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Check against delivery

Aviation and the EU consumer: the Emirates view

Distinguished guests, ladies and gentlemen… thank you for that kind introduction; it is a great pleasure to be back at the European Aviation Club

It is almost 500 days since Emirates took delivery of its first A380 super jumbo

On that sunny Hamburg morning, an iconic photo was taken – seen behind me – of a few thousand Airbus employees walking their pride and joy to its new owner

We have since received four more of our total of 58

These five double-deckers have now circumnavigated the world thousands of times and by next month, will have carried their one millionth Emirates passenger

Dubai, London, New York, Toronto, Sydney, Auckland and Bangkok have all witnessed the whiff of smoke of 30 tyres touching down… and the response has been record crowds, stopped traffic and front-page coverage

Importantly, in a recession, our A380s have been cash generators – a magnet for attracting business, with travelers changing itineraries to ensure the aircraft is part of their journey
Paris and Seoul will receive the aircraft next…

…and we even deployed the super jumbo to Birmingham for a day to help celebrate the 70th anniversary of that airport

While the tail fin at such occasions proudly says Emirates, I think the other statement on display over these past 15 months has been Brand Europe

The ad man David Ogilvy once said the consumer is not stupid, she is your wife…

Similarly I believe the travelling public intrinsically knows the A380 is *not* just a more comfortable and quieter aircraft to get them from point A to B… but is instead a true revolution in global transportation

Yes there have been hurdles and frustrations with the programme – and I'm talking mostly about the delays

But for our passengers on-board, they have come to see this aircraft as absolute evidence of innovation, technology and environmental engineering at its best…

Emirates' $19 billion dollar Airbus A380 order, along with our 70 A350 deliveries, are at the heart of our relationship with the EU…

…from the wings of Wales to the Toulouse and Hamburg assembly lines – these aircraft speak volumes about the partnership that Emirates and Europe have developed over the past 24 years

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Today I would like to explore this relationship a little further; the policy positives, the political challenges, the occasional contradictions and unexplored opportunities that are relevant to all of us with an interest in aviation and related public policy

And I would like to do so with one overriding audience in mind: the consumer

Events such as today sometimes run the risk of being a little ‘insider’, without a deeper consideration of the consumer and travelling public’s perspective

Of course Emirates is a commercially focused airline, pursuing profits as we must – and we are *not* a consumer advocacy organisation…

But I do hope my remarks present a consumer story of relevance to the Commission and all of us who fly

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It was almost five years since I last spoke at this forum, and in between we have witnessed the highs of a seemingly unstoppable boom and the thorny lows of a serious downturn

Almost all of us in aviation have the scars of the past year to ensure the lessons of this period are not lost

And with that in mind, I would like to focus today on the present and future rather than re-run 2009 and risk depressing us all

With a new European Parliament, a soon-to-be appointed EU Commission and a new Lisbon Treaty, Brussels too is very much focused on the future and how we re-build from this crisis

The good news is that despite the downturn, the economic relationship between EU and Dubai is, in fact, strong and accelerating

The same can be said for the strength of the military, cultural and political ties

Of course 2009 was a difficult year for many Member State economies, as it has been a major wake-up call for Dubai

Yet the resilience of our trade partnership is quite remarkable; the EU and UAE recorded year-on-year growth of 11% over the past five years

The UAE has also risen to become the EU's eighth largest export market globally, ahead of the likes of India, Brazil and South Korea

Dubai, the business, tourism and financial centre of our region, continues to grow into one of the principal markets and destinations for European travelers

And my home of the past 24 years also remains a critical source of investment for many European projects and a key market of high yielding tourists bound for many of your great cities

Emirates transported 5.3 million passengers to and from 19 EU cities in the past financial year, ably assisted by 5,000 EU nationals employed by Emirates in Dubai and Europe

We operate 33 flights to and from the EU each day, and, importantly, not just to the major capital cities

Before we entered the European market, cities such as Newcastle, Hamburg, Düsseldorf, Nice, Glasgow and Venice were often starved of direct long-haul options, with a traveler's choice being their country's main hub

Today the regions I just mentioned – and others like them – have direct flights to Dubai and onward non-stop services throughout our six continent network

Sometimes those in Brussels who have doubts about the value of Emirates – as we know some do – should seek out the opinions of the airports, exporters and consumers of these regions, rather than just listen to a small number of CEOs from our European competitors

…but a little more on that later…

The EU then is clearly a key market for Emirates, one of our largest, and I also hope that Europe views us as a key partner in its economic future as well

This year's visits to the UAE by world leaders such as President Sarkozy and Prime Minister Brown tends to illustrate to me that the relationship has never been treated more seriously… from both sides

Yes the boom has ended, but I firmly believe Dubai and the UAE will remain a critical market for Europe:

Buying your BMWs, procuring from Siemens, hiring French architectural firms and using British banks

However as I touched on earlier, we know in the field of aviation there are those who are less enamored with this story and the impact an airline like Emirates has on our European flag carrier competitors

While I hope that very word – competition – is enough to conclude any rational discussion on this subject, I know for a minority there remains a concern that the playing field is not fair or even

And I accept it is our job to address these misconceptions and reassure those who have reasonable questions to ask on this subject

It is, however, important to state up front that most of these misconceptions or myths about Emirates have come about from a clever and quite deliberate strategy

Yes an airline growing quickly from a region rich in oil that orders many new aircraft will raise doubts for some

But the reality is some competitors, realising that Emirates was emerging as a major competitive entrant, simply devised a plan, sans facts or evidence, to throw enough mud to ensure some of it stuck…

We guess their aim was to hopefully slow us down, buy them time and make their governments suspicious
A former Australian Transport Minister once said it was a clever trick but one he never fell for

And I don't think they have been overly successful in this approach…

But we do accept that *despite* the work of Emirates and many independent third parties, some of these myths do live on

In fact most such claims are celebrating their 20th anniversary

So let me deal with a few key misconceptions as directly, credibly and quickly as I can before we move on to issues of real substance that consumers might find more compelling

The first issue is government ownership

It is of course true we are government-owned, in our case via the Investment Corporation of Dubai

Other government ownership models include Air New Zealand, Singapore and your very own Finnair and TAP.

In my view, the simple answer to this issue of government ownership is, so what?

In our model, the formula is no subsidy, absolute competition and profits or else…

The bottom line is from two words: open, competition

Dubai, with its true open skies policy, has one of the highest number of airline operators of any of the world's airports – we are a city state with no barriers to trade
Airlines of the world are welcome to fly to Dubai when they please – and 127 of them do

Almost every hour of every day, British Airways, Swiss, Lufthansa, Air France, Virgin Atlantic, Austrian and KLM land in Dubai – along with other European carriers

On a tough morning, when the oil price is high and yields are under pressure, I might of course wistfully imagine how much easier life would be if there were a few less tail fins taxiing towards Dubai's aerobridges…

But that's like saying I'm sick of the sun in Dubai… it isn't going to change…

The UAE not only accepts, but embraces competition

Our country has now concluded Open Skies or very liberal agreements with 50 countries, including the likes of the US, New Zealand, Austria and Sweden
It is a strategy that is working…

Despite the rather miserable press Dubai has occasionally attracted this year – some of which was fair and a lot that wasn't – the facts I'm about to share reveal a more upbeat story

They also accord with the remarks I made here some five years ago…

…that despite the recession and other swings and roundabouts, Dubai's core industries like aviation remain on a strong upwards trajectory

Yields did take a beating, but after much work they are slowly returning

And Emirates has actually grown its business this year; our passenger numbers are up 19%

The resilience of the travelling public on our network is quite extraordinary and there is clearly still a lot of cash in the global economy

Consistent growth during the first eight months of 2009 has seen the year-to-date passenger traffic at Dubai International Airport reach 27 million compared to 25 million last year, a seven per cent increase

This contrasts dramatically with the seven per cent contraction seen in international passengers worldwide as reported by the Airports Council

And despite the downturn in air freight, Dubai is holding on to its position among the world's top five hubs for international cargo, with volumes up three per cent

Dubai Airports recently released a traffic forecast which projects an eight per cent increase in passenger numbers in 2009 and a 14% rise in 2010
Simply, Dubai is an ultra-competitive aviation honey pot

Emirates does not seek ways to artificially limit competitors, but instead accepts that it pushes us to be better and there is room for all

Emirates also has no provisions that facilitate bankruptcy or restructuring as a means of avoiding what would otherwise be failure – there is no Chapter 11 here

Or use financial performance as a rally cry for government protection

Emirates was born 24 years ago with a decree from our leadership… 'here is $10 million dollars in start-up capital and don't come back for more'

And when we need funding to supply new aircraft, we go to international capital markets like any other multinational company and convince hard-nosed lenders that we are worth the risk…

This is publicly acknowledged by international investment banks and in our own PWC-audited annual report published each and every May

Nor does Emirates receive special deals at our hub in Dubai, where we pay the same fees and charges as the other 126 competing carriers who use the airport

Our overall cost base of 13.32 cents per available seat mile is wholly comparable to international carriers such as Cathay, Singapore and Qantas to name a few…

The other claim we hear ad nauseum, usually fired from a grassy knoll in the Frankfurt area, is our secret supply of free fuel

I imagine this comes from the somewhat simplistic view that all Gulf States are oil rich and therefore must have fuel pumps dispensing give-away Avgas

The truth is that we, like almost all other airlines, buy fuel on the open market from multiple global suppliers

The jet fuel price paid by Emirates at Dubai Airport is based on the Arab Gulf jet fuel traded in Singapore

We often pay a higher price for jet fuel at Dubai Airport than at many other international airports on our network

And the price we pay in Paris, Frankfurt or Heathrow is courtesy of these well-known European charities, Royal Dutch Shell and British Petroleum

I am sure this list of misconceptions will remain aloft – too many competitors have a vested interest in keeping it that way – and what else would they talk about at IATA's Annual Meeting or a Star board gathering?

But I do hope aviation media will increasingly push back on these claims with a simple question of where is your evidence of cheap fuel or discounted landing fees?

As I hope they point out that not all Middle East airlines are the same

Our region, like yours, has a myriad of different airline business models, success rates, levels of government involvement and product offering

The UK's policy of using bilaterals to question state aid is a reasonable one, given some of the world's airlines are on the record as saying they do receive discounted fuel and monies from the state

But there must be a greater level of intellectual rigour and depth on this issue

Just because Air New Zealand was bailed out by their Government does not mean Qantas is also a recipient of government monies

Airlines are different, even if they are from the same corner of the planet – Ryan Air is not Air France and British Airways is no Olympic – and the same applies in our region

Unfortunately the sheath of 'Middle East carriers' is yet another tactic to cast all airlines in same light as the worst offender for that particular argument

Finally, the environment is the most recent area where some competitors suggest there is intrinsic inequality

Emirates does have serious concerns about some aspects of the ideology and implementation of environmental politics and policy for the aviation sector, particularly that originating from the EU

Yet we are also an airline that has a history of employing advanced environmental policies and we most certainly accept the need for our sector to do more to improve its environmental performance

Aviation is a global industry and greenhouse gas emissions are a global issue

With Copenhagen but days away, we support the efforts of ICAO, IATA and others in our industry for a global scheme, based on a sectoral approach

We may be the only industry to actually go in to Copenhagen with a plan and emerge with a workable deal – we shall see…

Across our sector, we are an industry confidently pursuing a global environmental strategy beyond these economic instruments

The economic crisis provided even more impetus for us to improve efficiency to reduce emissions and operating costs… and this must continue as the economy heals

And well before it was a priority for some, Emirates has a proud history of working with the likes of Airbus, Boeing, GE and Rolls Royce to aggressively seek efficiencies to reduce fuel use, emissions and noise

I contend our work on the A380, A350 and the new Boeing 777 family are three examples where few others have worked harder with our suppliers to secure major outcomes in environmental efficiencies

Emirates has its own internal programme called Emvironment that is focused on emission and fuel savings, air traffic control, waste and our supply chain

And while the focus on Emirates is often about our order book, consider that even with an average fleet age of just five years, by 2015 we will retire almost 60 older aircraft to ensure gold-standard efficiency

I make these points so it cannot be said Emirates or our industry is ambivalent about the environment and is instead implementing a major environmental strategy costing tens of billions of Euros

EU destinations account for 20% of our business and the ETS will have a major impact on the airline and our customers

We have spent a year preparing for the ETS… even, if as I say, we have concerns over aspects of the approach to the problem

In particular, it is deeply troubling to me that neither the Commission nor the UK Government will put a cent into environmental research or technology, but instead squeeze aviation for their general revenue shortfall

This coupled with the new industry of carbon middle-men… the same crowd who having created sub-prime have moved on to carbon to manipulate and speculate their way to millions courtesy of the pockets of airlines and our passengers – and it is no wonder there is so much wide-spread cynicism with green taxation

We were however pleased to note the Commission’s view that EU aviation is not at risk of carbon leakage

Some claim until a global scheme is agreed upon that European airlines would lose out to competitors, with Dubai and Emirates often being cited as the example

Our modeling supports the EC view of no disadvantage

And that, I promise, is the final myth dealt with today

The reality for Emirates is we spend our time utterly focused on our business and even this year's backdrop of global financial turmoil did not stop us from delivering a 21st year of consecutive profit, albeit a much reduced one to year's prior

We have just disclosed our 6 month result with a $205 million profit – an exceptional outcome by our team of 29,000 employees given everything airlines have been through this year

So if it isn't free fuel, how has Emirates been able to return handsome historical profits and remain in the black during a severe downturn?

The past year we have focused on all possible costs in the business – from suppliers to voluntary time-off without pay for some staff as well as gently caressing all possible levers on the revenue side

I assure you our ruthlessness on costs will continue –
suppliers must accept that with reduced input costs and historically low inflation, we will not accept price rises and continue to aggressively pursue savings

It is an area I agree wholeheartedly on with Tony Tyler of Cathay Pacific, who described our mutual frustration with a supply chain doing well, often at our expense

Historically, the best way to understand Emirates is to understand our core business model and Dubai

As I said almost five years ago in this room, our model is to operate a high-quality airline and brand, flying a fuel and emission efficient fleet, offering travelers true value across a global network through our Dubai hub

This is as true today as it was in 2005 and earlier again

There are two ingredients, however, that stand out; and increase in importance each and every day

I'm referring to our <u>brand</u> and our <u>network</u>

Valuable, successful airlines today are brands – Southwest is a strong domestic brand of value, Emirates is a strong global brand of high-quality…

The power of brand in our sector cannot be overstated

Emirates, for example, invests in sporting franchises over some other forms of marketing because of the brand impact such partnerships can offer

Given the worth of an airline's brand, those that cherish its value do <u>not</u> hang their dirty laundry out for all to see…

…they do not wring their hands on a daily basis, talking down their business and talking up their woes

Negativity kills companies and there is stark evidence of this very approach seriously damaging once great airlines of the world

Emirates, which endures many of the same challenges as our competitors – as well as a few unique ones, after all we've had a few wars in our backyard in the past 20 years – is <u>not</u> in the business of pessimism

We believe in our brand and behave accordingly

The second point I mentioned is network

If an airline's hub is its heart, then the coronary circulatory system is its network

While we constantly fine tune the network, and even very occasionally trim or remove unprofitable elements of it, our model is to utterly respect the interconnectiveness of a global platform

I'm willing to confess to one advantage we enjoy over some competitors, namely geography

We are blessed at being able to fly non-stop to any point in the world from our home

More of these far-flung cities have come on-line since my last visit, such as Cape Town, San Francisco, Los Angeles and Guangzhou

But it is how we have managed and integrated this network that is the key to this recipe

Aviation *is* the globalised world and air services helped to make the earth flat

Our model works because we don't have a one dimensional route network of traditional Atlantic or Pacific crossings, or just the Kangaroo route or focusing inside one region

Connecting Moscow to Durban, or Beijing to Luanda, or Hyderabad to LA, or Perth to Dubai, are some of the thousands of examples of the new world's city pairs

Those that ignore this changing nature of travel do a great disservice to the man or woman in the street

And those airlines that regularly slash elements of their networks, or play interference with capacity on vital corridors, are, in my view, in serious long-term trouble

Dismantling a network under the stress of short-term pain – which I accept can often be acute in our industry – is nonetheless an anathema to Emirates

I'm constantly amazed by the approach of some who think a network is easy to reclaim after earlier culling in a weaker economic period

There are one million Indians living in Canada, yet that country's flag carrier has pulled services from the Indian market twice in the past decade – I don't understand why a service on that route could not work?

Of course you must act commercially, but short-term acts of panic on a critical airline asset is wrong in my humble view

We believe our pursuit of carefully planned, globally-diverse growth will continue to pay dividends

Growth that has been achieved without an alliance

Emirates has never belonged to and does not have any plans to join an alliance – another promise we made to this room back in 2005

We see alliances as having significant anti-competitive elements and believe that our membership in one would be an artificial brake on our own business plans

Whereas one notable Frankfurt based-alliance boasts that ''there are only a few 'white spots' left on the map' (i.e. non-alliance linked major hubs such as Dubai), we would contend that these 'white spots' are important drivers for competition and consumer choice

In our view, airline competition runs the risk of being the forgotten story of this recession and in to 2010

Consolidation is happening en masse and airline bankruptcies are still occurring in many markets

The exit of financially unviable airlines is a difficult but important process and the consolidation of other airlines can be justified in some circumstances

But the total combination of consolidation, lost airlines and the power of alliances concerns Emirates

Central to this reservation is the fact that airline alliances are in the ascendancy

Our fear is that aviation's economic recovery in coming years will see a handful of dominant alliances able to fundamentally alter the competitive landscape in many markets for consumers and un-aligned airlines

Emirates is big enough now to look after itself but we strongly believe protecting the interests of consumers requires governments and regulators to resist opportunistic and self-interested calls from some in our industry to bend fair competitive norms and structures

It is a difficult operating environment for all airlines, but certain approvals for consolidation or the granting of immunities for alliances, which otherwise would be viewed with significant skepticism, must be challenged

Some say this horse has bolted, but we know alliances and some airlines will keep coming back again and again, looking for dispensation to dominate more markets – citing, of course, exceptional circumstances

The Commission, MEPs and competition regulators must be vigilant to ensure a balance is struck between consolidation, the necessary clean-out of unviable airlines and the creation of 21st century monopolies

I was particularly pleased to read The Economist of October 29 which stated, and I quote: *"But whereas the US Department of Transport appears to believe that part of its remit is helping out big American carriers that have spent much of the past decade going in and out of Chapter 11 bankruptcy, the starting point at the Commission is very different.*

"Its powerful competition directorate sees itself as the unflinching enforcer of Article 81 of the treaty underpinning the EU.

"The article presupposes that collusive agreements between firms are invariably anti-competitive and should only be tolerated if there is strong evidence that efficiency gains are being shared at least equally with consumers.

"In September the commission issued a 400-page 'statement of objections' to the three oneworld airlines, which envisaged finding their proposed joint venture in breach of competition law." End quote

The impact of alliance led consolidation on industry competition is perhaps best illustrated by looking at the governing carrier of Star Alliance, Lufthansa

A highly successful and very profitable airline, Lufthansa has grown dramatically to be probably the world's largest aviation group

It is also the most aggressive on mass consolidation
In the past few years it has added large or majority shareholdings to include Brussels Airlines, BMI, Swiss, Jet Blue, Eurowings, and most recently Austrian

In the case of the acquisition of fellow Star Alliance member Austrian, a major European airport like Vienna will as a consequence see its volume of both intra-EU and medium/long haul flights decline as Austrian's services contract and passengers are forced to route via either Frankfurt or Munich on Lufthansa

Looked at another way, the consolidation of Lufthansa and Austrian effectively means one entity controls 60% of passenger traffic at Vienna and will continue to do so – given the low likelihood of meaningful new entries

Combined, this has serious implications for the ability of independent airlines to compete fairly and effectively on such long-haul routes, given Star's hold on corporate clients and critical mass for leisure passengers

Evidence from international markets as diverse as Australia and South America also shows alliances limiting the number of individual carriers operating on many routes and reducing frequencies – which helps control these markets and pricing for travelers

In effect, carving up territories and reducing competition

Take the EU-US market – this is now dominated by three major alliances: Star, SkyTeam and oneworld, which together control over 87% of traffic between the US and Europe

In 1990, the New York Kennedy-Paris market, for example, had six competing airlines

Today there are only three

Of even greater concern to us is the political agenda of some in alliances

A prime example of this is the lobbying of foreign governments to further restrict competition through denial of landing rights

Indeed, consider Canada, where Transport officials tell us that they are concerned the granting of access to Emirates could hurt Star Alliance's carriage of traffic via Frankfurt onwards to the Middle East and Asia

Hurt Star Alliance? How do you hurt a 25 member mega alliance? And where is the consumer's voice in such a statement?

No wonder the Consumer Association of Canada said it had serious concerns about the denial of access to the likes of Emirates in order to protect the flag carrier

They were joined by hundreds of others at the recent Open Skies Summit in Vancouver where, witnessed by a colleague of mine in this room, an army of Canadian stakeholders demanded an end to such protectionism

The alliance play in Canada, plus their efforts to aggressively lobby governments in India, Eastern Europe and your very own Brussels is a concern for us, as it should be for consumers

Most governments resist such self-serving pleading, but in the face of bad economic news, others do choose what they see as the easier route

They support the home player, no matter how poor their performance or transparent their monopolistic objective, and build walls around their country to shelter uncompetitive industries from competitive forces

This is like believing that they can shield themselves from reality; to think if we put a new tariff on a Toyota we can allow General Motors to hang on a little longer in an unreformed state

But as we all know, in the long run protectionist barriers lead to higher prices, less choice, corporate failures and, in many cases, substandard products

Perhaps I can best highlight the dangers of this protectionist mood with an example in Europe that is close to Emirates' heart and which has some relevance to the points I previously made regarding alliances

A few months ago the German Federal Office for Goods Transport wrote to Emirates; and it wasn't to wish us a pleasant summer holiday

Instead they raised the peculiar issue of 'price leadership' for our business class fares on three of our international routes from Frankfurt to Johannesburg, Hamburg to Singapore and Berlin to Singapore

We were told that we must raise our fares immediately so that these, excuse the pun, aligned with certain other carriers – specifically two Star Alliance members

Given the possible threat of very serious fines, Emirates had no choice but to adjust the tariffs in question

We did so under protest

Let me first state categorically that Emirates prices its tickets commercially, competitively and fairly for consumers in all markets it serves

How else have we remained profitable with a loyal customer base?

We believe the selective and non-transparent nature of Germany's tariff matching policy and its enforcement are not in the interests of German consumers

Specifically, in the case of Frankfurt to Johannesburg, our tariff was not even the lowest available fare offered by a non EU carrier and the tariffs offered by BA, KLM and Air France were significantly less than Emirates

And none of these prices appeared to change after Emirates had adjusted our own tariffs

We are unsure why offering a competitive one-stop fare to German consumers would merit such interventionist regulatory attention?

Going back to my car analogy, could you imagine Mercedes asking the German Transport Minister to force Lexus to increase its price to match the German car, and this being law!

Our subsequent analysis of tariffs on direct services to various long haul destinations from major EU hub airports suggests that as a consequence of the current German policy, Lufthansa's own fares ex Frankfurt are being maintained at artificially high levels

They are often the highest in the market by a large margin – something which is clearly to the detriment of German travelers and the German economy

In the interest of consumer transparency therefore, we have urged the German government agency concerned to clarify the specific criteria and methodology used to target non EU carriers such as ourselves and the consumer benefits of their policy

It is my firm belief that such behaviour not only harms consumers and Emirates but also harms industry at a time when greater competition and liberalisation of markets could not be more important

Some critics claim that non EU carriers such as Emirates simply redistribute existing passenger traffic from a particular country's market, with little overall increase in visitors or value-adding to their economy

This is of course nonsense

Entrants like us help to grow the tourism and export pie;
and there is indeed a very strong commercial and economic case for further increasing Emirates' presence in Europe's markets, including some EU heavyweights such as Germany and France

In conclusion, my message I hope is clear

Aviation has a rare gift: it has the ability to not just reflect the existing economic and tourism connections between regions; it has the ability to grow them with a significant multiplier effect

We should, in my view, be optimistic about the future

It is clear we are emerging from the worst of the downturn

Even if we have to reset global GDP back to 2005 levels, the rebuilding has started

My own predictions for the future include the continuing rise of BRIC, Middle East and Asian economies, steadier growth for Europe and Africa and a mean GDP growth rate back to 4-5 per cent in 2015

At this time, Emirates will have a stronger global network with 200 all wide-bodied planes offering a 20 per cent reduction in per aircraft fuel burn

Business and policy challenges will, of course, remain

There will be more consolidation but hopefully with greater scrutiny and the barriers for entry into many markets will be higher

This includes financial barriers being inevitably tighter for new entrants given the scars of pre-2009 lending

Low cost carriers will survive and prosper – but will cost more to fly than today yet still be affordable

And airlines will continue to work with manufacturers to pioneer new technologies; air travel will remain very safe; globalisation will take root in more corners of the world and barriers of protectionism will weaken further

We believe that, across Europe, growth opportunities should be brought forward rather than deferred or blocked by the isolated or blinkered

For this to happen, the support of EU policymakers for liberalisation, competition and the erosion of protectionism is, of course, critical

However, we do get a little confused by the mixed signals received from our friends in Brussels

Like the push by some in the EC to strongly encourage open liberalised agreements with our country… yet at recent air services talks with some EU Member States, officials have cited EC correspondence that asks they be ungenerous with us when it comes to access

The EU has often played the role of a leader towards greater liberalisation of aviation markets globally

In this context, one of its key policy goals is to negotiate Open Skies agreements with key international partners

The recent economic crisis provides the EU with reason to accelerate not decelerate this objective

We will continue to strongly support efforts towards a future UAE Open Skies agreement with the EU

Of course Emirates has a self interest in such liberalisation, but the reality is that Europe's consumers have benefited strongly from freer skies

A move towards open skies with the UAE would also be a natural progression from the EU's Open Aviation Area agreements with many other worldwide markets

Fair market access and open competition is good for Emirates, consumers and the global economy

In the midst of an unparalleled industry consolidation and extraordinary economic times, I would stress that the merits of competition and openness are more important than ever

My hope is soon we and other airlines in other key markets have the ability to fly more A380s and A350s across open European skies.

Thank you