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Power lunch with Harry Bush [1]

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Dr Harry Bush CB, head of economic regulation for the UK aviation industry, was our guest at a Power Lunch in Westminster this week. He spoke to the theme of the impact of the EU on regulatory policy in the UK.

Less than benign, I would say. If we're going to have regulation, then I can see that there are some things done better internationally. It might be better to have a common system of airspace regulation, for example, rather than lots of different countries doing their own, unrelated things. That being said, the 'Single European Sky' policy that has emerged is an over-regulated mess.

The airlines of most European countries started as national 'flag carriers' and public ownership of them is still rife. The whole sector, airports and all, has long been regarded as something that governments should own and run, or at least take charge of. The idea that airlines and airports can run in competition ? or even that air traffic control might be contracted-out to competitive providers ? or that regulation should be independent of government ? ruffles no feathers in the UK any more, but is still thought to be pretty nutty in the corridors of the Berlaymont.

The Treaty of Rome is a surprisingly pro-competitive document, though its execution has largely been the opposite. For some years, with the Irish commissioner Charlie McCreevy in charge of competition, though, even the UK government has been forced to bring competition into its public industries, like mail delivery, so let's be thankful to that. But in sectors like aviation, where governments have been deeply involved for years ? and, with terrorism, the climate change agenda and immigration, there are more calls for them to get even more deeply involved ? I think the UK could end up with less competition, rather than more.

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