

Speech by the Secretary General of the Ministry of Transport, Public Works and Water Management, Wim Kuijken, at the 3rd Airneth Annual Conference, in The Hague on 16 April 2009, at 9.30 a.m.

- *Jaap de Wit; Director of Airneth*
- *Arie Kraaijeveld; Chair of the joint venture that is drawing up the Aviation Knowledge and Innovation Agenda*

Ladies and gentlemen,

This morning, I would like to talk to you about ambitions. And about how ambitions can be realized.

Ambitions begin with insight into what you *are* and what you *can do*. The Netherlands has an open economy. A large proportion of our earnings comes from cross-border contacts. Trade contacts. International investments. Commercial traffic. These are the fundamental elements on which our prosperity is built.

The Ministry of Transport, Public Works and Water Management has a special responsibility for these fundamental elements. We are concerned with the 'hardware'. With the infrastructure that enables us to maintain high-quality links with the entire world. For a country like the Netherlands in the Delta of north-western Europe, this infrastructure is *essential*.

Our ambition is therefore to ensure that by 2020, the Netherlands has Europe's most vital and sustainable mainports and logistics sector.

Vital, because our competition is developing quickly and we need to be continuously alert to new opportunities.

Sustainable, because the future is in the hands of those who succeed in working more cleanly, more economically and more efficiently. Particularly in north-western Europe where space is scarce and the pressure on the living environment is high.

We are going to realize this ambition through *investment* and *innovation*. Both are necessary. In our ports. In our hinterland links. And in our aviation sector.

Due to the key role of innovation, I attach great value to this conference. A meeting of aviation experts who together can explore the horizons.

There is a lot at stake. The Netherlands has built up a unique position for itself as an aviation nation. A small domestic market with a solid global network. We owe this to our open mentality, our open treaties with numerous countries, our entrepreneurship, the quality of Schiphol airport and our home carrier KLM.

The whole world is within reach of the Netherlands. Due to the network of air connections, we are a *connection point* for international companies. A hub for people, goods, services and ideas. A place where people, trade flows and knowledge carriers meet one another. Where employment opportunities and added value are created.

We need to safeguard this position for the future.

The position of the cabinet – in the Aviation paper that Minister Eurlings will be presenting tomorrow – follows two parallel lines:

- To further develop the quality of the network. This refers to the direct availability of a large, global, frequent-service connections network against competitive costs, and
- To combine this with high quality aviation. This refers to aviation that is clean, quiet, economical and safe.

Particularly in this time of recession it is necessary to speak about these ambitions.

This is a global crisis. Everyone is being affected. But we need to exercise *additional* caution. Schiphol's position is vulnerable. Competition has grown more and more intense in recent years. Other airports are expanding their operations. I am thinking particularly of Frankfurt and London where considerable investments have been made in capacity. And Dubai, that is quickly emerging as a world-class hub.

Transfer traffic is footloose. The hop to a different hub is easily made. And let us make no mistake: once you lose something, it is *very* difficult to regain it.

This is the scenario we do not want.

What we *do* want is to use this period to develop and mount an offensive strategy. A strategy that at least safeguards our position.

An important element in this is the level of costs. After Heathrow, Schiphol is the most expensive airport in Europe. Government measures and traffic control account for almost sixty percent of aeronautical costs. It is therefore

logical that the government is looking closely into possibilities to help improve the competitive position of Schiphol.

Within that framework, last month the cabinet decided to abolish the flight tax. This will go into effect on July 1 this year.

Needless to say, Schiphol itself will critically examine, and reduce, all the costs over which the government has no influence.

It is imperative to reduce costs. But that alone is not enough. This is not a race to the bottom but rather a race to the top.

If we want to survive, we will need to *excel* against competitive prices. Excel in quality. In sustainability. In efficiency. And in safety. This is the central message of the Aviation paper.

When I mention 'excelling' I automatically also mean 'innovating'. And that, ladies and gentlemen, is your specialism as members of the Airneth network.

This conference could have no better Chair than Arie Kraaijeveld. He is Chair of the joint venture that is currently working on the Aviation Knowledge and Innovation Agenda.

This is the first time that KLM, Schiphol, the manufacturing industry, ministries, the Netherlands air traffic control and knowledge institutions, including Airneth, are *working together* on an innovation agenda for the aviation sector. Private and public partners have joined forces. Before the summer, the agenda will be presented to Minister Eurlings

A common agenda is important for properly managing existing private and public budgets for knowledge and innovation. To increase its impact, we are streamlining the financial flows of five ministries so that the agenda can be implemented properly.

The challenges are legion.

- How can we ensure breakthroughs in the development and use of biofuels in the aviation sector?
- How can we ensure seamless flows? For a perfect through-flow of people and freight?
- How can we design our systems in such a way as to improve safety and reduce the inconvenience for passengers and transport flows?

These are just a few of the questions that need to be answered. Our Knowledge and Innovation Agenda will serve as the guideline in finding the answers we need.

We can be rightly proud of what we have built up in the past. The Dutch aviation sector has a good record in introducing sustainable innovations. Schiphol is one of the most sustainable airports in the world. KLM/Air France is listed at the top of the Dow Jones Sustainability Index. Knowledge partners are finding it increasingly easy to make contact with one another. For example, Delft University of Technology and the KLM are working on the development of a new plane that emits half the amount of noise and is fifty percent more economical.

And in the area of safety we also have a good reputation. The last audit by the ICAO showed that our country has its affairs in excellent order as far as safety issues are concerned.

This is an excellent starting point from which to tackle the future.

Ladies and gentlemen, the future will be marked by an ever increasing openness in Europe. The expectation is that a Single European Sky will be created, of which the Netherlands has always been a leading supporter. Together with our neighbouring countries, we are leading the way in the introduction of a Functional Airspace Block. With a Single European Sky, the flying time between many European cities can be cut considerably. Pure profit for passengers, for air line companies and most importantly, for the environment.

Linking. That is the key word.

Linking the national airspaces in Europe.

Linking economic and environmental interests.

Linking parties that together have the knowledge and experience to provide a healthy future for aviation in the Netherlands and in Europe.

High ambitions are never achieved in isolation. They cost too much effort, long-term commitment and most of all, they demand the combining of forces, knowledge and creativity.

Ladies and gentlemen, Airneth makes a special contribution to the combining of knowledge that we so urgently need. You strengthen the links between researchers, companies and the government. Both in the Netherlands and beyond its borders. Since the beginning of March 2005, you have taken an impressive number of initiatives. The evaluation study carried out last year had a very positive outcome.

Mr De Wit, I am pleased that we at the Ministry of Transport, Public Works and Water Management have taken the decision to extend our agreement with Airneth for a further three years. I have every faith that in the time ahead Airneth will continue to function as a think tank, innovator, driver and most importantly, as a *linking force*.

I wish you all an inspiring conference.