



29TH ACI EUROPE ANNUAL CONGRESS AND EXHIBITION

Welcome address by Michael Kerkloh, President ACI EUROPE

Limassol, 09:45 am, Tuesday 26 June 2019

Check Against Delivery

Thank you Olivier – and thank you for this comprehensive and – as always – inspiring overview of our industry.

Dear Minister, Ladies & Gentlemen, good morning – and once again welcome to Cyprus!

I would like first to **thank Eleni and all her team** at Hermès Airports for hosting our Annual Congress & General Assembly. We are delighted to be here, in this magnificent setting.

Although we **chose Cyprus** as a location for our annual gathering a while ago, the past months have somehow confirmed **the pertinence of that choice**. Indeed, as aviation in Europe is now facing what Olivier rightly called **the challenge of societal acceptability**, there can be **no questioning** of the **tremendous value of air connectivity for Cyprus**. Not just in **economic and social terms**, as you have heard from Minister Anastassiadou - but also in **geo-political terms**.

The situation of Cyprus, alongside that of other European countries that sit at the periphery of Europe or which heavily depend on tourism & leisure industries, illustrates the **difficulties and complexities** involved in addressing the impact of aviation on **Global Warming**. But, that situation also points to **the risks of not moving forward** in addressing the **Climate Emergency** we are facing. This is something **humanity cannot afford**.

Governments across Europe and **the EU** are **wrestling** with this **unprecedented challenge** - the European Council that took place last showed that very clearly. Others beyond Europe are not for now - but will in the future.

The **latest scientific evidence is beyond dispute** and **European voters** – especially younger ones - have sent a **clear message**: they want the kind of **decisive action** that the UN IPCC is calling for - and rightly so.

This means that **Sustainability and Climate Action** are now rising to **the very top** of the European agenda.

For now, when it comes to aviation, the approach is **mostly punitive: curbing demand through taxation**. Taxation is indeed seen as an easy way out of the problem, with considerable side benefits for Finance Ministers. But, **taxation would do nothing to actually decarbonise aviation** – unless of course the proceeds are strictly earmarked for that purpose. But I have not heard a lot of people talking about that. Most people would continue flying, with the exception of those with lower incomes. Ultimately, **taxing aviation will hurt less affluent people** – especially in places like Cyprus.

All this means that **the aviation sector needs to up its game** - through **collective action**. This is precisely **what Europe's airports are doing today**.

The **comprehensive Sustainability Strategy** we are launching today is the tool that will allow airports to **put their societal purpose at the core of their business strategy** – and thus embrace the **new Business-to-People paradigm**. It is focused on **environmental, social and economic impacts** – and addresses issues such as climate change, air quality and resources management to values like human rights, employee experience, quality of life of local communities and the sustainability of supply chains.

By **scoping** what sustainability involves, identifying **pathways, metrics** and **enablers**, the Strategy provides **concrete guidance** to airports to establish and develop their own sustainability strategy. It is of course based on the UN Sustainable Development Goals and the Global Reporting Initiative – and a key feature in my view is that it also **pushes airports to go beyond their traditional remits** and **take the lead** locally with their stakeholders, acting as role models. I am also very excited by the next phase of this project: we will start next month testing the implementation of the Strategy with a series of pilots.

You might remember that **we committed to that Strategy a year ago** at our Annual Assembly in Brussels.

Delivering the strategy has been **quite a feat** – and I would like to **thank the airports** that contributed to the project – their names are appearing now on the screen behind me. I would also like to **praise** here **the work of our Head of Sustainability - Marina Bylinsky** - who has driven that project. She really deserves a round of applause from all of us!

Part of this Sustainability Strategy, our commitment to achieve **net zero carbon for our own emissions by 2050 at the latest** is extremely important. By doing this, Europe's airports are **aligning** themselves with **the Paris Agreement**. Doing this has become **an absolute MUST** for any industry to remain relevant.

Alongside our industry commitment, **193 airports operated by 39 members** of ACI EUROPE are **individually and formally** committing to the same goal. **3 of them** have actually **already achieved** net zero carbon emissions – that is without offsetting but with the possibility of carbon capture. These are **Swedavia's airports of Ronneby, Luleå and Visby** in Sweden. So, to paraphrase someone who was not short of leadership: **YES WE CAN!**

Beyond airports, we are convinced that **the aviation sector** needs to chart a **vision and ambition towards net zero carbon emissions**. Carbon neutral growth through **CORSIA** is an important and urgent step forward, but it needs to be supplemented.

Of course, I am well aware that **eliminating carbon emissions from aircraft operations** is a **daunting** – and that significant technological and financial barriers will need to be overcome. But setting that level of ambition **for the long-term beyond 2050** is what needs to be done if we want to **stand a chance** to address the challenge of maintaining our societal acceptability.

ACI EUROPE is **ready to engage** with our industry partners in Europe and globally through ATAG.

This will require also **action from Governments and ANSPs**. I find it quite **incredible** that Governments consider taxing aviation to reduce its carbon footprint **without having delivered on the Single European Sky** – and the environmental efficiencies in Air Traffic Management we were promised. If they had done the job, aviation's CO2 emissions would be **more than 5% lower** than what they are today. **Worse**, the measures that now need to be taken **to mitigate the ATM disruptions** caused by **understaffing** and **continued strikes** with some ANSPs will actually result in even **less efficient trajectories and more emissions...**

It seems the climate is yet **not an emergency for all. That needs to change** – may be it is time that NGOs and environmental activist also look at those responsible?

As **sustainability & climate action** are set to become the **top priority** for aviation policy in Europe, we expect this to **influence many other pending regulatory initiatives** at EU level.

Airport slots of course should be one. While we are very **pleased** with the **new governance rules** agreed between **IATA** and **ACI WORLD** for the **Worldwide Scheduling Guidelines**, it is clear that **changes** to the current EU regulation are **needed** to achieve more efficient and sustainable operations.

Similarly, the **review of the EU Airport Charges Directive** and of the **Aviation State Aid Guidelines** will need to align with the focus on sustainability and the Climate Emergency. I am talking about the **'user pays' principle** for charges, and also about the fact that airports will face **increasing operating costs and capital expenditure** to become more sustainable and achieve their net zero carbon emissions target.

Finally, I could not end without saying a few words on **drones** – given the **severe disruptions** we have experienced over the past months at Gatwick and Heathrow - and the **recent threats** from the Extinction Rebellion Movement in the UK. You see, even drones are linked to sustainability.

We are now seeing **increased regulatory activity** on that front led by EASA – which is what we have been calling for.

What we need and are waiting for is **clear rules** on the **creation of “no-drone zones” around airports**, on **who is responsible for what** in terms of surveillance, detection, deterrence and neutralization of non-cooperative drones. We accept that **this may differ** from one country or airport to another. What is important is that **everyone knows what is their job – and what is not their job**.

At the same time, we also need **clarity on what technologies may be used** safely for detecting and stopping drones, and ensuring that they may be **deployed on a risk-based basis**.

Ultimately, it is essential that **airports are at the forefront** of the response to the drone threat, and are **trusted to have a central role** in developing the appropriate solutions. This has been the case so far, and we trust that this good cooperation with regulators and other industry bodies will continue.

Now, as you may know, **I will step down** as President of ACI EUROPE at the end of this conference but also from my role as CEO of Munich Airport later on this year - to spend more time playing piano.

I consider it **a privilege** to have spent my career working in aviation – the value it brings, the diverse range of people and talents it employs and its ever-present capacity for change. There is **a lot more change coming, a lot more to do** and **I'm proud to see you – Europe's airports - driving that change as well**. So, let me just say this: **KEEP GOING!**

In closing, I would like to **mark the moment** of our airport industry commitment to net zero carbon emissions. For that, I will first **show you a short video message** we have just received from the **Deputy Executive Secretary of the UNFCCC**. And after the video, I would like representatives from all our airport members that have individually signed up to our commitment **to join me on stage** for a **photo op**.

I thank you very much for your attention.