ARGS
AIRLINE ROUTES & GROUND SERVICES

Serkan Kaptan
Chief Executive, TAV Airports
TAV is recovering strongly from losing its mainstay airport in 2019 with a focus on Eastern Europe, Central Asia and Türkiye.

Güliz Öztürk
Chief Executive, Pegasus Airlines
Pegasus Airlines continues its steep climb as one of Europe's fastest-growing and ambitious low-cost carriers.

Philipp Joeinig
Chief Executive, Menzies Aviation
WIth Menzies Aviation and National Aviation Services (NAS) joining forces how does the merged entity intend to grow?

Growth forces

Renewal and regrowth have been the watchwords for 2023 in all corners of the globe

Editor's NOTES

Mark Pilling
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"This is our fate," Samer Majali, Chief Executive of Royal Jordanian Airlines, commented ruefully, addressing delegates on the CEO panel at the 56th Arab Air Carriers' Organisation (AACO) in late October.

He was addressing the impact on the Middle East, and the knock-on effect on air transport, of the Israel-Gaza conflict. Royal Jordanian has been here before, having built up experience of dealing with regional strife in circumstances such as the two Iraq wars.

Having a land border with Israel, and most of Royal Jordanian's westbound flights usually flying over that country, means his carrier is more negatively affected than most. *ARGS* had talked to Majali just a week prior to the AACO meeting in Istanbul at Routes World, where his message was how focused this small Middle East carrier is on carving out a niche for itself as the connector for the Levant region.

Already up against the Gulf majors, Royal Jordanian's task to return to the black just got tougher. The interview with Majali is found on page 14.

Black swan events, such as Covid and wars, bring unexpected challenges for air transport, but they are set against a broadly improving industry outlook. *ARGS* has been gauging this outlook over the past few months at Routes World and the Airport Services Association (ASA) Leadersship Forum.

ASA is busy raising its industry voice with more members and additional staffers, seeking to play a more active role in shaping ground services policy in areas like contracting and standards (see report on pages 22-28).

Service providers have ramped up this year as traffic has flowed back. Routes World in Istanbul in mid-October brought an industry together as if it had never paused for a pandemic. With the Asia-Pacific fully opened, China's airports were back with a bang at the show, hungry to restore international services (see p32-34).

The main thing holding back even faster capacity growth is the slow pace of aircraft deliveries from the OEMs as they deal with supply chain issues.

This is causing severe headaches for airline planners, who are unsure when aircraft will arrive in their fleets and are resorting to expensive short-term leases to find capacity.

Our bumper Routes World report, with great input from Mike Miller, covers the main Turkish players, correspondent Pegasus CEO Güliz Öztürk (see p16), TAV Airports head Serkan Kaptan (see p20), and Istanbul's iGA Grand Airport and Sabiha Gökçen Airport (see p40).

Elsewhere, Philipp Joeinig, the CEO of Menzies, explains how this services major intends to spread its wings over the coming 5-10 years (see p10), while our Brisbane correspondent Tony Harrington has delivered a superb analysis of the Australian market, asking how a crisis at Qantas has obscured, and may drive, momentous change in Australia's skies (see p4). Tony, who is a wizard on headlines, has done it again for this article with 'The frying kangaroo'.

There is little doubt 2023 has seen the industry recover at pace despite its many challenges, such as staff shortages, sustainability and supply chains. Most of us would have taken what the year has given us as it kicked off. Now we take stock and contemplate what 2024 will bring.

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***Vanessa Hudson** took over as Qantas Group CEO from the outgoing Alan Joyce on 6 September.*

The frying kangaroo

How a crisis at Qantas has obscured, and may drive, momentous change in Australia's skies. *Tony Harrington* reports from Brisbane

The contrast could not have been greater.

As Vanessa Hudson, the new CEO of Qantas, publicly apologised for a string of corporate failings which repelled once-loyal customers, savaged the airline's reputation, and forced the early exit of her predecessor, Alan Joyce, Bonza CEO Tim Jordan was bathing in public praise as his low-cost start-up airline added another tranche of routes to its ever-expanding national map – and signalled there would be more.

"I know that we have let you down in many ways, and for that I am sorry," said Hudson, a Qantas veteran and the former CFO, who replaced Joyce just as Australia's biggest airline company scrambled to manage a maelstrom of collapsing reliability, customer service failures, and ethical and legal crises, while justifying an A$2.47 billion profit, largely funded by fierce cost-cutting which fuelled the fiasco in the first place.

"We understand we need to earn back your trust," added Hudson, "not with what we say, but with what we do and how we behave."

The first step proposed was a huge reinvestment in customer service staffing and training to help rebuild not just the carrier's performance, but its reputation with staff, passengers, governments, shareholders and communities that depend on its reliability.

In breezes Bonza

For Jordan, however, the opposite was true, as Bonza – with its laid-back, cheesy Aussie style, and planes with names like Bazza, Shazza, and Sheila – continued to attract new and repeat business, and applause for its low-fare Boeing 737 Max flights that largely link destinations previously not connected by direct services.

Take Albury and Maroochydore.

Outside Australia, few will have heard of either place. But during a recent holiday period, Bonza reported 100% load factors on the pioneering route from inland Albury to Queensland's Sunshine Coast, while other new and equally novel sectors exceeded 90%.

"We're about unserved and under-served markets," said Jordan. "Of the 38 routes we fly or have announced since January, 32 are not flown by the other airlines in any shape or form. That's 84%, new and uncontested. And there's a lot of Australia we haven't touched yet."

Qantas meltdown

The Qantas meltdown was the last straw in a long build-up of nose-to-tail chaos, from endemic lost luggage and cancelled flights to allegations and findings of unlawful behaviour.

The airline's dramas will feature prominently in upcoming deliberations on the future structure of Australia's aviation sector.

Post-pandemic, airlines everywhere were tripped up by their own lack of preparedness once borders reopened, travel restrictions eased and demand for air travel surged back.

But Qantas was not just any airline. It was 'the flying kangaroo', an iconic and loved Australian brand, historically a big employer, and a critical enabler of social and economic connectivity in a country the size of 31 UKs, but with well under half the UK population.

It was not delivering. Now it was on the nose.

The Federal Court of Australia had just ruled that almost 1,700 Qantas ramp staff were illegally sacked during the pandemic, replaced with cheaper, off-the-shelf, off-the-books contractors.

The Australian Competition and Consumer Commission (ACCC) additionally launched legal action alleging Qantas knowingly continued to sell tickets on some 8,000 flights it had already cancelled.

It also emerged that Joyce had pressured the Federal Government to deny Qatar Airways approval for more flights to Australia, despite a serious shortage of international seats, sky-high air fares, and the unwillingness or inability of Qantas to add capacity.

And while Qantas had played a minor role in repatriating Australians stranded overseas, or returning foreign citizens during Covid, Qatar had been a major player. Yet the Doha-based carrier was still blocked.

In a masterpiece of bad timing, Qantas then announced a chunky A$2.47 billion profit.

At any other time, this result would have been applauded. But news dropped soon afterwards that the airline had refused to return bailout funds provided by the government to help maintain jobs during the pandemic, and just as Qantas was accused of crying poor and demanding protection from Qatar Airways' expansion plans.

Days later, in a further birdstrike on the brand, it transpired that Joyce, reputedly Australia's highest-paid CEO, could still depart with a payout package potentially exceeding A$20million.

For the exiting Irish CEO, this was Murphy's Law at work.

Sea change in the skies

The 'Qantroversies' engulfing Australia's biggest airline company attracted and even dominated media coverage for months.

But they also overshadowed a significant and arguably bigger story of sea change in the skies, with diverse, exciting evolution across Australia's aviation sector.

The emergence of Bonza is a small but high-profile example of the multiple changes reshaping the industry. It is also an indicator of the public appetite for change and greater competition in a market historically dominated by just two carriers – usually Qantas and one other.

Beneath its reputational dramas, the Qantas Group is reshaping for the future with a comprehensive overhaul of fleets and networks.

The core Qantas brand has launched a 10-year replacement of Boeing 717 and 737 narrowbodies with up to 130 longer range, more efficient Airbus jets – initially A220s, then larger A321 marques, including the longest-legged version, the XLR. Its LCC sibling Jetstar is already deploying new A321LRs.

With their new fleets, the two can not only creatively and flexibly reshape their domestic and regional international networks, but also serve more distant destinations which do not warrant bigger planes, but can be served with more frequent, viable, or incremental flights by smaller, longer-range jets. Adelaide–Tokyo

*With a focus on unserved or under-served markets, Bonza and its CEO **Tim Jordan** are new arrivals in Australia's airline market (photo: Bonza).*

Qantas has partnered with Brisbane-based Alliance Airlines for the supply and operation of up to 30 Embraer E190 jets (photo: Alliance).

is just one route which has been speculated.

Qantas is also acquiring more widebody 787s and introducing ultra long-haul Airbus A350s to revive and expand its long-range reach.

It has already deployed 787s on new, nonstop Perth–London, Perth–Rome, and Auckland–New York flights, and is looking to others including Perth–Paris. Meanwhile customised A350-1000s will deliver groundbreaking direct services, initially from Sydney to London and New York, under Joyce's ambitious legacy initiative, 'Project Sunrise'.

New Alliance

And to build and reshape domestic services, Qantas has partnered with Brisbane-based Alliance Airlines for supply and operation of up to 30 Embraer E190 jets.

Alliance is arguably the fastest-growing, but least-known airline brand in Australia, and one of the few anywhere which grew during the pandemic.

It rose from the ruins of former regional operator Flight West, which collapsed more than 20 years ago.

An investor group acquired the assets, then built a business based on contract and wet lease flying, using second-hand regional jets.

Its key activity is 'fly-in, fly-out' (FIFO) operations for resources companies, through which it shuttles employees between major population centres and remote exploration sites, mostly beyond the networks of scheduled airlines.

Alliance also provides significant capacity for Qantas Link and Virgin Australia, enabling them to increase or maintain market presence without using their own aircraft or crews.

In return, Alliance has guaranteed revenues, but without the risks associated with regular airline services, such as filling flights or competing on fares.

Pre-pandemic, Alliance flew 37 Fokker F70 and F100 jets. Then it swooped on 33 used E-190s, and later 30 more, to boost its fleet to almost 100 aircraft by 2026.

Alliance Managing Director Scott McMillan flagged more airline flying as the latest Embraers arrived.

"While we have conducted wet lease flying in the past, it has been largely ad hoc in nature," he said. "We are focused now on growing this segment under a contracted revenue model.

"The attributes that make us the best FIFO operator in the country are equally applicable for contracted wet lease: superior operating performance, geographic infrastructure, low operating cost, availability of suitable aircraft, and labour resources including pilots."

Seeking to access the FIFO market, Qantas bought 19.9% of Alliance before the pandemic, then sought to acquire the company. The attempt was strongly opposed by fellow Alliance customer and Qantas competitor Virgin Australia, blocked by the competition regulator, and is now abandoned.

But Alliance remains a key independent provider of capacity, and a major growth enabler in Australian aviation.

Virgin Australia's revival

Virgin Australia, the second-largest scheduled airline in the country, is also on the rise.

It collapsed under the weight of heavy debt early in the pandemic, and was later rescued by a consortium led by Bain Capital, which installed former Qantas executive and Jetstar chief Jayne Hrdlicka as CEO.

From near death, Virgin has re-emerged smaller but fitter, and just posted a net profit of A$129 million, its first positive result in over a decade.

When the airline took off over 20 years ago, backed by Virgin billionaire Sir Richard Branson, it was Virgin Blue, a cheeky, low-cost challenger brand.

It gradually morphed into full-service Virgin Australia, with a large, diverse fleet, multi-class domestic and international services, lounges for frequent flyers, and enormous global connectivity through commercial and equity partnerships with prestige carriers including Singapore Airlines, Air New Zealand and Etihad.

But with big change came big costs.

"It has been 11 years since Virgin Australia returned a profit," said Hrdlicka, announcing the latest result. "By creating a systemically lower cost base and a conservative balance sheet, as well as investing heavily in technology and our frontline, we are well positioned for the future."

Virgin has just deployed the first two

*Australia's second-biggest player Virgin Australia is led by former Qantas executive and Jetstar chief **Jayne Hrdlicka** as CEO (photo: Virgin Australia).*

of 32 new 737 Max jets, committed to a A$110 million refurbishment of existing 737s, restarted limited international flying and struck new partnerships with Singapore Airlines, United Airlines, and, significantly, Qatar Airways.

Bain Capital is now planning to exit Virgin via a share float.

Reshaped Rex

Also expanding and reshaping is Regional Express, or REX, a Singapore-controlled, Sydney-based company whose heritage is in turboprop operations across Australia with over 50 Saab 340s.

When it was still touch and go whether Virgin would survive, REX announced expansion into jet operations on key domestic routes.

By the end of 2023, the carrier will have 10 737-800s, some ex-Virgin, with plans for more next year. It has also launched its first loyalty programme and offered to match the status levels of deserting Qantas or Virgin frequent flyers. And it has bought FIFO operator National Jet.

But having grown these operations, REX has also axed a number of regional routes, variously citing lower traffic, higher costs, pilot shortages, supply chain delays and fierce competition on selected sectors.

There is also the question of replacements for the ageing Saab 340s. Given the dearth of existing, conventionally powered, same-size successors, new electric or hydrogen-powered models come into contention.

REX has invested in Sydney-based start-up Dovetail Electric Aviation and plans to retrofit a 340 with a hybrid-electric powertrain to test the technology. That could lead to a life-extending switch for some or all of the current fleet while a longer-term solution is sought.

Bonza, too, is confident that its model of low fares and sub-daily services on secondary routes will thrive, despite the poor history of challenger carriers in Australia.

The role of 777 Partners

Although it has just four 737s, Bonza has a big backer, US investor 777 Partners, whose aviation arm has ordered more than 200 737 Max units and supports two other LCCs: Canada's Flair and South Korea's Eastar Jet.

Benefits of the 777 Partners relationship include financial synergies and operating flexibility between its three airlines, explained Manish Raniga, CEO of Aviation for 777.

The trio recently achieved significant savings through a combined deal on insurance, and next year, Flair will provide two of its 31 737s to help Bonza launch three new routes from its latest base, Queensland's sub-tropical Gold Coast, one of Australia's leading holiday destinations.

At the time of writing, Bonza had just announced yet another nonstop link, the first from the Gold Coast to Launceston, in the island state of Tasmania.

"We have access to brand new aircraft. And we have the highest density for 737s in the Australian market, with 186 seats," said Raniga. "So, our trip costs and seat costs are significantly lower than anybody else's."

Bonza's app-based model is designed to create a "one-stop shop" through which flights, accommodation, tours, and other products or services can be booked in a swift, single transaction, rather than through multiple diversions to the websites of different suppliers.

"The ambition of Bonza is not to be the size of Virgin or Qantas," added Raniga. "We are not a threat to them. Our underlying aspiration is to be an e-commerce company with wings."

Airport developments

Change is also occurring on the ground. Curfew-free Brisbane Airport opened a second parallel runway just before the pandemic, and is now planning a new, combined terminal ahead of the city's hosting of the 2032 Olympic Games.

Melbourne Airport, also curfew-free, is building a third runway, Perth is expanding its terminal and considering a third runway, and others have completed or are planning renewal, expansion, or replacement of facilities.

The biggest development of all, the new Western Sydney International Airport (WSA), is on schedule to open late in 2026. It will provide a second gateway to the Sydney region, where the nation's biggest hub, the inner-city Kingsford Smith Airport, has been critically constrained for decades.

WSA, again without a curfew, will draw from a catchment exceeding 2.6 million people, equivalent to 10% of the current national population and bigger than Brisbane, Australia's third-largest city.

Its activation will significantly reshape

Curfew-free Brisbane Airport is upgrading its terminals ahead of the city's hosting of the 2032 Olympic Games (photo: Brisbane Airport).

Australian aviation almost 80 years after the need for a second Sydney airport was first flagged.

What does the future hold?

Amidst the market evolution and the Qantas revolution, the Australian Government released an Aviation Green Paper, 'Towards 2050', to spark discussion and generate submissions ahead of the release next year of an Aviation White Paper to guide the next growth phase of the nation's air transport sector.

But parallel with the government's request for submissions, a hostile Senate launched an inquiry into the unexplained rejection of the Qatar Airways application, and the broader question of competition in Australian skies.

Its public hearings inadvertently previewed some of the submissions expected in the Green Paper review, with significant focus not just on international traffic rights, but domestic domination by the Qantas Group with over 60%, and Virgin Australia with 33%.

Some participants in the inquiry urged forced divestment of assets or subsidiary businesses, while others wanted divestment of slots. Stephen Byron, Canberra Airport's CEO, said the answer was another major airline.

"If we look forward three, four and five years," said Byron, "either we need to have an independent third airline with at least 15% of the market, or we need to end up with an outcome where Qantas does not continue to be the owner of both Qantas Domestic and Jetstar."

Opinions remain divided on how and when Qantas will rebuild its reputation. Some are expecting it to reset to its previous powerful state, and others speculate the latest upheavals will lead to curbs on its market dominance. But few doubt it will remain the biggest player.

"Of course, it will bounce back," declared one industry executive. "It has had a few challenges over the years and has always come through."

But others said Qantas had sustained long-lasting damage, undermining its social licence to operate right when the government was formulating a long-term strategy for more competitive skies.

One aviation leader said competitors had been gifted an opportunity to edge forward without hindrance while Qantas was forced into an extended period of good behaviour.

"The scars are quite deep from this episode," he said. "The aviation landscape has changed forever. They [Qantas] have lost the cultural standing they had with the public. Their competitors can only benefit." ■

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In October, Menzies Aviation signed a Memorandum of Understanding with Air Serbia to form a joint venture to support the Serbian national flag carrier's ambitious growth plans. From left to right: ***Philipp Joeinig****;* ***Ana Marojevic****, General Manager, Menzies Aviation for Montenegro and Serbia;* ***Jiri Marek****, CEO, Air Serbia (all photos: Menzies Aviation).*

Accelerating growth

Over a year on from Menzies Aviation and National Aviation Services (NAS) joining forces, Philipp Joeinig, Chief Executive Officer, explains how the merged entity intends to grow

"The motto and the credo of this merger between Menzies and NAS was accelerating growth," said Philipp Joeinig, in an interview with *ARGS* during the Airport Services Association (ASA) Leadership Summit in Athens in September.

"When Agility [the supply chain services, infrastructure and innovation company] acquired Menzies, we were able to integrate NAS into Menzies to create a new powerhouse in the industry where we are now a true global player," said Joeinig.

"This means we are able to provide services to our customers around the globe with a meaningful presence on all continents," he said.

For Joeinig, 'meaningful' means being able to significantly expand Menzies' service provision from two or three stations or countries in a region to throughout a continent. This is the case now in Africa, where NAS had built up a substantial business base.

"The same goes for our North and South American businesses where we have been able to grow our presence throughout the year," he explained.

The Americas region delivered outstanding results as measured by safety, operational performance and commercial success, making it the best year [to August 2023] yet for the region, said Joeinig. In addition, an exceptionally high contract renewal rate in Europe was testament to its high-quality service and strong customer relationships.

Coupling a larger global footprint with the service that is associated with the Menzies brand is a strong combination, said Joeinig.

"It's fundamentally important for us to have the best safety and quality track record with our customers," he said. "Our strategic aspiration is to be the undisputed number one, most importantly to match the growth rate of our customers, which is a testament to our safety and performance, but also to have the highest number of countries and stations to be able to provide the services our clients need."

Bringing the Menzies brand and the Menzies way to the fore, which was more globally known in the market than NAS, is key for customers. "It is important that when you buy Menzies, you get Menzies whether you are in Nairobi, Edinburgh or Los Angeles," said John Geddes, Chief Governance and Sustainability Officer.

"It was important to deploy our systems and processes, and our ESG (Environmental, Social and Governance) content, to the new stations that we have welcomed into the Menzies world through the integration of NAS," noted Joeinig.

And it is working, he explained, with a growth rate of 15% achieved in the past year. The plan is to continue this level of growth for the foreseeable future.

"But just being in a station doesn't bring business. Our ability and our ambition is to follow the customer," said Joeinig. If a customer seeks to begin operating at a station Menzies will endeavour to follow by whatever means, be it a tender for a licence – and the company is "not shy" of buying a business, he said.

*"Our strategic aspiration is to be the undisputed number one," said **Philipp Joeinig**, CEO of Menzies Aviation*

Integration

The integration of NAS into Menzies is a work in progress, but well advanced. "The main chunks of the businesses have been integrated successfully," said Joeinig.

And a beefed-up Menzies is becoming one family, he added. "The integration has been very successful from a people perspective, with both sides feeling at home and excited to be part of a larger group. People do not feel NAS or Menzies, they feel part of one company, which is testament to a successful integration."

Since the merger was completed on 4 August 2022, Menzies has entered six new countries and grown its workforce to a remarkable 42,000 employees over the past year, the highest in the company's 190-year history.

Now that Menzies is once again a privately owned company it does not publish full financial results. However, its revenues were US$1.9 billion in 2022 and will rise to $2.2 billion this year, and are likely to top $2.5 billion in 2024, said Joeinig.

"Notwithstanding the challenges brought about by the Covid-19 Omicron variant, followed by the rapid rebound in air travel, and disrupted summer travel, we still experienced a strong financial performance in 2022, with a 26% increase in revenue compared to the previous year," he explained.

Overtaking Swissport does drive the Menzies team "a little bit", but more importantly, "it is about being the best," he explained. That means "the best safety track record, the highest growth rate with our customers and the largest number of stations and countries".

Menzies is already the largest global handler both in country terms and by aircraft turns, and number two by number of stations (Swissport has about 300 stations while Menzies has 260).

This number is rising rapidly. In the fourth quarter of 2023 Menzies will add another 20 stations, and more are in the pipeline. The new additions were "bolt-ons", not involving major acquisitions.

Chile and Serbia

Joeinig highlights two of markets that are of special significance. "The first is in Chile, where we are opening up in 16 new airports with a long-term contract with JetSMART," he said. Launched in 2017, JetSMART is a Chile-based ultra-low-cost carrier operating point-to-point routes across the continent.

Menzies has partnered with large Santiago de Chile-based shipping player Agunsa and formed a joint venture to enter this market. Chile is an interesting market with a good mix of growth opportunities, ranging from the advance of low-cost carriers to a strong import and export cargo business, he explained.

The other significant location is Serbia. Menzies has obtained a full services licence to operate at Belgrade Nikola Tesla Airport from February 2024, adding another country to its large presence in Eastern Europe.

"We are number one in Eastern Europe," Joeinig noted, with operations in Prague, Budapest and Bucharest. "If you look at our competitors, they are nowhere in comparison to us."

Menzies won the Belgrade licence in competition with Swissport. "I think we were successful because we have a very strong set-up and management team in Eastern Europe," said Joeinig. "Next to Latin America, one of our growth engines

In October, Menzies became a signatory of the United Nations' (UN) Women's Empowerment Principles (WEPs). The move demonstrates the company's commitment to advancing gender equality and inclusivity, it said.

remains Eastern Europe."

In October, Menzies cemented its Belgrade win with the signing of a Memorandum of Understanding (MoU) with Air Serbia, the leading airline in the wider Balkan region, to form a joint venture to support the Serbian national flag carrier's ambitious growth plans.

As part of the planned co-operation, and in the company's biggest deal in Eastern Europe to date, Menzies will deliver passenger and ramp services at Belgrade with local teams managing over 22,000 turns in the first year.

Eastern Europe is an interesting market because the region has been growing strongly in the past decade and looks like continuing that trajectory. In addition, there is less oversupply of service providers at airports, as there can be in some other European countries.

In this region, the regulators set high standards, looking into the track record and governance of the providers seeking to enter the market, said Joeinig. "They are not looking at someone small popping up and trying to go in with the lowest price as has sometimes happened in the UK, for instance.

"We think that the framework [in Eastern Europe] is a bit more beneficial to the whole industry than it is in the West," explained Joeinig.

Low-cost provider of choice

"We are the solution for the low-cost carriers. Menzies started on the back of [the launch of] easyJet," he noted, and the handler today provides services to players like Frontier Airlines, Viva AeroBus and Wizz Air, often at their hubs.

"We understand them and have a similar mindset: quick, agile, dynamic, solution-oriented, easily accessible," said Joeinig.

When it comes to entering a market, Menzies analyses the market potential for all service types – ground, passenger, cargo handling and refuelling services.

Cargo has been a growth market, with Menzies doubling the number of warehouses it operates between 2018 and today, rising from 35 to over 70, as it seeks to boost its proportion of cargo handling in revenue terms, said Joeinig.

"We continue to invest heavily into cargo and the balance between the business segments is a healthy one," said Joeinig. Today around 50% of Menzies revenues comes from ground services, with cargo representing 30% and refuelling making up the balance.

An interesting piece of the Menzies global empire, which not too many handlers possess, is its Air Menzies International (AMI) arm, where it buys airline belly space on behalf of the smaller freight forwarders. AMI achieved a record year in 2022 as well as opening four new locations in Germany, Pakistan and Canada.

Growth pipeline

Looking at the Menzies pipeline of new opportunities, Joeinig sees "massive growth" in the coming six months, with the addition of 40 stations to its network in Europe and the Americas.

On top of this is the Menzies acquisition of Portuguese handler Groundforce, which it will take over operationally in Q1 2024. In April the firm signed an agreement with TAP Air Portugal and Groundforce Portugal to acquire a 50.1% stake in Groundforce, which had entered insolvency.

Groundforce handles over 100,000 aircraft turns annually across its operations at five of the busiest airports in Portugal, as well as providing ground and air cargo services to several global airlines with TAP as its main customer.

"This is a significant business, north of €100 million [$106 million] in revenue," said Joeinig. "We will deploy our processes and systems and integrate that business into Menzies," he added.

Just days after the Athens event, Menzies obtained the welcome news that it had won seven ground handling licences in Spain. In what was described as the largest ground handling tender in the world, worth €5 billion [$5.3 billion], and spanning 41 licences at 43 airports across Spain, Menzies has been awarded ground handling licences for Barcelona, Palma Mallorca, Malaga, Alicante, Gran Canaria, Tenerife Sur and Tenerife Norte airports.

The seven-year licences will see Menzies provide full ramp and passenger services at these airports from early 2024 to 2031. The company has been operating in Spain since 2004 and will continue to provide passenger services at a further seven airports.

The long-term deal will enable Menzies to invest in equipment, employees and facilities to enhance safety, sustainability and performance, said the company, including a "clear road map for a new-generation digital aircraft turnaround", and "ensuring operational IT systems are connected and integrated with airport and airline IT platforms".

The addition of these stations and others means that by the middle of 2024 Menzies will be operating at more than 300 stations, a significant milestone. "In terms of numbers, the 15% growth rate is the target for us, and we continue to work hard to explore opportunities," Joeinig said.

"Then equally important is to grow with our customers, have a high retention rate, grow the business and make sure that customer needs are satisfied. That's it," he concluded. ■

*Royal Jordanian CEO **Samer Majali** was a popular visitor to World Routes in Istanbul (photo: Mark Pilling).*

Levant connector

Royal Jordanian is carving out a niche for itself as the first-choice airline of the Levant. Chief Executive Samer Majali explained the strategy at Routes World. *Mark Pilling* reports

Samer Majali is crystal clear about the mission statement for the airline he leads: it is geared towards being the "Levant to the globe connector".

Majali was aware that many of the Routes delegates he was addressing in Istanbul would be unfamiliar with what and where the Levant is, so he helped: "Levant is an old French word that describes the near east. Essentially, Jordan, Iraq, Syria, Lebanon, Palestine, Israel and southern Turkey."

From its hub in Amman, Royal Jordanian serves its country's needs for a flag carrier and offers a multi-day service to all primary and secondary points in the region, said Majali.

However, his airline operates in a tough market. In the face of competition from "some of the best carriers in the world – Emirates, Qatar Airways and Turkish Airlines – we are a little bit sandwiched in the middle", said Majali.

"Over the past 40 years Royal Jordanian grew by working a lot with transit passengers," he explained. "But that is no longer our market because the larger carriers have come in and taken that space with much lower seat-mile costs, bigger aeroplanes, bigger size and so on.

"So, we have had to adapt, and we've switched strategies," said Majali. The Levant strategy sees Royal Jordanian performing regional, medium-range and long-range operations, all through Amman. "For example, we do Erbil to Alexandria with Embraers; we fly Basra to Istanbul; and in the future we'll do Baghdad to Neom in Saudi Arabia," he said.

Regional network

The carrier is steadily building up its network of primary and secondary destinations across the region which are connected to its European network and to Royal Jordanian's services to the Gulf, North America, Canada and the Far East.

"This is the cornerstone of Royal Jordanian's strategy in the coming two years: providing these three layers of connectivity allows us to find our niche market and compete," said Majali. "It is not huge volumes of passengers, but a higher frequency operation with relatively high yields allows this concept to work."

The carrier's brand remains strong in the region and Jordan itself is seen as a stable country to do business with. "Jordan has been and hopefully will continue as an oasis of relative stability within a very difficult region," said Majali, referring to the recent events in Israel and Palestine.

And although Jordan is frequently surrounded by countries in turmoil, which is a challenge, this can also bring opportunities. "We've been in Iraq since 2003 developing that network quite well and hopefully Syria will come online in the future once the sanctions are out," said Majali.

In addition, many businesses have been basing themselves in Jordan and using Amman as a hub to travel and commute to cities around the region.

Royal Jordanian's latest route additions are Dusseldorf, Lille and Stockholm, while Al Ula in Saudi Arabia is on the radar, said Majali. The carrier's already extensive network features 20 daily flights to the US in the summer.

Jerash in northern Jordan is a popular tourist destination in the country (photo: Jordan Tourism).

Fleet plan

For the past 12 years, Royal Jordanian has been unable to renew its fleet because of the various trouble spots in the region, such as the Arab Spring, ISIS in Syria and so on, explained Majali. "We have been negatively affected over the last 10 years by events in the region," he said. "But post-Covid, we have put in a new fleet renewal and expansion plan."

The carrier currently has a fleet of just under 30 aircraft which it aims to expand to 45 in the next two years, said Majali. This will enable the airline to add new destinations and increase frequencies on existing ones.

The fleet renewal plan will see it replacing its two Embraer E195-E1s and two E175-E1s with 10 Embraer E190-E2s/E195-E2s, with six of these coming from lessor Azorra and two direct from the manufacturer in a deal announced in May. The first two E2s will arrive from Azorra in December with a further three in the first quarter of 2024, said Majali.

The narrowbody fleet renewal continues, with Royal Jordanian replacing all its A320ceos with A320neos over the coming years. The carrier has signed contracts for 16 A320neos with lessors and has another four to find, said Majali.

Royal Jordanian has no option but to use the leasing market for A320neos as "Airbus has nothing to deliver until 2029," he noted, and it is continuing to operate its fleet of A320ceos, which are long in the tooth, because of delivery delays from the manufacturers.

The delays have been a "disaster" in planning terms for the carrier, forcing it to postpone its growth plans. "Our original A320neos were supposed to start coming in May this year," he said. "We have had to shift the whole [fleet renewal] plan."

On the widebody front, Royal Jordanian currently has seven Boeing 787-8s and will add two larger 787-9s in 2025 and another in 2026 from lessors, said Majali. It is in advanced talks with Boeing for six 787-9s with first deliveries starting in 2027, which is "the earliest Boeing could give us".

This is Majali's second stint leading Royal Jordanian. He joined the carrier in 1979 and was CEO from 2001 to 2009. After roles leading Gulf Air and helping found SaudiGulf Airlines he was asked to return to Royal Jordanian in April 2021.

His task is to put the carrier back onto a profitable growth trajectory after it suffered heavy losses during the pandemic. It lost about US$100 million in 2021. And despite the high cost of jet fuel, which makes up 42% of its cost base, Majali hopes the traffic recovery seen this year will enable it to return to breakeven.

A landmark deal to recapitalise the airline was agreed recently. Year-long negotiations between the carrier and its state owners culminated in October with an equity injection for Royal Jordanian, covering losses accumulated during the pandemic. This strengthened its balance sheet, enabling the fleet renewal and restoring the carrier's "ability to do business", said Majali.

While fixing the airline appears well within Majali's grasp, events such as the turbulent geopolitical environment in the Middle East, the cost of fuel and disruptors like Covid, clearly are not.

But he presses on with what he can control. "Sometimes we feel a little bit hemmed in, but in spite of this we are renewing; we have a very good product and brand," concluded Majali. "Jordan is a very unique destination and I encourage everybody to visit." ■

***Güliz Öztürk** was appointed Chief Executive Officer of Pegasus Airlines in May 2022 (photo: Mark Pilling).*

Transfer tonic

Pegasus Airlines continues its steep climb as one of Europe's fastest-growing and ambitious low-cost carriers

"In five years' time I see Pegasus with the claim of being an international airline, a pioneering digital LCC, running around 170 aircraft and covering a wide international network," Güliz Öztürk, Chief Executive of Pegasus told the Routes conference, when interviewed by Routes Editor-in-Chief David Casey.

Öztürk has led Pegasus since May 2022, when she was made CEO after a decade as Chief Commercial Officer. She joined the carrier in 2005, when it had a fleet of 14 aircraft and was beginning its transition from a charter operator to an LCC.

Just two weeks prior to Routes, Pegasus took delivery of its 100th aircraft, an Airbus A321neo, at the Airbus factory in Hamburg. This year the carrier will receive a total of 16 A321neos, which are configured with 239 seats, and it has a strong orderbook with 74 A321s scheduled for delivery up to 2029, explained Öztürk.

A major boost for Pegasus as it seeks to expand is another runway at its home base of Sabiha Gökçen International Airport in Istanbul, which is scheduled to open in November. "It means a lot to us as we've been waiting for the second runway for about 110 months," said Öztürk. "But it doesn't stop there as we need a second terminal (*see related story on p31*)."

Öztürk is content to continue the rise of Pegasus with a focus on narrowbody aircraft and has not considered adding widebodies. "There are 500 destinations covered within the range of our fleet and we are only flying to 130 of them," she said, indicating that the airline has plenty of scope to grow.

Transit point

For centuries, Istanbul has been a natural connecting point between Europe and Asia. And although the classic LCC playbook does not include transfer traffic, this favourable geographic location has enabled Pegasus to adapt the model and embrace a transit product.

Today 25% of its traffic is transit, and "connecting traffic gives us a competitive advantage," said Öztürk. The "red line" for Pegasus is "if it threatens our on-time performance or our aircraft utilisation, which take priority over connectivity. We are very careful on that," she said.

Pegasus began its scheduled network growth in Turkey, where it now serves 32 cities, and continued by adding destinations across Western Europe. Today, Pegasus has 130 destinations in 49 countries, including the build-up of a significant route network into countries in the Middle East, CIS countries and central Asia.

"These are high-yield markets where LCC penetration is low and since we started developing the network into those regions traffic has really increased," she said.

In addition to growing to the east, where it is looking for another 30 destinations, Pegasus will increase frequencies on its western European network to bolster inbound traffic into Turkey, so its traffic profile is "balanced in both the east and west", said Öztürk.

A major spin-off of the international growth at Pegasus is that its non-Turkish Lira income is strong, with 80% of its revenues in hard currency, she explained.

In addition to its Istanbul hub at Sabiha Gökçen, where it has about 70 aircraft today, Pegasus has a significant base at Antalya where it will operate some 20 aircraft in 2024.

For the foreseeable future Pegasus will focus on growing at Sabiha Gökçen and is not considering an operation at the city's iGA Istanbul Grand Airport. "I want to use my capacity on Sabiha Gökçen. Sharing the capacity in Istanbul is not wise or feasible right now," she said. ■


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TAV's calculated risk

***Serkan Kaptan**, the CEO of TAV Airports, was one of the keynote speakers at Routes World in Istanbul (photo: Routes).*

TAV Airports is recovering strongly from losing its mainstay airport in 2019 with a strategy focused on Eastern Europe, Central Asia and Türkiye. Chief Executive Serkan Kaptan tells *Mark Pilling* how it is progressing

A series of unfortunate events best describes the luck of TAV Airports in the past few years. First, in 2019, it lost its 'cash cow' Atatürk International Airport, the former main hub of Türkiye's metropolis Istanbul, which closed to scheduled traffic and was replaced by Istanbul Grand Airport.

As if preparing for life after Atatürk, which TAV had run for 19 years, was not tough enough, just months later Covid hit the world and traffic fell off a cliff. A few years previously the airport had also suffered terrorist attacks.

Although 2019 was a "golden year" for TAV as its portfolio of 14 airports achieved the landmark of 100 million passengers between them, planning to replace the Atatürk business was well underway, explained Serkan Kaptan, speaking to *ARGS* after a keynote presentation at Routes World in Istanbul in mid-October.

TAV Airports is a member of Groupe ADP, which owns and manages a range of airports and related businesses including its flagship Paris airports, plus GMR Airports in India and Jordan's Airport International Group.

Antalya addition

"Just before the closure of Atatürk airport we were looking for a big asset to semi-replace Atatürk and it happened to be Antalya airport," said Kaptan. "We got into Antalya by purchasing the shares of the Turkish partners in May 2018."

This was a must-win deal for TAV, which runs Antalya in a 50:50 joint venture with Germany's Fraport. "It was an important milestone," said Kaptan. "Antalya gave TAV a boost and a moral

[victory] to the group to demonstrate that our growth will continue."

TAV followed up its move into Antalya by winning the concession in 2021 to run the airport for a further 25 years. During this period TAV Airports and Fraport will invest more than €750 million in its airside and terminal infrastructure immediately, and invest another €165 million by 2038 to further enlarge terminal capacity when the traffic reaches a certain threshold, said Kaptan. The new terminal is due to open in 2025, more than doubling the existing capacity.

With passenger numbers of 31.2 million in 2022, Antalya is easily TAV's largest airport today. It serves Türkiye's largest O&D market, larger than Istanbul's hubs, he added.

Across its five Turkish airports, TAV serves over 260 destinations and has added 30 new routes this year alone, said Kaptan.

Antalya was the first of what Kaptan described as TAV Airports' "three As" with the group also gaining control of Almaty International and extending its concession until 2050 at Türkiye's Ankara Airport over the past two years as it sought further investment opportunities.

"At the beginning of 2021 we bought shares of Almaty airport in Kazakhstan, which is a new market because in Central Asia there are no private operators," said Kaptan.

TAV discussed how the market would develop in partnership with flag carrier Air Astana. "You need a strong base carrier in the major airports," said Kaptan, because they will not leave the market. "You don't want to fully rely on low-cost carriers or charter carriers," he noted, although they are an important part of an airport's airline make-up.

The group began operating at Almaty in May 2021 and "immediately got into a

TAV is planning for the new terminals at Almaty International Airport in Kazakhstan to open in June 2024 (photo: TAV).

massive investment programme because it was an old facility" with a notional capacity of 3 million passengers that was already handling over 6 million annually, said Kaptan.

Airport investment

"During the pandemic, despite the risk of falling traffic and the risk of not knowing when the pandemic would end, we saw that risk as an opportunity and we went for these three new projects," said Kaptan.

In total, the airport developments will cost around €1.1 billion, which TAV has financed in a tough market, he noted. The money has been raised mainly from the International Finance Corporation and European Bank for Reconstruction & Development in addition to a dozen local and international banks.

From financing and project planning, TAV's team has moved into the construction phase. New terminals and new airside facilities at Almaty will open in June 2024, with a similar opening by the end of next year at Antalya and at Ankara in mid-2025, said Kaptan.

The rapid traffic recovery in Türkiye has benefited the country and players like TAV Airports, who appear to have made the right call to continue investing. "Aviation is resilient, but the airports that we are operating are more resilient compared to the rest," said Kaptan.

TAV's airport portfolio spans 15 airports in eight countries, with five in Türkiye and the rest in Georgia, North Macedonia, Tunisia, Croatia, Latvia, Kazakhstan and Saudi Arabia. In combination all have fully recovered to 2019 levels in traffic terms with north of 90 million passengers in total.

The group is guiding investors with a revenue projection of up to €1.29 billion in 2023, which is also above 2019 levels, and an EBITDA target between €453 milion and €529 million by 2025/26 – which brings the group close to catching up to the EBITDA levels it enjoyed when Atatürk was part of the picture. "It is quite an achievement to replace [this airport] in just six to seven years with Covid in the middle," said Kaptan.

Future opportunities

The major investments TAV is making today mean Kaptan is looking for new airport projects but is not under pressure to find them quickly. "In these times when money is very expensive it is good to digest [TAV's current projects]. But we are a very agile company, and we are part of Groupe ADP, which likes TAV to be its growth arm.

"We have a lot of experience of operating airports in difficult geographies in growing markets," said Kaptan. "Where we look [for growth] is Central Asia because we are very happy with our Kazakhstan investment. Being there is a good reference for us."

There could be opportunities within that country, among Kazakhstan's neighbours, in the Middle East, Eastern Europe, the Baltic states and Africa, he said. TAV Airports has a mandate from Groupe ADP to focus on these regions, leaving others to the parent company and GMR.

The TAV Airports group also features a series of service companies in food and beverage, duty free, IT, private security, ground handling, and lounge services. ■

ASA
AIRPORT SERVICES ASSOCIATION
LEADERSHIP FORUM

***Fabio Gamba**, ASA Director General, opened the association's second Leadership Forum in Athens (all photos Ayo Ogunyoye, EVA).*

Gaining ground

Under the theme of 'gaining ground towards resilience', the second ASA Leadership Forum (ALF) took place in Athens on 20-22 September. *Mark Pilling* reports

'Directionally correct' is how an economist would describe the progress of the Airport Services Association (ASA) and its second Leadership Forum, which took place alongside the Air Cargo Handling & Logistics Conference (organised by EVA International Media and in its 14th year).

That direction is of course up.

"The numbers indicate that ASA is right in choosing to organise this event. We have over 600 registrations for both events, up by 40% compared to 2022, and 250 registrations alone for the ALF, up 50% on last year," said Fabio Gamba, ASA Director General.

"This shows the event undeniably responds to a need to gather, prepare and anticipate [the future requirements of ground service providers]," said Gamba.

One of the key success factors for ASA is expanding its membership, said ASA Chair Atilla Korkmazoğlu, who is President Ground Handling and Cargo (EMEA) at Turkish handler Çelebi. He reported that since the inaugural ALF in 2022, ASA has been joined by 15 new members and two new business partners.

ASA now has 64 full members and nine business partners, said Korkmazoğlu. During the pandemic membership fell below 40, but has rebounded as members vowed to strengthen their voice and influence on the international aviation stage.

Korkmazoğlu stressed the need for ASA to continue recruiting new members – especially in regions where it is under-represented, such as the Asia-Pacific region – so that it can grow stronger, increase its global lobbying efforts and gain greater recognition for the role of service providers. This is becoming more important as states are looking at their own role in the regulation of ground handling, he noted.

Dnata CEO Steve Allen stressed the need for ASA to deliver a clear value proposition to attract more members. "We need to be clear about what the purpose of ASA is and what value we can add to all these organisations, and we need evidence of progress," he said. "As people see ASA becoming more powerful, they will want to be part of it. I think we are building well."

To increase its work streams, the association has also bolstered the ranks of its secretariat, with industry veterans Thomas Konietzko and Ariaen Zimmerman taking on the new roles of Head of Membership Community and Head of Operations and Programs, respectively, joining Gamba and Head of Marketing and Communications Mercedes Dieguez.

The new ASA awards

One of the new features in Athens 2023 was the ASA Excellence Awards & Recognition Ceremony, which were presented by Korkmazoğlu.

It is important as an association "to celebrate and honour exceptional individuals and companies who have made a remarkable or outstanding contribution to help advance the cause of the aviation services industry in their own way", said ASA's Fabio Gamba.

There were two awards, the first recognising an outstanding contribution by an individual to the aviation service industry. That award went to Sally Leible, who retired just prior to the ALF from her

*At the inaugural ASA Achievement Awards, the award recognising an outstanding contribution by an individual to the aviation service industry was presented to **Sally Leible,** President of ATS by ASA Chair **Atilla Korkmazoğlu**.*

*Menzies Aviation won the award for the business demonstrating the greatest contribution to the advancement of ESG (Environmental, Social & Governance) in the ground services industry. It was accepted by **Katy Reid**, Head of Sustainability & Corporate Responsibility at Menzies, seen here with **Fabio Gamba**.*

position as President of North American handler Airport Terminal Services (ATS).

Korkmazoğlu explained that Sally Leible, who has spent her entire 45-year career with ATS, was nominated for her unwavering commitment to the ground handling industry throughout her career and as an active member of the ASA Board for over four years, including a stint as Chair of ASA.

"We all owe a lot to Sally, not only for the dedication she put into her job, or the famous soft-touch and interpersonal skills she displayed on all occasions, but also because she led ASA for two memorable years before giving way to another chairperson back in 2019," said Korkmazoğlu.

"During her tenure, ASA was offered a seat at the IATA Ground Operations Group and could finally have its say on such industry standards as ISAGO and IGOM," he explained.

Former ASA head Jon Conway said: "As the very first Director General of ASA, I was extremely fortunate to have Sally as Chair. In the two years that we worked together, I was always conscious that, despite her seriously busy day job with ATS, she gave much of her time and attention to wider global handling issues and the efforts we were making to establish ASA as the voice of airline service providers. Her drive to engage with both ACI and IATA helped result in elevating our sector to a position of genuine recognition."

The second award went to the business demonstrating the greatest contribution to the advancement of ESG (Environmental, Social & Governance) in the ground services industry. The winner was Menzies Aviation, with the award accepted by Katy Reid, Head of Sustainability & Corporate Responsibility at Menzies.

"This award goes to a company genuinely invested and passionate about ESG, one that is taking a lead in helping the industry innovate. In time it will be the norm," said Korkmazoğlu.

According to one of the award judges: "Menzies Aviation has demonstrated a comprehensive ESG approach, with an aggressive net zero emissions target of 2025 and strong commitments to female representation at leadership level, refugee recruitment and slavery risk."

ASA also gave special recognition to three Turkish handlers: Turkish Ground Services, Çelebi Aviation Holding and Havaş Ground Handling Services, for their exceptional contribution to disaster relief efforts in communities affected by the severe earthquakes that struck Turkiye in February this year.

The venue for the third ASA Leadership Forum, which will take place in September 2024, will be announced shortly. ■

The CEO panel featured, from left to right, ***Philipp Joeinig*** *of Menzies Aviation,* ***Richard Prince*** *of Aviapartner,* ***Warwick Brady*** *of Swissport,* ***Sally Leible*** *of ATS and* ***Steve Allen*** *of dnata.*

In a better place

Service provider CEOs took to the stage in the big debate in Athens to discuss the issues of the day such as the 'race to the bottom', minimum standards for handlers and collaboration between all players

There was a renewed sense of confidence from the assembled heads of some of the industry's leading ground service providers in Athens.

After the doom and gloom of summer 2020 amid serious disruption at many locations because of staff shortages, coming just as the industry was pulling out of the pandemic years, Steve Allen, the CEO of dnata, struck a positive note: "Well, we are all here this year," he joked.

The theme of the big CEO debate was 'Beginning of the end for the race to the bottom?', the point being that the ground service provider (GSP) market has for years been squeezed on many fronts, especially on price.

"This has been the motto of the ground handling sector ever since the first independent GSPs came to the fore in the 1990s," said Fabio Gamba, Director General of Airport Services Association (ASA), and he asked what the major stakeholders can do to enable the industry to be characterised as racing to the top.

"We have got through probably one of the toughest years in our history," Allen told delegates. "So, all the beatings that we've gotten in the last year have just told all the airlines, airports and governments that ground handling is important.

"In the last year, we were in a downward spiral of not being able to go to our customers and ask for more money because our performance was so bad. But now we can get into a virtuous spiral," he said, as GSP performance has markedly improved.

"I think we need to stop talking negatively about the beginning of the end of the race to the bottom and start talking more about how we can raise the bar and how we can improve," said Allen.

ASA
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LEADERSHIP FORUM

2023 CONFERENCE , ATHENS







Gabriel Mocho, Secretary of the Civil Aviation Section at the International Transport Workers' Federation (ITF), asked the panellists for their view on the future for minimum labour standards.

"Now we can talk very positively about how we can enhance the customer experience, how we can enhance their brand and how we can become part of their ecosystem rather than complaining about the race to the bottom," said Allen.

The term 'race to the bottom' is "tiresome", according to Sally Leible, Chair of Airport Terminal Services. "I think one of the most important answers lies in the short-term nature of our contracts," she said.

This is an approach that "doesn't allow us to build staff, to build the training programmes that we want, to have sustainability and equipment investment" – all of which requires a longer-term view, said Leible.

Richard Prince, CEO of Aviapartner, advised caution about using the term 'race to the bottom', pointing out that no-one forces a ground handler to sign a contract. In his view: "I think it's about ensuring that the industry has the highest standards of safety and it's about being able to attract and retain the right people," he said.

From the perspective of Philipp Joeinig, Menzies Aviation CEO, handlers choose to operate in what is a "structural growth industry" with aircraft orderbooks at an all-time high and forecasts of strong traffic growth, and he sees positive sentiment on all continents that handlers can add value to passenger journeys.

However, Joeinig noted that handlers under the umbrella of ASA must work more closely with civil aviation authorities and monitor the decision-making process for the number of ground handling licences issued at an airport, with the emphasis on ensuring high operational and safety standards are maintained.

Gamba pointed out that while all players are invested in high standards, the services industry is extremely fragmented, with many small players located at just a single or a handful of stations. The view of smaller handlers regarding the number of licences issued at an airport, or their ability to influence the decision-making process, is different to the larger players, he said.

"What we are trying to do, through the civil aviation authorities and with the regulators, is set realistic bars to deliver the right levels of service and safety," said Allen. ASA is the proper body to lead this push, which is one of the prime motivations behind the industry putting more money into the association.

Standards

Listening to the discussions about standards, and in particular safety standards, Gabriel Mocho, Secretary of the Civil Aviation Section at the International Transport Workers' Federation (ITF), asked the panellists for their view on the future for minimum labour standards.

The imposition of such standards from outside the industry would not be welcomed, but they could be agreed at local or airport level, said Mocho, whose federation represents some 18.5 million transport workers globally.

"We continue to see challenges with bringing people back to our organisation, to retain and to keep them and then to help them grow a career within our industry and build the skills they need," said Prince.

"I'm all for minimum standards for employees. However, as an industry – airports, airlines, service businesses – we need to recognise we must be more attractive and that requires a whole range of different employee propositions that are funded," he went on. "And there is a price to that, and we have to strive to ensure that we achieve it so we can deliver on that promise."

Consolidation progress

With some of the largest handlers represented on the panel, the question of further consolidation in the industry was raised. It is a "natural progression", said Allen.

Swissport's CEO Warwick Brady added: "This is a course we love to play and so you are going to see acquisitions. All I would say is that in some markets it's like Whack a Mole: you take one out and another one jumps up. So, it is quite hard, and you need to be a bit thoughtful about your acquisition strategy."

The debate examined how the nature of ground handling may change in the coming years. For a business that is so people-centric, with up to 70% of a handler's cost base coming from employees, it is inevitable that there will be more automation in the passenger journey, with features like bag drops and automated boarding, said Aviapartner's Prince, pointing out: "GSPs currently deliver a transaction-based product but the reality is that resources are hard to find."

However: "With our emphasis on human capital I don't see GSPs disappearing but taking on a different role. I just can't see an A320 loading itself," joked Brady.

The last word goes not to a handler but to an airline. Speaking from the floor, Maurice van Deursen, Vice-President Procurement Airport Services at Air France-KLM, talked about his goal to create the right partnerships between the different players, alongside the competition tension all parties feel, to ensure successful outcomes.

"We all have a vital role in this industry, and therefore a vital, important responsibility," said van Deursen. "As airlines we all compete in the same world, and handlers are all competing with each other, but in the end there's a bottom line that binds us all together." ■

Noor Salman, *dnata Senior Manager Head of Environment & Sustainability, spoke on the panel exploring environmental strategies.*

Identifying disruptors

During his keynote presentation, Chris Brown, Partner Aviation Strategy at global consultancy KPMG, identified three long-term disruptors for the industry: decarbonisation, digitalisation and advanced air mobility.

However, he pointed out that the CO_2 emissions from aviation's ground operations, including MRO, represent 22% of the total, according to KMPG's estimates, with ground support equipment (GSE) only making up 3% of that.

Brown noted that it will be important for GSE to move to electric power, but the capacity of the electricity grid to cope with needs from all sectors will be the likely bottleneck to progress.

Speaking on a panel exploring environmental strategies, Noor Salman, dnata Senior Manager Head of Environment & Sustainability, said her company is prioritising its actions based on the size of the impact it can achieve. For instance, it has identified ground power units as the GSE with the greatest fuel consumption and therefore the top priority, she said.

Salman and John Geddes, Menzies Aviation Chief Governance & Sustainability Officer, highlighted that the biggest barrier to electrifying ground operations is a lack of airport infrastructure.

Spencer Low, SATS Chief Sustainability Officer, explained how the company's home base at Singapore Changi is taking a leadership stance on its environmental targets with a decision that all ground equipment must be carbon emissions free by 2040. He added that the decarbonisation story is not just about electric GSE, noting the transition to biodiesel fuelled units is an easier path.

According to Warwick Brady, CEO of Swissport, there can be a gap between the aspirations of airline CEOs expressing a long-term vision for sustainability and the short-term pricing demands of airline ground operations procurement teams.

With a handler banking US $100 or less per aircraft turnaround there is not a lot of room for service players to invest in fossil fuel-free GSE, and it is up to airlines to set minimum standards in this area to drive change, said Brady. ■

Creating a virtuous circle

*"We are the logistics professionals that deliver up to 12 million turnarounds per year as an industry," said **John Geddes** of Menzies, speaking in his role as Chairman of ASA's Operating Board.*

The structure of the ground services market came under scrutiny at the ASA Leadership Forum, with ASA seeking to highlight some basic flaws in how the supply chain operates

John Geddes of Menzies, speaking in his role as Chairman of ASA's Operating Board, presented 'Markets & Contracts: the law of unintended consequences', discussing the interdependency in the aviation supply chain of airlines, airports and services providers.

The basic premise is that service providers are not treated as an equal player in this triangle and operate at a disadvantage. Another major issue, raised several times during the Forum, is that at some airports too many handlers are allowed to operate, which produces a dysfunctional and low-performing market.

Geddes observed that open handling markets can lead to over-supply, creating a low-margin environment with pricing pressure on service providers. In turn, this forces downward pressure on wages, making aviation jobs less attractive and leading to high staff turnover.

In terms of issues around contracting, Geddes highlighted short-term thinking, the idea that risk and cost transfer can be at unacceptable levels for service providers, and there can be a lack of acceptance of service provider expertise, he explained.

He warns of a "vicious circle" as contracting, pricing pressure and over-supplied markets – the "unintended consequences" – bring poor passenger experience, damage to brands, cost increases and regulatory fines.

During the Forum, Swissport CEO Warwick Brady noted that the airport licensing regime for bringing in handlers is an important focus area for ASA. "There needs to be good competition [between handlers] and the ability to change handler, but also barriers to entry," he said.

ASA is calling for regulators and airports to adhere to minimum standards to deliver a level playing field. Steve Allen, CEO of dnata, gave the example of a market where the playing field is "right down at the bottom": the US.

"People turn up for work in trainers and jeans with no safety vests. They work for multiple different companies on the same day," he explained. "They choose if it is raining whether they go outside. Some of the equipment is of a terrible standard and falling apart, and we know that the number of safety incidents in the US has been quite significant in the last few years because of high staff turnover.

"That, for me, is a level playing field that is set the wrong way," said Allen. "We need to get to a level where the regulator sets the minimum standard for safety and security, for equipment. But if you allow a free-for-all, which is what is happening in the US now, the industry is not going to be in a good place."

How standards are brought in to achieve a level playing field is a complex question, with Aviapartner CEO Richard Prince noting "the challenge with regulation is always the same: it just becomes bureaucracy."

He asked, "How do we continue as leaders in the marketplace to set our own standards?" In partnership with all players, if service providers can innovate to improve the customer journey, and add value to airlines and to airports, "We might create a barrier to entry that is based on quality and great organisations and great leaders and great relationships – and not through regulation," Prince said.

On the contracting side, Geddes said ASA members are seeking a fixed-term contract that allows investment; termination provisions that do not allow opportunism of switching at short notice for a better price; a connection to inflation to allow fair pay; payment terms that mean handlers do not act as banks; and the ability to adjust prices in the event of material schedule changes.

"We are the logistics professionals that deliver up to 12 million turnarounds per year as an industry," said Geddes, but in some cases, because of the issues he highlighted, the "current system can deliver poor passenger experience".

Speaking on the 'Around the world in 60 minutes' panel, Hugo Ehrhard, Commercial Director at Groupe Europe Handling, said: "I have noticed [since the pandemic] a stronger sense of partnership from some customers." With inflationary pressures abounding, "Many are showing some understanding, but we are not there yet."

ASA is preparing a white paper that highlights these issues, said Geddes, to be published soon. ■

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2023 CONFERENCE , ATHENS

Speaking on the 'Istanbul is the new cool' panel, moderated by ARGS *Editor* ***Mark Pilling*** *(left), were* ***Elif Balcı Fisunoğlu*** *(centre), Acting General Manager and Vice General Manager of the Türkiye Tourism Promotion and Development Agency, and* ***Selahattin Bilgen****, Acting Chief Executive of Istanbul Airport (photo: Routes).*

Immense Istanbul

Under the tagline 'Istanbul is the new cool', record numbers of delegates descended upon Türkiye's mega-city to speed-date at the world's great annual airline-airport networking event: Routes World. *Mark Pilling* and *Mike Miller* report

The two emotions felt by all delegates about Routes World in Istanbul were intensity and awe. For the majority who arrived at the city's mammoth Istanbul Grand Airport, the sight of its enormous single terminal took the breath away – as did a walk through its vast expanse.

And, as one of Europe's largest metropolitan areas with a population of 15 million souls, Istanbul's stellar rise as a travel and tourism destination was evident for all to see, not least in its intense, bustling city streets and associated traffic congestion.

Opening the show, Steven Small, Routes World Director, revealed that the 2023 event, the 28th edition, was the biggest yet with 3,200 registered delegates, 600 airlines taking part, and over 13,000 meetings scheduled.

"Air transport is the biggest engine of economic development for our country," said. ***Abdulkadir Uraloğlu****, Minister of Transport and Infrastructure, Government of Türkiye, in his keynote speech at Routes.*

The large exhibition hall, housing scores of lavish stands, brought every corner of the globe to visitors. While delegates from 115 countries were present at Routes, the most significant was the return of Chinese airports now that travel restrictions in China have been lifted. They returned in force, with 12 airport groups and their customarily beautifully decorated stands.

Keynote speaker at the Routes conference, Abdulkadir Uraloğlu, Minister of Transport and Infrastructure, Government of Türkiye, explained how the state has focused on and supported air transport to help transform the economic fortunes of the country, which is celebrating the 100th anniversary of the formation of the Republic of Türkiye this year.

"Air transport is the biggest engine of economic development for our country," he said.

With an open-door policy towards international airlines and investment in both airport infrastructure and flag carrier Turkish Airlines, in addition to promoting the expansion of low-cost carriers like Pegasus, Türkiye has gone from serving 60 destinations in 50 countries in 2002 to serving 343 in 130 countries today, explained Uraloğlu.

At the same time the number of countries with which Türkiye has an air service agreement has risen to 173.

Cool Istanbul

Speaking on the 'Istanbul is the new cool' panel, moderated by *ARGS* Editor Mark Pilling, Elif Balcı Fisunoğlu, Acting General Manager and Vice General Manager of the Türkiye Tourism Promotion and Development Agency, said Istanbul, with its "unique location spanning two continents, Asia and Europe", offers an "unparalleled travel experience".

She explained that since 2018 tourism has been a sector of strategic importance for the government of Türkiye, bringing with it support from many ministries and institutions in addition to high-level appearances at events by senior leaders. "This really makes a difference," said Fisunoğlu.

Unstoppable iGA

Routes World host Istanbul Airport (iGA), which has been among Europe's fastest-rebounding airports since the end of the pandemic, is determined to maintain its dynamic progress, according to Selahattin Bilgen, Acting Chief Executive of iGA. It will soon be welcoming 100 airlines and exceed 350 destinations served, he said.

In iGA's first phase of development, which began when it opened in April 2019, it has three primary runways and a capacity of 90 million passengers, explained Bilgen. It will handle 77 million passengers this year and the investment to begin the second development phase has begun. This will add another runway and space to handle a total of 120 million passengers.

The final and fourth phase will expand iGA to a monumental capacity of 200 million passengers and six runways, said Bilgen.

In terms of network development, iGA wants to attract more direct transatlantic service from North American carriers and while it is dominated by Turkish Airlines, there is a desire to bring in more players to fill the airport's huge available capacity.

"You cannot feed a 200 million-passenger airport with one single airline," said Bilgen. "Our strategy is to grow with newcomers, and this includes LCCs." Three LCCs have started at iGA in 2023, he said.

However, Bilgen noted the airport will proceed carefully "because it should not distort or cannibalise the market for our existing carriers".

Market outlook

Addressing delegates in his keynote presentation, Olivier Jankovec, Director General, ACI Europe, outlined several "downside traffic risks" including the continent's cost of living crisis, aircraft delivery delays, rising oil prices and external shocks (see related story on page 36).

Despite this, he noted that 48% of Europe's airports have achieved pre-pandemic traffic levels and that ACI Europe has upgraded its forecast for the region's full recovery from 2025 to 2024.

Jankovec sounded a warning that because of structural cost increases in areas like insurance, energy and supplies, which are "unsustainable for European airports", airport charges will need to increase.

As Routes 2023 ended, the baton for the next event, Routes number 29, was handed over by iGA to the 2024 host: Bahrain International Airport. The 2024 event will take place on 6-8 October.

Speaking at the handover ceremony, H E Zayed Alzayani, Chairman of Gulf Air Group Holding, said: "The conference will support the objectives of the Bahrain Economic Vision 2030, with an aim to position the Kingdom as a global, competitive and sustainable economic hub."

By every conceivable measure, Routes 2023 was a triumphant return to form of this iconic aviation networking event. It demonstrated that network planning, despite major global disruptions like economic woes, wars and scarcity of aircraft, is in full swing. ■

The regional costumes of the team from Wuhan Tianhe International Airport were a colourful sight on the airport's stand (all photos: Mark Pilling).

The return of China

China's airports were back at Routes in Istanbul in force. *Mark Pilling* talked to several of them about their plans to restore capacity

The target for the dozen Chinese airport groups exhibiting in Istanbul was clear: they want to attract international services back to their destinations, and soon, following the easing of travel restrictions in January this year.

In the short term, competition is fierce between airports to secure overseas carriers that have the aircraft to allocate to China, although few doubt the country's travel market will soon generate significant traffic flows again.

Just like Routes host Istanbul, Daxing was opened in 2019, months before Covid hit the world. It became the capital's second mega-airport operating independently of Beijing Capital International Airport (BCIA) to provide international and domestic services, leading to "balanced competition and complementary strengths" to establish a dual-hub system.

The message from Wang Qiang, Deputy General Manager, Aviation Business Department at Beijing Daxing International Airport, was typical of many of his counterparts. "In 2023 the domestic market has recovered fast," he said.

Both China Southern and China Eastern have moved their hubs from BCIA to Daxing, which makes the latter more attractive to oneworld Alliance and SkyTeam member airlines respectively.

The airport offers a single terminal for all operations with a domestic minimum connecting time (MCT) of 45 minutes and international MCT of 60 minutes, said Qiang. Increasing the volume of transit traffic at Daxing is a major goal; it has

a target of 25% of its total traffic to be transferring passengers by 2025, he said.

Daxing was meeting with many carriers at Routes, seeking to lure them from BCIA with its sparkling new terminal and capacity to grow. So far, British Airways, Etihad and Qatar Airways are among those who have transferred from BCIA to Daxing.

The airport is expecting to handle 40 million passengers in 2023, with only about 2 million of those on international flights.

BCIA, which opened in 1958, reached its peak traffic level in 2019 with 100 million passengers. This fell to just 12.7 million in 2022 but should climb back to 50 million this year, explained Miranda Shi of BCIA's Aviation Business Department.

One of the advantages of BCIA is its location 25km from Beijing's city centre, with rival Daxing some 46km away, said Shi. Air China, a member of the Star Alliance, is the airport's home base flag carrier.

At present, BCIA is seen as the most attractive Beijing airport for the business travel market, said Shi. It has been welcoming international carriers back, with Lufthansa reopening its Munich service in July and United Airlines resuming its San Francisco connection in November.

At the time of Routes, BCIA's total destination count had reached 205, which is still some way short of the 300 it served in 2019, said Shi.

*Beijing's new Daxing International Airport is seeking to attract more international carriers to join the likes of British Airways, Etihad and Qatar Airways, said **Wang Qiang,** Deputy General Manager, Aviation Business.*

*The brand-new Chengdu Tianfu International Airport opened in 2021. All international flights were transferred to it from the old airport in March 2023, explained TFU's **Cici Chen**, Vice General Manager of Public Relations.*

Chongqing: the magic city

Embraced by the mighty Yangtze River and surrounded by mountains in southwestern China, Chongqing is described as the 'magic city'. It is the fourth-largest city in the country.

Victor Wenchang, Deputy Routes Development Manager at Chongqing Jiangbei International Airport, neatly outlined the reason so many Chinese airports were back at Routes: "It is a good thing to see Chinese airports can go abroad and empower Chinese aviation."

Each city and region have their own selling points, although most are simply huge cities that generate fantastic and growing domestic traffic. The battleground is for faster international capacity growth.

Chongqing is only at 30-40% of its 2019 international traffic levels, which reached over 3 million, said Wenchang. The airport is concentrating on restoring its Asian international network first and then building up intercontinental services from national carriers and others.

AirAsia was the first foreign carrier to restart at Chongqing, with a twice-daily service to Bangkok in March. Chinese carriers have brought back flights to London, Madrid and Rome, while Hainan Airlines will begin serving Paris with 787s in November.

Chongqing is a major domestic tourist destination, and that fact has helped the airport exceed domestic pre-pandemic traffic levels already, said Wenchang. It is expected to handle 45 million passengers this year. However, outbound tourism remains sluggish with locals still cautious about overseas travel, he said.

Plenty of Routes delegates will have fond memories of Chengdu, with the event having been hosted there in 2016. Visitors to this region in the Sichuan Province in western China will have arrived via Chengdu Shuangliu International Airport.

Like several other Chinese cities, Chengdu is developing a dual-hub airport system to ensure it has the air transport network to serve its growing metropolitan area.

Chengdu Shuangliu is now dedicated to domestic services only, with all international flights transferred to the brand-new Chengdu Tianfu International Airport (TFU) in March 2023, explained the airport's Cici Chen, Vice General Manager of Public Relations.

Chengdu's new airport opened in 2021 with two terminals and three runways, and its masterplan includes this doubling to four terminals and six runways over time. "This is our first opportunity for TFU to showcase the new airport in Chengdu," said Chen.

At the time of the interview in Istanbul, TFU had 41 international passenger destinations and eight cargo-only routes. Fifteen of the passenger services, such as the Sichuan Airlines services to Istanbul and London, have begun since March, highlighting the attractiveness of the city and region. And Loong Air will begin a route to Bishket, the capital of Kyrgyzstan, in November, she added.

However, most of TFU's network comprises domestic services, which will enable the airport to welcome 43 million passengers this year, she explained. ■

*"Our sector lacks education to solve problems" about sustainability, said WTTC Senior Vice-President **Maribel Rodriguez** (photos: Routes).*

Green education

Travellers want to be better informed on sustainability options when planning travel, but the industry has not provided consistent information

"We need a significant commitment to education on sustainable strategies," said Expedia Group Senior Director of Business Development Andrew van den Feltz, noting that "70% of people can't find the sustainable travel options that they are looking for".

Expedia.com is using badging for eco-sites and carbon emission rankings to provide travellers with better information during searches.

"We need to create a consciousness with travellers about sustainability," said Maria Elena Rossi, Global Marketing and Promotion Director for ENIT, The Italian Government Tourist Board. "The work of the World Travel and Tourism Council (WTTC) on this is critical."

WTTC Senior Vice-President Maribel Rodriguez said the travel industry's revenue will jump to US$15.5 trillion by 2033, by which time it will employ 430 million people worldwide. But: "Our sector lacks education to solve problems" about sustainability, she said.

Puerto Rico Tourism Company Executive Director Carlos Mercado called for an overhaul of governments' approach to sustainability. "You have to restructure how the government works — new laws, new approaches — and that's difficult," he said.

"The government can't do it alone," Mercado said. "You have to work closely with the private sector so we [the government] become the coordinator and not the regulator."

Unifying regulations across continents should be a major priority, said Ali Rajab, CEO of Saudi Air Connectivity Program. "If the pandemic has shown us anything, it's that it's important for countries to have unified [sustainability] rules. Harmonising ICAO is going to help all entities. We need more easing of regulations also to allow cooperation on sustainability."

SAF goals are critical for governments to achieve green targets, but in Latin America there is not a single refinery that is certified to produce SAF, said IATA Regional Vice President - Americas Peter Cerda. "Governments are now very slow in the Americas to implement change, which makes SAF development much longer than it should be."

Yolanta Strikitsa of Strikitsa Consulting added that lead times for sustainable fuel are horrendous. "If you place your order for SAF, it's five years until it's delivered," she said.

Luis Felipe de Oliveira, Director General of ACI World, called on ICAO to create a global framework for SAF development "to ensure we are investing in all countries and producers. Without government support we won't get to the 2050 climate goals."

Rossi said her country is using the upcoming rush of people to the 2026 Winter Olympics in Milan to diversify tourism and promote sustainability in northern Italy. "We have new practices for dispersing Olympic events, working with regional cities," she said.

Italy will deliberately locate events in neighbouring cities and regions so Milan does not become overburdened. While some events will take place in Milan, many will be held in Cortina, Italy, and some, such as bobsledding and luge, will be held in another European country.

"Italian cities need better growth management strategies," she said. For example: "Venice of course faces problems with unbalanced tourism, Florence also."

Expedia has launched an online Travel Foundation to help destination management organisations (DMOs) develop sustainability plans. "We can see how people add filters or not" to their online searches, said van der Feltz. "The actual explanation of what a traveller should receive on sustainability must be consistent across all platforms."

Mehmet Keyvan, CEO of Keyvan Aviation, said aviation must pay attention to daily airline operating efficiencies if sustainability targets are ever to be reached. "Taxi in and out time now can be 40% of the flight time on short-haul [flights], so we have to manage all the stakeholders to ensure the journey is efficient," he said.

Prioritising sustainability at the government level remains a leading goal. "Sustainability is our top strategy after the pandemic," Mercado said proudly of Puerto Rico's restructured goals.

"We worked with WTTC to measure everything – what we already knew and what we didn't know. Honest measurement of what you're doing right and wrong is everything," he said. "You have to be honest about what you need to improve." ■

Middle East mushrooms

*Bahrain International Airport opened a new terminal in 2022 that quadrupled the gateway's capacity – and the country will host Routes World in 2024, Bahrain Airport Company CEO **Mohamed Yousif Al Binfalah** told delegates (photo: Routes).*

Low-cost Middle East airlines are expanding at a much more rapid pace than their legacy brethren and are using new longer-range aircraft to expand their influence northward to European cities. *Mike Miller* reports

"Low-cost Middle East airlines now make up 30% of the passenger capacity in the region, up from 21% in 2019," said ASM Consulting Director Edmond Rose at 2023 Routes World in Istanbul.

In an analysis of airlines in the region, Rose noted that the five largest Middle East LCCs have 385 aircraft on order, nearly twice their current fleet.

Saudi Arabia's massive government-backed growth plans are one reason for the growth. The country is seeking new airlines to set up shop in Saudi Arabia, even those from other regions.

"Wizz Air hopes to be the third LCC granted an operating certificate in Saudi Arabia," Rose said. "There will be airport infrastructure constraints because of the speed of this growth."

The fastest-growing airports in the region are Sharjah (+26%), Cairo (+23%) and Jeddah (+21%), Rose said. All three are LCC hubs. Those growth figures compare to Dubai airport's 4% gain in capacity during the same period. Istanbul, with its new airport and significant expansion planned, grew 9% compared to 2019.

"The top four full-service carriers have nearly 90 aircraft parked, including Emirates' 28 Airbus A380s on the ground," Rose noted.

Cities in Europe likely will see new nonstop flights to the Middle East because of the debut of long-range Airbus A321XLR (extended long range) aircraft from Middle Eastern LCCs. Four LCCs in the Middle East have ordered the aircraft: Air Arabia, Flynas, Middle East Airlines and Saudia.

"The aircraft range is significant – it will bring all of Europe and most of Africa into focus" for new routes, said Rose.

Saudi Arabia's stated desire to attract 100 million visitors and handle 330 million passengers by 2030 will be "a daunting task", Bahrain Airport Company CEO Mohamed Yousif Al Binfalah told delegates.

"The aviation strategy launched last year [by Saudi Arabia] was probably overdue for a country of its size," he said. "Realising it all within their timeline will be a challenge."

With Saudi's plan, Jeddah becomes Saudia's hub, Riyadh will be home to a massive new Riyadh Air within two years, and Dammam will be a focus city for LCCs.

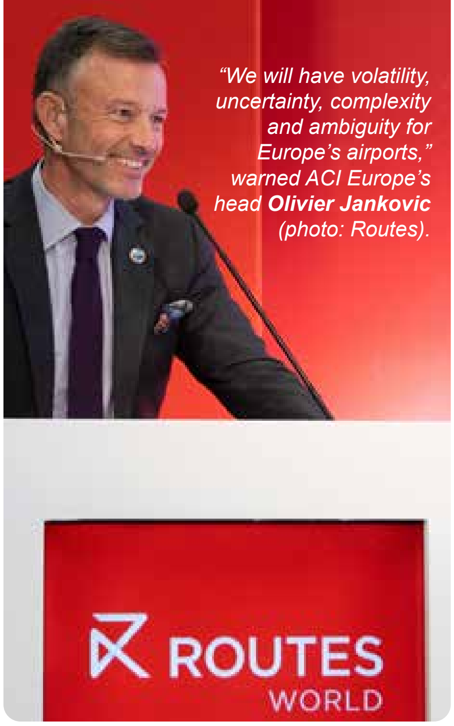
"We expect tourists will visit multiple cities in the region because we will be even better interconnected going forward" in the Middle East, said Al Binfalah.

Bahrain International Airport opened a new terminal in 2022 that quadrupled the gateway's capacity – and the country will host Routes World in 2024.

Elsewhere, Abu Dhabi is expected to open another terminal before the end of 2023, and Saudi's new blank-sheet design King Salman International Airport in Riyadh will have six parallel runways and eventually have the capacity to handle 185 million passengers by 2025. ■

Volatile skies

Europe's airport leader painted starkly different emerging travel patterns that may shape the next decade for the region



*"We will have volatility, uncertainty, complexity and ambiguity for Europe's airports," warned ACI Europe's head **Olivier Jankovic** (photo: Routes).*

Olivier Jankovic, ACI Europe's Director General, said at Routes that rising oil prices and other cost hikes could push the region into recession. At the same time, there is a flood of new low-cost airline capacity from Middle Eastern and Asian airlines that is adding stiff competition.

"Consumer confidence is up, [but] so are costs, and there are significant aircraft delivery delays for everyone," Jankovic said. "The Eurozone likely is going into a recession."

Europe's airlines have recovered to only 48% of pre-pandemic levels, he noted, and 2023 passenger traffic is expected to be negative 4.5% this year and only up 1.4% next year.

"There is a change in demand from material travel to experiential travel," Jankovic said, noting that corporate travel has not returned, and companies are choosing to attend only larger meetings overall.

Airlines in Western Europe have not fully recovered, with ITA in Italy down 29.7% in summer 2023, SAS down 21.3% and LOT Polish Airlines 18.8% lower. Meanwhile, LCCs are adding significant numbers of seats vs 2019: among them are Wizz Air (+46.9%), Ryanair (+25.4%) and Jet2 (+22.9%).

"We have a lot of capacity additions from LCC Gulf carriers, Chinese carriers, and, on top of that, Turkish Airlines expects to double its fleet to 800 aircraft," Jankovic said.

"There are changing connectivity patterns: direct flights are rising, and hub connections have not yet recovered," he said. "This is leading to a 'polycrisis' in Europe. Increasing geo-security concerns and more global fragmentation are leading to a lot of risk for all sectors and [we] expect the same for the airline sector."

"We will have volatility, uncertainty, complexity and ambiguity for Europe's airports," Jankovic said, noting that there is a €27 billion (US$28.6 billion) capital expenditure shortfall for the region's airports. This could lead to "a viability challenge for small airports," he noted.

Jankovic said airports should seek to become "enerports" by adding solar farms and providing green energy for their regions and building resilience and business opportunities. He also noted that the current slot system for managing busy airport flights is 30 years old and outdated because off-peak periods have fewer flights and, therefore, "wasted capacity". ■

Welcome Air India


*This shot shows **Lenish Patel**, Manager Network Planning (left), and **Abhinav Kanoria**, Specialist Brand and Marketing, of Air India at Routes (photo: Mark Pilling).*

One of the most surprising stands in the Routes World exhibition area was the one belonging to Air India. Airline stands are a rarity amongst all the glitzy airport booths at any Routes event, but with 470 aircraft on order, a new brand and a new in-flight product arriving next year, Air India felt 2023 was the perfect year to use Routes as a launch platform.

And as the promotion on the stand declared, the airline has a lofty ambition: "Welcome to the airline of New India. Our goal is to create India's first truly global brand – a universally admired icon that carries the hopes, dreams and possibilities of the new, emerging India."

Air India's motivation was to "create excitement" about the carrier's plans, which certainly worked, and with so many long-haul aircraft arriving in the coming years it wanted to work on its airport strategy.

PR protocol dictates that the team themselves cannot be quoted in person; however, unsurprisingly, the five-person team at Air India was in high demand. "We have one airport after another coming to talk to us," said one of the team.

Perhaps they will be back at Routes 2024? And could we see other airlines following suit? ■

The team from Istanbul Sabiha Gökçen Airport. From left to right: ***Alevtina Semenova****, Route and Business Development Manager;* ***Amirudin Rahmat****, Deputy CEO;* ***Bertain Yildirim****, Route and Business Development Manager (photo: Mark Pilling).*

Sabiha's runway ambitions

The opening of its second runway is a huge boost for Sabiha Gökçen Airport (ISG) as it seeks to add more destinations to its rapidly blossoming network

That rarest of beasts should have appeared in Europe's air transport system by the time this issue of *ARGS* is out: a new runway.

It may have been several years in the making, but by mid-November the second runway at Sabiha Gökçen (ISG), the Istanbul airport on the Asian side of the Bosphorus, should be open, upping the airport's hourly movements from 40 to 65.

"With this second runway, we look forward to a significant increase in our capacity," said Amirudin Rahmat, Deputy CEO of ISG, who joined the airport's management team from parent Malaysia Airports in July 2023.

Speaking at Routes, he said: "Today we have slot restrictions so the new runway means we can free up slots and welcome more airlines. This aligns with our strategic growth plan to diversify our international market share."

Sabiha is the ninth-busiest airport in Europe on the back of fast-growing Turkish low-cost airlines Pegasus and AJet (the new name for Turkish Airlines subsidiary AnadoluJet).

The former represents some 62% of Sabiha's traffic and the latter 34%. AJet is also moving its headquarters from Ankara to Sabiha in March 2024, demonstrating the carrier's commitment to the Istanbul market.

The airport is aiming to handle 36 million passengers this year and has a nominal capacity of 41 million. However, Sabiha will need more terminal space to fully realise the benefit of its second runway and double its overall capacity as the Ministry of Transport intends.

On the marketing side, Sabiha has set its sights on attracting more low-cost and network carriers to its ranks, in addition to facilitating the fast rise of its base airlines. "We would like to attract at least one European LCC and we are having talks with different players," said Rahmat.

Markets to the west that are underserved or not served at all from Sabiha today are Poland, Portugal and Tunisia, while Kazakhstan and Uzbekistan are on its route radar to the east, he said.

An interesting recent route announcement was the news that Batik Air from Malaysia will begin flying Airbus A330s from Kuala Lumpur to Sabiha four times a week from February 2024. This route will attract business, leisure and religious traffic, said Rahmat.

The prospect of a Malaysia link has prompted Sabiha's marketing team to renew efforts to secure service to more south-east Asian cities like Bangkok and Jakarta. Such services would allow the airport to have indirect connections to Australia, he noted.

Sabiha has been successful in bringing in oneworld Alliance members, with British Airways, Qatar Airways and Royal Air Maroc all offering daily flights there.

Today the airport mainly serves point-to-point traffic, but transit flows have increased significantly in the past couple of years as Pegasus has developed a popular transfer product.

The airport has been part owned by Malaysia Airports since 2008 and became wholly owned by the group in 2014. ■

Amsterdam's capacity cut explained

The Amsterdam Schiphol Airport team was busy at Routes explaining how next year's capacity reductions will impact its airline customers

*From left to right, the Amsterdam Schiphol team at Routes: **Joery Strijtveen**, Head of Aviation Partnerships; **Joost Koning**, Airline Partnerships Manager; and **Tim Heijenbrock**, Airline Partnerships Director at Schiphol (photo: Mark Pilling).*

Compared to their airport peers in the halls and meetings rooms in Istanbul, Amsterdam Schiphol's Aviation Partnerships team were delivering a significantly different message to their airline and destination partners.

Their message is the opposite to the usual one of adding capacity and network expansion. It is about reducing capacity.

"We have been explaining that the independent slots co-ordinator [for Schiphol] will start asking all airlines to reduce their slots by 3-4% for summer 2024," said Joery Strijtveen, Head of Aviation Partnerships at Schiphol.

The prospect of capacity reductions at Amsterdam was first mooted last year, but "now it is real," said Strijtveen. The airport's official capacity declaration states that there is room for a maximum of 280,645 flights in the 2024 summer season (31 March to 26 October 2024). That's around 12,400 fewer flights than in the summer of 2023.

This is because Schiphol has taken the maximum of 460,000 flights in a full operating year (summer and winter) into account. This figure has been set out in the government's experimental scheme, which puts an end to anticipatory enforcement.

The journey to a capacity cut at Schiphol is a complex one, with various legal challenges including from IATA, but essentially the Dutch Government is seeking to reduce the number of flight movements at the airport from 500,000 to 452,500 per year. The reduction will take place in two steps with the interim capacity initially falling to 460,000 as of summer 2024.

"I think the benefit of being here with our team of five is that we are giving some context to all the airlines," said Strijtveen. "Sometimes what you hear is very much hearsay, or you read something in Dutch through Google Translator, and you won't get the full detail," said Strijtveen.

To ensure clear communications with airlines, Schiphol has asked the Dutch government to issue all its announcements in English and offered to send through all relevant government updates to ensure good engagement with the aviation community, he noted.

It is easy in such a strange and complicated situation for airlines to be confused. "One airline I spoke to here at the show had heard about a potential night closure and thought they would be impacted," said Strijtveen. "But we know the detail, what time they fly, and we could reassure them they would not be impacted."

Schiphol understands airline objections to the Dutch government's decision, and fears about the capacity reduction becoming one that sets a precedent for other airports. "We also say to airlines this first phase of the reduction is very much a legal matter," said Strijtveen.

"This is not just the government fighting against aviation," he said. "If the government doesn't solve these legal issues, we might end up with even lower capacity." And from our legal perspective, that's a real threat."

While the capacity cuts are a tough message to deliver, it is a debate underway at many other western hubs, noted Strijtveen. "There's a big discussion about it, not maybe to the extent that Schiphol is doing it now, and the precedent it might set. I think it will start in Western Europe and it will spill over – if not now, then within a couple of years."

Schiphol is seeking to make the best of a difficult situation. "We respect the government's decision to do this, and it's quite a bold one," said Strijtveen. The capacity reduction plan is based on noise abatement and reduction, although from Schiphol's perspective "the number of flights doesn't tell everything about noise," said Strijtveen.

"That's why we've been successfully lobbying on creating a system where you would incentivise, or punish, based on noise and maybe even CO2 in the future, but start with noise first," he explained.

It is an airline's commercial decision on how it reduces its capacity at Schiphol, but for the airport the priority is "protecting connectivity at Schiphol, which is critical for the Netherlands," said Strijtveen. The airport is already seeing some airlines up-gauging aircraft types to better use their slots. For instance, Turkish has gone from narrowbodies to Boeing 777s and A330s for its services to Schiphol.

For 2023 Schiphol is expecting around 60 million passengers, up from 52.5 million in 2022, but well down still from the high point of 71.7 million in 2019. ■

JFK's shiny new terminal

Vantage Airports Group is on the road again, seeking new airport projects as it begins work on New York JFK's Terminal 6

*"The market at JFK is competitive but we have had airlines queuing up to talk to us [about T6]," said **Steve Thody**, Chief Operating Officer of JFK Millennium Partners (photo: Mark Pilling).*

Vantage Airports Group was at Routes showcasing its New York JFK Terminal 6 project, which is under construction and will open in 2026, and signalling its desire to secure additional airport development projects.

"We have been heavily focused on the New York market with our LaGuardia and T6 projects," explained Steve Thody, Chief Operating Officer of JFK Millennium Partners, the Vantage-led company selected by the Port Authority of New York and New Jersey to build and manage the new T6.

"As we come through those and go to the execution phase, we are looking at other airport development opportunities," said Thody, who joined Vantage as Project Director Strategic Initiatives in 2019 after an 18-year career with British Airways, latterly as General Manager JFK T7.

The US$5.1 billion LaGuardia Terminal B (which first opened in late 2018) and the $4.9 billion JFK T6 project, have consumed the Vantage airport teams over the past few years but now the firm, which also operates airports in the Caribbean, Canada, elsewhere in the USA and Cyprus, is "re-energised" to find new ones, said Thody.

"We came here primarily to talk to airlines about T6, but we've found several markets and airports with development projects that were put on hold during Covid looking at reviving them with the right partner. We have had a lot of rich meetings," he said.

"LaGuardia, which is the only five-star Skytrax-rated airport in the USA, has caught the eye of many with its combination of public and private expertise," said Thody, who noted that Routes Istanbul is the first World event Vantage has attended since 2015 as it looks to expand its wings again.

Seeking airlines

In addition to re-establishing its new project pipeline, the mission for Thody's team is to lure more airlines to T6 to accompany anchor tenant Lufthansa Group. The Group will make T6 its home when the first four widebody (plus one narrowbody) gates and world-class lounge open in early 2026, with Lufthansa, Swiss, Austrian and Brussels Airlines all moving across. T6 will feature 10 gates in total when completed in 2028.

The market at JFK is a varied one. Several airlines have their own terminals, such as American, Delta and JetBlue, while those at Terminal 7 will have to find a new home when it is demolished in 2026 as part of the T6 project. This includes Aer Lingus, Alaska, All Nippon and Norse Atlantic.

"The market at JFK is competitive but we have had airlines queuing up to talk to us [about T6]," said Thody. "We will have a new, shiny, boutique terminal with a small number of gates but a high service level.

"Over the next 12-18 months we are looking to lock down the capacity for the first phase of the terminal," he said, with two new carriers close to announcing they will operate at T6.

A major selling point for carriers is the opportunity to build a premium lounge at T6, Thody noted, being aware from his BA days of the importance of a business class product to satisfy frequent travellers.

"There is room for five premium lounges in the current design. JFK is very important to airline networks and their brand," he said. ■

DFW's new lease of life

Armed with a new agreement with its airlines that secures long-term development funds alongside a booming city, Dallas/Fort Worth International Airport is sitting pretty

As traffic surges at DFW, airline tenants recently signed a new 10-year master lease for use of the airport's gates and terminals, said DFW's ***John Ackerman*** *(photo: Mark Pilling).*

Within a decade, the sprawling Texan mega-city of Dallas/Fort Worth will have expanded to become the third-largest city in the USA and its airport – Dallas/Fort Worth International Airport (DFW) – will see passenger numbers rise above Chicago O'Hare's for the first time, putting it behind only New York and Los Angeles.

The rosy prospects for this city are ample reason to target service to DFW, John Ackerman, Executive Vice President – Global Strategy and Development, told *ARGS* at Routes. On current traffic trends, the sharp rebound in passenger numbers at DFW will see some 80 million travellers pass through the airport this year, greater than 2019 levels, with over 83 million predicted in 2024.

In fact, DFW has been "fully recovered" since early 2022, said Ackerman. The airport went into the pandemic with a "fortress balance sheet" and a strong cash position, took the decision not to lay off any of its 2,000 staff, slashed costs ("we went ugly early", he said), and hunkered down.

The strategy has paid off, with home carrier American Airlines, which makes up 85% of DFW's business, "re-building and doubling down its network around DFW [from summer 2020]", explained Ackerman. "American made a bet on DFW and that decision has been of tremendous benefit to us."

As traffic surges at DFW, Ackerman was pleased to report in Istanbul that airline tenants have just signed a new 10-year master lease for use of the airport's gates and terminals. The deal, which has taken five years to negotiate, was "complex and the hardest one we've done", he explained.

It was tough because the agreement was negotiated in an uncertain market with all parties under financial strain. But the growth prospects of Dallas/Fort Worth were a significant factor in helping "sell" the deal, explained Ackerman.

"It was a multi-year negotiation that gives the airlines, airport and the region the right amount of certainty for the future. It's a fair deal and we are very proud of it," he said.

A key part of the new lease sees US$5 billion worth of capital projects pre-approved up to 2030. "We felt it was important for us to get this because we knew we had a lot of expansion to do," said Ackerman.

The largest is the new Terminal F, which will feature 15 contact gates and seven stands in the first phase. Work will start this year and the terminal will be completed in 2029.

A decade ago, DFW began rehabilitating Terminals A, B and E and now it is the turn of the 1970s-era Terminal C. This "tired" terminal, which is entirely used by American, will not be renovated, however. Instead it will be rebuilt, said Ackerman.

A new world-class terminal with 35 gates will be created, using a modular concept where the gates are constructed off-site and shipped in. The work to develop Terminal C will see gates built in a rolling programme from 2024 over a period of four to five years, allowing the terminal to remain in operation for American during the project.

As DFW brings its terminals up to modern standards, it is also planning $4 billion of infrastructure upgrades, such as runway resurfacing and new roads, to update a facility that primarily dates back to the 1970s.

Network development

While American is its most important partner and DFW is very "focused on their success", there is a "tremendous demand for our airport" from elsewhere too, said Ackerman.

In terms of destinations not served today from DFW, a direct service to India is top of the agenda. The city has the second-largest Indian-born population in the USA after New York, he noted.

DFW has seen a raft of European connections in the past five years, but there is "still significant room to grow the breadth and depth of our European network", said Ackerman, adding: "The challenge is that we need longer-range aircraft."

As the largest oneworld Alliance hub in the world there have been concerns about whether carriers from other alliances can succeed at DFW. However, Turkish Airlines from the Star Alliance, and Air France from SkyTeam, have begun service to DFW and done well, he said. ■

Malaysia to play host

Malaysia Airports is pleased to be raising its profile as it prepares to host Routes Asia in February 2024

*"Overall, the Malaysian economy is picking up and we are on a good growth path spurred by aviation," said **Megat Ardian**, Senior General Manager Strategy, Malaysia Airports (photo: Mark Pilling).*

Malaysia Airports is looking forward to hosting Routes Asia in late February 2024 as a proof point that the country's air transport market is beginning to make up the ground lost during the pandemic.

"In February we will showcase tourism and air connectivity for Malaysia and Langkawi and showcase how important a sustainable aviation strategy is for our communities," said Megat Ardian, Senior General Manager Strategy, Malaysia Airports. He stressed that without good connectivity Langkawi, the picturesque island that will host the Routes gathering, would still be a quiet fishing village.

"Overall, the Malaysian economy is picking up and we are on a good growth path spurred by aviation," said Ardian. Traffic returned to pre-pandemic levels as the year progressed and will reach 80% of 2019's high water mark by year-end. "There will be full recovery in 2024," he added.

At Malaysia Airports' flagship Kuala Lumpur International Airport (KLIA) passenger numbers will hit 60 million in 2023, said Ardian. The country's flag carrier Malaysia Airlines, which operates from Terminal 1, has restored most of its capacity and network, while low-cost giant AirAsia, which calls Terminal 2 home, is seeing good load factors as it rebuilds its large network.

Carriers such as Turkish Airlines have been boosting service at KLIA, upping its restored daily service to Istanbul to double-daily as traffic surges. Emirates is also up to double-daily on its Dubai service.

"We are also seeing a lot of brand-new airlines at KLIA," said Ardian. Indonesia's TransNusa has started a daily service to Jakarta; Oman's Salam Air has begun serving Muscat; while another Indonesian player, Super Air Jet, is flying a handful of routes to that country.

As Malaysia Airports "re-energises" KLIA with more commercial outlets like the Hard Rock Café and a Jamie Oliver restaurant, plus occasional live bands in partnership with Tourism Malaysia, it has bigger plans for Subang Airport, which was the main hub for the capital before KLIA opened, said Ardian.

The operator is building a new terminal at this 'city' airport, doubling its capacity to 3 million passengers next year when it opens. At present, Subang exclusively services turboprop carriers such as Firefly, but the upgraded facility will be able to handle narrowbodies.

There will be a market differentiation between Subang and main hub KLIA. "Subang will cater to the premium market, serving destinations with a flying time of three to three-and-a-half hours' flight time from Kuala Lumpur," said Ardian.

Malaysia Airports is seeking to attract short-haul carriers to Subang to grow this airport and fill up the new terminal. "The terminal has the ability to grow up to 8 million passengers in the next three years," he noted.

A new player eyeing up Subang is SKS Airways, which is planning to begin service from the airport with Embraer E195 regional jets in the first half of 2024 to Tioman and Redang islands. ■

Synchronicity in Bahrain

For a year now, the primary air transport actors in Bahrain have been under one wing – the Gulf Air Group

"In October 2022, His Royal Highness Prince Salman bin Hamad Al Khalifa, the Crown Prince and Prime Minister of Bahrain decided to collapse the two boards into one," His Excellency Zayed R. Alzayani, Chairman of Gulf Air Group Holding, told ARGS in an interview in Istanbul.

This means that the country's flag carrier Gulf Air, Bahrain Airport Company, and affiliates including the Gulf Air Academy, are now under the same management.

"It is a huge honour to be designated as Chairman by His Majesty with the vision to create a brand for Bahrain and the aspiration to take this brand global," said Alzayani. "We don't aspire to be as big as our neighbours," he noted, but the aim is to achieve an efficient and high-quality air transport system with high levels of connectivity to deliver Bahrain's Economic Vision 2030. Creating a single aviation group is believed to be critical to achieve Bahrain's goals. Before the group was created, each company had its own strategy. "It was very difficult to drive in one direction because you had the CEOs within the group with different mandates and different routes," said Alzayani.

"Now we are all together, we look at it with a holistic view," he said, referring to meetings in Istanbul where this approach was put into action. "We are looking at the benefit of the economy of the country."

The creation of a single group involves a great deal of work, which will take about two years. "We really want to synchronise the group," said Alzayani. This will see the standardisation of procedures across the businesses and the development of shared services, in addition to a harmonised strategic approach.

Routes 2024 will be the perfect platform to showcase Bahrain's new, award-winning terminal, which opened in 2021. "We have the newest terminal in the Middle East, which we are very proud of, done on time and within budget," said Alzayani.

With the Routes host role and the hope of the resumption of services to China and the USA, "2024 is going to be a big year for Bahrain," said Alzayani.

For Gulf Air, 2018 was an important year as it launched its 'boutique' business strategy, which prioritised product and customer experience along with profitability. "We came out with a message of change that we wanted to move from being an airline of convenience to being an airline of choice – not just choice our customers, but choice for our employees," explained Alzayani.

This led to its first profitable quarter in 17 years in 2019. Progress stalled during the pandemic but is powering up again now, and the intention is for Gulf Air to reach a fleet size of 50-60 aircraft by 2027/28, he said.

Notwithstanding disruptive factors, such as regional troubles and fuel price volatility, Alzayani hopes the group will be back in the black in the next two years.

When he was Minister of Industry, Commerce and Tourism, Alzayani explained how he was frequently asked how Bahrain could make itself stand out in the Middle East as a destination in a region where there is significant competition for visitors.

*His Excellency **Zayed R. Alzayani**, Chairman of Gulf Air Group Holding, presides over both Bahrain Airports and Gulf Air (photo: Mark Pilling).*

For instance, Alzayani sees the reform in Saudi Arabia not as a threat but as an opportunity. "If you have a market that is opening up next to you, you should be able to capture more of that [market]," he said. "It's about finding the right strategy to promote yourself there."

There are already flights to five cities in Saudi Arabia from Bahrain with another two or three likely to be added in the future.

The charm of Bahrain is in its people, said Alzayani, who are "very hospitable and genuine… I think maybe [due to] being an island on trading routes for centuries where we've always been exposed to different cultures."

Routes delegates are looking forward to experiencing this welcome firsthand next year. ■

__Finavia's Jani Jolkkonen__, Senior Vice-President Airport Network, was showcasing Lapland as a destination at Routes (photo: Mark Pilling).

Lapland boosts Finavia

Under the slogan "the North is near", Finavia is promoting the increasing accessibility and attraction of Finland's Lapland as not only a Christmas destination but a summer one too.

With an investment of €60 million into the growing tourism industry of Lapland prior to Covid, the three main Lapland airports of Rovaniemi, Kittilä and Ivalo have the capacity to serve 2 million passengers annually, Jani Jolkkonen, Senior Vice-President Airport Network at Finavia, told ARGS.

Rovaniemi, the official airport of Santa Claus, is the largest of the three and is expected to handle well over 500,000 travellers in winter 2023. In winter 2022, Finavia saw a record number of passengers travelling to Lapland, rising above pre-pandemic levels as the airports gain direct connections to European cities, said Jolkkonen.

The success of its Lapland airports is a major boost for Finavia, which continues to suffer from the Russian overflight ban. This has seen Finnair cut back its Asian network from Helsinki significantly. Overall, Helsinki will only recover to about 70% of its pre-pandemic traffic levels in 2023.

A new opportunity for the Lapland market is its potential as a summertime destination, with visitors lured by its natural beauty. "In collaboration with our partner organisations we aim to showcase Lapland internationally as a year-round destination," said Jolkkonen. ■

Montreal's second airport

After securing community backing and finding its first new airline tenant, Yanic Roy, CEO of Montreal Saint-Hubert Airport, is confident the right building blocks are in place for Canada's second-largest city to open its second airport in summer 2025.

Roy was brought in by the owners of Saint-Hubert, a non-profit organisation called Développement Aéroport Saint-Hubert–Longueuil (DASH-L), two years ago to develop scheduled regional services. It will be a privately funded project and the US$145 million investment is secured, said Roy. The new four million passenger capacity terminal will feature nine gates.

"We position ourselves as complementary to Montreal International," said Roy, and the first phase will see only domestic routes in the network, followed later by routes to US cities.

His first task for the airport, which has housed pilot training schools and the military, was to secure public backing for it. This has been obtained following extensive public consultations, with assurances that the airport will have no night flights and will play a strong community role – including job creation via the development of an aerospace cluster on site.

Roy has achieved his other priority: finding an anchor airline. Porter Airlines has signed a long-term lease for the terminal, while regional carrier Pascan Aviation, which operates domestic Saab 340 services from Montreal Saint-Hubert, is on board too. ■

And the winner is….

Regarded as the most valuable awards for the route development community, the annual Routes World gongs celebrate the partnerships and leaders that drive global air connectivity

*The Individual Leadership award was won by **Vicki Jaramillo**, Executive Vice President and Chief Development Officer at Orlando International Airport (photos: Routes).*

Paris Charles de Gaulle Airport (CDG) has been crowned the Overall Winner of this year's Routes Awards, as well as taking home the Over 20 Million Passengers award.

Paris Charles de Gaulle Airport's '2025 Pioneers' strategy aims to develop a new airport model geared towards sustainability and performance, in line with societal and environmental expectations.

With a core focus on increasing direct connectivity and promoting competition between key markets, Charles de Gaulle added 71 new routes and 23 new destinations to its map in 2022, and the airport has now recovered 88% of its 2019 passenger traffic levels.

David Dufros, Aviation Development Director at CDG, said: "We would like to thank our airline partners for this achievement. This award encourages us to continue developing air connectivity in a sustainable way."

In the Under 5 Million Passengers category, the UK's Newcastle International Airport was named the winner. Providing cost-effective, tailored and comprehensive marketing and travel trade exposure for its airline partners, Newcastle has welcomed four new airlines and 30 new routes in the last year.

The 5-10 Million Passengers category was won by Larnaka International Airport in Cyrpus, which introduced a new airline incentive scheme in 2022 that focused on new routes, market penetration and winter operations.

Brussels Airport, winner of the 10-20 Million Passengers category, provides extensive marketing support for its airline partners, with campaigns over the last year including 10 online activation contests, 16 social media campaigns, and 12 on-airport giant display opportunities.

Cape Town Air Access was named the winner of the Destination category. Collaborating with both public and private entities to enhance air connectivity, Cape Town Air Access has consistently exceeded international passenger recovery rates, achieving 106% of 2019 levels in the year to date, with the addition of seven new international airlines and routes in the past year.

Spanish low-cost carrier Vueling secured the Airline award. The airline's focus is on building a sustainable future for itself and its partners, putting emphasis on a long-term approach to partnerships.

The Rising Star award went to Tatamo Rakotozafy, Head of Aviation Marketing at Ravinala Airports in Madagascar. She has been instrumental in improving air connectivity for the airport operator, including establishing the country's first financial incentive programme for airports there.

The Individual Leadership award was won by Vicki Jaramillo, Chief Development Officer at Orlando International Airport.

Jaramillo has dedicated her career to connecting the world to Orlando. Her passion for promoting air service stems from her own personal travel experiences, driving her to play a key role in the launch of multiple international routes with major carriers including Emirates, Lufthansa and many more. These achievements have been the product of perseverance, creating strategies unique to each airline's needs, and developing an expert knowledge in both the quantitative and qualitative data behind a route proposal.

Following the win, she said: "It is a great honour for me to receive this Individual Leadership award for lifetime achievement in route development. This accomplishment is the pinnacle in my air service development career, which has been my passion." ■

The full list of winners:

- **Overall Winner:** *Paris Charles de Gaulle Airport*
- **Under 5 Million Passengers:** *Newcastle International Airport*
- **5-10 Million Passengers:** *Larnaka International Airport*
- **10-20 Million Passengers:** *Brussels Airport*
- **Over 20 Million Passengers:** *Paris Charles de Gaulle Airport*
- **Destination:** *Cape Town Air Access*
- **Airline:** *Vueling*
- **Rising Star:** *Tatamo Rakotozafy, Head of Aviation Marketing, Ravinala Airports*
- **Individual Leadership:** *Vicki Jaramillo, Chief Development Officer, Orlando International Airport*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