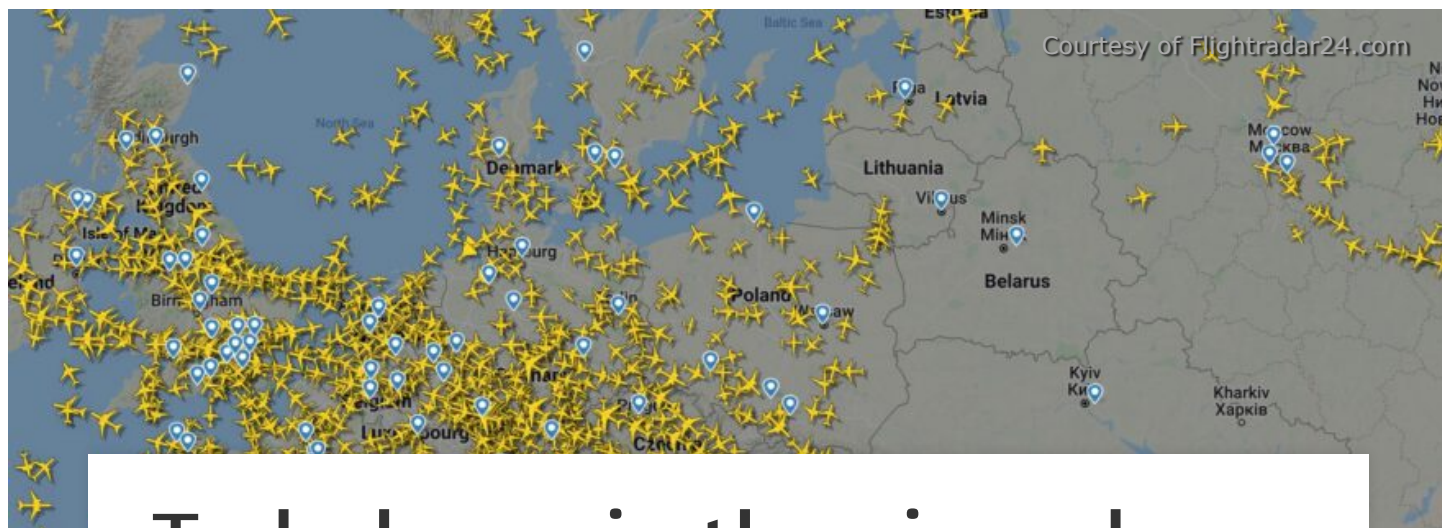


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# Turbulence in the air and space industry: EU sanctions against Russia

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Airspace closures and export restrictions are reshaping relations between the EU and Russia. Consequences are not limited to the aerospace industry of each party: is there a new ‘iron curtain’ in the sky?

The invasion of Ukraine by Russian Federation troops, launched on 24 February 2022, resulted in the first large-scale conflict in Europe since WWII as well as in a severe humanitarian crisis (see [D. Stefoudi](#), in [this blog](#) on the use of satellites in the conflict). The restrictive measures adopted by the European Union following the Russian aggression focus on several economic sectors: aviation and space industries are among the most affected. The main measures in this field can be divided into two groups, airspace closures and export controls. This blogpost aims to provide an overview of both, as well as some initial thoughts about possible spillover effects on a global scale.

## Airspace closures

Since 28 February, EU airspace has been closed to Russian carriers and aircraft ([Decision 2022/335/CSFP](#) and [Reg. \(EU\) 2022/334](#)), a measure causing significant resonance in the media, as well as having a symbolic impact (for a more tangible picture consult illustrations from [FlightRadar24](#)). This provision should not be confused with the closure of Ukrainian airspace to EU carriers, which the [European Aviation Safety Agency \(EASA\)](#) brought into force on 24 February. Such a security measure was taken bearing in mind the tragic destiny of flight MH17, downed in 2014 during the conflict in the Donbas region (on this matter, see [W. Alink, in this blog](#)).

The EU sanction, based on Articles [29 TEU](#) and [215 TFEU](#), finds a precedent in those formerly adopted, e.g. against [Afghanistan](#) and the [Republic of Yugoslavia](#). On an international front, these measures are possible because airspace is subject to the principle of territorial sovereignty (Art. 1 [Chicago Convention of 1944](#)), progressively surpassed in relations among EU Member States thanks to the creation of a single aviation market, characterised by common rules on the organisation of airspace (so-called Single European Sky - SES, cf. [Reg. \(EC\) 551/2004](#)) and on the provision of air services ([Reg. \(EC\) 1008/2008](#)).

As regards the practical application of the sanction, [Regulation \(EU\) 2022/334](#) prohibits take-off, landing and overflight operations (*re* the territory of the Union) to any aircraft operated by Russian carriers (also by virtue of code-sharing or blocked-space agreements), as well as to aircraft registered in Russia or, in any case, controlled by any individual or entity that can be linked to this same country. This is without prejudice to cases of emergency landings, overflights or authorisation by way of derogation for flights for humanitarian purposes. A definitive clause prohibits any circumvention (Art. 12) – the application of which is incumbent upon the Member States. The [European Commission](#) and [EASA](#) have provided further detailed guidance, with particular reference to suspension of certificates and authorisations.

The above-mentioned EU measure was immediately countered by a [Russian reciprocal prohibition](#) on flights by airlines from the EU and other Western countries. The combined effect of these airspace closures is having repercussions on the aviation business on a global scale, affecting carriers operating from third countries too: [routes between Europe and the Far East have been redrawn](#), with increased costs (more fuel, overflight rights, etc.) and journey times.

## Export controls

Aviation and space industries are particularly sensitive in terms of national security, as most of the technology involved can be used both for civil and military purposes (i.e. dual use). For this reason, this sector is expressly covered by export controls, in accordance with relevant international and EU provisions (see, respectively, [Wassenaar Arrangement of 19 Dec. 1995](#) and [Reg. \(EU\) 2021/821](#))

In the case of Russia, the export of goods falling into the category of ‘military equipment’ had already been banned since the annexation of Crimea in 2014, but recent amendments to [Regulation \(EU\) 833/2014 \(Reg. \(EU\) 2022/328\)](#) have extended the prohibition to all dual-use items, with limited exceptions comprising proof of non-military use.

With specific reference to the aerospace field, sanctions affect certain goods and technologies apt for use in aviation and the space industry. Not only aircraft and their components are affected, but also all other related services, such as repairs and technical assistance – not to mention insurance and financing.

The expected impact on Russian civil aviation is significant. In the first place, it is estimated that three quarters of the civil aviation fleet is made up of Western-made aircraft (Airbus or Boeing) and, hence, **require constant supplies** of spare parts in order to continue flying safely. Secondly, most of the aircraft in question are not owned by the respective companies, but are leased by specialised companies (mainly from Ireland and Bermuda): this is causing **a major crisis in the industry**, since it is clearly impossible to repossess the aircraft in question (the **Russian countermeasure** enables their nationalisation via a re-registration under the Russian flag).

Like aviation, the space industry is also affected by export restrictions. The measure in itself is hardly surprising if we think, for instance, that space launchers are derived directly from the technology developed for the creation of intercontinental ballistic missiles. Even if Regulation (EU) 2022/328 affirms that exports relating to intergovernmental cooperation in space programmes are exempt, the repercussions have also been to worsen space agency relations, a field traditionally sheltered from geopolitical tensions. The Russian agency Roscosmos **halted the use of Soyuz rockets** in French Guiana, while the European Space Agency (ESA) announced the redirecting of **ExoMars** and **Luna**. In addition, Roscosmos has threatened repercussions on the activities of the International Space Station (ISS), the maintenance of which in orbit it is called upon to guarantee (on the matter, see the **remarks by Prof. Masson-Zwaan**).

## First thoughts: a new iron curtain?

The situation is constantly evolving: some Russian carriers have been subjected to ‘targeted’ individual restrictions ([Decision \(EU\) 2022/429](#) and [Impl. Reg. \(EU\) 2022/427](#)), while others have been **declared unsafe** because the re-registration of their aircraft breaches international safety standards. At the same time, the **EU’s fifth package of sanctions** restricts jet fuel exports to Russia ([Decision \(CFSP\) 2022/578](#) and [Reg. \(EU\) 2022/576](#)).

In conclusion, the consequences of the aggression into Ukraine seem far-reaching for the aviation and space industry: with reference to the former, also related markets (Far East routes) and businesses (leasing and insurance) are impacted, while in the case of the latter, intergovernmental cooperation is affected as well.

Some relief to the EU companies is expected under the State aid regime, thanks to the **Temporary Crisis Framework recently adopted by the Commission** (applicable to the sector albeit not expressly referring to the same). However, the overall coercive success of the EU sanctions relies on their effective enforcement by Member States as well as on whether China's political will is to replace the EU (and the US) in some supplies to and from Russia.

It is too early to assess the long-term consequences for these industries; however, an invisible barrier seems to be reshaping markets with consequences for the near future.

*Photo: courtesy of [flightradar24.com](https://flightradar24.com)*

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