



**ABSTRACT FOR JUNIOR RESEARCHERS' WORKSHOP AMSTERDAM  
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**The Effects of Outsourcing on the Financial Performance of German  
Airports**

**Cemil Demir, Sascha Michalski, Jürgen Müller and Stefanie Marie Scholz**

GAP Team FHW Berlin and HUB<sup>1</sup>  
Berlin School of Economics and GAP Team Berlin  
Badensche Strasse 50-51, D-10825 Berlin, Germany  
Phone: +49-30-85789-145, Fax: +49-30-85789-199  
E-mail: [jmueller@fhw-berlin.de](mailto:jmueller@fhw-berlin.de)

**Abstract:** Due to liberalisation and privatisation in the airport industry an increasing need for changes in the organisational structure has emerged. Contrary to former monopoly structures airports are faced with rising competitive pressure and the associated demand for greater efficiency. In comparison with other European and particular non-European airports German airports still underperform. One reason seems to be their high degree of vertical integration, thus missing the chance to increase profits through outsourcing.

This paper looks at the effects of outsourcing on the financial performance of selected German airports. These airports which differ in their degree of outsourcing are compared with each other by applying "Financial Ratio Analysis" with the aim of identifying the effect of outsourcing on the financial outcome. Special regard is paid to the outsourcing of ground handling services, where competition has been enforced through the implementation of the European Council Directive 96/67/EC. After a brief review on the literature on outsourcing within the airport industry and on the particularities of the German airport market, a financial analysis of seven German airports is conducted.

**Keywords:** Airport industry, Financial performance analysis, Outsourcing, Ground Handling Services

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Prof. Dr. Hans-Martin Niemeier  
Hochschule Bremen  
Werderstr. 73  
28199 Bremen

Prof. Dr. Jürgen Müller  
FHW Berlin  
Badensche Str. 50-51  
10825 Berlin

Prof. Dr. Hansjochen Ehmer  
Internationale Fachhochschule Bad Honnef  
Mühlheimer Str. 38  
53604 Bad Honnef

<sup>1</sup> *Corresponding authors:* Jürgen Müller is FHW Professor, Cemil Demir is student at HUB, Sascha Michalski and Stefanie Marie Scholz are students at FHW Berlin, all of them are members of the project "German Airport Performance" (GAP) at the Berlin School of Economics (FHW Berlin).