

**Henrik HOLOLEI**

**EU/ECAC Dialogue**

***4 November 2020, 09:00***

**Keynote speech**

Ladies and Gentlemen,

Dear Ingrid,

Dear friends,

- The ECAC - EU Dialogue has been for the past 25 years an important '*rendez-vous*' for the European aviation community and I am very glad to open this year's Dialogue. I must say however that it is a very unusual EU-ECAC Dialogue this year.
- Under normal circumstances, I would be giving this speech from the podium looking at you, spotting good friends and great professionals with a smile and good mood. I would have loved to see you all and feel in person your presence equally this year, as these virtual meetings are just a meager substitute to human contacts. But this year is far from business as usual and these are the times we currently live in.
- The year of 2020 will go down in history as an extraordinary one. Not least for the aviation sector. The past months have literally turned the aviation world upside down, forcing us to adapt to a new reality, as people simply stopped travelling from one day to the next. We are facing the deepest recession in many sectors in Europe since the Second World War and in the past 75 years, we would have thought that what we are experiencing would be totally unthinkable. The worst is that we do not know how long it lasts and when we can get back to the normalisation path. Unpredictability is the worst enemy for any business.
- However, it is also clear that the new reality would be different that the one we knew before as every crisis leaves its mark. New business models emerge and those not able to embrace the change will have huge challenges ahead. The forecasts for the economic growth are still highly volatile and the

recovery could take quite some time, especially in tourism, travel and aviation industry – all, which have been affected most by the crisis.

- This is not a linear crisis nor like the financial & economic crisis we experienced 10 years ago. This crisis has left many sectors untouched and at the same time has affected other sectors the way that has put the short-term viability of these sectors in question. Unfortunately, travel, tourism, transport, hospitality and aviation are among the most affected sectors of this crisis.
- In the light of this situation, the theme of this year's EU – ECAC Dialogue is the COVID-19 pandemic: **“Restart, reconnect, recover. Rebuilding aviation in a changed world.”**
- Today's sessions will be an opportunity for us to discuss the consequences of this unprecedented crisis for aviation. It will be an opportunity to look back at this year, how the crisis unfolded and how well we responded. Or not.
- Nevertheless, more importantly, it will also be an opportunity to look into the future. To set up a framework for the recovery of the aviation sector which could address both - the issues of today but also the issues of tomorrow.
- In addition, I would add one more word that we will hear more over the next years – resilience. We need to fill this word with substance and make sure we adapt highest level of health safety, business continuity, ability to better respond to crisis and ability to scale up or down.

### **Impact of COVID-19 on the aviation sector**

- The impact on the aviation sector has been catastrophic, not only for aircraft operators, but for the entire value network - airports, manufacturers, air navigation service providers, ground handlers, travel retail industry, suppliers and many others. Today air traffic in Europe is below 40% compared to the traffic on the same day last year!
- In spring, revenues evaporated from one day to the next. Eurocontrol data show that 1.7 billion passengers have not travelled through European airports this year; that 6 million flights have not taken place across the network and that globally airlines have lost 419 billion dollars. The cumulated loss in the European network for airlines, airports and ANSPs is

around 150 billion euros. Perhaps even more as autumn has been going from bad to worse, from worse to even more worse.

- When restrictions were gradually lifted in a coordinated manner based on the EASA/ ECDC health safety protocol, passenger flights within Europe resumed in June and July. Then there was a glimmer of hope when the traffic reached 55% at some point but increasing Covid- infections and again from health safety perspective unsubstantiated, uncoordinated and unjustified restrictions and quarantines from Member States stopped this development. The number of flights in the European airspace today, equals to the figures around 25 years ago in 1989.
- This crisis today does not only affect the aviation sector and our economies but it also affects people's connectivity and freedom of movement.

### **Support for EU's recovery from COVID-19 pandemic**

- In the context of COVID-19, we had to react quickly and the Commission took unprecedented actions that helped the aviation sector.
- The Commission worked on numerous initiatives to tackle the impact of COVID-19 such as:
  - the COVID-19 Aviation Health Safety Protocol, worked out with the European Centre for Disease Prevention and Control and EASA as a joint document defining measures to assure the health safety of air travellers and aviation personnel once airlines resume regular flight schedules following the severe disruption caused by COVID-19;
  - the Aviation Industry Chapter, which establishes with the industry a monitoring model in order to fine-tune and improve the Protocol in the light of operational practice and further developments;
  - EASA also published guidelines in numerous ambits and Safety Information Bulletins, all addressing the maintenance of the highest safety standards while adapting industry and authorities to the new situation.
- We also adopted measures on slots. On 14 October we have extended the temporary slot waiver for the whole 2020-2021 winter season. In this context, I commend the agreement between airlines, airports and slot-coordinators on the conditions of 7 August. We expect full respect of the agreement from the stakeholders.

- Currently, we are preparing a proposal to amend the regulation and its slot waiver rules in order to ensure that it contains conditions that ensure the competitive and efficient use of airport slots. We hope to be able to adopt a proposal for the amendment in December.
- We also adopted a **temporary framework on the operation of air services**, on which we will present a Summary Report by 13 November 2020. Based on the latest available data and stakeholder input, the report will announce whether or not the Commission will extend further the exceptional rules on operating licences, ground handling and flight bans.
- We will continue to work closely with Member States and industry in order to maintain a coordinated and harmonised approach in the EU, to avoid a patchwork of national measures. This would be essential step forward but I am not overly optimistic that all Member States would implement uniformly the new recommendations of coordinated travel, meaning that the patchwork continues in the future and will have negative impact among others to the recovery of aviation industry.
- The Commission has also proposed a Recovery Plan for Europe, which will help repair the economic and social damage inflicted by the coronavirus pandemic, harnessing the full potential of the EU budget. A new €750 billion recovery instrument called Next Generation EU, accompanied by a revamped EU budget of €1,100 billion, will support the hardest hit sectors of our economy, including the aviation sector.

### **What's next?**

- On what will come next, first, restoration of the full freedom of movement within the EU, while protecting public health, remains the top priority for the Commission. To this effect, the Commission is working closely with the German Presidency and Member States to coordinate a gradual return to the free movement.
- Then, on testing, we are working on a possible testing protocol for aviation, as a further step in addressing the disruptions experienced by citizens and businesses. It is important to ensure coordination of such measures, and to agree, at the European and global level (ICAO), on a testing protocol, which would allow limiting the need for border restrictions and quarantine measures.

- Needless to say that the tests must be reliable and effective. We cannot go along to suggesting and endorsing tests that do not match the requirements set by the clinical experts and which provide many false results.
- On recovery, as mentioned before we have new instruments – such as the Recovery and Resilience Facility (RRF) and InvestEU. Although these are non-sectoral, we would expect the aviation sector to be among the beneficiaries.
- Member States will use this funding based on national reform plans, which will detail the sectors benefitting from such support and there ought to be opportunities for the aviation sector as well. In this context, the RRF may provide support that would lead to more environmentally friendly approaches in aviation.
- The guidance documents issued recently by the Commission refer explicitly to support to alternative transport fuels (incl. SAFs) and to the Single European Sky.
- Furthermore, support from CEF will remain available during the 2021-2027 period for air traffic management systems (SESAR), sustainable connections to airports, deployment of alternative fuels, safety and security infrastructures.
- An additional tool will be represented by InvestEU whose budget should reach close to EUR 10 billion. Its “Sustainable Infrastructure Window” is specifically designed to support private investments in transport infrastructure as well as fleet renewal – the greening of mobile assets being identified in its “investment guidelines” as a priority.
- Finally, let me mention the R&I programme Horizon Europe. This program offers further opportunities (for instance for Hydrogen aircraft research).
- Another important element in the sustainable and digital recovery is the new proposal for SES2+, which will be discussed in depth in the final session of today’s event.
- The two of the biggest challenges the European ATM network continues to face are:
  - The lack of (upward or downward) scalable air traffic control capacity for managing aircraft in the safest and most economical way; and

- Reducing the environmental footprint caused by air traffic management.
- Given the times we live in, scalability of ATC remains one of the most important goals we must strive for to achieve. The lack of scalable capacity in the European Airspace and inability to fly optimal routes has affected European aviation for a long time. That is the reason why we need to tackle the SES and make sure that these structural problems would not return once we are back to the normal.
- As you are well aware, the discussions on SES 2+ have just started in the Council and soon in the EP. You are also well aware that every crisis is an opportunity and this is THE opportunity to prepare our ATM system for the future, for the Digital Single Sky and make sure this system is fit for purpose. The fact that the traffic has now gone down is an ideal moment to pursue this long overdue changes. The challenges we had before the crisis have not evaporated and will be with us in a few years' time and this time we have to be ready to overcome them.
- I am counting on your support and partnership in that. I know that there are different views what is the best way forward but a modernisation is a must and we all agree to that. That was also clear from the WPG work where some of you proactively participated in. Do not look for false excuses not to make progress but let us work together, constructively and let us find the best outcome for European aviation and let us embrace the much-needed change. I am counting on all of you and my team will be always there for you in case you need further explanations.

### **Sustainable and Smart Mobility Strategy**

- No one can really predict when aviation will return to normal, some say it will not be before 2024 others are more optimistic, some more pessimistic! However, one thing is sure: sooner or later we will be back in a pre-COVID situation and then all the challenges present, will come back and perhaps even with a much stronger impact. Long-term sustainability of aviation is among those challenges.
- As part of the European Green Deal adopted last December, the Commission committed to present a Smart and Sustainable Mobility Strategy by the end of 2020, to ensure that we have a transport sector fit for a clean, digital and modern economy.

- Europe has a clear climate ambition and transport needs to play a part in it. We need a clear path if we want the sector to achieve a 90% reduction in transport-related greenhouse gas emissions by 2050 and help the EU become the first climate neutral continent.
- As to make aviation more sustainable, we will pursue our work with the basket of measures that encompass market-based measures, with the Emissions Trading Scheme and CORSIA; technological improvements with cleaner aircraft; operational improvements with the Single European Sky - that will have a potential to reduce GHG up to 10% and uptake of SAFs.
- Sustainable aviation fuels have the potential to significantly reduce aircraft emissions, particularly liquid advanced biofuels and electro-fuels, which are fully compatible with current technology and already certified by EASA for up to 50% of the fuel used during a flight. However, this potential is largely untapped as such; fuels represent only 0.05% of total jet fuel consumption. We are ready to accelerate this transition and scale up massively their production in the EU. We need your cooperation and support here.

### **EU and ECAC**

- Lastly, may I say a few words about our cooperation with ECAC. ECAC has been in aviation the closest and most important partner for the European Commission. Together and in good spirit and close cooperation, we have achieved a lot. Europe is thanks to you stronger and larger in the international scene, giving our voice a much more powerful resonance. We have shown our strength in global discussions and we will continue to do so.
- Last year during the 40<sup>th</sup> ICAO Assembly we managed together to push forward the ambitious European agenda aimed at strengthening safety and security in the global level, deliver on CORSIA and environmental issues and pursue global ATM modernisation & digitalisation. In market-related issues: we showed stronger leadership in taking forward the global economic development of air transport. We managed it because we were pursuing these goals all together.
- The biggest and most noticeable achievement from 2019 was the election of our good friend, appreciated aviation professional Mr. Salvatore Sciacitano, as the President of the ICAO Council. We achieved it because we were together behind one candidate. We had our internal competition and we then jointly supported our candidate. The competition was held among us here, not elsewhere. Thanks to this Europe achieved it this great result.

- The same was achieved when we managed together to support Mr. Nabil Naoumi, who was elected as the President of ANC. Even though there the European unitedness was more in question, we nevertheless managed in the end to achieve this very good outcome.
- However, when electing Second Vice-President for ANC in June we did not focus on finding one European candidate but having two candidates, meaning that we lost this post to the Chinese candidate. Perhaps a good reminder after these successes why we need to focus on one candidate only and why we are stronger together and not separately.
- Soon ICAO will also focus on finding a successor to Secretary General Fang Liu. She has been a good partner to us and I have always enjoyed her openness and good dialogue with her. It is important that her successor would be the same – open to listen to Europe and understanding our positions and role in advancing global aviation. I am sure we would find at least one candidate among the potential contenders who meets these criteria, so let's be smart and work together to make sure ICAO gets the best possible next Secretary General also from the European perspective, coming from a country that has always been supportive of European goals for the international aviation.
- Against that background, I would like to congratulate and express my appreciation to Ingrid (Cherfils) as your President, since it has been her leadership and ability to forge compromises that has allowed Europe to be successful in international scene. Well done, Mme. President! We are also looking forward to the continuous close and constructive & proactive cooperation between EU and ECAC. Perhaps more so just now, in the middle of the biggest crisis in aviation and in forging together the path to recovery and building more resilient aviation value network in Europe.

Dear friends,

- Before I finish I would also like to pay tribute to one of our our colleagues who after so many years have moved on to an important new assignment. I am of course talking about Mr. Patrick Gandil. He was a true professional who had a real passion for aviation and who has done some much for European aviation during so many years. I want to pay tribute to him and warmly welcome Damien (Caze), with whom I already have had the pleasure to meet and discuss in person in Brussels.

- These are indeed challenging times but with close cooperation and unique European team spirit makes makes me feel confident for the way forward. Today we can only but reinforce this and discuss the difficult and challenging issues we are facing today and tomorrow. With open attitude, conviction and commitment we can and will make a difference. All of us together.
- I hope to see all of you soon in person and I wish you all a good and fruitful dialogue here today! Stay well, stay healthy and in good spirits.
- Thank you.

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