Civil Aviation Administration Annual Report 2000

Forward with the times

Finland

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Civil Aviation Administration Annual Report 2000
Editor: Irmeli Paavola Civil Aviation Administration
Text: Marja Hakola Huckleberry Communication
Layout and graphics: Päivi Vainionpää Linea Nera
Photographs: Marja Helander
Archive pictures: The CAA and Finnair archives
English translation: Joe White Joe White Oy
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Civil Aviation Administration Annual Report 2000

Forward with the times

Aiming for customer benefit and safety

The year 2000 was a more or less 'normal' one for Finnish air transport. Safety was good, delays caused by air traffic control were negligible, the standard of airport service was adequate and the level of airport charges and air navigation fees was among the lowest in Europe. Turnover by the CAA was FIM 1 164,2 million and the financial profit was FIM 69,5 million, which exceeded by a hair the goal set for us by the government. Considering the modest increase in demand for air traffic this result can be regarded as a fine achievement by our staff.

Growth in demand was untypical

The growth of the Finnish economy during 2000, as measured by GDP volume was lively at around 5 per cent, whilst industrial output shot up by as much as 11 %. Given this kind of growth potential the sluggish real growth in Finnish air travel of only about 1.5 % was a clear departure from what we are used to — in fact it was a cause for astonishment. Usually, the expansion in air travel has been far faster than economic growth, both in Finland and in the rest of the world.

The real growth in Finland's international air traffic was a mere 2.5 %. When the volumes for 1999 are corrected to take account of the effects of the strike that year, domestic air travel decreased in real terms by about one per cent. Air traffic demand in the whole of Europe rose by more than 8 %, or more than six percentage points faster than the trend in Finland. Something seems to be not quite right here, because the operating fundamentals for air transport and the general economic trend in Finland, were ideal. The economy of this country expanded far faster than in the rest of the EU. Furthermore, Finland remains a land of long distances, approachable only by sea from almost every direction, in which flying is almost delay-free compared with European conditions. Yet growth in this country was sluggish.

Although the connection between air transport demand and changes in general economic performance is gradually decreasing, we must nevertheless look elsewhere for the real reasons for last year's slack results. Our advanced telecommunications systems are surely one explanation among many, but a highly significant internal factor within the industry itself is the smallness and narrowness of the Finnish aviation market and the paucity of competition and the suppliers' market which results from this. Air transport availability did in fact decline in Finland last year by almost five per cent, while price levels rose considerably. These factors naturally affect demand. We probably cannot do anything about the small size of the Finnish market, so this phenomenon will persist.

The regional differences in air traffic demand trends will continue to be very large. Regional and demographic changes both internationally and in Finland have an influence on the Finnish economy and regional developments, and these are being passed on to an accelerating extent to our air transport industry. Economic activity is concentrated in places that exhibit demand potential — until overcrowding and environmental problems set their own limits to development. This same phenomenon is evident on a small scale in Finland's regional development.

A sensible balance

Among the 25 airports that make up Finland's airport network are five or six whose upkeep is more a matter of supplying a basic social service than being a commercial activity for the CAA. The Civil Aviation Administration is proud to be able to provide what is to my mind justified on regional policy grounds — with the lowest airport charges in Europe and Scandinavia, with cross-subvention within our organization and without taxpayers' money — a basic aviation infrastructure for almost the entire country.

The infrastructure on its own does not of course guarantee a high standard of service in the aviation industry — airports don't fly, even if we often wish they could. We also need appropriate and functioning flight connexions. Maintaining and developing these is the business of the commercial airlines operating within a free competitive environment.

Companies are usually founded in order to promote the financial interests of their owners. As a state owned utility company the Civil Aviation Administration aims to benefit its client, the community, and only seeks a moderate level of profitability. The ratio of shareholder value to the benefits for customers and other interested parties (stakeholder value) especially in relation to basic services is — even in the wider sense — an amorphous and rarely discussed concept in Finland. In a small market in almost any industry the only significant company usually holds a monopoly position. In such cases we need to make a sensible balance between shareholder value and stakeholder value — we should not sink into inefficiency or mere cream skimming, but nor should we slide into an inappropriate welfare function.

Air safety remained high

The CAA's main goal as provider of airport and air navigation services is to maintain a high level of aviation safety. During 2000 the standard of air safety remained high in Finland. The number of occurrences reported to the Flight Safety Authority was 438, of which about 60 % related to commercial aviation. Not one of the reported incidents was of a seriously dangerous nature.

Of all the reported incidents, 50 concerned the Civil Aviation Administration's own activities or those of the air navigation services or the airports. Commercial airlines were involved in 33 of these cases. The reported incidents related to anomalous procedures or mildly hazardous situations. One case was classed as a more seriously hazardous incident.

Annually, about one or two air navigation incidents entailing certain risks which are classified as hazardous situations occur in Finland, which corresponds proportionally to the experience of other advanced aviation countries. International comparisons are, however, still extremely imperfect because the reporting thresholds and classifications of seriousness are inconsistent. The Civil Aviation Administration's own reporting and analysis culture has seen a positive improvement in recent years. The reporting threshold has been lowered and we have gradually learned to analyse the anomalous situations, which are inevitable now and then in any human activity, without apportioning blame. We look for reasons, not guilt.

Punctuality now and in the future

Without question, air traffic punctuality is the most important service issue, both for passengers and the

airlines. On average about 18 % of flights in Europe are delayed because of air traffic control or airport capacity deficiencies. It is the Civil Aviation Administration's goal to see that, weather permitting, no more than 2 % of flights at Helsinki-Vantaa airport are delayed because of the CAA's own activities, and that no more than 1 % of flights are more than 15 minutes late. The goal for other Finnish airports is less than 0.5 %. The goals for 2000 were achieved.

Delays resulting from air navigation causes came down by 20 % from the 1999 level.

An average of 6 % of flights were delayed in Finland during 2000, with only a little more than one percent being caused by the Civil Aviation Administration's own activities. In most cases the cause originated beyond Finland's borders.

A new air navigation system was put into service at Helsinki-Vantaa airport in June 2000. As a result of the system, delays to air traffic resulting from the Civil Aviation Administration's own activities were practically non-existent. In fact, after Oslo, Helsinki-Vantaa was the most punctual airport in Europe during 2000.

It is our aim that the introduction of the third runway at Helsinki-Vantaa airport in 2002 will enable us to operate a punctual airport and airspace which also allows for the growing volume of air traffic. Finnish regional air traffic controllers will also have every possibility of full capacity , and thus also the capability to keep the need for regulatory air traffic measures to their present low level. Delays resulting from factors beyond Finland's borders are likely in the future to remain at their present levels, or even to rise slightly, despite the fact that the European Forum is paying increasing attention to the matter. The problem is primarily a technical and operational one, although organizational structures may also cause difficulties.

Profit in line with goals

The Civil Aviation Administration's financial result after depreciations and incidental items was a profit of FIM 69,5 million. This can be regarded as appropriate since it was in line with our goal and slightly exceeded the 4 % long term return on basic equity which the Ministry of Transport and Communications has set for public utilities which manage the national infrastructure.

During 2000 the result worsened because of of the abolition of duty-free sales on internal EU traffic in July 1999. In 1999 the effect was felt only in the latter half of the year, but in 2000 it was felt with the full weight. The extra effect during the past year amounted to FIM 25 million, so that the annual effect of the abolition on our result is about FIM 50 million. We have been able to soften the effect by between FIM 10 and 15 million by increasing duty-paid sales.

Low charges — even now

The Civil Aviation Administration's charges for basic services — airport and air navigation services — were kept unchanged on average as calculated in relation to flights. In line with the requirements of European policy our pricing continued towards the structural change in which the charges for various services correspond to their costs. Airport charges for domestic flights were increased by about 3 %, whilst those for international traffic were reduced by about 2 %. The low navigation charges for domestic traffic were increased by 50 %, because our goal is — in keeping with the principles of the Eurocontrol organization — to bring these charges to the same level as corresponding international flights in 2002.

The level of charges in Finland, both at airports and for air navigation is low. Navigation fees in the Eurocontrol area are as much as 50 % higher on average than in Finland, while airport charges at the main European airports are about 20 % above the highest charges in Finland. The charges for private aviation and light commercial aviation in Finland are negligible, an absolute giveaway.

A full ten for the organization

The Civil Aviation Administration comes up for its tenth anniversary as a commercial enterprise during 2001. During this time the CAA has thoroughly overhauled Finland's most important airports and in particular has upgraded this country's primary airport at Helsinki-Vantaa. The air navigation system and radar network have been updated for the most part and maintenance equipment has been modernized. During our time as a profit-making enterprise we have invested in all about FIM 3 500 million in basic aviation construction. These investments have been funded by the users, not the taxpayers.

Since 1996 the Civil Aviation Administration has

paid about FIM 20 million in "dividends" to its owners. In accordance with CAA thinking, in a country like Finland it is not even necessary to strive for more than a moderate return on capital and an even more moderate dividend (shareholder value) for maintaining a basic social infrastructure. If productivity benefits arise for the aviation infrastructure as a consequence of increased demand and improved operations, then in our opinion it is fair to distribute these as customer benefits by improving the infrastructure and lowering the charges for airlines operating within and out of Finland. Of course it is expected that the airlines will funnel these benefits into raising their standards or lowering their ticket prices (stakeholder value).

A large proportion of Finnish air services are important for regional production and service activities, creating the necessary conditions for these activities and reinforcing the basic services. A moderate dividend policy can, from the Civil Aviation Administration's point of view, be justified also on the grounds that if the CAA's present social duties (official activities, maintenance of airports in line with regional policy, cross subvention of light aviation, certain special services) are regarded as a dividend which the CAA pays to society in the form of services, then the present 7 % return on capital rises to 15 %, which can be considered sufficient even as regards effective use of capital. It is a different matter if these services, which are provided on a non-commercial basis, are regarded as inessential in a comparison of social interests. In which case, this is a matter for clearer stance by the owners.

Despite extensive investments for the improvement of services, the abolition of duty-free sales and a number of new responsibilities, the level of charges at Civil Aviation Administration airports over the past ten years has remained the same, even in nominal terms, at around FIM 54 per flight. To be sure, the structure of charges has changed, partly from outside pressure. Domestic fees have risen whilst international ones have come down. We have been able to achieve the real reduction in traffic charges of 14 % by developing commercial operations at airports and raising profitability. Although we have now hit a calm patch in our productivity development, our productivity at the moment is some 20 % higher than it was ten years ago. We believe that we can also continue in the future to achieve our policy of real fee reductions, even if there might be exceptions in some years. For example, because of certain extra responsibilities we have had to increase charges slightly beyond the inflation rate for the current year.

Looking ahead

The outlook for air traffic and the airports for the year 2001 is relatively stable. The airport network and our air navigation system are sound, there are no significant service deficiencies in sight and demand could increase by 20 to 25 % without too much difficulty. In the slightly longer term, however, the financing of essential maintenance investments at certain small airports will keep us occupied, and there is always the minor problem of keeping up the less busy routes. Even a small airport needs an investment of FIM 20 to 25 million every 15 years or so to keep its equipment and grounds safe. We at the CAA have considered one possible way to carry out this funding to be to make an annual subvention from our profit — instead of assigning it to the state — to be used for financing the recurrent investments at the six smallest airports. This would then put into effect the ownership policy based on stakeholder value.

At institutional level there is uncertainty over the slowing down of the economy and the effect this will have on aviation demand. There are certain signs that last year's downward correction in transport capacity will no longer continue, but that air transport will bounce back from an even firmer footing more or less in keeping with the pulse of economic growth in general. The growth in air transport for 2001 is likely to be between 3 % and 4 %, which will be sufficient to keep the Civil Aviation Administration's finances for 2001 stable and profitability more or less at the 2000 level. New opportunities involve commercial services at the airports and the development of areas surrounding the airports — in accordance with the parliamentary goals laid down for us. The so-called Gateway travel will only increase at Helsinki-Vantaa when congestion at the main European runways becomes intolerable. That will be the time for the Finnish aviation industry to strike back. 'Helsinki-Vantaa — The Easy Way'

February 2001
Mikko Talvitie
Director General

The Civil Aviation Administration in brief

- We maintain Finland's network of airports and the air navigation system.
- We provide and develop safe, competitive airport and air navigation services as well as their supporting commercial operations, to an internationally high standard.
- Our customers are suppliers to the air travel industry and air passengers.
- We are responsible for the country's air safety operations and air transport policy in conjunction with the Ministry of Transport and Communications and the Ministry of Foreign Affairs.
- We are the official Finnish aviation authority.
- We are a commercial enterprise financed by our users, and we determine our operations, financing and investments independently. The Council of State sets the general operational and profit targets for the Civil Aviation Administration.
- At the end of 2000 the CAA's airport network consisted of 25 airports and the organization employed 1 872 people.

Moving with the times ...

1922 Air transport is governed by the ministries of transport and public works. The board of roads and waterways is responsible for airport construction.

1923 The Aviation Act comes into effect in Finland.

1931 Finland signs the Paris treaty on international aviation.

1935 The country's first civil airport is opened in Turku.

1943 A department of airports is set up at the board of roads and waterways, while the ministry of transport and public works sets up an aviation department.

1949 Finland joins the International Civil Aviation Organisation (ICAO).

1952 Helsinki's new airport at Vantaa opens for traffic.

1971 The National Board of Aviation is created.

1991 The Civil Aviation Administration begins operating.

2001 The Civil Aviation Administration is 10 years old.

The Civil Aviation Administration's values

Safety

Aviation safety is the cornerstone of our operations, on which we will not compromise. Safety is born out of our professional expertise, our cooperation and our acceptance of responsibility.

Customer benefit

Benefiting our customers is the incentive for our operations. Our customers can rely on us in all situations. We respond quickly and effectively to customer feedback.

Efficiency and renewal

We rely on our own initiative, we develop our professional skills and we are ready for renewal. We take account of environmental issues.

Cooperation

We value the work of others. Our cooperation is based on discussion, openness and mutual trust.

The CAA looks ahead

We can examine the present moment close up, as a photographer does, or we can aim our gaze further, as if through binoculars. We need both forms of observation when drawing up the operating principles for an enterprise. During 2000, the Civil Aviation Administration overhauled its values and strategy in order to meet the challenges and opportunities of the new millennium. Director General Mikko Talvitie visited all the profit and operational units of the CAA throughout Finland, taking with him an important message — in his own words and in writing — concerning the content of the new approach.

The purpose of these visits was to bring the principles and values of the CAA closer to the employees and to give them ideas on just how to apply these values to their own tasks. In Mr Talvitie's opinion the Civil Aviation Administration staff have embraced the notions of moving forward and achieving common goals. He believes the workforce is firmly committed to working for the benefit of aviation and society.

Summing up his own thoughts on the Civil Aviation Administration's values, the Director General says:

"We must work to ensure that safety, efficiency and economy never, ever conflict with one other. We must endeavour to provide added value for our clients, be they passengers on the move or airlines going about their business. In other words, we seek through our activities to confirm the reasons for the journey.

"Efficiency and renewal are positive values which affect each other — efficiency allows society to generate added financial value, whilst we can only improve our affairs through renewal. Because air transport is a complex chain of services made up of companies and groups of people, smooth cooperation is an essential requirement for the success of the entire chain."

The CAA financial year in brief

	2000 Th. FIM	€	1999 Th. FIM	€	change %
Turnover	**1 164 231**	**195 809**	**1 099 062**	**184 849**	**6 %**
Operating expenses	**839 562**	**141 205**	**790 676**	**132 982**	**6 %**
Operating profit	**90 046**	**15 144**	**88 142**	**14 824**	**2 %**
Profit for the financial year	**69 488**	**11 687**	**84 970**	**14 291**	**-18 %**
Total capital spending	**403 151**	**67 805**	**544 633**	**91 601**	**-26 %**
Land areas	13 295	2 236	39	7	33 990 %
Machinery and equipment	141 020	23 718	177 234	29 809	-20 %
Airport construction	151 280	25 443	194 343	32 686	-22 %
Building construction	99 367	16 712	185 409	31 184	-46 %
Other capital investments	-1811	-305	-12 392	-2 084	-85 %
	no.		no.		
Total passengers (flights)	**10 710 126**		**10 211 075**		**5 %**
Domestic scheduled flights (dep+change)	3 099 968		2 871 689		8 %
International scheduled (dep+arr+ch.)	6 357 196		6 033 510		5 %
International charter (dep+arr+ch.)	1 252 962		1 305 876		-4 %
Total international traffic	7 610 158		7 339 386		4 %
Other passengers	11 001		11 908		-8 %
Total flights	**357 040**		**350 880**		**2 %**
Domestic scheduled flights	71 413		70 475		1 %
International flights (scheduled and charter)	114 730		108 198		6 %
Overflights	15 659		14 784		6 %
Total international traffic	130 389		122 982		6 %
Other civil aviation	109 216		113 735		-4 %
Military aviation	46 022		43 688		5 %
Accumulated personnel years	**1 794**		**1 755**		**2 %**
Airports	1 278		1 255		2 %
Air navigation services centres	144		131		10 %
Head Office units	251		246		2 %
Internal service units	121		123		-2 %

Air traffic trends

Passengers break the 10 million barrier at Helsinki-Vantaa

Without correcting for the aviation industry strike of 1999, the number of air passengers at Finnish airports rose by 5.5 % during 2000. The growth in domestic travel was 7.9 %. The number of passengers on international scheduled flights increased by 5.4 %, but the number of passengers taking international charter flights fell by 4.2 %. International charter traffic to northern Finland grew significantly in December.

However, if our calculations are based on the assumption that traffic during the comparison year of 1999 was normal, then the number of passengers using Finnish airports grew by only 1.3 %, whilst passenger numbers on domestic flights actually fell by 0.5 %. As corrected for the strike, international charter flight passenger numbers also fell (-5.2 %), although the numbers for international scheduled flights rose by 4.6 %.

Capacity in domestic traffic, as measured by the number of landings, rose by 1.4 %. When corrected for the strike, this represents a reduction in capacity of about five per cent. The growth in capacity for international traffic amounted to 6.2 %. Overflights in Finnish airspace increased by 5.2 %.

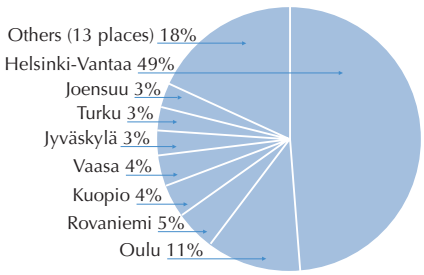
The number of passengers using Helsinki-Vantaa Airport exceeded 10 million on the last day of the year. Airport passenger numbers increased by 4.7 % from the previous year. Domestic traffic at Helsinki-Vantaa increased by 8.6 % and international traffic by 3.1 %. At Oulu, Finland's second busiest airport, the number of passengers rose by 6.3 %.

The biggest relative increase in passenger numbers took place at the northern airports of Enontekiö (56.9 %), Kittilä (32.9 %) and Kemi-Tornio (24.1 %). The Kemi-Tornio figures were influenced by the closure of Oulu airport in July for runway resurfacing, when Oulu's traffic was channelled via the Kemi airport.

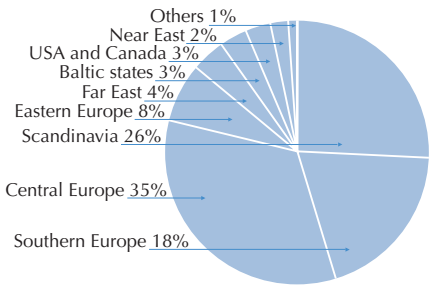
Passenger numbers declined most at Savonlinna (-15.8 %), Mariehamn (-13.7 %) and Pori (-8.7 %) airports.

The most popular destinations for international scheduled traffic were Sweden, Germany and Great Britain, and for charter flights the Canary Islands, Greece and Turkey.

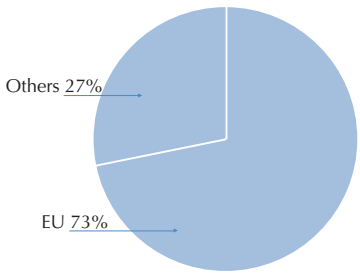
DOMESTIC TRAFFIC
DESTINATIONS 2000



INTERNATIONAL TRAFFIC
DESTINATIONS 2000



INTERNATIONAL TRAFFIC
DESTINATIONS 2000



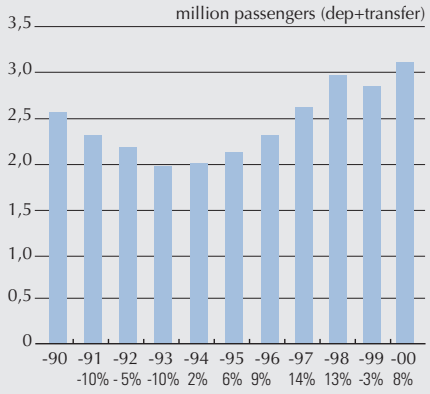
AIRPORTS 2000

	PASSENGERS		LANDINGS		
	Domestic	International	Commerc. Av	Military Av.	Gen. Av.
Helsinki-Vantaa	3 042 914	6 967 234	78 391	1 175	3 286
Oulu	668 860	63 988	7 282	1 747	2 410
Turku	178 850	189 172	8 131	664	8 557
Rovaniemi	288 343	55 693	2 710	5 751	3 478
Vaasa	227 523	98 851	5 264	755	3 562
Kuopio	279 264	8 813	2 416	6 058	2 600
Tampere-Pirkkala	140 817	115 561	5 953	6 838	5 458
Jyväskylä	210 678	24 499	3 410	3 606	5 495
Joensuu	179 853	6 090	1 966	56	2 412
Kittilä	143 627	26 455	1 029	642	343
Ivalo	124 587	8 003	883	308	247
Kruunupyy	121 509	6 579	2 067	643	2 588
Kajaani	122 914	2 692	1 063	292	778
Kemi-Tornio	124 158	485	1 338	96	859
Mariehamn	84 675	13 433	3 626	0	1 406
Kuusamo	95 562	1 161	749	36	151
Pori	53 369	15 586	2 344	113	11 178
Lappeenranta	59 432	3 137	1 890	63	3 936
Savonlinna	38 500	1 368	983	15	410
Varkaus	30 623	176	1034	2	243
Enontekiö	4 507	6 768	109	80	24
Helsinki-Malmi	1 628	155	28	107	41 711
Kauhava	230	0	34	12 108	260
Utti	33	26	0	2 328	733
Halli	11	0	0	2 539	427

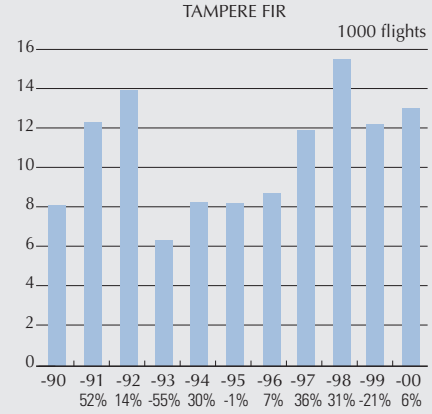
AIR NAVIGATION SERVICES CENTRES 2000

	CONTROLLED FLIGHTS	OVERFLIGHTS
Sothern Finland (Tampere)	212 753	13 064
Northern Finland (Rovaniemi)	31 584	2 595

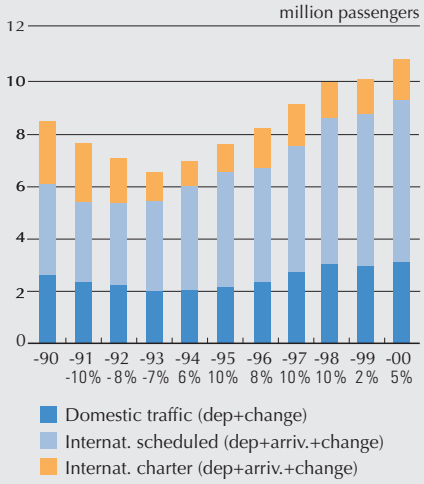
DOMESTIC TRAFFIC 1990–2000



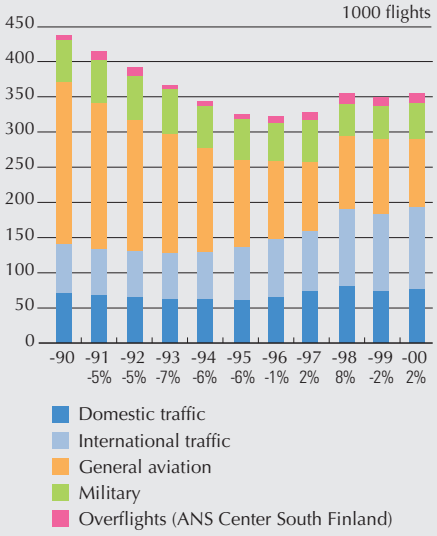
OVERFLIGHTS / ANS CENTER SOUTH FINLAND 1990–2000



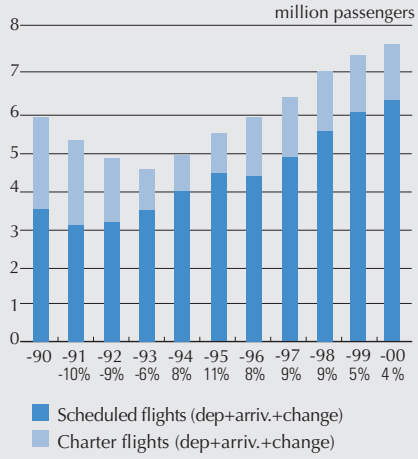
PASSENGERS 1990–2000



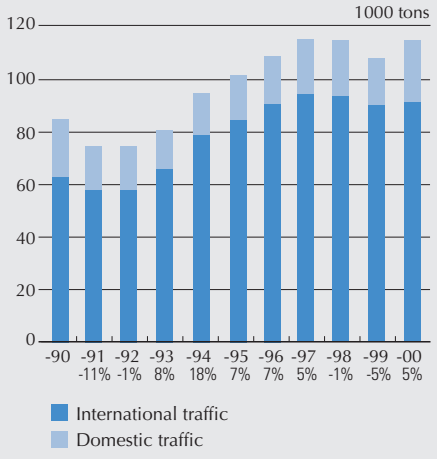
FLIGHTS 1990–2000



INTERNATIONAL FLIGHTS, PASSENGERS 1990–2000



CARGO TRAFFIC 1990–2000



Passenger and commercial services

Freedom of choice

During the 1960s there were just two restaurants and one cafe at Helsinki-Vantaa Airport.
Now, passengers of the 21st century can choose their drink at no less than 13 airport restaurants, cafes and bars.

Passengers love Helsinki-Vantaa

Helsinki-Vantaa is Finland's primary airport, whose long term development is regarded as important, in terms of runway and passenger terminal capacity as well as the standard and diversity of passenger services. As far as passenger services are concerned, in the past four years, Helsinki-Vantaa has belonged among the elite of European and world airports. In fact it was voted the world's best airport in 1998.

During 2000 Helsinki-Vantaa maintained its position as a top class European airport. In an international travel questionnaire, used to gauge standards at airports four times a year, Helsinki-Vantaa earned the most number one ratings in certain categories — throughout the entire year. Travellers particularly appreciated the tidy overall appearance and atmosphere of the airport as well as the excellent value for money at its restaurants and shops.

Helsinki-Vantaa was also awarded for being the best domestic airport of the year. The choice was based on assessments made by departing passengers during the schedule season of 1999/2000. Passengers rated such aspects as passageway access, signs, the pleasing ambience, the friendliness of the staff and the tidiness. Helsinki-Vantaa gained most points in the survey for the improvement in staff attitudes.

Top flight value for money

The shops and restaurants at Helsinki-Vantaa Airport have long been among the highest scorers in international traveller surveys. During the past couple of years European airports have also been assessed in terms of value for money for commercial services, and Helsinki-Vantaa has earned the highest accolades in these surveys every time.

The abolition of duty free sales within the EU in 1999 led to a slight downturn in airport sales figures, but it was possible to correct this situation through careful preparation and effective marketing and publicity. Sales by specialist shops grew steadily during 2000, whilst alcohol sales took an upward turn. Passengers have adapted to the new situation and learned to take advantage of the expanded range of airport services. Air travellers have become accustomed also to buying products on their return from their trip and also to do their shopping in the transit area shop in the domestic terminal.

The biggest multi-storey car parks in Finland

Car parking too is among those services which earned Helsinki-Vantaa Airport its excellent ratings for value for money. The airport gained 2 000 new parking spaces when a new multi-storey car park opened for staff and passengers in September. Because the majority of staff have now switched over to using the new car park, plenty of space has been freed for passengers' vehicles in the facility nearer to the terminals.

Finland's three largest multi-storey car parks are located at Helsinki-Vantaa, each of which can accommodate 2 000 vehicles. Of the airport's 10 000 parking spaces, 7 000 are available for passenger use.

The Schengen modifications

The modifications required by the Schengen regulations, which come into effect in March 2001, were begun in the international terminal in February 2000. The terminal's airside has been divided into two sections for passport inspection, with one section allocated for internal Schengen traffic and the other for non- Schengen passengers.

Passengers to countries outside the Schengen area will be directed to departure gates which are preceded by passport inspection points for people

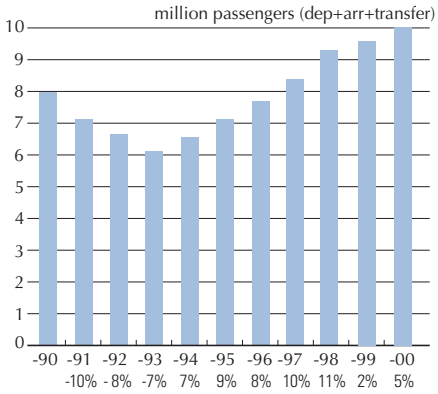
leaving the country (crossing the external border). Passengers on such flights will arrive at gates behind passport control. Those arriving in the country and those changing planes on internal Schengen flights will thus have to pass through arrivals and passport control on the external border of the Schengen and EU customs areas.

Baggage for those crossing the external border of the Schengen area, as well as for passengers arriving from Norwegian and Icelandic flights will be sent to the renovated arrivals hall 3 at Helsinki-Vantaa. Passengers arriving from flights within the Schengen area will be directed to arrivals hall 2.

Passengers arriving on non-Schengen flights can, after passport control and customs inspection of hand luggage, continue on to their internal flights, which include domestic flights, on the airside via the Schengen terminal. Those arriving at the domestic terminal can carry on either through the security check for an internal Schengen flight or go through passport control for an external flight.

The Schengen area regulations allow for greater freedom of movement for people within the zone because there is no travel document inspection for internal flights. The Schengen rules apply to Norway, Iceland and all countries of the EU apart from Great Britain and Ireland.

PASSENGERS AT HELSINKI-VANTAA AIRPORT 1999 - 2000



Business park progress

Aviapolis, the business park under construction close to Helsinki-Vantaa Airport, is a joint project by the Civil Aviation Administration and the town of Vantaa, which in the next few years will become the work place for thousands of people. Aviapolis is designed for companies which appreciate effortless transport connexions and which want to benefit from the opportunities which air transport allows.

The smooth functioning of the airport has been an essential condition in the planning of Aviapolis. Indeed, the park will be built in such a way that roads to the airport will not become congested, that sufficient space will remain to allow for the terminals and other parts of the airport to expand, and that all functions support one another.

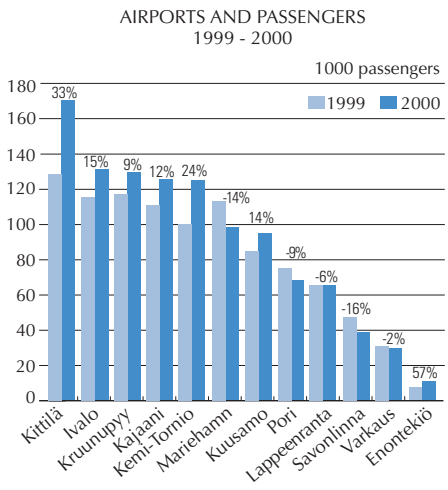
Passengers like the new Varkaus terminal

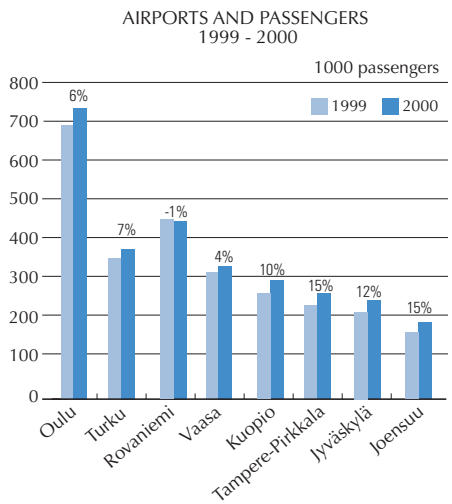
The new passenger terminal at Varkaus Airport was completed in February and inaugurated in April. The new building provides plenty of extra space for passengers, and indeed they have been extremely forthcoming in their praise for the work. During 2000 about 30 000 passengers passed through Varkaus Airport.

Completely new are the separate handling facilities and conveyor belts for departing and arriving passengers' luggage, so that now the luggage travels inside on a conveyor belt and passengers no longer have to fetch it from outside. The renovations also make it possible to handle charter flights more smoothly than before. The airport's new cafe also adds to passenger comfort.

The construction of the airport building was also accompanied by a complete overhaul of the air navigation system. This entailed building a separate air navigation building and control tower. The building went into service in the summer.

The new terminal construction was carried out on the three pillar principle, involving financing by the town of Varkaus and surrounding communities, the South Savo employment promotion centre and the Civil Aviation Administration. The flight navigation building was undertaken with the CAA's own funding





Expansion eases Christmas rush at Rovaniemi

Extra space has been on the wish-list for Rovaniemi Airport for several years now, particularly because of the increase in Christmas traffic. Rovaniemi was able to open its expanded passenger terminal in November 2000, which means, among other things, that arriving passengers gained a whole new area. At the same time, the check-in areas and airport restaurant were expanded and renovated, the baggage handing system was overhauled and three new passenger access bridges were built. Schengen Agreement-compliant modifications were made to the terminal when the expansion work was completed.

The passenger facilities have been designed to accommodate normal scheduled traffic, when there might be 700 departing and arriving passengers at the same time. But the number of Christmas charter flight passengers is much higher, and although the expansion will help to deal with the congestion, the handling of Christmas passengers at the airport will still require special arrangements. During 2000 the number of passengers using Rovaniemi Airport amounted to 344 000.

Financing for the expansion project was provided by the Civil Aviation Administration, the Lapland employment promotion centre, the European regional development fund and local communities.

Subsidiaries support the CAA's activities

The Civil Aviation Administration's five subsidiaries handle the organization's support tasks and work to promote the development of the airports and their services.

Airpro, Suomen Lentoasemapalvelut Oy, designs and develops airport services. In addition, the company's responsibilities at some airports include provision of bus transport for passengers between terminals and aircraft, baggage trolleys and aircraft refuelling and ground handling. The company employs about 100 people. The Civil Aviation Administration owns 100 % of Airpro's shares.

Lentoasemakiinteistöt Oyj arranges construction work and owns office space at the Civil Aviation Administration's airports. It is an alternative, in the form of a limited company, to the CAA's own construction work and it rents out space to companies operating at the airports which depend on the traffic areas and terminals for their business. The facilities are provided for airlines, air freight companies and ground handling organizations. Under construction during 2000 were the DHL head office and freight terminal and staff and office facilities for airlines at Helsinki-Vantaa Airport. The Civil Aviation Administration owns one hundred percent of the company's shares.

Kiinteistö Oyj Lentäjäntie 1 and *Kiinteistö Oyj Lentäjäntie 3* are located at Helsinki-Vantaa Airport. The function of these companies is to build, own and rent out office space to companies engaged in air transport work. The primary users of these premises are Finnair and the Civil Aviation Administration.

Kiinteistö Oy Turun lentorahti is the Civil Aviation Administration's 100 percent owned mutual property company, which rents space to airlines and forwarding companies.

Apron and manoeuvring area services

Forward with the times

Third runway is one-third surfaced

Construction work on the third runway at Helsinki-Vantaa Airport began in 1997 and it will come into service in November 2002. The construction takes time because about a fourth of its area is situated on soft ground. It takes about two years to compress the clay substratum and this affects completion of the entire project. Another challenge for the builders is the Lake Päijänne water conduit which runs under the runway.

The fourth year of construction proceeded according to schedule. Most of the earth and rock cutting work and the groundwater protection construction was completed during the year. Compression of the clay deposits has proceeded according to prior calculations, with the earth in the deepest clay deposits being compressed by more than two metres.

Drainage systems and cable ducting has been installed in the load-bearing areas. A third of the runway and taxiing areas were given their final asphalt surfacing during the summer. Work then began on installing the sunken lighting into the surface layer.

The country's entire earth-working industry is involved in the Helsinki-Vantaa third runway project. By the end of 2000, 52 subcontracts had been signed for completion of the work.

Special traffic rules for the airport

Just as traffic rules apply on the roads leading to the airport and its entrances, so do they for traffic moving within the airport security fence. In addition to the Civil Aviation Administration's own personnel, there are the employees of numerous other companies moving about every day, refuelling aircraft and transporting mail, for example. The aviation regulations lay down strict rules for personnel movements and vehicles. These ensure the smooth flow of operations as well as on-site safety.

The CAA's ground traffic manual was completed during 2000 as part the organization's safety and quality system. This extensive undertaking was carried out in collaboration with members of the airport and air navigation sectors. Previous separate instructions were reviewed, new sets of regulations were drawn up and finally, everything was compiled in a single volume. The manual contains regulations covering on-site vehicles and their equipment, driving and traffic licences, right-of-way obligations and radio-telephone traffic, among other things. In addition to the CAA regulations, each airport operates its own set of local ground traffic rules.

Air navigation services

From analogue to digital

Speech between air traffic controllers has largely given way to information being transferred in data form. Modern air navigation computers "talk" to each other.


AIRPORT STAFF

Airspace reform to eliminate delays

The first phase of the airspace reform was carried out in the summer of 1999, when significant changes were made to air lanes and air traffic control working methods, both in the vicinity of Helsinki-Vantaa airport and in the Southern Finland air space. The second phase got underway in June 2000, when Finland's air traffic controllers began to apply the Flexible Use of Airspace principle, in line with common European objectives.

In accordance with this principle, alternative routes were introduced into Finnish airspace, for example when airspace otherwise reserved for military airforce use becomes available for scheduled civilian traffic. These alternative routes are used to ensure flexible operations for all airspace users, which makes it easier for air traffic operators flying to a schedule to keep to their timetables.

Flexible Use of Airspace relies on air traffic control emanating from the Belgium-based Eurocontrol organization. Information about airspace requirements in the various countries of Europe is gathered together the previous day and this allows the airlines to alter their routes to avoid congestion. It is believed that the system will be able to reduce the amount of delays in European airspace.

Instructions for an upgraded airport

A new era will begin for the airport when Helsinki-Vantaa's third runway is completed. The two runways, running parallel to each other but more than a kilometre apart, will create a totally new operating environment for the airport. A unique cooperative project was initiated at the CAA in the summer of 2000, the purpose of which is to ensure that everything will be ready when the runway comes into operation in November 2002.

The project involves drawing up "instructions for use" for the runway while it is being built. The simultaneous use of two, and at peak times three, runways, requires an overhaul of the basic ground rules for runway use, as well as the flight and air traffic control practices. Among other things, it is also necessary to draw up plans for noise abatement, maintenance and training. An essential part of the runway inauguration project is the provision of information about the new methods to the CAA's own staff as well as to customers and others with whom we cooperate. We have endeavoured to take into account the needs of the surrounding community, particularly those living close to the airport, in every aspect of the planning for the new runway.

Runway cooperation

The environment formed by the third runway and the exploitation of satellite technology in planning the new air navigation procedures are important factors relating to the adoption of the new runway. For information and experience the CAA has turned to the Eurocontrol organization, The Federal Aviation Administration of the United States and the Swedish civil aviation administration, the Luftfartsverket. We have also benefited from the expertise of our national airline, Finnair, for the development of new procedures.

A new air navigation system for Helsinki-Vantaa

A new air navigation equipment array went into service at Helsinki-Vantaa Airport in May, as part of the

Finnish Air Traffic Management Integration (FATMI) programme of gradually renewing air navigation equipment and programs for the whole of Finland.

The new system represents the most up-to-date technology available, and consists of a radar and flight-plan information handling program and equipment, a voice communication system and workstations for controlling air traffic.

At the same time as the new system came into service at Helsinki-Vantaa, the airport's air traffic approach controllers emerged after a long wait from their underground "cave" into light, spacious and pleasing premises in an airport office building. The air traffic approach controllers are responsible for aircraft in flight, between about ten and 100 kilometres from the airport. The air traffic control tower, on the other hand, takes care of closer aeroplanes, both in flight and on the ground.

A fresh breeze for training

The overhaul of the training system for the air navigation sector proceeded according to plan during 2000, and the Civil Aviation Administration's separate new training college opened for business at the beginning of 2001. Students at the Avia College can now take their exams there and qualify as professional air traffic controllers, flight information officers and air navigation officials.

Avia College operates as an internal profit unit of the CAA and administratively combines Civil Aviation Administration training under one roof. Avia College provides the staff with the necessary basic, advanced and supplementary training.

Reinforcing the safety culture

The Safety and Quality Committee takes care of safety administration for the whole Civil Aviation Administration organization. The committee, headed by the Director General, met regularly during the year and made sure that every anomalous incident was analysed and that any necessary action was carried out. The committee also kept a close watch on international developments in safety management.

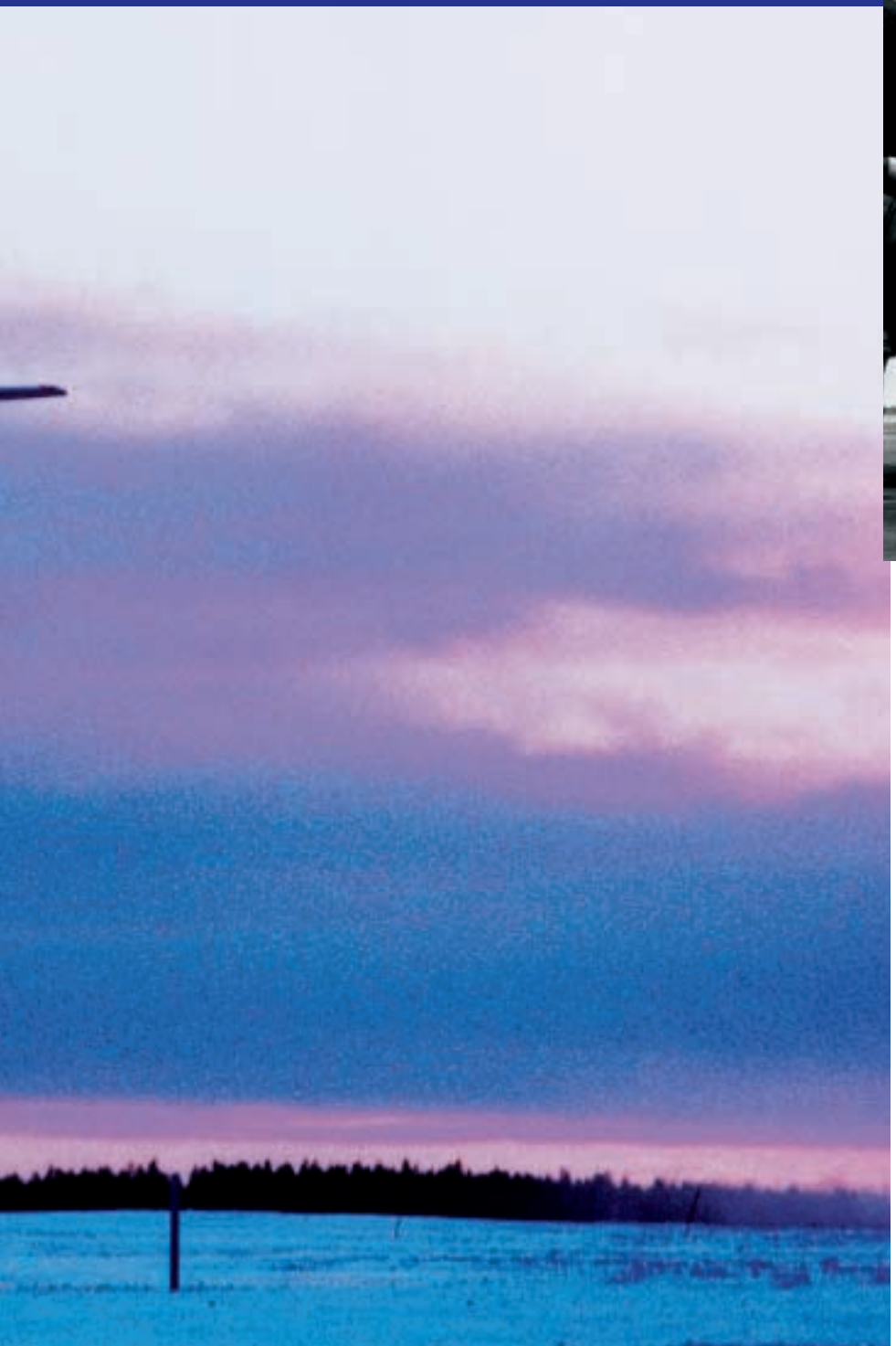
The first safety seminar in the Civil Aviation Administration's history was organized in January 2000, attended by almost a hundred participants including the CAA's senior management. The purpose of the occasion was to promote a culture of safety and to ensure that it expands systematically throughout the CAA. Among other things, the seminar examined safety from the customers', i.e., the airlines', perspective and also elicited up to date information on what aspects the airlines pay attention to in their safety work.

Membership of the Eurocontrol organization has brought new safety management obligations for Finland, and during 2000 the CAA participated in the preparations for these. The CAA also took part in the Nordic safety cooperation development work. The emphasis in both projects was on the reporting of safety issues across borders.

Civil Aviation Administration safety management took a step forward in November when Finland began to apply the overhauled notification system as well as the classification system required for Eurocontrol reporting. Finland was thus among the first to meet international requirements.

The environment

Less noise



The noise energy from a jet aeroplane of the 1960s was roughly equal to that of about 30 modern jets.

A one-volume environmental system

The Civil Aviation Administration's environmental handbook was completed at the end of 2000. It contains a description of the organization's management system for environmental matters and is intended as a set of guidelines for those personnel responsible for environmental issues, such as airport chiefs. Application of the international ISO 14001 standard system was scheduled to start at the beginning of 2001.

The environmental system places emphasis on renewing operational instructions in order to reduce environmental effects, as well as environmental information gathering and improved reporting. The system will enable the Civil Aviation Administration to supply environmental information to officials and interested individuals, etc., more quickly and comprehensively than before. The system will also assist the CAA in drawing up environmental reports.

The new environmental protection Act which came into force in 2000 requires airports to enrol with the environmental protection data register. The reporting associated with the environmental system also supports the centralized compilation of these enrolments.

Comprehensive environmental protection

In keeping with the tenor of its environmental policy, it is the goal of the CAA to make air traffic safe, punctual and economically viable, whilst putting the minimum possible strain on the environment. We strive to prevent any detriment to the environment or to limit it to the minimum possible degree. Every employee of the CAA must observe the organization's regulations — and obligations — in the pursuance of his or her own work.

The CAA monitors and assesses the environmental effects of its activities and publishes the results. In this work the organization makes use of its environmental management system and actively participates in the environmental pollution reduction work of the international aviation organizations.

Noise abatement in plans for new runaway

Work on the noise abatement scheme required for the planning licence for Helsinki-Vantaa's third runway began in 2000, as part of the start-up project for the new runway. During the planning we shall also examine any noise reduction procedures that can be introduced for the present runways, even before the third runway comes into service.

The plan, which will be completed in February 2002, will help the CAA to define its traffic related noise abatement goals for Helsinki-Vantaa Airport. Using the projections on noise proliferation contained in the plan, we shall be able to indicate to local planning authorities those areas where building which might be affected by such noise should not be carried out.

Aircraft noise studies

The Helsinki-Vantaa airport traffic noise report is part of an on-going noise abatement scheme. The inspection period of the report which was completed during the year under review covered three busy traffic months during the 99/2000 season. The average number of daily operations (takeoffs and landings) was 486, of which 67 % were by jet aircraft and the rest by propeller aircraft.

According to the results of the calculations the area affected by noise generated by Helsinki-Vantaa airport traffic (L_{DEN} exceeding 55 decibels) has decreased and the number of residents within the

noise-zone has decreased significantly. The study showed that there were about 15 000 residents living in the area subjected to more than 55 decibels, whereas, for example, in 1990 the figure was still 97 000. The zone has been reduced because of alterations to flight paths, restrictions governing the use of runways and aircraft, and the noise suppressers fitted to DC-9 aircraft engines.

A study of noise caused by airport Oulu airport was also completed during the review year. In terms of landings (11 400 during 2000), Oulu is the country's tenth busiest airport, but it is the second busiest in terms of passenger numbers (733 000).

Tightening regulations

During 2000 the Civil Aviation Administration took part in the international debate on tightening up the regulations on aircraft noise and exhaust emission limits. Environmental efforts within both the EU and the aviation organizations concentrated on preparing decision proposals for discussion by the International Civil Aviation Organisation (ICAO) environmental conference in January 2001.

The EU Commission prepared a draft directive on environmental noise assessment and management, in which only the Helsinki-Vantaa and Helsinki-Malmi airports were classified as major airports in terms of traffic volumes. The draft directive ratifies the LDEN index of day, evening and night-time levels as the general indicator of environmental noise. The Civil Aviation Administration already uses this indicator.

Urea use is cut back

The use of urea for skid-proofing runways has declined, and from the autumn of 2000, the primary formulation for skid-proofing agents at airports has been the more environmentally friendly nitrogen-free chemicals — acetates and potassium formiates. As a result of the new chemicals we have renewed the maintenance equipment more often than usual.

A research project to find alternative anti-skid agents is currently under way at the Finnish Environmental Centre, which is being partially financed by the Civil Aviation Administration. The aim of the project is to find the most environmentally friendly alternatives among the chemicals available on the market. Of the agents studied, the acetates and formiates now in use at airports have gone forward to the next phase of the research.

Monitoring water conditions

The urea that was previously used as the most common anti-skid agent on runways causes nitrogen levels in the water-table to increase. Because ground water purification is a slow process, these levels remain high for several years after the use of urea has been discontinued. The Civil Aviation Administration constantly monitors the quality of ground and surface waters at several airports in order to evaluate the effects of anti-skid and de-icing chemicals and to assess the possibilities of reducing these effects.

Environmental information on the net

At the beginning of 2000 the Civil Aviation Administration's web site opened a complete section dealing with environmental issues. The site provides information on such matters as aircraft noise, energy consumption and emissions. It also gives up to date information on Helsinki-Vantaa airport's environmental work and noise abatement measures.

Personnel

Ever-necessary teamwork

The tools have changed but professional skill, teamwork and appreciation of the work of others are just as important today.

Accumulated working hours 2000

During the financial year, the Civil Aviation Administration Group's accumulated working hours count, which measures labour input, added up to 1 874 man-years (1 831 in 1999). The CAA's accumulated working hours count amounted to 1 794 (1 755) man-years, of which 1 777 (1 738) were carried out in operational activities and 17 (17) involved investment projects. The accumulated working hours count for airports amounted to 1 278 man-years (1 245), for the air navigation clusters 144 (131), for internal service units 121 (115), the Flight Safety Authority 70 (66) and Head Office 181 (180).

Salaries and bonuses

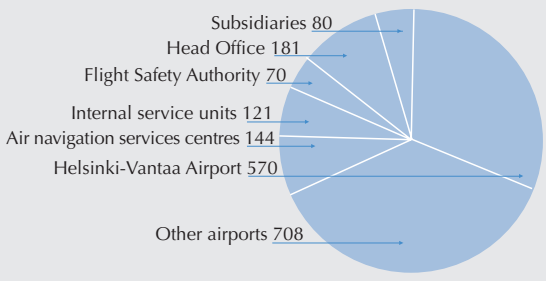
The total sum of salaries and bonuses paid to the staff of the CAA Group during 2000 amounted to FIM 369 million (FIM 342 million in 1999). The sum of salaries and bonuses paid to the Group's Board members and managing director amounted to FIM 1 545 thousand (FIM 1 438 thousand).

The total sum of salaries and bonuses paid to Civil Aviation Administration staff amounted to FIM 357 million (FIM 333 million). The sum of salaries and bonuses paid to members of the CAA Board and its managing director amounted to FIM 939 thousand (850 thousand).

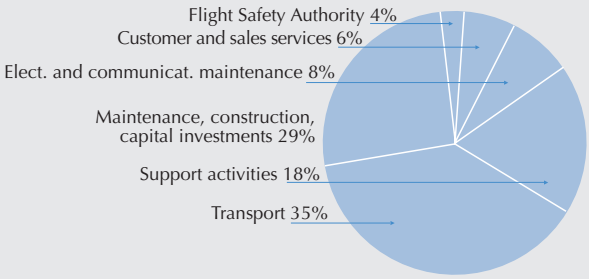
Group accumulated working years

Enontekiö Airport	4
Southern Finland Air Navigation Centre	125
Halli Airport	8
Helsinki-Malmi Airport	17
Helsinki-Vantaa Airport	570
Civil Aviation Administration head office	181
Civil Aviation Administration internal service units	121
Ivalo Airport	29
Joensuu Airport	25
Jyväskylä Airport	49
Kajaani Airport	22
Kauhava Airport	14
Kemi-Tornio Airport	29
Kittilä Airport	17
Kruunupyy Airport	24
Kuopio Airport	61
Kuusamo Airport	13
Lappeenranta Airport	23
Flight Safety Authority administration	69
Mariehamn Airport	24
Oulu Airport	63
Northern Finland Air Navigation Centre	20
Pori Airport	31
Rovaniemi Airport	61
Savonlinna Airport	16
Tampere-Pirkkala Airport	65
Turku Airport	55
Utti Airport	8
Vaasa Airport	43
Varkaus Airport	6
Suomen Lentoasemapalvelut Oy	79
Lentoasemakiinteistöt Oyj	1

GROUP ACCUMULATED PERSONNEL YEARS 2000



CAA ACCUMULATED PERSONNEL YEARS, BY SECTOR



International affairs

The wanderlust, then and now

The first package tour from Helsinki to the Riviera took place in February 1950. During 2000 the most popular charter-flight destinations for Finns were the Canary Islands, Greece and Turkey.

The duties of the Civil Aviation Administration's Office for International Affairs include cooperating with overseas aviation authorities and international organizations, issues of aviation policy and international law, air traffic treaties and the maintenance of contacts with airlines.

Finland joins Eurocontrol

The Finnish parliament approved Finland's joining the Eurocontrol organization (the European Organization for the Safety of Air Navigation) in September 2000. Membership took effect from the beginning of 2001. With Finland's accession, all EU countries are now members of the organization.

Eurocontrol is an air navigation organization, founded in 1960, which promotes the efficient use of air space, the smooth flow of air traffic and aviation safety. Originally a collaboration between six countries, it has evolved to cover 30 states and its tasks include the control of air flows throughout Europe. The organization employs about 1 800 people and its operational centre is the Eurocontrol office in Brussels.

Under the remit of separate agreements, the Civil Aviation Administration has for years participated in the central activities of Eurocontrol. Following membership the organization will affect Finland even more.

Current EU aviation issues

Matters before the EU relating to the Civil Aviation Administration's activities during 2000 included the foundation of the European Aviation Safety Authority (EASA), the creation of a single air space (Single Sky), the issue of a joint aviation market area covering the USA and the EU, the accession of central and eastern European countries to the EU aviation market, the EU's satellite navigation system, air passengers' rights, environmental questions and the dispute between the USA and the EU countries over the acceptability within the EU of noise suppressers (hushkits) fitted to older aeroplanes, which is being dealt with by the council of the ICAO (International Civil Aviation Organization).

International aviation agreements

An aviation agreement between Finland and Azerbaijan was initialled in autumn 2000.

An amendment was made to the air traffic agreement with Estonia which allows Finnish companies the opportunity to begin regular helicopter flights between Hernesaari in Helsinki, and Tallinn.

An agreement was signed with the United States in November for the promotion of air safety. The dispute over unpaid air traffic charges concerning US military aircraft remains unresolved.

As a result of negotiations with the Singapore aviation authorities Finnair gained a fourth weekly flight for its Helsinki-Bangkok-Singapore route. However, permission to operate traffic between Bangkok and Singapore was not obtained. Further discussions with Thailand and Singapore are being prepared.

Negotiations with the Japanese aviation authorities for Finnair to operate additional flights on the Tokyo route and the opening of a new cargo route between Helsinki and Osaka are proceeding positively.

Report of the board

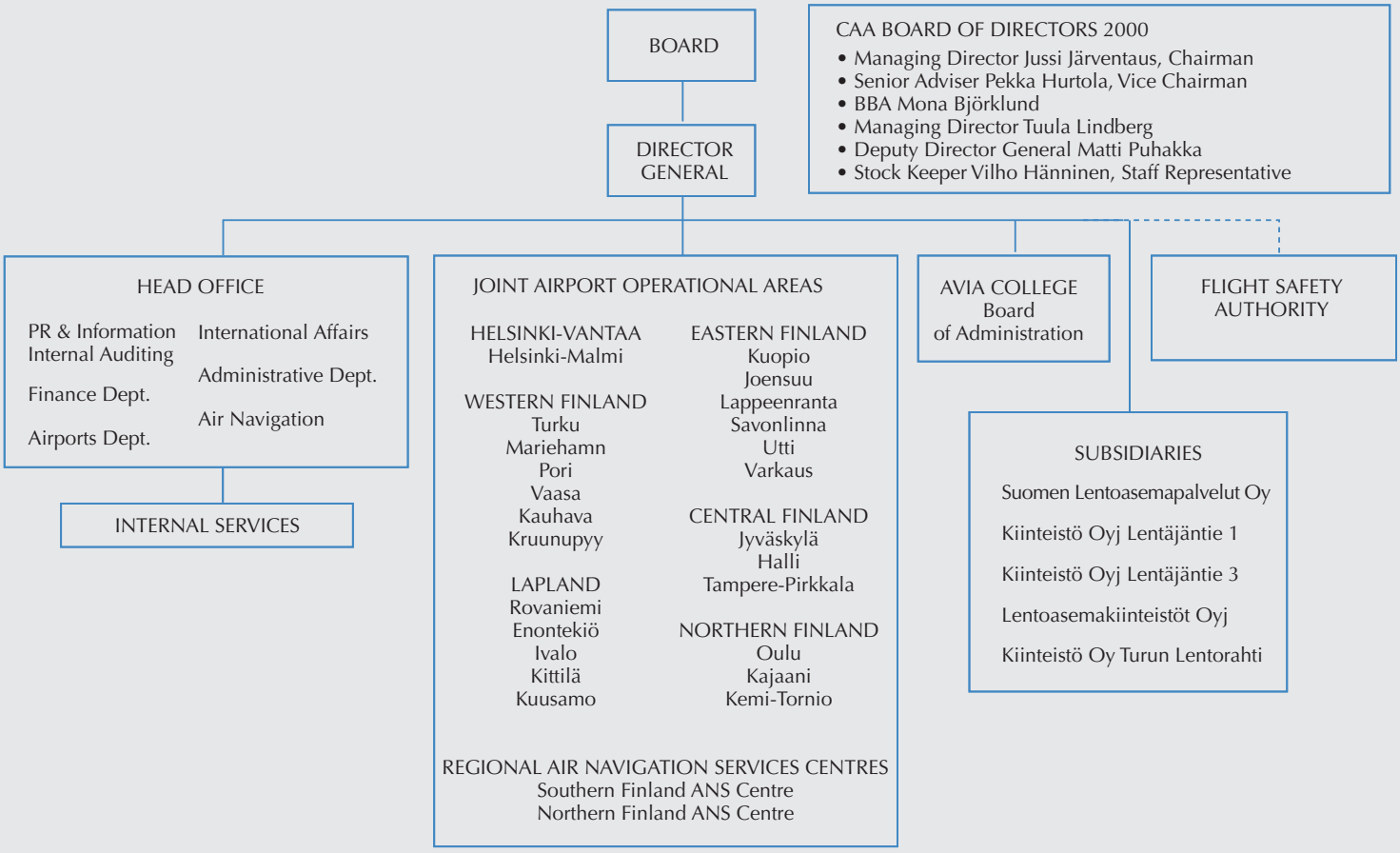
The Council of State set the following service, operational and profit objectives for the CAA for 2000

Front (from left) Jussi Järventaus and Mona Björklund
Rear (from left) Pekka Hurtola, Vilho Hänninen,
Tuula Lindberg and Matti Puhakka

- It is the aim of the Civil Aviation Administration to ensure that aviation is as safe, efficient, appropriate and economical as possible.
- The CAA must provide and develop its services in accordance with profitable business practice and to take account of the needs of its customers, including the military aviation authorities, and the general public.
- It is the duty of the CAA to maintain and develop Finland's airports and its air navigation system as a unified entity corresponding to the demand for such services.
- In all its activities, the CAA must primarily strive to ensure the necessary services for regular, scheduled transport.

The profit target set by the Council of State for the CAA for the year 2000 was FIM 68 million. The actual profit for the year was FIM 69,5 million.

CAA Finland Group Organisation



Air navigation and airport safety

The standard of air navigation and airport safety during 2000 was good. Of all the incidents reported to the Flight Safety Authority (438 during 2000), 50 related to CAA activities, either by the air navigation branch or at airports. Of these incidents, 33 involved commercial aviation. On the basis of the investigations into these reported anomalies, one was classified as a seriously dangerous incident.

Overall, the number of hazardous incident reports and their severity was of the same order as 1999. It is difficult to present a precise analysis because at European level the classification criteria for seriousness are still being worked out, while on the other hand, the Civil Aviation Administration has tightened up its own reporting procedures. Our reporting culture has, in fact, clearly improved in the last few years. It is difficult to make international comparisons, because classifications of seriousness and reporting thresholds vary greatly between countries. Eurocontrol is harmonizing these procedures, which in time should make it possible to make country-by-country comparisons. Judging by current comparisons, however, the situation in Finland corresponds to the level of other advanced aviation countries.

The reporting and feedback system for abnormal situations works well and the Civil Aviation Administration's own investigations are always completed within a week of the incident report at the latest. Cases which are regarded as serious, and usually, also, those involving less serious risk are thoroughly investigated separately by the Accident Investigation Board. There were 6 incidents involving air navigation and airport operations under investigation by the Accident Investigation Board during 2000.

Air traffic delays

The most important measure of the Civil Aviation Administration's operational performance is the volume of air traffic delays. Air traffic delays are caused

on the one hand by the airlines' own activities, and on the other by the activities of the air navigation sector, or by airport maintenance and the weather. The Civil Aviation Administration affects delays through its air navigation and airport operations. Of the flights undertaken in Finland during 2000, 6 % were delayed for air traffic control reasons. During 1999 the corresponding figure was 8 %. Of these delays, 1 % (1.5 % in 1999) resulted from regulatory measures to air traffic imposed in Finland. The remaining five percentage points were a reflection of measures taken outside Finland's borders. The actual level of delays corresponded to the goal set by the Civil Aviation Administration for the year 2000. By international standards, punctuality was good.

The most important innovation affecting the quality of service was the introduction of the new air navigation system at Helsinki-Vantaa Airport. The system was inaugurated in June. Since the introduction and start-up phase of the system we have been able to handle air traffic with almost no delays at all. As a result of this, Helsinki-Vantaa has been the most delay-free airport in its size category in Europe.

Operational efficiency

The efficiency of the CAA's activities is measured by a ratio of air traffic operations and passenger numbers to the number of man-years of work involved. Calculated in this way, operational efficiency increased by 1.2 % compared with 1999. However, this fell short of the 1998 level by 5.8 %. Correspondingly, in terms of passenger numbers, efficiency improved by 3.2 % over 1999 and 2.4 % compared with 1998. The relatively low increase in efficiency was influenced by investments in service standards and a number of new duties.

Energetic dialogue

In order to understand and take account of our clients' perspectives, the Civil Aviation Administration engages in active discussion with the airlines and other parties with whom we cooperate. The emphasis of these discussions has been on issues relating to improving quality and developing services. During 2000, the Civil Aviation Administration discussed measures for developing air traffic with the communities surrounding its airports, among other bodies. The aim of such cooperation has been to develop air transport in ways which are beneficial for the regions.

Investments to improve service standards at the regional airports were carried out in collaboration with the local communities and the employment ministry, on the so-called three pillar principle. We have thus been able to achieve solutions which were not economically justified solely from the point of view of Civil Aviation Administration finances. Projects organized on the three pillar principle were carried out at Rovaniemi and Varkaus airports during the year.

A functional service network

The network principle is an important strategic principle followed by the Civil Aviation Administration as it develops its services. This means that the network of Finnish air navigation and airport services should function as a single entity both operationally and financially.

The Civil Aviation Administration has oriented its operations in accordance with the needs of its customers. Although domestic scheduled traffic often demands that we keep airports open at financially difficult times we have endeavoured to take account of our clients' wishes.

Projects were continued during the year which are aimed at reaping commercial benefit from the land in the vicinity of airports which is owned by the Civil Aviation Administration. Such projects are already under way at Helsinki-Vantaa and Oulu airports and are under development at three other airports. The majority of the projects will be completed in the next 5 to 10 years.

Air traffic trends and other changes in our operating environment

Air traffic trends

During 2000 the number of passengers passing through Civil Aviation Administration airports increased by 5.5 %. The number of passengers on domestic flights increased by 7.9 % and the total number of passengers taking international flights rose by 3.6 %. Regular, scheduled international traffic increased by 5.4 % whereas charter traffic declined by 4.2 %.

The number of commercial aviation operations during 2000 increased by 3.5 %. However, this was almost 2 % below the level for 1998. The growth in domestic traffic was modest, at only 1.4 %; but against this, the increase in international traffic amounted to 6.2 %. The volume of private and military aviation operations fell by about 1 % from the 1999 level.

In comparing the traffic growth statistics, the low figures for 1999 which resulted from the air traffic controllers' strike that year should be taken into account. A rearrangement of domestic traffic capacity which was carried out during 2000 reduced the volume of traffic particularly during the summer months. In addition the rising price of air tickets led to a reduction in passenger numbers for domestic traffic.

The number of gateway passengers passing through Helsinki-Vantaa Airport fell by 3.1 % during 2000, compared with the previous year. This was because of the changes made to long distance routes.

The number of overflights increased by 5.2 %. during 2000. However, measured in kilometres, the volume of overflights increased by 12.2 %, because an increasing proportion of flights between continental Europe and the Far East are taking the Transpolar route. Such flights use about 700 km of Finnish airspace. Furthermore, the aircraft types making overflights are on average larger than they were the year before.

Aviation tariffs

The Civil Aviation Administration continued with its consistent pricing policy during 2000 and raised its aviation tariffs moderately, so that the overall effect of the changes was smaller than the expected inflation rate. This general objective was largely achieved although in fact major changes were made within the fee structure. In particular, the preparations for membership of the Eurocontrol organization meant that it was necessary to almost double the navigation fees for domestic traffic. The objective is to raise navigation fees in stages, and that the tariffs for both domestic and international traffic should be the same by the beginning of 2003 at the latest.

The standardization of landing fees for domestic and international traffic, as required by the European Union commission, went ahead so that the domestic tariffs were raised and international landing fees were lowered, the aim being to make them the same by the beginning of 2001.

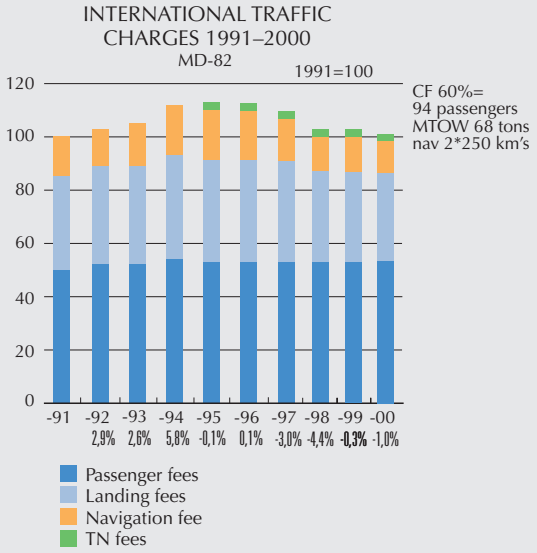
The following table shows the most important changes made to airport tariffs.

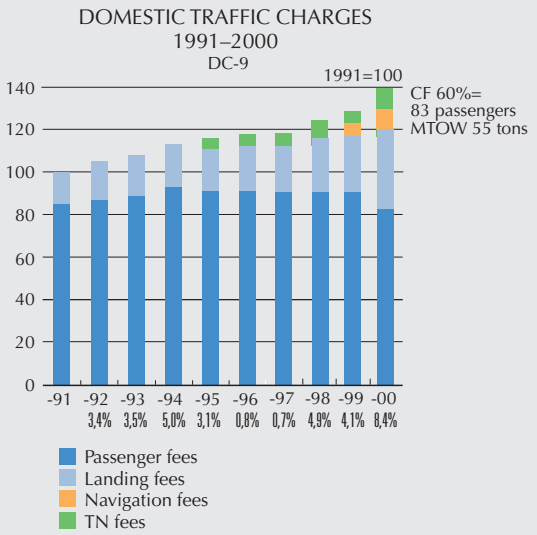
Tariff	Tariff change (%) 99/00
Domestic passenger charge	-7 %
Domestic landing charge	+23 %
International passenger charge	+2 %
International landing charge	-10 %
Flight navigation fee	+18 %
International traffic navigation fee	-2 %
Domestic traffic navigation fee	+100 %
Average tariff change per passenger	+0,6%

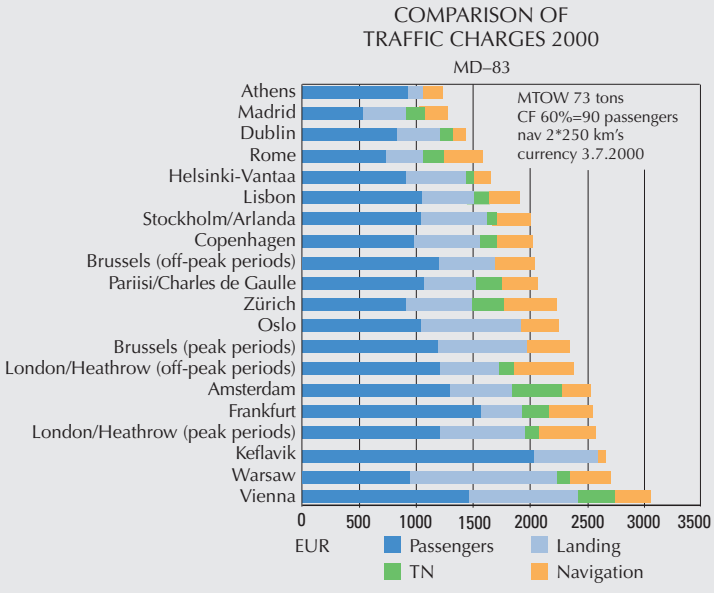
A number of other, less significant changes were made to the tariff structure during the year.

The effect of these price changes on airline costs varies according to whether the company is engaged solely in domestic transport or operates international traffic too. Fees for companies carrying only cargo or mail rose more, as they did too for passenger-carrying firms. The increased earnings from domestic flights as a result of the fee changes amounted to about 8.1 %, but for international traffic the change was -2.9 %. Calculated per passenger, the fee changes averaged out at 0.6 %.

Helsinki-Vantaa Airport maintained its position as one of Europe's cheapest airports and also the most competitive primary airport in Scandinavia in terms of airport charges.







The financial result for 2000

The financial result for the CAA Group

The Civil Aviation Administration Group consists of the CAA itself and its subsidiary companies Kiinteistö Oyj Lentäjäntie 1; Kiinteistö Oyj Lentäjäntie 3; Suomen Lentoasemapalvelut Oy; Kiinteistö Oy Turun Lentorahti and Lentoasemakiinteistöt Oyj.

During the financial year the turnover of the Civil Aviation Administration Group amounted to FIM 1 171.1 million (FIM 1 105.5 million in 1999) and other revenues on business operations amounted to FIM 6.5 million (FIM 6.5 million). Turnover for the CAA Group increased by 5.9 %. Operating profit for the CAA Group amounted to FIM 95.1 million (FIM 94.0 million) with a book profit of FIM 69.0 million (FIM 85.0 million).

Financial result for the CAA

The Council of State set the profit target for the Civil Aviation Administration at FIM 68 million for 2000. The Civil Aviation Administration's profit for 2000 was FIM 69.5 million. Although the trend in air traffic did not perform according to budget and revenues from traffic fees fell below their predicted level, commercial services actually performed better than budgeted. In particular, profit on sales operations developed more positively than budgeted. The abolition of duty-free sales for traffic within the European Union affected revenues to some extent less severely than expected, and it was possible to partially offset these losses through increased sales of duty-paid goods.

Turnover for the Civil Aviation Administration during 2000 reached FIM 1 164.2 million, representing an increase of 5.9 % over the previous year. Other revenues on business operations amounted to FIM 7.5 million (FIM 6.5 million in 1999). The proportion of traffic revenues to turnover, which amounted to FIM 802.5 million was 68.9 %, while the proportion of commercial revenues amounting to FIM 365.2 million was 30.7 %. Revenues on official activities amounted to FIM 4.9 million (0.4 %).

Traffic revenues rose by 6.7 % over the previous year, although they fell FIM 7.7 million short of budget expectations. Although airport tariffs for domestic traffic were raised significantly, these revenues fell FIM 11.4 million short of budgeted expectations, mainly because of efforts by the airlines to cut back on domestic traffic. Airport tariffs for international traffic rose by 1.6 % from the year before, but still fell short of budget expectations by FIM 2.7 million. This came about because of a reduction in airport service charges for international traffic, combined with a slower growth in traffic than predicted.

Earnings on overflights of FIM 43.4 million exceeded budget expectations by FIM 7.9 million, mainly as a result of an increase in overflight traffic and the increased length of flights flown within Finnish airspace. However, the navigation fees earned from other traffic fell FIM 2.6 million short of budget, resulting from a smaller than predicted growth in international air traffic and a reduction in navigation fees.

Revenues on commercial services of FIM 365.2 million represented an increase over the previous year of FIM 18.9 million (5.4 %). Earnings on duty-free sales decreased the most, (-34.8 %), but it was possible to offset these by earnings from duty-paid goods to a greater extent than predicted. Overall earnings on sales activities exceeded the budgeted amount by 39.2 %.

The operating expenses of the Civil Aviation Administration for the year 2000 amounted to FIM 839.5 million (FIM 790.7 million in 1999), which exceeded budgeted costs by FIM 14.4 million. The main reasons for the overrun were greater than predicted purchasing for sales operations, the extra use of de-icing agents caused by the difficult winter, and the increase in fuel prices. Operating costs also included a compulsory provision of FIM 4 million, as required by accounting regulations, to be set aside for landscaping work related to the third runway.

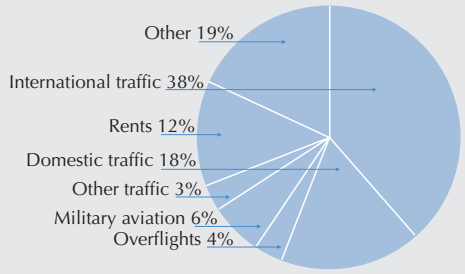
Depreciations exceeded the level for 1999 and amounted to FIM 242.2 million. In addition the Civil Aviation Administration raised the accrued depreciation differential by FIM 10.9 million.

The Civil Aviation Administration's operating profit for 2000 amounted to FIM 90.0 million (FIM 88.1 million in 1999). Incidental earnings of FIM 9.6 million include the Group's internal profit from the sale of land to Lentoasemakiinteistöt Oyj.

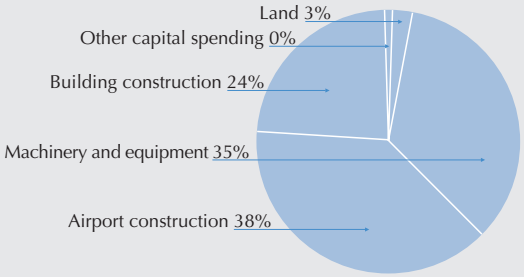
CAA income distribution

	2000 Mill. FIM		1999 Mill. FIM	
Total sales and other earnings on ops.	1171,8		1109,7	
Costs of providing services	-368,9		-365,3	
Financing revenues	21,8		18,9	
Incidental earnings	9,6		20,9	
Sum for distribution	**883,2**	**100%**	**784,2**	**100%**
Preliminary taxes	115,1		108,2	
Social security payments	13,4		13,1	
Unemployment insurance contributions	7,1		6,7	
Property tax	6,3		5,4	
Other official payments	2,2		1,9	
1. Community	**144,1**	**17%**	**135,4**	**17%**
Salaries paid	352,9		327,4	
Preliminary taxes	-115,1		-108,2	
Pension payments	70,6		58,8	
Soc. security+unemployment contribs.	(-20,5)		(-13,4)	
Other personnel costs	6,3		7,5	
Training	11,9		8,6	
2. Staff	**326,5**	**39%**	**294,1**	**38%**
Financing costs incl. valuation items	41,0		22,8	
3. Finance providers	**41,0**	**5%**	**22,8**	**3%**
Maintenance of capital assets	242,2		226,8	
Change in reserves	10,9		20,2	
Undistributed profit	69,5		85,0	
4. Development of infrastructure	**322,6**	**39%**	**331,9**	**42%**
Sum for distribution in relation to flights and air passengers				
Flights (no.)	357 040		350 880	
Air passengers (no.)	10 710 126		10 211 075	
Sum for distribution in FIM				
per flight	2 337		2 235	
per passenger	78		77	

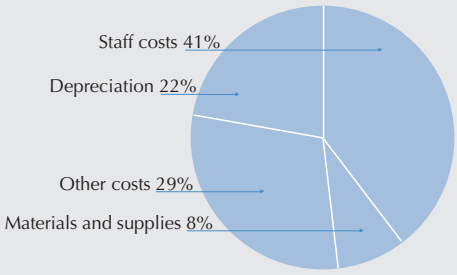
INCOME 2000



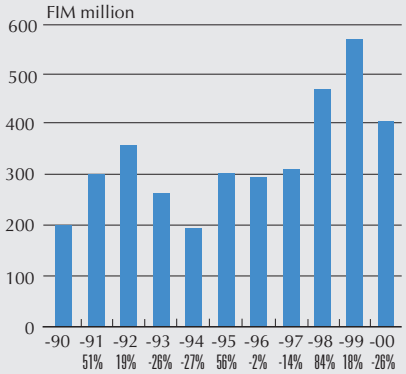
CAPITAL INVESTMENTS
2000



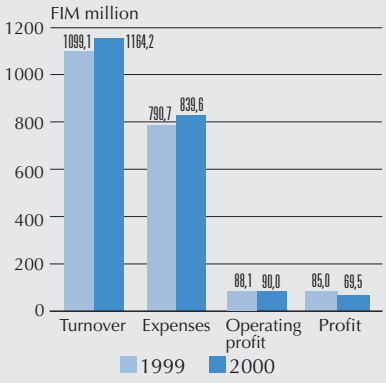
EXPENSES 2000



CAPITAL INVESTMENTS
1990 - 2000



EARNINGS COMPARISON
1999 - 2000



Capital investment

Total capital investments amounted to FIM 403.2 million. The maximum amount of investment permitted by the Council of State was FIM 550 million. The most important completed capital investment projects were the expansion to the Rovaniemi Airport terminal, the multi-storey car park at Helsinki-Vantaa Airport and the introduction of the new flight navigation system at Helsinki-Vantaa Airport. In addition construction work continued on the new third runway at Helsinki-Vantaa, which is due for completion at the end of November 2002.

The expansion of the Rovaniemi terminal will enable a higher standard of service at the airport even during peak periods, especially at Christmas time. The multi-storey car park at Helsinki-Vantaa will considerably increase the airport's parking capacity and will also provide parking facilities for those working at the airport. The new flight navigation system at Helsinki-Vantaa is part of a complete overhaul of Finland's air navigation systems, which is due for completion by the beginning of 2003. Following its introduction phase, the system has enabled us to provide a delay-free air navigation service and has reduced the number of delays caused by the airport's air traffic control to almost zero.

Financing

The government budget allowed the Civil Aviation Administration to take out long term loans to the maximum sum of FIM 250 million. The CAA did not exert this right at all. However, the CAA did withdraw the remainder of a FIM 650 million loan agreed with the European Investment Bank in 1998, which amounted to FIM 303.2 million. Authority for borrowing this sum was provided for in the 1998 government budget.

Net cash flow on the Civil Aviation Administration Group's business operations amounted to FIM 305.0 million (FIM 296.2 million in 1999). The growth in operating profit affected the net cash flow. Correspondingly the Civil Aviation Adminis-

tration's cash flow on business operations was FIM 235.8 million (FIM 249.2 million in 1999). The Group's liquid cash reserves and financial market investments at the end of the year totalled FIM 404.1 million, which represented an increase over the beginning of the year of FIM 99.7 million.

The CAA Group's long term debt at the end of the year amounted to FIM 1 025.4 million, of which the Civil Aviation Administration's share was FIM 759.4 million. The average monthly interest on the CAA's borrowed capital was 4.11%.

Changes to the administration

On December 16 1999, the Council of State set the new board of directors to run from Jan. 1 2000 to Dec. 31 2002. Managing director Jussi Järventaus was elected as a new member to the board (chairman of the board), as was managing director Tuula Lindberg, while stock-keeper Vilho Hänninen was elected to represent the staff. Previous members continuing to serve on the board were senior adviser Pekka Hurtola, deputy director general Matti Puhakka and BBA Mona Björklund.

Personnel

During the year the average number of staff in service with the Civil Aviation Administration was 1 794 (1 755 in 1999). The corresponding figure for the CAA Group was 1 874 (1 831 in 1999).

Salaries and bonuses paid during the year were as follows:

	CAA Group		CAA	
	FIM 1000		FIM 1000	
	2000	1999	2000	1999
Board members and managing director	1 545	1 438	939	850
Other staff	347 544	320 180	337 984	311 408
Holiday pay	17 061	14 438	16 727	14 196
Change in holiday pay provision	1 016	5 467	932	5 553
Fringe benefits	812	525	762	518

The outlook for 2001

The Finnish economy will continue to grow during 2001 although less strongly than last year. Although the growth in European air traffic is assumed to be almost 5 % a year, it is unlikely that Finnish air traffic will increase this much. The CAA's forecast for passenger growth is around 3 %. In international traffic, the growth in commercial operations is expected to be around 1 %. No growth is expected in domestic commercial operations at all. The number of overflights is predicted to rise by about 3 % because the number of overflights is linked to general European air traffic trends. Other business activities are coupled to the number of air passengers to the extent that their growth is expected to be at the same level as passenger growth. Given these circumstances, the Civil Aviation Administration's result for the year 2001 will be the same as for 2000.

Construction of the third runway at Helsinki-Vantaa Airport will continue during 2001, with the aim of getting it ready in November 2002. A new terminal section will be completed at Helsinki-Vantaa Airport in March 2001, allowing Finland to join the Schengen agreement from March 25 2001. This section of the terminal is intended to serve only air traffic to and from destinations outside the Schengen area, and it is estimated to cost FIM 53 million.

Income statement

1.1.2000 - 31.12.2000

	2000 FIM thousand	1999 FIM thousand	2000 FIM thousand	1999 FIM thousand
NET TURNOVER	**1 171 132**	**1 105 508**	**1 164 231**	**1 099 062**
Other operating income	6 466	6 506	7 543	6 506
EXPENSES				
Raw materials and consumables				
Purchases during the financial year	91 607	88 089	89 969	82 768
Variation in stocks, increase(-)/decrease(+)	-446	-404	-209	-345
External services	200 277	199 684	207 789	209 023
MATERIALS AND SERVICES	291 438	287 369	297 549	291 446
STAFF COSTS				
Salaries and bonuses	354 611	327 481	344 026	317 978
Indirect staff costs				
Pension costs	72 398	60 480	70 567	58 826
Other indirect staff costs	20 140	19 391	19 391	18 662
TOTAL STAFF COSTS	447 149	407 352	433 984	395 466
DEPRECIATION AND VALUE REDUCTIONS				
Budgeted depreciations				
Buildings and structures	71 837	69 827	65 359	64 292
Machinery and equipment	122 244	107 507	119 905	104 719
Ground structures	54 365	55 639	54 275	55 537
Intangible rights	2 399	2 056	2 399	2 056
Goodwill - Group	344	344		
Other long-term outgoings	235	147	228	147
DEPRECIATIONS	251 424	235 520	242 166	226 751
Other operating charges	92 445	87 782	108 029	103 764
OPERATING PROFIT	**95 142**	**93 991**	**90 046**	**88 141**
FINANCING INCOME AND EXPENSES				
Income from non-current asset investments	93	45	42	77
Share of associated company profits	158	110		
Other interest and financial income	28 765	24 990	21 782	18 828
Depreciation on non-current investment assets	-2 661		-2 661	
Interest and other financial expenses	-52 381	-33 630	-38 384	-22 784
	-26 026	**-8 485**	**-19 221**	**-3 879**
PROFIT BEFORE EXTRAORDINARY ITEMS	**69 116**	**85 506**	**70 825**	**84 262**
Extraordinary items				
Income on extraordinary items			9 600	20 912
PROFIT BEFORE APPROPRIATIONS AND TAXES			80 425	105 174
Book transfers				
Change in depreciation increase(-)/decrease(+)			-10 937	-20 204
			-10 937	-20 204
Direct taxes		-60		
Change in calculated tax liability (+/-)	21	-123		
PROFIT BEFORE MINORITY SHARE	**69 137**	**85 323**	**69 488**	**84 970**
Minority share of profit for financial year	-121	-351		
PROFIT FOR THE FINANCIAL YEAR	**69 016**	**84 972**	**69 488**	**84 970**

	CAA GROUP 2000 FIM thousand	1999 FIM thousand	CAA 2000 FIM thousand	1999 FIM thousand
ASSETS				
NON CURRENT ASSETS				
Fixed assets				
Intangible assets				
Intangible rights	13 978	11 535	10 462	8 019
Group goodwill	1 032	1 375		
Other capitalized long term expenses	251	78	180	78
	15 261	12 988	10 642	8 097
Tangible assets				
Land	237 125	223 830	235 280	221 985
Buildings and structures	1 621 731	1 512 503	1 347 338	1 299 963
Machinery and equipment	524 834	501 900	516 530	491 205
Ground structures	643 610	616 834	642 554	615 653
Advance payments and building in progress	545 056	441 836	476 838	439 640
	3 572 356	3 296 903	3 218 540	3 068 446
Investments				
Shares in associated companies	418	335		
Shares in CAA Group subsidiaries.			58 806	37 690
Other shares and similar certificates	3 571	2 373	3 571	2 373
Other investments	125 154	118 977	125 154	118 977
	129 143	121 685	187 531	159 040
CURRENT ASSETS				
Current and financial assets				
Current assets				
Finished goods for sale	3 738	3 291	3 441	3 232
	3 738	3 291	3 441	3 232
Debts due				
Trade debt	101 181	88 714	100 187	88 755
Due from Group subsidiaries			1 204	12
Other claims due	81	42	81	42
Claims carried forward	43 630	40 605	38 052	34 628
	144 892	129 361	139 524	123 437
Current financial assets				
Other securities	257 431	169 406	237 074	165 406
Cash in hand and at banks	21 837	16 321	3 786	2 727
	4 144 658	**3 749 955**	**3 800 538**	**3 530 385**
LIABILITIES				
Capital and reserves				
Tied-up equity				
Basic equity	1 097 236	1 097 236	1 097 236	1 097 236
Non-restricted equity				
Other equity	1 262 131	1 262 131	1 262 131	1 262 131
Profit from previous year	326 976	267 003	320 093	260 123
Profit for financial year	69 016	84 972	69 488	84 970
	1 658 123	1 614 106	1 651 712	1 607 224
Minority holdings	16 234	6 573		
Appropriations				
Depreciation reserve			50 449	39 512
Obligatory provisions	3 900		3 900	
	3 900		54 349	39 512
Creditors				
Long term				
Amount owed to credit institutions	1 025 354	730 319	759 441	496 209
Membership fees	3 264	2 932	4 489	3 528
Imputed tax liability	313	333		
	1 028 931	733 584	763 930	499 737
Short term				
Amount owed to credit institutions	85 952	76 833	40 000	70 000
Advances received	4 408	1 262	4 348	1 202
To trade creditors	81 771	84 794	69 805	83 474
Amount owed to Group subsidiaries			654	1 273
To other creditors	73 679	26 863	31 366	31 367
Accruals and deferred income	94 424	108 704	87 137	99 360
	340 234	298 456	233 311	286 676
	4 144 658	**3 749 955**	**3 800 538**	**3 530 385**

Financing statement

1.1.2000 - 31.12.2000

	CAA GROUP 2000 FIM thousand	1999 FIM thousand	CAA 2000 FIM thousand	1999 FIM thousand
CASH FLOW ON BUSINESS OPERATIONS				
Operating profit	95 141	93 991	90 044	88 141
Amendments to operating profit	250 387	233 357	239 998	224 590
Change in trading capital	-16 988	-24 456	-77 664	-59 641
Interests and charges paid	-52 381	-31 400	-38 383	-22 784
Dividends received	167	45	42	77
Interests received	28 765	24 770	21 782	18 828
Tax		-60		
Total	305 091	296 247	235 819	249 211
CASH FLOW ON CAPITAL INVESTMENTS				
Land and water areas	12 081	39	12 081	39
Buildings and structures	200 203	218 928	77 571	171 858
Machinery and equipment	128 421	184 288	128 142	164 280
Ground structures	135 427	195 135	135 427	180 139
Shares and holdings	1 248	3 927	22 314	3 618
Intangible rights	2 553	4 087	2 319	3 788
Other long term expenditure	379	2 233	300	2 070
Income from sale of capital assets	-2 600	-1 703	-13 007	-22 615
Total investments in capital assets	477 712	606 934	365 147	503 174
Change in financial market investments	6 177	44 024	6 177	44 024
CASH FLOW ON INVESTMENTS AND FINANCIAL MARKET INVESTMENTS	483 889	650 958	371 324	547 198
CASH FLOW BEFORE FINANCING	-178 798	-354 711	-135 505	-297 987
CASH FLOW				
Increase(+)/decrease(-) on long term loans	343 232	160 627	303 232	126 209
Long term loan withdrawals(+)/payments(-)	-55 433	47 025	-70 000	40 000
Increase in own equity	9 541	1 000		
Owners share of profits	-25 000	-28 500	-25 000	-28 500
Total	272 340	180 152	208 232	137 709
CHANGE IN LIQUIDITY	93 542	-174 559	72 727	-160 278
Cash/liquidity 1.1.	185 725	360 284	168 133	328 411
Cash/liquidity 31.12.	279 267	185 725	240 860	168 133

Notes to the financial statements

1. Group accounting principles

The financial statement for 2000 has been drawn up in accordance with the accounting principles for state enterprises and groups of enterprises as laid down in Council of State decision 1023/98 of Dec. 17,1998.

All the companies belonging to the group as well as the associated company Nurminen Airport Services Oy have been included in the financial statement. The associated companies Turku Touring Oy and Helsinki - Vantaan Lentoaseman Taksipalvelut Oy have been omitted because of their negligible influence on the Group's equity. More specific information on companies belonging to the Group appears in the appendix under the heading "CAA Group Companies."

Internal transactions within the Group as well as internal receivables and liabilities have been omitted. Cross-ownership of shares has been eliminated using the past-equity procedure. Minority shares have been removed from the Group's own equity capital and revenues and shown as a separate item on the balance sheet. The associated company has been included using the equity method. The Group's proportionate share of the associated company's profits has been presented under financing items. The imputed tax liability on balance sheet transfers has been shown as a separate item.

Valuation principles used in the financial statements

Capital assets are accounted for according to acquisition costs. Budgeted depreciations are calculated within the Group according to a uniform principle governing the economic lifetime of the capital asset. Current assets are presented according to FIFO principles. Non-current assets and financial instruments held as liquid assets are valued according to their purchase price or at their lower market price.

Foreign receivables and debts have been converted into Finnish currency at the Bank of Finland's median rate prevailing on the date of the closing of the books. All exchange rate profits and losses affecting the balance sheet have been included in the profit and loss account.

The financial statements concerning the electricity grid and electricity sales appear separately in the notes to the financial statements, as required by the Electricity Market Act.

Notes to the profit and loss account

2. Salaries for the financial year

	CAA GROUP		CAA	
Performance based	**2000**	**1999**	**2000**	**1999**
	Thou. FIM	Thou. FIM	Thou. FIM	Thou. FIM
Salaries and bonuses for Board of Directors and managing director	1 545	1 438	939	850
Other salaries	347 544	320 180	337 984	311 408
Holiday pay	17 061	14 438	16 727	14 196
Change in holiday pay provision	1 016	5 467	932	5 553
Fringe benefits	812	525	762	518
Total	367 978	342 047	357 343	332 525

Holiday pay provisions include holiday pay earned since the beginning of the relevant year (9 months) holiday pay, holiday bonuses, unspent annual holidays and saved time off.

3. Social costs

Pension costs	72 398	60 480	70 567	58 826
Unemployment insurance payments	7 314	6 940	7 089	6 718
Other personnel costs	12 832	12 447	12 302	11 944
Total	92 544	79 866	89 958	77 489

CAA staff are covered by the state national pension scheme. Performance based pension payments calculated according to the salary bill for 2000 in compliance with actuarial insurance principles providing full coverage are entered in full in the income statement. The state treasury set the pension contribution rate at 19.17 % (1999; 18.15 %).

The CAA Group employed an average of 1,874 people (1999; 1,831) during the financial year. The corresponding figure for the CAA was an average of 1,794 people (1999; 1,755) of whom 1,777 people (1999; 1,738) were engaged in operational duties and 17 (1999; 17) were employed on capital investment related projects.

At the end of the financial year the number of people employed by the CAA Group was 1,976 (1999; 1928). The number of permanent staff employed by the CAA at the end of the financial year was 1,695 (1999; 1608), whilst 177 (1999; 244) were employed on fixed term contracts.

The number of individual working years performed by CAA personnel during 2000 amounted to 1,794 (1999;1755).

4. Extraordinary income

Includes property transactions between the CAA and Lentoasemakiinteistöt Oyj.

Notes to the balance sheet

5. Intangible and tangible assets and depreciations

Lifespans and depreciation percentages are as follows:

	Years	Depreciation	
Intangible assets			
Intangible rights	5	20%	Straight line depreciation
Group commercial value	5	20%	Straight line depreciation
Other long term expenditure	5	20%	Straight line depreciation
Tangible assets			
Buildings and structures	10 - 40	2,5 - 10 %	Straight line depreciation
Machinery and equipment	3 - 20	6,7 - 46,7 %	Reducing balance
Ground structures	10 - 40	2,5 - 10 %	Straight line depreciation

	CAA GROUP		CAA	
Changes in balance sheet items:	**2000** Thou. FIM	**1999** Thou. FIM	**2000** Thou. FIM	**1999** Thou. FIM
Intangible rights				
Acquisition costs 1.1.	27 718	25 865	24 202	22 349
+ Increase during the financial year	4 842	1853	4 842	1 853
- Decrease during the financial year				
Acquisition costs 31.12.	32 561	27 718	29 044	24 202
- Accrued planned depreciation 31.12.	-18 583	-16 184	-18 583	-16 184
Book value 31.12.	13 978	11 535	10 462	8 019
Group commercial value				
Acquisition costs 1.1.	1 719			
+ Increase during financial year		1 719		
- Decrease during financial year				
Acquisition costs 31.12.	1 719	1 719		
- Accrued planned depreciations 31.12.	-688	-344		
Book value 31.12.	1 032	1 375		
Other long term costs				
Acquisition costs 1.1.	5 775	5 775	5 775	5 775
+ Increase during the financial year	409		329	
- Decrease during the financial year				
Acquisition costs 31.12.	6 184	5 775	6 105	5 775
- Accrued planned depreciations 31.12.	-5 933	-5 697	-5 925	-5 697
Book value 31.12.	251	78	180	78

	CAA GROUP 2000 FIM thousand	1999 FIM thousand	CAA 2000 FIM thousand	1999 FIM thousand
Land and water areas				
Acquisition costs 1.1.	223 830	223 649	221 985	223 649
+ Increase during the financial year	13 302	39	13 302	39
- Decrease during the financial year	-7	142	-7	-1 703
Acquisition costs 31.12.	237 125	223 830	235 280	221 985
Buildings and structures				
Acquisition costs 1.1.	1 962 563	1 556 106	1 729 927	1 425 384
+ Increase during the financial year	197 355	431 883	129 058	329 693
- Decrease during the financial year	-18 074	-25 427	-18 074	-25 150
Acquisition costs 31.12.	2 141 844	1 962 563	1 840 911	1 729 927
- Accrued planned depreciations 31.12.	-520 114	-450 059	-493 573	-429 963
Book value 31.12.	1 621 731	1 512 503	1 347 338	1 299 963
Accrued difference between total and planned depreciations 31.12			39 248	28 045
Machinery and equipment				
Acquisition costs 1.1.	1 369 672	1 191 174	1 346 356	1 174 985
+ Increase during the financial year	170 379	190 197	170 100	183 070
- Decrease during the financial year	-42 154	-11 699	-41 824	-11 699
Acquisition costs 31.12.	1 497 897	1 369 672	1 474 633	1 346 356
- Accrued planned depreciations 31.12.	-973 063	-867 773	-958 103	-855 152
Book value 31.12.	524 834	501 900	516 530	491 205
Difference between total and planned depreciations 31.12			11 200	11 467
Ground structures				
Acquisition costs 1.1.	1 222 508	1 139 912	1 221 030	1 139 226
+ Increase during the financial year	81 176	82 596	81 176	81 804
- Decrease during the financial year				
Acquisition costs 31.12.	1 303 684	1 222 508	1 302 207	1 221 030
- Accrued planned depreciations 31.12.	-660 073	-605 674	-659 652	-605 377
Book value 31.12.	643 611	616 834	642 554	615 653
Shares and holdings (subsidiaries and others)				
Acquisition costs 1.1.	2 708	2 143	40 063	36 132
+ Increase during the financial year	1 406	565	22 314	3 932
- Decrease during the financial year	-125			
Acquisition costs 31.12.	3 989	2 708	62 377	40 063
TOTAL				
Acquisition costs 1.1.	4 816 494	4 144 624	4 589 339	4 027 500
+ Increase during the financial year	468 870	708 854	421 123	600 391
- Decrease during the financial year	-60 360	-36 983	-59 905	-38 552
Acquisition costs 31.12.	5 225 003	4 816 494	4 950 556	4 589 339
- Accrued planned depreciations 31.12.	-2 178 453	-1 945 731	-2 135 836	-1 912 373
Book value 31.12.	3 046 550	2 870 763	2 814 720	2 676 966
Difference between total and planned depreciations 31.12			50 448	39 511

	CAA GROUP 2000 FIM thousand	CAA GROUP 1999 FIM thousand	CAA 2000 FIM thousand	CAA 1999 FIM thousand
6. Investments	Book value		Book value	
Shares in subsidiaries				
Kiinteistö Oyj Lentäjäntie 1			32 761	25 645
Suomen Lentoasemapalvelut Oy			400	400
Kiinteistö Oy Turun Lentorahti			5 000	5 000
Kiinteistö Oyj Lentäjäntie 3			5 646	5 646
Lentoasemakiinteistöt Oyj			15 000	1 000
			58 806	37 690
Shares in associated companies				
Acquisition costs 1.1.		335	201	
Increase	208	134		
Decrease	-125			
Acquisition costs 31.12	418	335		
Other shares and similar holdings				
Shares and similar holdings	3 571	2 373	3 571	2 373
Total shares and similar holdings	3 989	2 708	62 377	40 063
Other investments				
Investments in financial markets 1.1.	118 977	74 953	118 977	74 953
Increase during the financial year	6 177	44 024	6 177	44 024
Investments in financial markets 31.12	125 154	118 977	125 154	118 977
Other investments in total	125 154	118 977	125 154	118 977

7. Companies of the CAA Group

Group companies	**Profits 2000**	**1999**
Kiinteistö Oyj Lentäjäntie 1	-122	1 100
Suomen Lentoasemapalvelut Oy	-13	32
Kiinteistö Oy Turun Lentorahti	-27	32
Kiinteistö Oyj Lentäjäntie 3	824	702
Lentoasemakiinteistöt Oyj	-13	-26

Associated companies	No. of shares	Group's holding in per cent	Book value	Group's capital holding	Result for the financial year
Nurminen Airport Services Oy	75	25	150	345	633
Turku Touring Oy	8	1	24		
Helsinki Vantaan Lentoaseman Taksipalvelut Oy	50	25	50	35	-59

8. Substantial receivables carried forward

Receivables carried forward for the financial year include Value Added Tax credits of FIM 11.2 million and funding from the Ministry of Labour for capital investment projects amounting to FIM 9.7 million.

	CAA GROUP 2000 FIM thousand	CAA GROUP 1999 FIM thousand	CAA 2000 FIM thousand	CAA 1999 FIM thousand
9. Increase and decrease in own equity items				
Basic equity				
At the beginning of the financial year	1 097 236	1 097 236	1 097 236	1 097 236
+ increase / decrease				
At the end of the financial year	1 097 236	1 097 236	1 097 236	1 097 236
Other equity				
at the beginning of the financial year	1 262 131	1 262 131	1 262 131	1 262 131
Profit / loss from prev. financial year	351 975	275 654	345 093	288 623
Shareholder dividend	-25 000	-28 500	-25 000	-28 500
Share of depreciation difference entered as profit for previous financial year		19 849		
	326 975	267 004	320 093	260 123
Profit for financial year	58 136	64 453		
Change in depreciation difference entered as profit for previous financial year	10 880	20 519		
Profit (+) loss (-) for financial year	69 016	84 972	69 488	84 970
At the end of the financial year	1 658 123	1 614 106	1 651 712	1 607 224
Total equity	2 755 359	2 711 342	2 748 948	2 704 460
10. Provisions				
Accrued depreciation difference			50 448	39 511
Compulsory provisions	3 900		3 900	
11. Long term borrowed liabilities				
Debt repayable after five years or longer				
Loans from financial institutions	724 138	425 405	616 361	336 209
12. Substantial items of accrued expenses				
Costs to the CAA Group for the financial year include holiday pay and related social security costs of FIM 78.4 million.				
Costs to the CAA for the financial year include personnel costs with related social security costs of FIM 77.1 million.				
13. Funding from the state budget				
Funding for services rendered				
For services to the Air Force			38 789	36 222
Reimbursement for standby duties			26 988	27 200
For services to the Border Guard Service			450	450
For services to the Meteorological Institute			1 242	1 323
Maintenance of rescue services			500	500
Subvention for vocational training			9 000	4 000
			76 968	69 695
Unearned income				
For completion of capital projects			24 358	12 898
For operational procedures			5 464	674
			29 821	13 573
14. Personnel covered by state funding				
Number of staff			57	55
Paid salaries and bonuses			6 284	5 860
15. Funding from local authorities				
Unearned income				
For carrying out capital projects			2 579	3 000
16. Funding from the EU				
Unearned income				
For carrying out capital projects			10 632	7 373

	CAA GROUP 2000 FIM thousand	1999 FIM thousand	CAA 2000 FIM thousand	1999 FIM thousand
17. Guarantees, pledges and liabilities				
Guarantees on behalf of Group companies:				
Kiinteistö Oy Lentäjäntie 1	155 000	115 000	155 000	115 000
Kiinteistö Oy Lentäjäntie 3	78 625	80 750	78 625	80 750
Kiinteistö Oy Turun Lentorahti	9 292	9 692	9 292	9 692
Lentoasemakiinteistöt Oyj	68 948	35 500	68 948	35 500
Pledges on own behalf:				
Kiinteistö Oy Turun Lentorahti	15 000	15 000		
Leasing liabilities				
Payable during financial year 2001	5 628	3 428	4 556	2 508
Payable later	4 002	2 715	2 926	1 795
Total guarantees, pledges and liabilities	336 495	262 085	319 347	245 246

18. Financial statement for Flight Safety Authority regulatory body 2000 / 1999

Turnover for regulatory functions derives from fees for granting and renewing various kinds of licences; for training licences for various training organizations and for operating licences for commercial aviation and maintenance companies. In addition, fees are charged for the supervision of aircraft airworthiness and for the inspection of air navigation equipment. Charges are also levied in connection with the upkeep of the aircraft registry.

The number of staff employed by the regulatory body at the end of the financial year was 73 (71).

Income statement

	2000 Mil. FIM	**1999** Mil. FIM
Turnover	4,9	4,9
Staff costs	19,5	18,0
Other costs	5,3	4,0
General costs		
Office premises costs	1,1	1,1
Air survey costs	2,5	2,9
Other general costs	1,1	1,0
Total general costs	4,7	5,0
Total operating costs	29,5	27,0
Operating surplus/deficit	-24,6	-22,1
Depreciations	0,6	0,7
Result for the financial year (deficit)	-25,2	-22,8

Changes to balance sheet capital items	**2000** Thou. FIM	**1999** Thou. FIM
Intangible rights		
Acquisition costs 1.1.	2 498	2 435
Increase / cap. investments - 00		63
Acquisition costs 31.12.	2498	2 498
- Accrued planned depreciations 31.12.	-1 540	-1 131
Book value 31.12.	958	1 367
Tangibles		
Acquisition costs 1.1.	8 170	8 170
Increase / cap. investments - 00	92	
Acquisition costs 31.12.	8 262	8 170
- Accrued planned depreciations 31.12.	-7 184	-6 936
Book value 31.12.	1 078	1 234

19. The CAA in the government budget, 2000

During the financial year, FIM 403.2 million was spent on capital investments (cash based spending FIM 365.2 million) whereas the budget estimated such spending to amount to FIM 550 million in order to meet the profit target. The CAA was authorized to make capital investment related commitments to a total value of FIM 600 million. Of this authorization, FIM 112 million was used.

The CAA was granted the authority to borrow FIM 250 million. FIM 303.2 million was borrowed on the basis of loan authorization for 1998, so that none of the authorization covering the year 2000 was used.

The CAA was granted the authority to provide directly enforceable guarantees without requiring counter guarantees to those of its subsidiaries providing airport and air navigation services and to its property companies which are involved in the operations of the CAA, as assurance for loans up to a total of FIM 150 million. During the financial year the CAA gave such guarantees to a value of FIM 85 million, of which FIM 40 million was borrowed.

Guarantee authority was provided for a commercial paper issue by Lentoasemakiinteistöt Oyj (FIM 59.5 million) out of a guarantee provision for 1999 of FIM 95 million, of which FIM 33.4 million was used.The remainder is to be used during 2001.

Key figures

				CAA	
	1997 actual	**1998** actual	**1999** actual	**2000** budgeted	**2000** actual
Turnover, FIM million	971,4	1086,8	1105,5	1073,0	1171,5
- change-%	15,6	11,9	13,8	-2,9	6,0
Operating profit, FIM million	310,9	340,6	314,8	307,0	332,2
-profit as % of turnover	32,0	31,3	28,5	28,6	28,4
profit, FIM million	73,2	95,6	84,9	45,0	69,5
-profit as % of turnover	7,5	8,8	7,7	4,2	5,9
Return on invested capital % 1)	2,5	3,0	2,7	2,0	2,5
Solvency ratio% 2)	85,2	80,7	77,7	74,0	73,6
IInvestments as % of turnover	25,9	43,0	51,3	47,0	35,5
Number of personnel	1 670	1 766	1 852	1 751	1 872

Formulae:
1) Net profit - income on financing + financing costs / invested capital (balance sheet total - interest free debt)
2) Own capital + reserves / balance sheet total

20. CAA electricity grid operations

Itemized statement for electricity grid operations and sales revenues as required by the Electricity Act (386/95).

Principles for categorizing joint costs and balance sheet items

Balance sheet

Other expenses
In order to cover running costs, a proportion of Helsinki-Vantaa Airport's general costs has been assigned to the electricity grid distribution operations of its power plant. In addition, a proportion of CAA GROUP/ Head Office expenses has been assigned to electricity supply operations in regard to airport running costs.

Balance sheet

Changes to balance sheet items during financial years 2000 - 1999

When electricity grid operations began in 1996, the opening balance sheet consisted of fixed assets for carrying out such operations (equipment and buildings). Assets under balance sheet liabilities were divided into basic equity capital and other start-up capital.

	2000 Thou. FIM	1999 Thou. FIM
Buildings and structures		
Acquisition costs 1.1.	641	641
Increase during the financial year - 00		
Acquisition costs 31.12.	641	641
- Accrued planned depreciations 31.12.	-641	-641
Book value 31.12.		
Machinery and equipment		
Acquisition costs 1.1.	51 410	50 780
Increase during the financial year - 00	7 145	630
Acquisition costs 31.12.	58 555	51 410
- Accrued planned depreciations 31.12.	-40 279	-37 773
Book value 31.12.	18 276	13 637

Short term liabilities
Accounts payable relate to services for grid operations. Accrued expenses include obligatory staff holiday provisions and occasional performance related bonuses.

Staff
The average number of staff employed on electricity grid operations was 9 (9).

POWER PLANT

Income statements

	GRID OPERATIONS				SALES OPERATIONS			
	2000 Thou. FIM	%	1999 Thou. FIM	%	2000 Thou. FIM	%	1999 Thou. FIM	%
TURNOVER	12 217		11 346		17 145		16 465	
Other earnings on business operations								
EXPENSES								
Materials and supplies								
Purchases during the financial year	125		216		4		24	
External services	3 787		3 805		16 811		15 894	
Staff costs								
Salaries and bonuses	1 733		1 615		207		209	
Social security costs								
Pension costs	343		307		41		39	
Other social security costs	100		86		12		12	
DEPRECIATIONS AND REDUCTIONS IN VALUE								
As budgeted								
Buildings and structures			59					
Machinery and equipment	2 506		2 472					
TOTAL DEPREC. AND REDUCTIONS IN VALUE	2 506		2 531					
Other expenses on business operations	2 398		2 068		117		95	
OPERATING PROFIT	1 225	10	718	6	-47	0	192	1
FINANCING INCOME AND EXPENSES								
Interest income	25							
Interest expenses			-3					
TOTAL	25		-3					
PROFIT BEFORE APPROPRIATIONS AND TAXES	1 250		715		-47		192	
PROFIT FOR THE FINANCIAL YEAR	1 250	10	715	6	-47	0	192	1

POWER PLANT

Balance sheet **Grid operations**

	2000 Thou. FIM	1999 Thou. FIM
ASSETS		
FIXED ASSETS AND OTHER LONG TERM INVESTMENTS		
Tangible assets		
Buildings and structures	18 302	13 637
	18 302	13 637
CURRENT AND FINANCING ASSETS		
Receivables		
Sales receivables	1 042	960
Receivables brought forward	12	144
Other receivables		2 605
	1 054	3 709
TOTAL ASSETS	19 356	17 346
Balance sheet		
LIABILITIES		
OWN EQUITY		
Basic equity	7 800	7 800
Other start-up equity	5 200	5 200
Profit from the previous financial year	2 970	2 255
Profit for the financial year	1 250	715
	17 220	15 970
PROVISIONS		
BORROWED CAPITAL		
Short term		
Trade debt	1 388	456
Other short term	335	66
Debt brought forward	413	854
	2 136	1 376
TOTAL LIABILITIES	19 356	17 346

Return on invested capital, %

Return on invested capital for grid operations amounted to 7.2 % (4.5%)

Formula

$$\frac{100 \times (\text{profit before extraordinary items + interest costs and other financing costs})}{\text{Invested capital}}$$

Proposal for the use of profit

The Board recommends that the Council of State approve the Closing of the Accounts for 2000 and that FIM 20 800 000 of the profit of FIM 69 487 999 for the financial year be assigned as profit to the state and that the balance of FIM 48 687 999 be entered into the profit and loss account for the previous financial years.

Vantaa March 27th, 2001

Jussi Järventaus
Pekka Hurtola
Mona Björklund
Vilho Hänninen
Matti Puhakka
Tuula Lindberg

The foregoing Financial Statement has been drawn up in accordance with good accounting practice. An auditors' report on the accounts has been issued today.

Vantaa March 28th, 2001

Seppo Akselinmäki, JHTT
Markku Pajunen, KHT

Auditors' report

We have examined the accounts of the CAA, its closing of the accounts, the closing of the accounts for the CAA Group, its administrative practices and its finances for the financial year January 1st to December 31st 2000. The closing of the accounts drawn up by the Board and managing director contains the report of the Board, income statements, balance sheets and appendices with financing statements for the Civil Aviation Administration and the CAA Group.

The audit has been carried out as comprehensively as required by good auditing practice. The principles used in bookkeeping and the preparation of the closing of the accounts, their content and method of presentation have been examined in this way and we can affirm that the closing of the accounts contains no essential flaws or omissions. An audit of the management has confirmed that the members of the Board and the managing director have acted legally in accordance with the State Enterprises Act and the regulations governing the Civil Aviation Administration.

We hereby state that

- The management of the Civil Aviation Administration has been organized properly.
- The bookkeeping has been arranged and conducted in accordance with the regulations and good accounting practice.
- The closing of the accounts has been drawn up in accordance with prevailing regulations and good accounting practice.
- The closing of the accounts and the financial statement of the CAA Group with appendices, together with the Annual Report submitted to the Council of State provide an accurate account of the Civil Aviation Administration's finances and the achievement of the targets set for it by Parliament and the Council of State.

In accordance with the Electricity Marketing Act we have examined the separately itemized income statements, balance sheets and appended information for these activities.The accounts have been drawn up correctly in accordance with the Electricity Marketing Act and the regulations and provisions pertaining to it.

We recommend that the closing of the accounts and the Group financial statement be approved and that the proposal by the Board contained in the Annual Report for the disposal of the profit be accepted.

Vantaa March 28th, 2001

Seppo Akselinmäki, JHTT
Markku Pajunen, KHT

The national aviation safety authority

The Civil Aviation Administration's independent body, the Flight Safety Authority, maintains and develops aviation safety in Finland. It is an independent regulatory unit which controls and oversees the safety of air traffic and civil aviation, as well as airport and air navigation safety.

As the official national aviation authority, the Flight Safety Authority issues the aviation regulations applicable in Finland. Its official duties include the issuing of various licences and certificates, as well as the supervision of the operations of certificate and licence holders. The Flight Safety Authority issues approvals for aviation equipment, maintains a register of aircraft and endorses aircraft mortgages. Through its operations the FSA fulfils the primary objective set out for it by the Ministry of Transport and Communications, which is to uphold Finnish air safety to an internationally high standard.

The revenues for these official activities derive mainly from various certificate and operating licence fees as well as supervision fees. Total expenses for 2000 amounted to FIM 29.5 million, whilst revenues amounted to FIM 4.9 million. The ensuing deficit on official activities is covered by other activities of the CAA.

The Flight Safety Authority publishes its own annual report, which contains more specific information on its activities in 2000.

Air safety during 2000

As a member of Europe's Joint Aviation Authorities (JAA) , the Flight Safety Authority worked towards reducing the annual number of aircraft accidents and resulting fatalities despite the increase in air traffic. As far as Finnish air safety was concerned, the past year was rather good, in line with the previous year.

In commercial air transport[1] a single accident occurred when a Finnish commercial aircraft collided with a passenger corridor whilst coming to a halt at Helsinki-Vantaa Airport. In addition, damage during taxiing occurred to a foreign aeroplane. No personal injuries occurred. Two serious incidents took place, one in Finland and one to a Finnish aircraft abroad.

In general aviation[2] there were three accidents. Two people were killed in one of these, which was a training flight. In addition there were eight incidents causing aircraft damage involving private aviation. There were four incidents classified as serious.

In sport aviation[3] there were 12 accidents, of which the most serious related to parachute jumping. One person died and two were seriously injured. One person was injured in a paragliding accident and one in a hot-air ballooning accident. There were 15 incidents of aircraft damage involving sport aviation.

1 Regular scheduled traffic and charter traffic by transport category aircraft; regular, scheduled helicopter traffic
2 Taxi flights, aerial work, training flights, private aviation
3 Sail plane and powered glider flights, ultralight aircraft, hot-air balloons, parachute sports, hang gliding and paragliding.

Aviation incidents and occurrences

The examination of incidents and occurrences provides information on possible aviation risks and risk trends. Follow-up and interpretation is based on the reports made to the Flight Safety Authority. During 2000 there were 438 air safety incident reports made to the Flight Safety Authority. During the previous year, 508 incident reports were submitted. During 2000, the Accident Investigation Board of the Ministry of Justice began investigations into 23 accidents or incidents. The FSA endeavours consistently to reduce the reporting threshold, in order to increase confidence between the various parties involved in aviation.

In future the FSA will switch over to the ICAO's new ADREP 2000 classification system for follow-up and classification of flight safety incident reports. On a general European scale, too, the harmonization of classification systems is necessary for the evaluation, analysis and improvement of air safety. In fact the EU Commission has drawn up a proposal concerning a common compulsory and supplementary reporting system, which in the future would harmonize reporting practices in the various European countries.

Flight Safety Authority goals and their achievement in 2000

The Ministry of Transport and Communications determines and approves the operational objectives of the Flight Safety Authority, the official arm of the Civil Aviation Administration. During 2000, these goals were carried out as follows:

The primary objectives of the Flight Safety Authority's international cooperation work were the active participation in the preparations for the foundation of the European Aviation Safety Authority, EASA, within the EU; cooperation between the European aviation authorities within the Joint Aviation Authorities (JAA) and participation in and development of the activities of Eurocontrol's Safety Regulation Commission, the SRC.

During 2000 the EU discussed the setting up of EASA as a community body on the basis of a study by the European Commission and a regulation proposal issued in autumn 2000. The FSA prepared a written reply and took part in the work of the Council of the European Union's aviation group.

The Flight Safety Authority actively participates in the decision-making bodies of the JAA and its committees and working groups. During 2000, the main focus of the JAA was to improve its own operations and make them more efficient. Within the SRC, the Flight Safety Authority participated in the preparation of ESARR safety regulations.

It was the aim of the Flight Safety Authority to assess and bring about those recommendations given as a result of the audit of Finnish aviation administration by the International Civil Aviation Organization, the ICAO.

All aspects of the work will be completed during 2001 and attention will focus particularly on the following matters: specification of qualification, experience and training requirements for inspectors and aircraft inspectors; checking the implementation status of ICAO standards and recommendations on flight operations, and supplementary work on the FSA's operations and quality manual.

In Finland the primary focus of international cooperation was on the implementation of Joint Aviation Requirements concerning commercial aviation, aviation licences and training as well as certification of aircraft maintenance personnel and maintenance organizations.

The joint European JAR-FCL requirements came into force on January 1, 2000. JAR-66 concerning certification requirements for aircarft mechanics and JAR-147 which covers maintenance training organizations, began to be phased in from February 1, 2000. The JAR-OPS 1 requirements governing commercial operations with small multi-engined aeroplanes under Instrument Flight Rules (IFR) came into force on April 1, 2000.

During 2000 there was a total of 163 JAR licences in force. National licences remain valid but they will be maintained and renewed in accordance with the new requirements. In order to obtain the new licences and ratings, students are trained in accordance with JAR-FCL requirements.

The majority of flight training organisations giving instruction for private pilot licences were granted the right to train according to JAR-FCL rules during 2000. At the end of the year, three flying schools had gained the corresponding permission to train pilots for more advanced licences and ratings. By the end of 2000 no type-rating training organization or helicopter pilot school was yet ready to give training in accordance with the new rules.

During the year the work on the prevention of aviation accidents and incidents stressed the importance of information as well as of monitoring the quality of flight training and correcting any deficiencies in such training.

The Flight Safety Authority has developed a follow-up system which is better able to monitor the test results for various subjects as well as for trainees from different flying schools. During 2000, attention focused on the inspection and approval of the establishments for professional pilots and flight instructors which provide training to JAR-FCL requirements. Operational, training and quality manuals, as well as training programmes were inspected using the tools developed by the FSA.

Several information and training sessions concerning the changed and more detailed aviation regulations were arranged for flight instructors, flight examiners and pilots.

During the year official approvals had to be granted for the introduction of new air navigation systems, and official auditing of air navigation operations was made more effective.

During 2000 the FSA approved the adoption of new approach control system for Helsinki-Vantaa Airport and its related development and modification projects. In addition numerous separate systems and pieces of equipment were granted approvals. Official auditing was carried out at three airports.

Other important goals have been the improvement of customer service standards and the development of more efficient operations. In addition the FSA has striven to clarify its role and public image by defining its service concept and improving its services, as well as by more effectively providing information on the FSA's activities and duties.

The working group assigned to the customer service project defined the principles for service and customer advice, drawing systematically on the responses from customers themselves.

All new regulations issued by the FSA as well as up to date public bulletins are published on the Internet web site. By the end of 2000, the entire body of aviation regulations had been converted into electronic form and a trial version was being run within the organization.

The Flight Safety Authority published its own annual report in the spring of 2000 in Finnish and English.

Proposals were made to those involved in aviation regarding the development and better preparation of so-called discussion forums, as well as for improving the provision of information relating to such occasions.


CAA AIRPORTS
OTHER AIRPORTS
IVALO
ENONTEKIÖ
KITTILÄ
ROVANIEMI
KUUSAMO
KEMI–TORNIO
OULU
KAJAANI
KRUUNUPYY
KAUHAVA
VAASA
SEINÄJOKI
KUOPIO
JOENSUU
JYVÄSKYLÄ
VARKAUS
SAVONLINNA
HALLI
MIKKELI
PORI
TAMPERE–PIRKKALA
LAPPEENRANTA
UTTI
HELSINKI–
VANTAA
TURKU
HELSINKI–
MALMI
MARIEHAMN

ILMAILULAITOS
CIVIL AVIATION ADMINISTRATION
FINLAND

Civil Aviation Administration
P.O. BOX 50
FIN-01531 Vantaa
Finland

Addresses:
Lentäjäntie 3 and
Ilmailutie 9, Vantaa

Telephone exchange (+358-9) 82 771
Telefax (+358-9) 8277 2099
e-mail: ilmailulaitos@fcaa.fi

www.ilmailulaitos.com