industry.

**End Product:**

1: The students will do group-presentations and students must be able to describe:

* basic micro-/macro-economic theories within the aviation industry
* the contribution to the economic growth of a country by airport, airplane company, on board/off board businesses,
* sustainability, environmental effects and security matters, of the involved businesses.

2: At the end of the term the student will submit an individual paper that includes all above- mentioned concepts on chosen airport/airplane company. The student will answer a question developed/raised by student.

Examples are:

* impact of airlines alliances, low cost carriers and the growth of the major Middle East airlines
* impact of new digital technologies on all aspects of the airline business
* role of change management, organizational culture and leadership in successful airline performance
* role of TNT International Express and KLM Cargo in economic growth, export/import of the Netherlands

**Justification**

This course will provide the students opportunities to gain knowledge and expand their network which could lead to internships, final projects and even to a potential future job. The students could start their own off- board business related to the aviation field.

**Learning Objectives:**

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| No. | Learning ObjectivesThe student can: | Program’s profile competencies  |
| 1 | Define supply, demand, pricing and market structures of an aviation business | International business awareness |
| 2 | Define how and why airlines compete in different market structures (monopolies and oligopolies) to obtainadvantages | International business awareness |
| 3 | Explain link between tourism and transportation and modern traveler expectations. Overview of the tourism industry | International business awareness |
| 4 | Identify the impact of the express delivery industry on the global economy “Tracking World Trade”. | International supply chain management |
| 5 | Explain the impact of environmental challenges such as climate change, noise, land use planning, local air quality andwaste. | Ethical and corporate responsibility |
| 6 | Recognize the terms Aviation security, Aviation law in the European Union for private/ international air companies. | Ethical and corporate responsibility |
| 7 | Point out the air cargo trends, forecasts, e-business.  | International supply chain management |
| 8 | Actively involved in classroom dialogue and work well in team environment by doing and assessing presentations. | Business communication (oral) |
| 9 | Formulate a research question and outline a methodology for a research paper related to aviation economics. | Business research methods |
| 10 | Report the main findings of the research paper. | Business communication (written) |

*Table1: learning objectives and competencies*

**Entry requirements:**

* B1.2 (Common European Framework) level of English (oral and written)
* Students from year 2 and 3 only

**Content:**

1. Introducing economic development related to the aviation field: a global perspective
2. Economic growth and employment, export, import and businesses such as tourism and delivery industry
3. The policies concerning environment changes and development of sustainable material
4. Competition: monopolies and oligopolies

**Instructional modes:**

General concepts are explained in plenary sessions. Students are supposed to read the assigned material, cases and articles to prepare and digest these sessions. Moreover, students have to be able to apply the concepts to the cases or real world local examples that are discussed. This ability should be demonstrated in group presentations as well as in the individual assignments.

**Test mode:**

In total 100 points could be gained according to:

* Attendance (70% of the lectures) is compulsory (5% of the total points)
* 1 group presentation containing the above mentioned topics (30% of total points)
* Peer assessment and participation in discussion (students will assess the presentation of the other groups and ask questions) (15% of total points)
* Individual assignment. For the assignment the student will chose a country having significant activities in the aviation industry. Furthermore, the assignment needs to be linked to topics covered in the class. The size of the assignment has a minimum of 10 and a maximum of 12 pages, excluding cover page, bibliography and appendices. (50% of the total points).

**Literature:**

**Free online books**

* Holloway, S. (2003) “Straight and Level: Practical Airline Economics” (3rd ed.), published by Ashgate publishing company.
* Stolzer, A. et al (2008) “Safety Management Systems in Aviation” published by Ashgate publishing company.
* O’Connell, J. F. (2011) “Air Transport in the 21st Century: Key Strategic Developments” published by Ashgate publishing company.

**Websides and articals**

 Benchmarking in civil aviation

* <http://www.emeraldinsight.com/doi/pdfplus/10.1108/14635770510593077>
* [https://www.caa.co.uk/docs/5/ergdocs/benchmarking(caa122000).pdf](https://www.caa.co.uk/docs/5/ergdocs/benchmarking%28caa122000%29.pdf)

 Middle East's Low-Cost Carriers Grow At Incredible Rate, Reports OAG

* <http://www.oag.com/Press-Room/Middle-Easts-Low-Cost-Carriers-Grow-At-Incredible-Rate-Reports-OAG#sthash.u4zBnZwG.dpuf>

 Should The Big Three Middle Eastern Airlines Be Stopped?

* <http://onemileatatime.boardingarea.com/2015/02/08/big-three-middle-eastern-airlines-stopped/>

Middle East‘s Low Cost Airline Capacity Grows 18% In 2013

* <http://gulfbusiness.com/articles/industry/middle-easts-low-cost-airline-capacity-grows-18-in-2013/>

Tailwinds 2014 airline industry trends PWC report

* <https://www.pwc.com/us/en/industrial-products/publications/assets/pwc-tailwinds-the-connected-airline.pdf>

 Logistics of tomorrow – Challenges and opportunities in the air cargo industry

* <http://igaircargo.ch/fileadmin/downloads/Air_Cargo_Day_2014/08_Logistics_of__tomorrow_Challenges_and_Opportunities_in_AirCargo.pdf>

 Regional aviation and economic growth: cointegration and causality analysis in Australia

* <http://ac.els-cdn.com/S0966692315000265/1-s2.0-S0966692315000265-main.pdf?_tid=0f958344-8f95-11e5-951c->

 Air service and urban growth: Evidence from a quasi-natural policy experiment

* <http://www.sciencedirect.com/science/article/pii/S009411901500008X>

**Hours of study:**

* + - * Weekly lectures: 2 hours (8 weeks) = 16 hours
			* Self-study and presentation preparation: 2 hours per week (10 weeks) = 20 hours
			* Final assignment: 2 hours per week (10 weeks) = 20 hours
* Total of 56 hours (2 ECTS)

**Remarks:**  Voor student of Commissie?

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