Emirates

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open sky

Emirates' financial results | US antitrust immunity | Lufthansa ❤ Etihad | Athens and New York connected | Award-winning SkyPharma | A Greener Tomorrow | Canada's consumer association | Visas for Chinese visitors

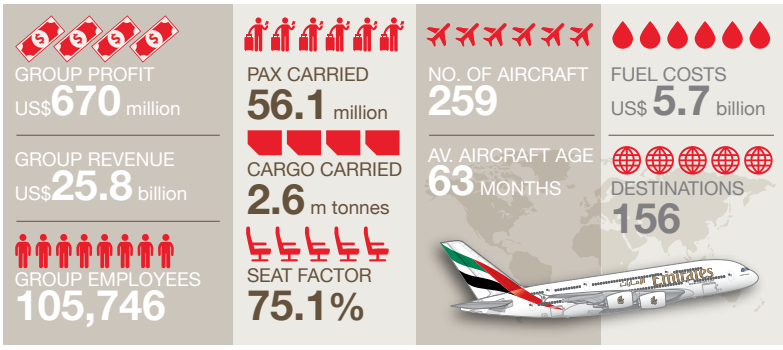
Emirates Group announces 29th consecutive year of profit

On 11 May, the Emirates Group announced its 29th consecutive year of profit and steady business expansion, despite a turbulent year for aviation and travel.

Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive, Emirates Airline and Group, said: "Emirates and dnata have continued to deliver profits and grow the business, despite 2016-17 having been one of our most challenging years to date."

Read the full PwC audited annual report here.

2016-17 Financial Highlights



The US Department of Transportation gets tough on antitrust immunity

Within a short span of 14 days, the US Department of Transportation (DOT) issued two "orders to show cause" that suggest a possible reassessment of US policy for granting antitrust immunity (ATI).

On 4 November 2016, DOT tentatively approved the ATI application of Delta Air Lines and Aeroméxico but stipulated that, in exchange, the airlines must divest 24 slot pairs at Mexico City International Airport (MEX) and six at New York John F. Kennedy Airport (JFK). These slots will be allocated to US or Mexican low-cost carriers (LCCs) to "allow for new, competitive entry … that would not otherwise be possible." DOT subsequently issued a Final Order that made only minor changes in the slot divestitures.

On 18 November 2016, DOT proposed to deny another ATI application filed by American Airlines and Qantas Airways, concluding that by "combining the airline with the largest share of traffic in the US-Australasia market with the largest airline in the US, the proposed alliance would reduce competition and consumer choice." That Order was also made final and ATI was denied.

DOT's decisions have questioned the foundations of ATI policy in the US and got the attention of members of the three global airline alliances. DOT's past practice of rubber-stamping proposed joint ventures (JVs) with only modest conditions for over two decades appears to have ended. DOT expressed concern that the American-Qantas JV would "harm competition" because the two carriers could "exert market power" in as many as 200 city pairs "rather than creating a more viable entity to compete more robustly with other airlines"– the standard justification in the past for granting immunity.

In the Delta-Aeroméxico case, the slot surrender easily surpasses any past requirements, including the American Airlines-British Airways JV at the highly congested London Heathrow Airport. In addition, DOT limited ATI to five years, perhaps partly due to Senator Richard Blumenthal of Connecticut, whose Senate approved amendment would require DOT to periodically review all ATI approvals.

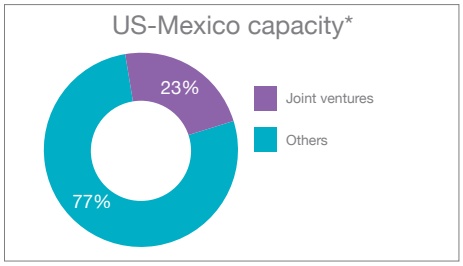
Arguably the most intriguing element was DOT's finding that the divested slots at MEX and JFK should go exclusively to non-aligned (or independent) LCCs. DOT noted that "while … other large airline network competitors will also exert some degree of competition … LCCs have the greatest competitive impact." This implies concerns at DOT that the allianced carriers are not competing vigorously with one another – a concern echoed by the Department of Justice investigation of Delta Air Lines, American Airlines, and United Airlines for capacity signalling to boost domestic fares. "Disruptive outsiders," DOT suggests, are needed to "achieve the necessary competitive discipline."

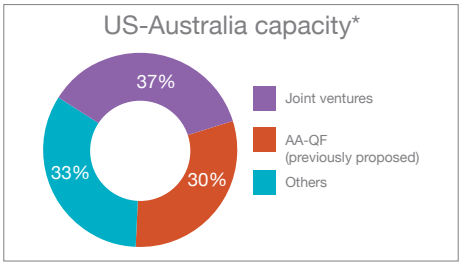
The reactions of the ATI applicants to DOT's orders were swift. Delta and Aeroméxico labelled DOT's proposed divestitures and limitations "unprecedented, arbitrary and untethered to any potential alleged harm related to" their JV and threatened to reconsider the JV if DOT does not back down. After much outcry, however, Delta and Aeroméxico eventually accepted the conditions and the DOT finalised its decision.

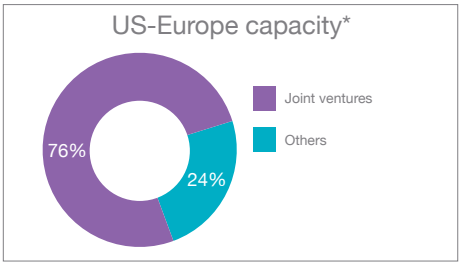
American and Qantas, after initially expressing an intention to oppose the tentative decision, withdrew their application for immunity on 28 November 2016. DOT denied American and Qantas' request to vacate the ruling, thereby ensuring that the reason for refusal serves as a precedent for future ATI applications. It is yet to be seen whether American and Qantas will submit an amended application.

It has now become clear that widespread concerns about the negative effects for competition and consumers, of at least some immunised alliances, appear to have traction at DOT.

It is yet to be seen, however, whether these concerns will also lead to restrictions on ATI approvals between US and European carriers when they are due for renewal, given the even greater market share of immunised carriers.







*Seats (OAG, week 08-14 May 2017)

Lufthansa turns the tables and partners with Etihad

In the recent past, it would have been unthinkable for any speech on the status of the German or European aviation industry given by a Lufthansa executive board member to be devoid of an anti-Gulf carrier warning.

Similarly, almost every issue of the Lufthansa Policy Brief since 2012 has contained articles attacking "Gulf competitors" – Emirates, Etihad and Qatar Airways.

In light of this history, many at the European Commission in Brussels, as well as politicians and officials at the Transport Ministries of EU member states, were surprised when Lufthansa's CEO, Carsten Spohr, proudly held a press conference and was pictured shaking hands with Etihad Airways' CEO, James Hogan, in Abu Dhabi in February 2017. The press conference was held to announce a commercial partnership with one of these same Gulf carriers, as well as hint at the prospect of an extension of this cooperation, including the possibility of signing a joint venture.

Just recently, it was argued by Lufthansa that the Gulf carriers are an existential threat to European airlines and European jobs, while the European Commission and European governments were approached for their support. Not long after, cooperation with Etihad became a key element of its strategy.

This contradictory behaviour is not unusual in the airline industry. For example, accusing other airlines of subsidisation without proof, while on the other hand enjoying subsidies or government support when the opportunity arises. This was the case with the takeover of Austrian Airlines a few years ago, when state subsidies of around €500 million were made a condition for Lufthansa's takeover of the bankrupt airline. ■

*"We welcome the opportunity to strengthen our cooperation with the Etihad Aviation Group. Together we can create added value for our customers and shareholders. Partnering with the Etihad Aviation Group fits perfectly with the Lufthansa Group's global strategy for our passenger airlines and service companies." **– Carsten Spohr**, Chairman and CEO, Lufthansa Group (1 Feb 2017)*

*"The incredibly fast parallel expansion of the Gulf carriers in Europe for more than ten years has severely damaged European network carriers... We have repeatedly voiced our doubts as to the purely commercial basis underlying the unprecedented growth of Gulf carriers." **– Carsten Spohr**, Chairman and CEO, Lufthansa Group and **Jean-Marc Janaillac**, Chairman and CEO, Air France-KLM in a letter to EU Transport Commissioner Violeta Bulc (27 Feb 2017)*

Connecting the US and Greece with year-round flights

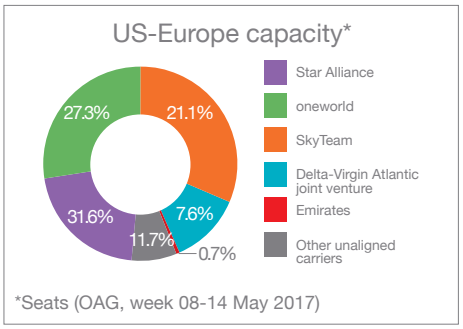
Emirates has launched a non-stop daily service between Athens International Airport and New York Newark by extending its existing service between Dubai and Athens.

The Athens-New York route had been without year-round flights for almost half a decade, meaning it was drastically underserved. Therefore the Greek Government and Athens International Airport for some time encouraged Emirates to assess the potential of filling that significant gap in the US-Greece aviation market. After careful review, Emirates concluded that extending the Dubai-Athens flights to Newark would be commercially compelling.

Greece's Tourism Minister Elena Kontoura welcomed the decision: the flights "support our efforts at the Ministry of Tourism to enhance the already increasing flow of visitors to Greece from the United States and the UAE on a yearly basis, travelling either for leisure or business purposes." On the other side of the Atlantic, the estimated 1.3 million Greek Americans residing in the US – the largest Greek diaspora outside of Greece with many residing in the New York Metropolitan area – were delighted at the thought of daily flights all year round.

According to CAPA, following the 2008 US-EU Open Skies agreement, the number of direct routes between the US and Western Europe has grown by 40% (88 additional city pairs) since 2010, due in large part to the entry of new carriers. However, Greece has not benefited from the growth spurred by this agreement – unlike other EU countries such as the UK and Germany (with 23 and 18 city pairs added since 2010, respectively) – as no new city pairs have been added between the US and Greece in that period. In fact, net capacity between the US and Greece has declined since 2010.

Despite this backdrop of limited competition in the market and a good business case, the Emirates flight attracted criticism from a few US-based competitors as well as Air France-KLM and Lufthansa; the ones who tend to claim the US-Europe market is 'theirs'. Instead of taking advantage of the opportunity themselves in a largely neglected market – the US and Greece had been connected with at least a daily flight for 70 years until Delta Air Lines withdrew its New York-Athens service in late 2012 – complaining about competitive entry seemed a more attractive option. Even with the addition of the new flight, Emirates' market share of capacity between US and Europe in terms of frequencies and seats



remains well under 1%. In contrast, the big three US carriers along with their respective alliance partners cover 88% of the lucrative US-Europe market, much of which is protected by antitrust immunity. Moreover, exercising 'fifth freedom' air traffic (i.e. the right to carry passengers between two foreign countries on a service that begins or ends in the carrier's native country) is not unusual practice and is exercised by many international carriers, including Delta Air Lines and United Airlines themselves.

There tend to be greater benefits for consumers when airlines compete rather than complain. Consumers travelling between the US and Greece and the exporters seeking to get their goods shipped most probably feel the same. ■

Emirates SkyPharma: fast, reliable and secure transit for pharmaceuticals

Emirates SkyCargo recently launched SkyPharma – a new pharmaceutical product that incorporates a purpose-built, state-of-the-art facility exclusively catering to the timely and secure transport of temperature-sensitive pharmaceutical shipments.

Recently recognised as 'Pharmaceutical Supply Chain Manager of the Year' at the Logistics Middle East Awards 2017, SkyPharma offers a major competitive advantage in the shipment of pharmaceuticals due to its quality, compliance and operational capabilities that ensure product integrity, security and efficiency. SkyPharma will soon also receive the DHL Carrier Award for Reliability and Excellence, which recognises air carrier excellence in transporting temperature-sensitive life sciences products.

With the launch of SkyPharma, Emirates SkyCargo became the first airline in the Gulf to be awarded multiple airport certification of compliance under the EU Good Distribution Practice (GDP) guidelines of medicinal products for human use by Bureau Veritas. Emirates now operates the first and largest GDP-certified multi-airport hub in the world with a total area of 8,600 square metres of combined handling space dedicated for pharmaceutical products.

GDP guidelines were outlined by the European Commission to ensure that the quality and integrity of pharmaceutical products are maintained during transportation and require meeting strict guidelines that cover quality management, product integrity, security and employee training. In order to obtain the GDP certification, Emirates SkyCargo constructed a purpose-built, GDP-certified facility called SkyPharma attached to the Cargo Mega Terminals at Dubai International Airport (DXB) and dedicated GDP-certified areas for pharmaceuticals at Al Maktoum International Airport, including a certified bonded shuttle-truck service between the two airports.

Pharmaceuticals are among the most critical products transported by Emirates SkyCargo, being high-value, temperature-sensitive and time-critical in nature. They need to be carefully handled to avoid temperature fluctuations, segregated to avoid potential cross-contamination and secured to avoid counterfeit medication entering the supply chain. By monitoring temperature through individual temperature controlled pallets, Emirates SkyPharma is able to cater to the transportation, handling and storage of pharmaceutical shipments based on customer specifications.

In 2016-17, Emirates SkyPharma transported over 44,000 tonnes of pharmaceutical products across its global network via its hub in Dubai. The top pharmaceutical products shipped included critical medication for diabetes and cancer, active pharmaceutical ingredients (APIs) and vaccines. Large volumes of pharmaceuticals are regularly uplifted from European countries including Germany, Switzerland, Denmark and Italy, which transit via Dubai destined for countries such as Australia, Malaysia, Pakistan and China.

With 15 dedicated freighter aircraft, coupled with over 250 passenger connections at DXB every 24 hours, Emirates SkyPharma handles on average 100 incoming and outgoing pharmaceutical shipments every day with the fastest possible transit time. ■

Sensitive cargo

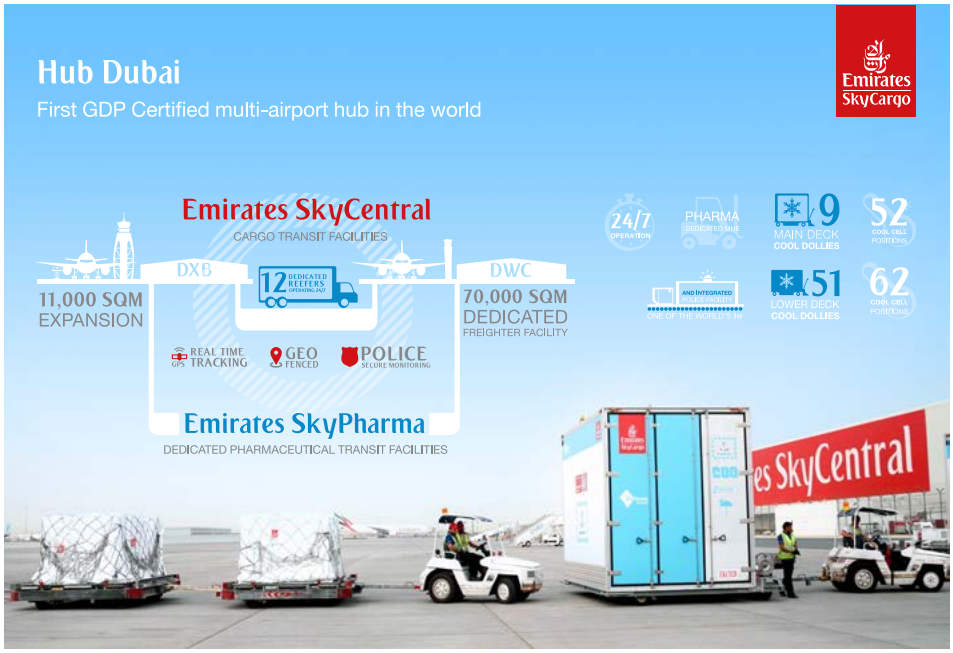
Sixty-five percent of the world's children receive a vaccine made in India. One of the largest vaccine manufacturing facilities in the world is the Serum Institute of India based in Pune which produces 1.3 billion doses of vaccines annually and exports to over 150 countries across the world. Emirates SkyPharma helps deliver many of these critical vaccines within time, transporting it safely from temperatures reaching around 40°C and humidity levels of around 85% in Pune.

Route network

Due to the number of frequencies and direct flights operated by Emirates to markets in Australia and New Zealand, drugs such as insulin and chemotherapy treatments travel in Envirotainers from Rome to Sydney with the fastest transit time, along with the availability of multiple alternative routings. Similarly, medicines produced in Ireland reach destinations in the Far East faster on Emirates, as they would otherwise need to be shipped via trucks to the UK before they can be uplifted as air freight.

Wide-body operations

Pharmaceutical products transported in active containers can only be accommodated on larger, wide-body aircraft, giving Emirates a clear competitive advantage due to its exclusively wide-body fleet. For example, yellow fever vaccines transported from New York to Tunis are favoured on Emirates due to its wide-body operation. Similarly, many European manufacturers prefer to transport pharmaceuticals to Africa on Emirates via Dubai, despite the longer routing, as European carriers primarily operate narrow-body aircraft with limited capacity to African markets.



Emirates supports wildlife protection and conservation through 'A Greener Tomorrow'

Emirates has a long-standing commitment towards supporting wildlife and conservation initiatives, including the airline's strong stance against the illegal trade in wildlife.

In 2016, Emirates extended this support to three not-for-profit organisations working in wildlife protection and environmental conservation in Africa, which were selected to receive funding under its 'A Greener Tomorrow' initiative.

The winners, Southern African Wildlife College Trust, Southern African Foundation for the Conservation of Coastal Birds, and African Parks, were selected from a global pool of applicants working towards environmental sustainability and conservation in their respective regions.

First launched back in 2013, 'A Greener Tomorrow' provides a share of up to US$150,000 in funding to not-for-profit organisations across the world working innovatively to safeguard and improve their local environments. The funds awarded are raised through the Emirates Group's various recycling programmes. Following the overwhelming response received for the initiative in its first year, Emirates decided to continue the programme for a second time in 2016.

Applications for funding under 'A Greener Tomorrow' were initially assessed by a committee comprised of senior executives from the Emirates Group and members of the Environment team. Shortlisted applicants were then invited to present their project proposal in detail to the committee for further evaluation in order to select the winners.

"Sustainability and concern for the environment are part of our core values at Emirates and we constantly strive towards reducing the impact of our operations on the natural environment," said Will Löfberg, Emirates' Vice President of International, Government and Environment Affairs. He added: "Through 'A Greener Tomorrow' we are able to support organisations that work at the grassroots level in engaging with communities to conserve the environment. We were delighted with the positive impact that the winners of the first 'A Greener Tomorrow' initiative had on their communities and we look forward to supporting the winners."

South Africa's Minister for Tourism, Tokozile Xasa, recently said that the continent needs to realise tourism for Africa is closely linked to biodiversity and aviation, and therefore there is a need to invest in these sectors in order to preserve and grow Africa's tourism. Xasa also emphasised that tourism should be regarded as a tool for inclusive and sustainable economic growth, sustainable consumption and production.

For further information about A Greener Tomorrow, please visit our website. ■

Southern African Wildlife College Trust (SAWCT)

SAWCT was established in 1996 by the World Wide Fund for Nature, South Africa (WWF South Africa). Since its start in 1996, the College has trained close to 15,000 students from 46 countries in natural resource management and conservation practices. Through funding from 'A Greener Tomorrow', SAWCT will provide three scholarships and two bursaries for their certificate programmes in nature conservation to students who already work in the conservation area but who do not have formal educational qualifications to advance their careers. These qualifications will help students move into roles such as wildlife area managers, park rangers and senior field rangers, working to protect wildlife parks within southern Africa.

Southern African Foundation for the Conservation of Coastal Birds (SANCCOB)

SANCCOB is a marine non-profit organisation based in South Africa which protects, treats and conserves seabirds and endangered species such as the African penguin. It is recognised internationally as a leader in the field of seabird rehabilitation with veterinary staff working around the clock, 365 days a year, to provide the best care to the ill, injured, abandoned and oiled African penguins and other seabirds that are admitted to its two centres annually. Funding from 'A Greener Tomorrow' will go towards helping support SANCCOB's rehabilitation, protection, research and chick-rearing programmes.

African Parks

African Parks is a not-for-profit organisation established in 2000 that takes on the direct, long-term management of national parks and protected areas in partnership with governments in order to save wildlife, restore landscapes and ensure sustainable livelihoods for local communities. African Parks will use the funding from 'A Greener Tomorrow' to support educational development within the Barotse community who live within Liuwa Plain National Park in Zambia. African Parks will provide educational tablet computers and employ additional teaching assistants within the schools in the park. Improved access to education is expected to decrease the pressure on wildlife and natural resources of the park.

Q&A with Bruce Cran - President of Consumers' Association of Canada (CAC)

The CAC was founded in 1947 and is an independent, national, not-for-profit, volunteer-based organisation that seeks to advocate for Canadian consumers with government and industry. Bruce Cran is in his fourth term as national President.

Q: In 2013 you stated, "Canada has one of the most protected aviation markets in the world, with foreign carriers routinely denied the right to operate here. That is bad economic policy that harms consumers and protects dominant players in the market." In 2017, has this situation changed in your view? How are Canadian consumers being disadvantaged?

A: Unfortunately there is little evidence to date to suggest that the situation has changed. When we look around the world, Canada's market still seems highly restrictive in comparison. Air Canada has increased its international destinations, which is welcome, but competition on most routes is still lacking.

The disadvantage to consumers is the same as for any other market sector that is restricted: higher costs, limited choice and less convenience. We believe in competition, and we believe it should be applied to all sectors.

Q: In your opinion, why are Canadian policies governing air transport lagging far behind the open market policies of other developed countries like the US and the UK?

A: There is no question that Transport Canada has an extremely protectionist attitude towards Air Canada, which is unfortunate because Air Canada is a strong airline and capable of competing internationally. There is an incomprehensible timidness about airline competition in Canada, which is at odds with the claims of Air Canada to be a strong airline.

Ultimately, Transport Canada's approach is going to hurt Air Canada and Canadian aviation generally. Consumers are smart and have the ability to shop for alternatives. As a case in point, I live in Vancouver and our organisation supported the requests of carriers like Emirates to fly to that city. Many of these requests were denied and we saw several carriers set up shop in Seattle instead. Who, other than Seattle, benefited from that?

The statements from Transport Canada defending itself whenever access to a foreign carrier is denied are so dated and at odds with the move towards liberalisation in the rest of the world.

Q: IATA forecasts global passenger traffic will reach seven billion by 2034. What concrete aviation policy changes would you recommend are implemented in Canada in the short to medium term, so as to be ideally positioned to capitalise on the opportunities this presents in terms of tourism, consumer choice and connectivity?

A: An expert panel reviewing the Canadian Transportation Act recently recommended that any international carrier that wants to fly to Canada should be allowed to do so on a daily basis. That is a starting point. It demonstrates to foreign carriers that Canada is open for business and that it won't take years of negotiations to get to a daily service. Daily service is also critical to consumers because it makes travel easier, both for business and leisure. Consumers today are demanding speed and convenience for pretty much everything. Aviation is no different and it is time the Canadian Government recognised that.

And once there is more competition, consumers will get lower prices and more choice, which ought to be the Government's goal. When an airline launches a new route they want to fill the seats, which means marketing of that route and pricing to attract consumers. The beneficiaries are the travelling consumer and by extension the economy as a whole.

Q: Do you believe the existing policy governing international air access is adequate to foster healthy competition in the market and which benefits consumers in the end?

A: The short answer is no. Successive governments make claims about liberalisation, but the end result is still managed trade. We even had a bizarre scenario a few years ago in which Icelandair was told it had to cut flights to Canada, despite Canada and Iceland having an "Open Skies" agreement. Clearly that was not Open Skies.

Also, we are now seeing a major push by Canadian airports and Air Canada for significant investments of public money to improve connectivity and help those airports grow. That is all positive, but it has to come with liberalisation. Canadian airports are never going to realise their full potential as long as one carrier has a veto on who operates here. The beneficiaries of those investments should be the travelling public – not just the national carrier. Airports are public assets – not the exclusive domain of a single carrier.

Q: How do you see the increasing consolidation and alliancing of airlines in the industry affecting competition in the Canadian market? How important is it to have an unaligned carrier such as Emirates?

A: It gets back to the basics of competition: choice, convenience and lower costs. It does not take a degree in economics to see the implications. There are flights within Canada – sometimes of very short distance – that cost more than a flight to London or Paris. Why? Because there is competition on routes from Canadian cities to London and Paris, both with Canadian carriers and competing international alliance carriers. The consumer is the winner.

Q: Around five million Canadians use US gateways to reach international destinations every year. What does this imply from a Canadian consumer's perspective?

A: There are two ways to answer that. First, it shows that consumers are smarter than Transport Canada may believe and that managed trade does not work. Blocking foreign carriers from flying to Canada may force some consumers to use domestic carriers, but those who have the option of using a US airport are voting with their feet.

Second, it shows how damaging Canada's protectionist policy has become to our economy. Using Vancouver as an example once again, a few years ago we witnessed Air France, Singapore Airlines and Emirates all set up shop in Seattle over Vancouver due to reported frustrations about access to Canada. The Government has been robbing Canadian consumers of the choice and convenience that Americans enjoy, and in turn we are hurting our airports and artificially constraining our economic growth. ■

They said it best...

Open Sky brings you the best quotes from the aviation industry.

"As long as the big airlines face neither rigorous competition nor a diligent government watchdog, they will be able to treat customers like chattel and get away with it." – **The New York Times** Editorial Board

"I think it's bogus. You know, the people making the complaints are Air France and Lufthansa, who are generally the most state-aided airlines in all of Europe because they have control of the state funded airports." – **Michael O'Leary**, CEO Ryanair

"I think they have value today, but question if they'll have value in the future. I would be surprised if they still exist 20 years, or even 10 years, from now. I think relationships have changed and you are seeing more deals such as joint ventures." – **Willie Walsh**, CEO International Airlines Group on airline alliances

"Airlines have been destroyed because of restrictive trade practices, and tourism is about open access and making travel easier. So I don't think Emirates or any other airlines should be restricted. It would be a step backward if protectionism came in, although I don't think it will, as I hope common sense will prevail."
– **Tony Fernandes**, CEO AirAsia Group

"We are deeply concerned with the current political rhetoric. It points to a future of restricted borders and protectionism. We see it in travel bans, border walls and trade agreements being called into question. These deny the benefits of globalization — a product of our industry. If you read economic history for two minutes, it becomes evident that protectionism is bad. We have no memory." – **Alexandre de Juniac**, Director General and CEO, International Air Transport Association (IATA)

"We cannot count on filling a Delhi route with only local traffic…we have to have a lot of US and other Canadian traffic." – **Calin Rovinescu**, CEO Air Canada

"The typical argument that the Big Three seem to have is, 'we're perfectly willing to serve all this traffic via our global alliance, antitrust-immune joint ventures, but don't be caught trying to steal our traffic with direct flights'." – **Bob Mann**, airline industry analyst, R.W. Mann & Co.

"If foreign carriers like Emirates, renowned for exemplary service, start to operate fewer flights, domestic airlines will have even less reason to be nice."
– **The Economist**

"We already have the landing slots in the airport in Dubai and take-off positions and so on, so as soon as the bilaterals are done we'll be able to [start the new flights]." – **Ajay Singh**, Chairman and Managing Director, SpiceJet

"The Lufthansa Group has now a monopoly on many routes, which will result in higher prices." – **Niki Lauda**, founder Lauda Air and Niki

"Intercontinental traffic at the airports with hub functions (FRA, MUC, DUS, BER) remains weak. Foreign airlines are not growing because they lack traffic rights. The demand of incoming traffic cannot be met. The lack of intercontinental services force German passengers to change aircrafts. First, the travellers have to fly to another European hub. There they then switch to an intercontinental flight with a non-EU airline." – **ADV - German Airports Association** in its October 2016 report

"We have to consider the effect on logistics and movements if trade frictions arise as in the past. The possibility of a slowdown in global growth is emerging. We need to spend time observing Trump's government and policies." – **Yuji Hirako,** Chief Financial Officer, Corporate Executive Officer and Director, ANA Holdings Inc.

Sharon Dijksma
Dutch State Secretary for Transport, commenting on 2016 airport charges at Amsterdam Schiphol Airport

"It's also an important fact that in the past year, Schiphol Airport for the first time was as cheap as Dubai. I find that really, really good news, especially for all those airlines that use Schiphol."

Henrik Hololei
Director General for Mobility and Transport, European Commission

"Aviation is about openness. It is about competition. Protectionism is no answer – this is not what aviation is about or what our businesses and people want. We must stay loyal to our values and to what has brought success to European aviation."

Angela Gittens
Director General, Airports Council International

"Protectionism is sort of like eating candy. It feels good in the short term, but you're going to get cavities and have poor health."

Visas on arrival deliver record number of Chinese visitors to Dubai

Recently, the UAE relaxed the visa requirement for Chinese visitors travelling to the UAE, by implementing a visa on arrival scheme. This regulatory shift reflects a progressive framework that will enable both countries to build on an already strong trade and tourism relationship.

Other countries have also begun to adopt a more liberal stance by introducing similar policies for Chinese visas. Last year, Morocco introduced visas on arrival for Chinese visitors, and back in 2015 Egypt relaxed their visa policy too.

This policy is expected to boost tourism from China's burgeoning and increasingly prosperous middle class, who are travelling abroad in greater numbers than ever before. In 2016, 540,000 Chinese nationals visited Dubai – an increase of 20% on the previous year. This growth represented the highest increase among all nationalities visiting the UAE. This move will also enhance the growing bilateral trade relationship between the two countries. China remains Dubai's largest trade partner, with bilateral trade reaching US$45 billion in 2016.

According to a recent report by Colliers International, the number of Chinese nationals visiting Gulf countries is expected to reach 900,000 in 2020. To boost Chinese visitor arrivals further, the report suggests implementing a Gulf Cooperation Council (GCC) equivalent of the European Union's Schengen unified visa to simplify travel in the region. In analysing different tourism markets across the region, the report identified the UAE as the most compatible with preferences and needs among Chinese visitors.

Emirates will be one of the beneficiaries of the new visa policy, among the five airlines now operating between Dubai and mainland China. Emirates now operates to five points on China's mainland – Beijing, Shanghai and Guangzhou, as well as the new additions to the network – Yinchuan and Zhengzhou – which commenced in May 2016.

In addition to the significant Dubai-China market, some Chinese visitors are also travelling beyond Dubai onto Africa, Europe, the Middle East and Central Asia with Emirates, along the Belt and Road. Emirates currently serves 58 destinations in 30 of the 65 countries identified as part of China's Belt and Road initiative. In 2016, Emirates carried more than 24.6 million passengers to destinations along the Belt and Road, providing valuable connectivity and also enhancing trade links. ■

UAE visas on arrival for Indian US visa holders

The move by the UAE Government, in March 2017, to grant visas on arrival for Indian visitors holding a valid US Green Card or US visa, has been welcomed by many.

Ordinary passport holders from India, who have a US visa or Green Card with a minimum six-month validity will be able to enter the UAE from any point of entry for a period of 14 days, with an option for a one-time extension of the same period.

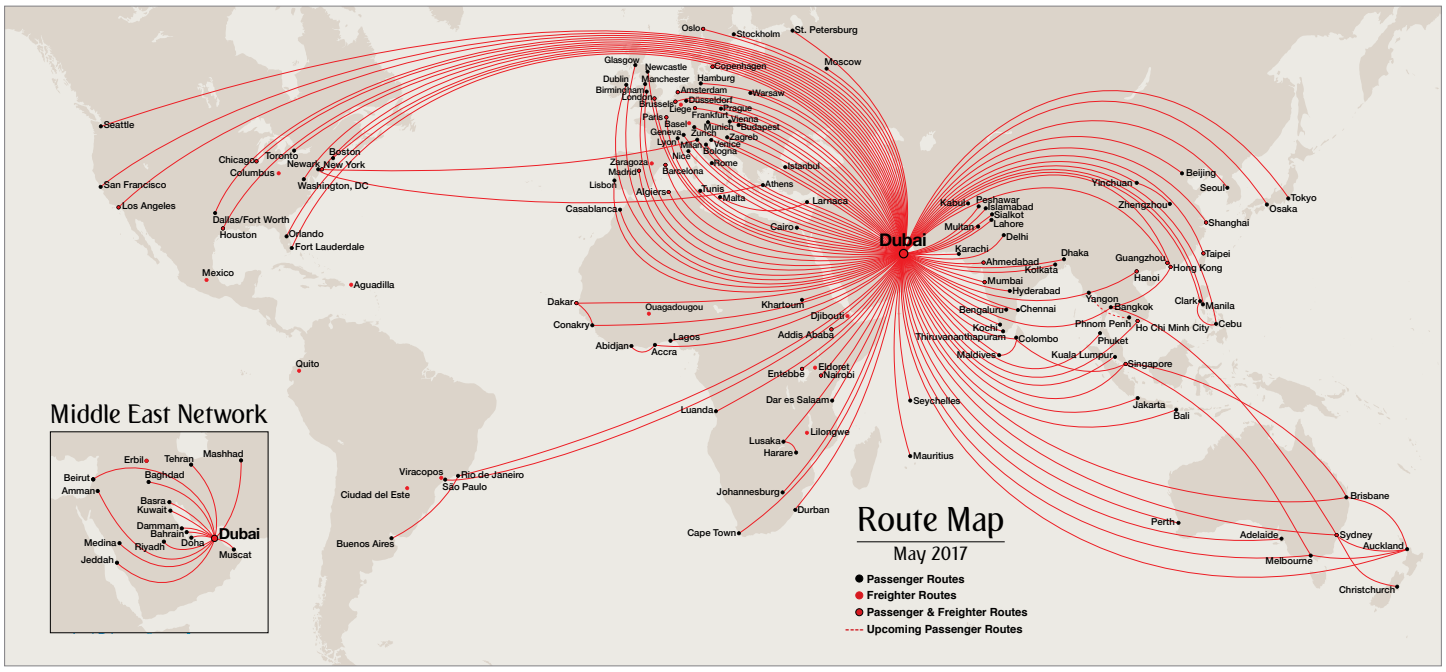
The decision is part of the countries' long-term partnership and a welcoming step as this will boost the tourism and trade between India and Dubai.

In 2016, India remained Dubai's top tourism source market and attracted 1.8 million visitors - a 12% increase from the previous year.

Fast Facts

Aircraft in fleet	259	Employees (Airline)*	64,768
Destinations	156	Financial Auditor	PwC
Revenue (Airline)*	$23.2 billion	First flight	25 October 1985
Profit (Airline)*	$340 million	Average daily flights	534
Fuel Costs (Airline)*	$5.7 billion	A380 fleet	95 (on order 47)
Passengers*	56.1 million	Boeing fleet	164 (on order 172)
Cargo*	2.6 million tonnes	Average fleet age*	63 months
Passenger Seat Factor*	75.1%	New Passenger routes (2017)	Athens-Newark, Zagreb and Phnom Penh

*2016-17



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