

31ST ACI EUROPE ANNUAL CONGRESS AND EXHIBITION

Welcome address by Jost Lammers, President ACI EUROPE

Geneva, 09:55 am, Tuesday 26 October 2021

Thank you Olivier for this comprehensive and as ever inspiring overview of our industry.

Dear President of the State Council, dear André, dear members and industry partners, Ladies and Gentlemen, **good morning** – and once again **thank you for joining us today** here in Geneva or remotely.

When we assembled last year in November for this same event, our airports were very much empty but we had just received the news about the development of a vaccine for COVID-19. A year on, **vaccination has been rolled out successfully** across most of Europe, and **effective therapeutics are within reach**.

Although Europe's airports still have a long way to go to fully recover, **we are now in a better place** and we can **look to the future with guarded optimism**.

Most governments in Europe have finally **learned how to live with the virus**. The **coordination of travel regimes** within the EU is now **more effective** – as Member States have re-instated the free movement of people, one of the EU's founding principles.

The European Commission developed the **EU Digital Covid Certificate** in just 3 months. This success story was **instrumental in facilitating cross-border travel**. This is something all Europeans can be proud of.

The recognition by the **ECDC** that **travel restrictions do not have a significant impact on reducing the transmission of COVID-19, hospitalisation and deaths** must now lead to the **complete lifting** by European Governments **of remaining restrictions for all vaccinated travellers** – wherever they come from.

We urge the UK Government to fall in line. The UK Government's requirement to test vaccinated travellers is **not risk-based** and is hurting the country's economy. It is also **at odds with the UK Government's June 2021 Tourism Recovery Plan** which targets a full recovery of inbound visitor numbers by 2023.

We also need progress beyond Europe. This of course requires renewed efforts to address global vaccination inequity but also the acceptance of testing for travellers that do not have access to vaccines – without quarantines.

The **ministerial Declaration adopted by ICAO** last week which commits Governments to exempt or alleviate vaccinated travellers from travel restrictions is of course **welcome**.

But **more international guidance is needed** to address the incredible patchwork of travel regimes across the World. Until this is achieved, the full recovery of tourism and aviation will remain a moving target.

With **Health status credentials** set to be a **lasting feature of air travel**, airports need verification processes to be **fully digitalised** globally. If those processes remain manual and paper-based and if they do not integrate Passenger Locator Forms, we will **be unable to cope** when more people return to the skies. The **EU Digital Covid Certificate** is **THE** solution – it must become the **global standard**.

We now need Europe to work on **more integrated and more effective EU response mechanisms** for future pandemics.

Aligning travel regimes to safeguard the free movement of people **must be part of the European Health Union** that is now in the making. This should also involve closer cooperation with EU neighbouring countries – from the UK to the Western Balkans and Turkey. Europe's airports obviously stand ready to assist.

Coming back to the current crisis, Olivier has just made painfully clear that there will be **no going back** to the market of 2019 - and that **financial weakness** has become **systemic** across the airport industry.

Europe's airports have kept operating **for months with nearly no revenues** and **without the kind of financial largesse** extended to selected but major airlines. Airports were deliberately **left out of the €750 billion EU recovery plan**, and had no other option than to recourse to **massive debt**. With their **costs trimmed down** as much as possible, they are now into a **cost-intensive and revenue-weak recovery**.

This is simply **not sustainable** as it directly threatens airports' ability to **keep investing** in sustainability, digitalisation and capacity.

Can Europe afford an airport investment crunch? I think we all know the answer...

So, unless Governments are prepared to provide more financial support and convince the European Commission that this is compatible with State aid rules, **the only option for many airports** will be to **increase their user charges**.

IATA has called this outrageous – but this is nothing else than **a reality check**. Money does not grow on trees at airports. What is really outrageous is that IATA is **calling for airports to be used as instrument of subsidisation for airlines**.

This may be acceptable or even reflect the situation in other parts of the World, **but not in Europe**. More than half of Europe's airports have **private shareholders** and those that are fully public are **commercial concerns** abiding to **fiscal discipline**. As Olivier said, the 1960s are long gone – let's hope they will not be making a come-back.

This is precisely why we **trust the European Commission** will remain absolutely committed to preserving the **integrity** and **resilience** of the **Single Aviation Market**.

Airports as **businesses in their own right** are an essential part of that, and so is **open market access with third countries**.

The COVID-19 pandemic has also shown that the **EU Slot Regulation** is **ill-suited** to ensure swift and timely decisions in times of crisis. It has exposed the **costly impact of slot hoarding** for airports, air connectivity and consumers – with clear **tensions between short and longer-term considerations**.

ACI has **worked with IATA** on much needed changes to the **World Airport Slots Guidelines**. These rules determine the way the **infrastructure we finance** is being used by airlines – with a direct impact on **our revenues and our costs**. They also shape the **connectivity of our communities**, while affording airlines **exclusive scarcity rents**. So, it is only **legitimate** - and **overdue** - for airports to have their interests properly reflected in the Worldwide Guidelines. We are **still far from where we need to be**.

We will of course continue to engage and seek to **work cooperatively with airlines**. In fact, ACI EUROPE we have never worked so closely with Europe's airlines than during this crisis – and I would like to **thank especially A4E and ERA** for their cooperation, along with **CANSO, ASD, ETRC and the European Travel Commission**.

Crucially, beyond our common work on health safety and travel regimes, we have **successfully delivered together** last February **DESTINATION**

2050 – our joint roadmap to get **European aviation to Net Zero CO2 emissions by 2050**.

Our collective commitment to decarbonisation and alignment with the Paris Agreement is **beyond doubt**. But it is also clear that **we can not do this alone** – and that both **regulatory and financial support** are needed for aviation to decarbonise.

For now, the **approach and signals** we get from the EU and Member States are **mixed**.

There are **good moves**, with the **mandates on Sustainable Aviation Fuels** and the **targets for electricity supply** at airports set by **Fit for 55**. But there are also **worrying moves**:

- The plan to **tax aviation fuel** without earmarking revenues for greening aviation goes in the **wrong direction**. Why divert resources from the sector at the time it needs them most?
- Debates and plans to **restrict domestic flights** verge on the **irrational**. Why kill the market that will be the test bed for electric aircraft and that accounts for a tiny share of aviation emissions?

Most of all we are still missing an **assessment of the combined impact of the Fit for Fifty Five proposals** on the aviation sector. This is needed to identify and address risks of competitive distortions.

Climate populism is the **last thing we need**. By targeting aviation and air connectivity rather than carbon, it does **little to effectively reduce emissions**, but **a lot to dampen social and territorial cohesion**.

It also ignores the fact that there is **no substitute** for most of the connectivity afforded by air transport.

EC President von der Leyen presented the Green Deal as a **growth strategy**. Together with A4E, ERA, CANSO and ASD, we approached the Commission with an **EU PACT FOR SUSTAINABLE AVIATION** last summer – an innovative and cooperative approach to foster alignment between industry and regulators on our common objective of decarbonising aviation. We still hope for a positive response.

Europe's airports have a **track record** of commitment and delivery on carbon reduction. The **public repository of airport roadmaps to Net Zero CO2 emissions** we are launching today shows once again **our resolve** not just to restore but to re-imagine our business.

This is an **unprecedented challenge** that will require **working even more closely** with our institutional and industry stakeholders. And **ACI EUROPE will play a crucial role** in this regard.

It has been **my honour** and **pleasure** to serve as the President of ACI EUROPE for the past 2 years. There is no questioning that in this crisis, the **relevance** and **value** of the organisation for its members has only increased. As I will pass the baton to my successor at the end of this event, I would like to thank the ACI EUROPE team for their unfailing support and all the Board members for their trust.

I thank you for your attention.