

**Speech by Dick Benschop, President & CEO of Royal Schiphol Group, New Year's reception, Schiphol, 6 January 2020**

**1. Intro**

Ladies and Gentlemen, colleagues and partners - on behalf of Birgit, Jabine, André, the whole Schiphol Group team and myself, I wish you all the best for 2020.

**2020 will be a crucial year.** It will set the tone for a new decade and it will shape that decade. The key word is '**connection**'. With the sector, with the community and with society at large.

I will continue my speech in Dutch now. For all our non-Dutch-speaking guests: an English version of this speech is available in print.

**2. Safety and security**

The aviation sector is evolving, and safety is a major factor in the changes that are taking place. The Integral Safety Management System places the highest priority on safety, while also compelling us to change our working methods by seeking structured collaboration with our partners. This is the best way for us to learn together from incidents. Our **Safety Improvement Roadmap** is on schedule: five measures were taken in 2019. There were no severe runway incursions last year, although some incidents were recorded, including two pushback incidents. We investigate every incident, constantly learning and improving. We believe that if today is incident-free, then tomorrow and the day after can be, as well.

**Security** is a second priority. When a hijacking alarm went off two months ago in the air traffic control tower, I was very impressed with our security protocol: the mayor, the partners in the security region, the Royal Dutch Marechaussee (KMar), everyone performed magnificently. Fortunately, the hijacking was a false alarm, but the entire event inspired great confidence.

**3. Collaboration in the sector**

We also see greater **collaboration in the sector in the area of capacity management**. This is important in this new era where available capacity – both in the air and on the ground – is so crucial for operations. Our On-Time Performance in 2019 was 66.5% lower than projected. Our performance on an average day is generally very good, but last year brought too many deviations and unusual situations, including runway maintenance and the fuel supply incident in July. We must improve our predictability and the use of available capacity, both through joint capacity management with sector partners, and at the airport itself through the new Airport Operations Center.

Connections throughout the sector like these require a new way of working: transparent, collaborative, open to challenges, and especially focused on learning. We all have our own duties and responsibilities, but we will all benefit from keeping the lines of communication short: why e-mail when you can solve an issue faster – and better – in person?

**4. The cargo sector**

The cargo sector requires **additional emphasis**. Cargo volumes are down by 9%, mainly due to a reduction in the number of full freighters landing at Schiphol. Cargo volumes are falling throughout Europe as a result of geopolitics, but the trend is more pronounced here in Amsterdam. We have now reached the ceiling of 500,000 air transport movements, and slots are no longer available in a sufficient capacity for full freighters. This is a critical situation that must be addressed. Cargo is a key component of our operations, after all. We are working closely with the government and the slot coordinator to ensure enough slots are reserved for full freighter aircraft.

## 5. Political decision-making

2020 will be crucial as political decisions are made regarding the opening of Lelystad Airport, the continued development of Schiphol in the mid-term and the shape of aviation as we progress toward 2050.

**Work on Lelystad and Schiphol** is nearly complete and can be finished soon. Time is of the essence, which is why I call on the coalition government is to fulfil its own promise as expressed in the coalition agreement and to provide clarity.

The course chosen by the **Cabinet** is a good one: moderate and controlled growth that is offset by a reduction in the number of people suffering severe noise nuisance. This approach is a **break with the trend**, and offers prospects for both aviation and the surrounding area.

**There is societal support for this approach**. Research commissioned by the government shows that 81% of Dutch people have a positive attitude about aviation. They are more divided on the prospect of growth in the aviation sector: one third is in favour, one third is neutral and one third is against continued growth. A more precisely worded survey (controlled growth under specific conditions – as the Cabinet decided last July) shows that more than two thirds of Dutch people are in favour of growth. The government can therefore count on this support.

I am very proud that the aviation sector helped give shape to this approach by taking the need for growth seriously, refocusing it on its essence: ensuring network quality through moderate and controlled growth. Growth that is possible thanks to a reduction in the number of people in our surroundings suffering severe noise nuisance. An approach that hinges on sustainability and gives an impetus to high-speed rail as a viable alternative to air travel.

I would like to focus on two of these aspects: our surroundings and sustainability.

## 6. Our surroundings

Our connection to our surroundings is improving. We are really **listening** to the concerns of local residents and officials. Working together with Air Traffic Control the Netherlands (LVNL) and the airlines, we have **prepared important initiatives on noise reduction, environmental impact and ultrafine particulate matter**. We are ready to put these initiatives into action together with our neighbours. I am of course aware that many people need to 'see' it before they 'believe' it, and that trust is not immediately regained. I am equally convinced that a long-term programme of improvements can have a significant impact on the relationship with our neighbours. However, the Cabinet must make the necessary decisions, otherwise there will be no progress. Everyone needs clarity. Only then will we be able to get down to business: connecting the Netherlands to the world, with less impact on the environment and a real and lasting boost to sustainability.

And just for the sake of clarity - there are no plans to construct new runways at Schiphol. We are just doing our duty as required for the Aviation Policy Memorandum. We are looking into the spatial planning options, for instance. After all, there have long been thoughts about another parallel runway (06-24). One study looked at

whether a new runway would lead to a substantial reduction in noise. This does not seem to be the case. Another study looked at the potential long-term effects of fleet renewal on Schiphol's noise profile. This study was more positive. Both studies are to be published together with the Aviation Policy Memorandum. We will then be able to reliably compare long-term options such as an island in the sea, the role of regional airports and the profile of Schiphol in 2050.

## 7. Sustainability

As we consider the world of 2050, sustainability will be a key mandate in the aviation sector. We have made no secret about our ambitions as expressed in our **Climate Plan**. It is our intention in the 2020s to achieve zero emissions at Schiphol, Eindhoven, Rotterdam and Lelystad airports. Many of the measures we are taking will also reduce CO<sub>2</sub>, NO<sub>x</sub> and particulate matter emissions.

We wish to do our part to develop a net-zero aviation sector in line with the Paris agreements. This is a tall order. Fortunately, our sector partners are also involved - at the climate table for aviation.

In addition to emissions at and around airports (we are switching over to electric ground handling vehicles), the most important task is **fleet renewal** (more and more Dreamliners and Neo's are landing at Schiphol) and introducing and scaling up sustainable fuels. We are on our way: just consider KLM's investment with SkyNRG in Europe's first sustainable aircraft fuel plant, in the Dutch port city of Delfzijl. In addition, we need more R&D for hybrid and electric flying. TU Delft, NLR and GKN Fokker are ready. As long as there are emissions, compensation programmes will remain vital. Everyone has a responsibility here – look at the great work easyJet is doing, and at the initiatives being taken by travel organizations in the Netherlands.

We will only succeed if we find the best possible combination of innovation, investment and policy. This is not yet the case. Simply raising taxes and fees on the sector makes no sense. Sustainability must be actively pursued, under the supervision of the level playing field for aviation. That is why the European Commission's Green Deal is so important. If a sensible European approach is adopted, with an **international obligation to use a mix of sustainable fuels**, then we will really be on our way to achieving our goals.

Air transport brings us so many benefits, that simply asking people not to fly is not the answer. Clearly, consumers have to make responsible choices (as KLM also exhorts us), including compensating for carbon emissions. What we really need, however, is a **system transition**. More of the same is not the answer for the aviation sector. Less of the same should not be the ambition for the environmental movement. What we need is to **fly in a different, sustainable way**.

## 8. Projects and innovation

We are working on many projects and initiatives at Schiphol. Last year, we completed several new lounges, including the new KLM lounge - the crowning glory of the airline's centenary year. 2020 will be an important year for Schiphol's quality. The first part of the renovation of Terminal 1 will be completed - the mezzanine in Departure Hall 1. You can see the progress of the construction of the new Pier with your own eyes. The construction of the new viaduct over the A4 motorway (doubling of Quebec project) is about to start. Not so visible, but just as important, is the completion of the next phase of the Uniform apron - more aircraft parking spots. It will be an important year for the further design of seamless flow - an entirely new passenger experience. The new Self Service Units are a success and this year we want to be able to support our travellers in more than 100 languages. Important **new investments** are coming up: a new terminal, redevelopments on landside. I'm very pleased that the MIRT project for the railway station, Schiphol Plaza and the new bus station is a done deal. With thanks to the Ministry, the Transportation Region, NS and ProRail. Now we have to turn 2020 into the year of the North-South Line!

We understand that these investments have to be paid for. Our promise to the airlines is to work on the projects as efficiently as possible - and yes, you can challenge us (and you will!). We want to offer value for money and be able to substantiate our activities.

## 9. Urgency

Looking at the year before us, I say time is running out. There's a lot at stake and we're all aware of the urgency. Together, we have been able to **expand the number of destinations to 333**. That's the essence of the matter for the Netherlands.

The new destinations you can fly to from Schiphol are Las Vegas, Wroclaw, Liberia in Costa Rica, Lusaka in Zambia, Tampa, Natal, Brest, Moscow Zhukovsky and Medan. On the connectivity rankings you can see the erosion - where we were first or second, we are now second or third. We don't necessarily have to be on top of the leader board, but the Netherlands must **continue to play Champions League**. Our Dutch airlines also need perspective.

Looking at the year before us, I say that sensible decisions need to be made. That is all the more pressing in a world where economic growth is flattening, where international tensions are rising, and oil prices are likely to increase. **Are we simply going to increase fees right and left, or will we make targeted investments in fleet renewal, sustainable fuels and innovation?** Here in the Netherlands we have the expertise we need, and we can play an important role in this regard.

## 10. Connecting your world

In 2019, there were 71.7 million passenger movements at Schiphol - an increase of approximately 1%. Very positive is the increase in passenger appreciation - our Net Promoter Score rose by 4 points, after years of decline. We are proud of that.

Schiphol is all about forging connections. **Connecting your world** – that's what we do. I do not mean simply transporting people from point A to point B. Connection is far more than just transportation. Connection brings different cultures closer together. It brings us as individuals closer together. The Dutch journalist Hidde Boersma published a beautiful essay on this topic in the daily De Volkskrant on 22 November 2019, please make sure you read it. That's why people love aviation. That's why they think Schiphol is a special place.

**2020 will be a crucial year for aviation. Cabinet - please provide us with clarity! Give us perspective. Then we can work together for less noise and pollution and more sustainability.**