TERRITORIAL MARKETING

& AIRPORT REGIONS

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Cergy Pontoise, France

Proceedings

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TERRITORIAL MARKETING AND AIRPORT REGIONS

Proceedings

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Welcoming addresses

A vet by profession, Arnaud BAZIN was mayor of Persan (a commune in the Val-d'Oise) from 1995 to 2011. He has been a member of the County Council since 1998, and in 2011 he was elected President of Val-d'Oise County Council.

Arnaud BAZIN (President of Val-d'Oise County Council): Welcome to Val-d'Oise. I am delighted to see so many of you here today because we are all involved when it comes to developing airport regions and managing their impact on local residents. There a lot of people in the public sector following the issue of airport regions very closely.

Before we begin, I would particularly like to welcome our friends from the ARC and their President, Sergi ALEGRE CALERO. I would also like to extend a warm welcome to all our speakers, some of whom were kind enough to step in at the last minute for their colleagues. Finally, I would like to welcome Peter PRACZKI, who graciously offered to act as moderator for today's conference.

We are here to discuss the challenges of territorial attractiveness for airport regions. We are all aware of the impact globalization has had, particularly on our industry. However, the challenges posed by international competition in the aviation sector are perhaps less widely known. Today's theme is part of a complex system of relations – of competition between airlines, but also competition between continents and regions.

I am here representing a region, the Val-d'Oise, which is first and foremost the home of many families. I also represent an institution, Val-d'Oise General Council.

All organisations act in different areas, and the General Council works primarily in the field of social affairs; you could say this is our 'core business'. In particular, we help vulnerable people, such as the elderly, people with disabilities, at-risk children, and people having trouble adapting to society. We are also active on mobility issues – we maintain local roads and contribute financially to the Île-de-France's public transport network. We are of course involved in the airport, which is very costly. We also fund new schools, particularly in the airport region, as these areas are densely populated. We help business start-ups and we are also involved in environmental issues and ensuring that quality of life in the Val-d'Oise remains good.

As you can see, Val-d'Oise General Council works in many areas, and perhaps the public institutions many of you represent are active in some of the same fields.

Consequently, we need to be aware of the challenges facing our airlines and airports at international level. We also have to take into account the EU's competitiveness objectives in this sector.

Given the impact of airports on their regions and current budgetary constraints, we need to identify the challenges and understand the risks but also recognise the opportunities for experts. Experts can work together with their regions to help them stand up to the new economic hubs, and share expertise and experience.

Once again, I would like to thank our colleagues from all over Europe, the US and Japan for coming here today to share their views and strategies.

Welcoming addresses

Sergi ALEGRE CALERO is Vice-Mayor of El Prat de Llobregat in Spain, where he is in charge of spatial planning and environmental issues. Barcelona El Prat airport is one of the fastest growing European airports and Sergi ALEGRE CALERO is responsible for accommodating the needs and constraints of a fast-growing business. He has been serving on the ARC Executive Committee since 2002 and became ARC President in 2011.

Sergi ALEGRE CALERO (ARC President): Thank you very much for attending today's conference. As the ARC is one of the co-organisers of this event, I would like to extend my thanks to all the people who have worked for weeks to make today happen. I would particularly thank all the members of the Val-d'Oise General Council, Mr Bazin's team, the CEEVO team, especially Mr Benon, everyone at Hubstart Paris and of course my colleagues at the ARC.

For those of you who are not familiar with our organisation, the ARC – Airport Regions Conference – began work in 1994 and is the only organisation in Europe that brings together towns and regions with an airport in their territory.

Why do regions decide become members of the ARC? After all, regions run on public funding so there has to be good grounds for any expenditure. Well, the first thing is to understand that airports bring with them both opportunities but also potential drawbacks. Clearly airports can benefit a region by providing excellent connectivity, tax revenue and a positive economic impact. However, they can also represent a certain threat to regions and cities. For instance, airports can have a negative territorial impact when coupled with bad urban planning. Then there are also the issues of noise and increased air pollution.

The ARC aims to manage these potentially negative impacts all whilst promoting the positive effects that airports can bring to a region. We try to promote best practices through initiatives and events such as today's conference. We also lobby the European Commission in Brussels, which is why the ARC is based there. I suppose that in the US you have to go to Washington, and in Japan you have to go to the central government, but here we have to approach our national governments and Brussels.

Probably the most complex of the six opportunities and drawbacks I mentioned earlier is the **economic impact** of airports, and this is because there are numerous aspects to consider. First, one has to consider the airport itself – size, type, etc. It makes a big difference whether or not the region has a seat in the administrative body of the airport, and whether or not the airport is owned by the region. What is the airport's policy about its airport city? In the case of an island airport, what is its strategy? Is it trying to attract low-cost carriers, which typically service island destinations, or flag carriers? What is the region around the airport like? And what is the attitude of the local and regional authorities? Do they want to attract tourists or business travellers?

In addition, we need to remember that we live in an increasingly competitive, globalised world. We are all – airports, airlines and regions – in competition with one another. Airports have to compete with other modes of transport. France, Germany and Spain all have extensive high-speed rail networks, for instance, which offer a viable alternative to air travel. Airlines also have to compete against one another – low-cost carriers against flag carriers in general, but also European flag carriers against US and Gulf flag carriers. Finally, regions have always been in competition with one another. All over the world, cities and regions are trying to align themselves into economic 'triangles' or 'bananas' in an effort to attract trade.

Moreover, given that we live in an increasingly globalised economy, competition has also become increasingly global. That is something we have to accept, whether we like it or not, because it is a fact that we simply cannot escape from. What happens in Paris affects Barcelona, just as what happens in Dubai affects Osaka, and we need to be aware of this. That is one of the reasons we are proud of today's conference. After all, if competition is becoming increasingly globalised, we need to have a global perspective and be aware of what is going on around the world because it affects all of us, for good and for bad.

ROUND TABLE I

CHALLENGES OF INTERNATIONAL COMPETITION FOR AIRPORT REGIONS

PATRICE
NOISETTE

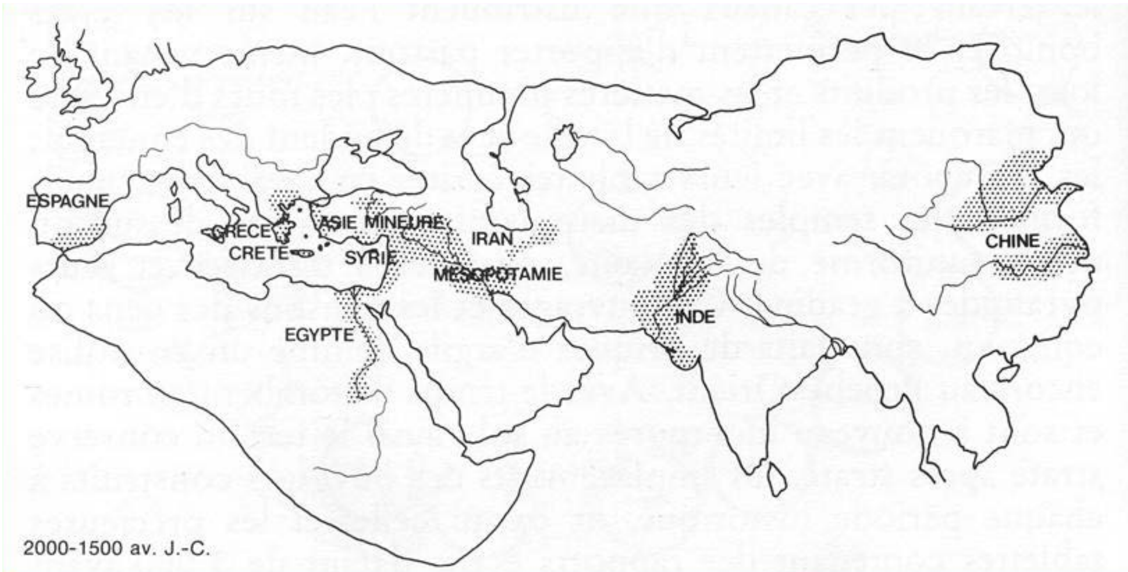
Patrice NOISETTE is an Associate Teaching Professor in the Public and Private Policy Department of ESSEC Business School as well as Academic Director of the Advanced Masters in Urban, Environmental and Services Management. He holds a PhD in Planning from Paris University VIII, a CES in Planning from the French National School of Bridges and Roads, and a degree from ESSEC Business School.

It is somewhat significant that today's conference is being held at ESSEC Business School. In 1973, ESSEC moved from Paris to a small, new town with the aim of forging a novel type of relationship between the university and the town. Although we may have succeeded in part, there is still a lot more progress to be made. Indeed, I sometimes feel that Charles de G aulle Airport makes us closer to Singapore than ESSEC brings us closer to local residents here in Cergy-Pontoise, which just goes to prove that geographical proximity does not guarantee a close working relationship.

A quick glance at the volume of electronic exchanges that take place throughout the world shows us that every minute, we publish 98,000 tweets, make almost 700,000 Google searches and send 168 million emails. However, it is not so much the quantity of information shared that is significant but the fact that we are able to identify and analyse it. We live in an information society, where **geographical proximity is no longer a prerequisite for working together**. This overlap between the real world and the digital realm – whether we are talking about manufacturing or trade – is a huge change.

There is a similar pattern regarding relations between airports and their neighbourhoods. The world's first cities began to emerge more than 6.000 years ago as a result of the separation between trade and production. Consequently, when trade became a sector in itself and specific commercial sites started to appear, they were initially concentrated in cities. Around 4,000 years ago, the first cities began to appear in Europe and Asia along trade routes between the two continents, such as the later so-called Silk-Roads.

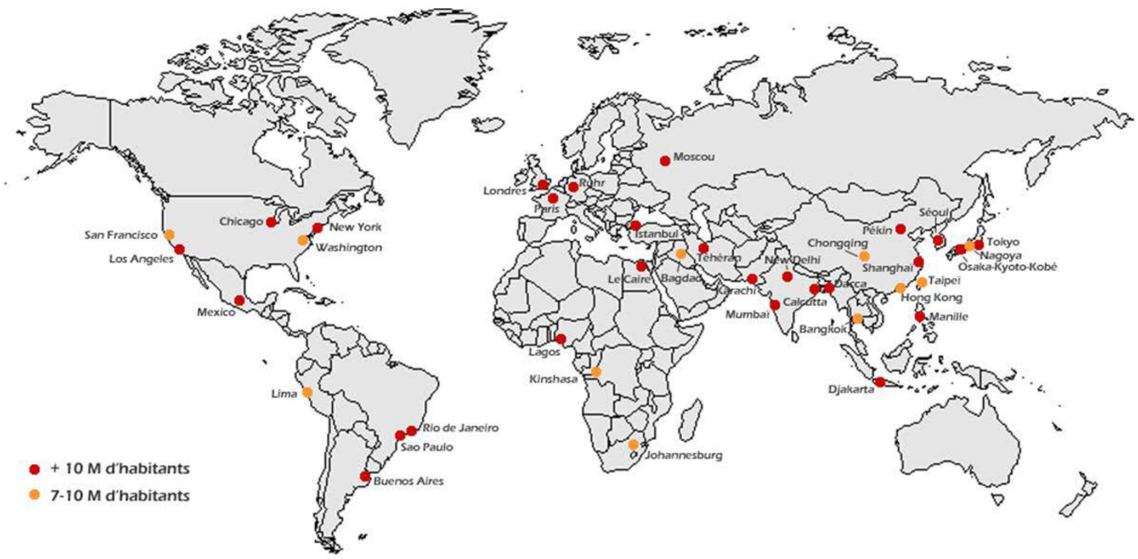
Urban world 4,000 years ago



Source: L.Benevolo, Histoire de la Ville, Ed. Parenthèses, Roquevaire, 1983.

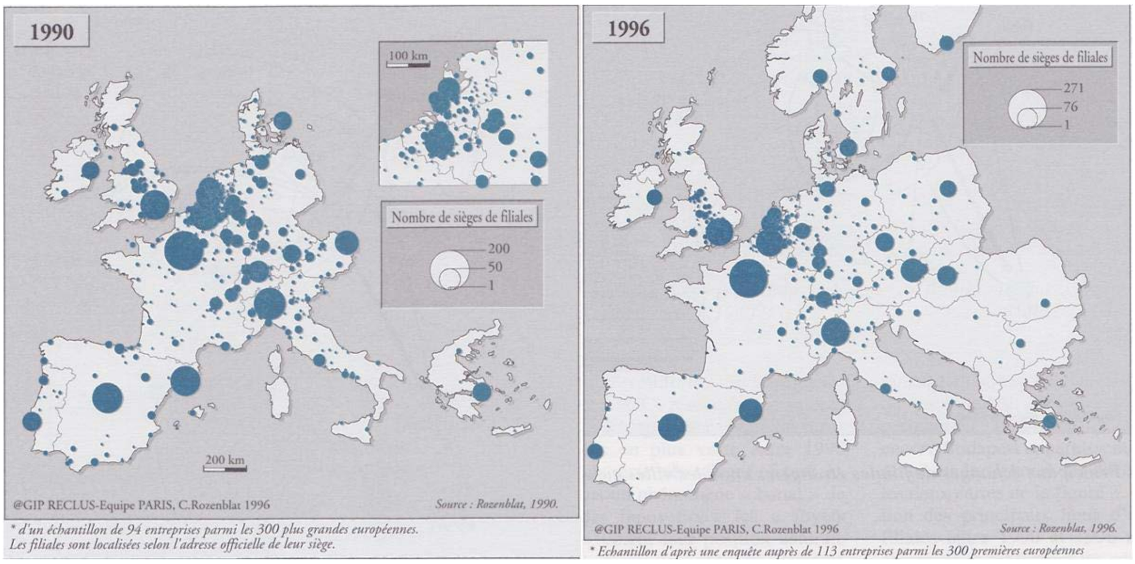
The second wave of urbanisation was the result of colonisation, which, coupled with economic imperatives, saw urban areas begin to emerge on other continents. Thirdly, in modern times large metropolises of over 10 million inhabitants have sprung up, particularly in developing countries.

World's largest cities



Source: PopulationData.net, 2010

UN forecasts indicate that from now on, medium-sized cities (200,000 to 5 million inhabitants) will experience the strongest growth while the growth rate of urban agglomerations is expected to decrease, in contrast to the previous trend whereby urban hubs simply became bigger and bigger. However, at the same time, there are redistribution issues which could modify urban organisation and, therefore, international urban hubs. In Europe, for example, after the enlargement of the internal market, many multinational companies shut their offices in medium-sized towns in the older western European member states (where they already had an established presence) and instead set up offices in the new EU member states and the main metropolises such as London or Paris. In other words, as a market expands, it can result in growing influence for a small number of large, already well-established urban hubs.



Regional subsidiaries in Europe, 1990 and 1996

Source: C. Rozenblat, La mise en réseau des villes européennes, Données Urbaines, n°2, Anthropos, Paris, 1998

If one takes a step back and looks at the bigger picture in terms of globalisation and developing countries, one might think that certain patterns could replicate themselves. New metropolises are springing up in the east and others may well decline, at least in terms of relative power (i.e. gross domestic product). At present, Asia's population is still experiencing strong growth but this is set to slow in a few decades, while Africa's population is expected to boom, leading to the emergence of new metropolises but also a weakening in the influence of others.

Equally, there are also questions about whether the manner in which a region chooses to structure itself will begin to play a greater role. For instance, in Europe, there are two distinct models: the highly centralised French model and the decentralised Rhineland model made up of numerous separate yet well-connected medium-sized towns. Given that urban growth will primarily come from towns with 200,000 to 2 million inhabitants, developing better ways of exchanging information and trading (e.g. short- and medium-distance flights, railway connections) would strengthen links between these new urban hubs, resulting in a stronger global urban network.

This also raises the question of how international aviation – which has become extremely polarised owing to the emergence of airport 'hubs' – will organise itself. At present, international hubs do not need to trade much with the surrounding region, apart from to respond to objections from local communities. However, the face of international hubs is changing and in time they may find they need to work much more closely with the local community.

Although urban development opens up opportunities, there are also risks involved, namely climate change, natural disasters and greater social inequality stemming from certain models of development, and ensuing social and political instability. This could undermine some cities and regions while at the same time strengthening the position of those that seem more stable.

Airports and their regions have a mutual desire to remain competitive and to do so, there are four key factors to consider. **The first is the need to be 'multi-connected'** i.e. developing every possible method of communication and working together, both in the real world and remotely. The idea is to develop a common working culture and thereby boost trade and communication, as well as attract new interest to the region.

Secondly, airports and their regions need to think of themselves as mutually beneficial resources and identify common priorities. This could include attracting industry and cutting-edge technology companies, which would in turn stimulate transport and the services sector, or joining forces to call for improved international and interregional transport links. We need to stop thinking of competitiveness solely in terms of the most powerful individuals or companies and instead start thinking from the 'bottom up'. Airports can stimulate a considerable amount of activity in their regions, thus benefiting large swathes of the local population. Following on from this, stronger relationships also need to be developed between all stakeholders. If we take the example of Val-d'Oise, strategically speaking, relations with Paris's airports, particularly Charles de Gaulle, affect not only the eastern part of Val-d'Oise but also Cergy-Pontoise, the area's human and economic capital.

Thirdly, in order to be attractive, working together is crucial. Too often, the French prioritise town planning and urban development instead of putting economic and social development first and planning a town around this. Although Cergy-Pontoise has a large student population and the *Schéma directeur de la région d'Île-de-France* (SDRIF) anticipates that it will become one of the main university and research hubs in the Île-de-France region, in reality Cergy-Pontoise is still not seen as a university town in that the university does not feed the town and vice versa.

Lastly, **it is vital to work not only with the largest stakeholders but with everyone, including local residents**. An often underestimated cause of France's poor competitiveness is lack of social capital or trust in others. Eurostat, which measures social capital through surveys using a synthetic index of 0-100, estimates social capital in Paris at just 41 to 60 points. Consequently, at ESSEC Business School we strive to ensure that our graduates are able to communicate effectively and inspire trust.

Question and answer session with the audience

Bernard LOUP (President o*f Val-d'Oise Environnement)***:** The term 'region' needs to be clarified. According to Patrice NOISETTE, Cergy is part of the airport region. Obviously the whole of the Île-de-France is affected in some way by the airport but no one can deny that the eastern part of Val-d'Oise is particularly affected and suffers disproportionately from having an airport so close by. How can the appropriate airport region be delineated accurately? In addition, how can we ensure that the areas located closest to the airport benefit from such proximity as opposed to simply being adversely impacted?

Patrice NOISETTE: This is a key question and precisely what I was referring to when I spoke about cooperation between all stakeholders. There are perhaps two ways to tackle each issue. In this case, the first is to approach the issue from metropolis-level down (i.e. Île-de-France). Overarching strategies have to be thought out at this level, although always with the involvement of all the stakeholders to ensure that any strategies complement local projects. At this sort of level, thinking in terms of small, locally affected regions is no longer relevant; instead, we need to consider how such regions interact with a larger network. Of course, it depends very much on what we are talking about. Clearly, if we were talking about environmental concerns, it would not be the same question for nearby airport regions as for ones located further away.

Regarding employment, I know that a considerable proportion of the population in Val-d'Oise is unemployed and yet people cannot benefit from vacancies at the airport because of poor transport links. The eastern part of Val-d'Oise is undoubtedly in a difficult position. On the one hand, the local authorities need to join forces with authorities in the north-west of Paris because Val-d'Oise experiences many of the same problems as the Plaine-Saint-Dennis area, which is located close to Paris-Le-Bourget Airport. On the other hand, Cergy-Pontoise also has to work with other towns in the *département* because it is in its own interest to build strong relationships with Paris's airports.

This leads to the question of the networks formed by the airports themselves. We are always hearing about the airports of Orly, Roissy and Bourget but Cergy also has its own airport, and there are a number of other small airports in the Parisian region which might in future start playing a greater role.

Léa BODOSSIAN (ARC Secretary General): As somebody who is constantly in contact with clever, educated young people here at ESSEC Business School, can you tell us whether young people are becoming increasingly aware of the role that airports play in economic development?

Patrice NOISETTE: I get the feeling that the young people here – who of course only make up part of today's youth – do not really think about the significance of airports. They belong to a different generation: many of them fly regularly and have a relatively straightforward view of air travel, perceiving it primarily as an important economic activity and a means to transport goods. For them, air travel determines how certain markets evolve.

Regarding the impact of airports on their regions, we touch on this in certain modules at ESSEC but I am doubtful as to whether students who do not take these courses are really aware of this issue. This goes back to what I was saying earlier about the relationship between universities and local communities: there is certainly still some mutual awareness building to be done

FRANCIS CLINCKX

Francis CLINCKX is a Member of the Economic, Social and Environmental Council of the Île-de-France region, where he represents Public undertakings on behalf of Aéroports de Paris. He is also an administrator of the social housing company HLM Domaxis.

In 1954, Aéroports de Paris put forward a suggestion for a potential site for a new airport to the Minister for Public Works and Transport in order to take some of the pressure off the airports of Orly and Bourget, which were saturated. On 16 June 1964, the site was approved and in 1966 work began on what would later become Charles de Gaulle Airport. While the building work was going on, the management team set up office in a farm in Roissy-en-France. At the time, it was still common to see horse-drawn carts being driven around the cobbled streets of the commune, and the dinner lady in our canteen had never been to Paris, despite it only being18 kilometres away! This was less than 45 years ago, which just goes to show how much progress has been made. Today, she could quite easily be going to Burma for her summer holiday.

Charles de Gaulle Airport today

Paris's airports are major factors in the economic development and influence of Paris, the Île-de-France region and the rest of France. They have to compete with other international airports both nearby and further afield, all of which has an impact on France's economy, tourist industry and international influence.

1. Employment

Charles de Gaulle Airport currently employs 90,000 people, with 5,000 to 6,000 new jobs created each year. There is also a 300-hectare freight zone with the potential to employ a further 15,000 people. More jobs are being created at the nearby Villepinte exhibition centre and thanks to economic activity in the Gonesse triangle, Bourget Airport and the Plaine de France region. In total, the area employs around 300,000 locals.

2. Passengers

In 2012, Charles de Gaulle Airport handled 62 million passengers, making it the second busiest airport in Europe. In terms of freight traffic, it is the busiest in Europe.

3. Inadequate public transport

However, the airport is disadvantaged by its inadequate public transport links. For too long, the French Government and the local authorities have underestimated just how economically important the airport is, both for the Île-de-France region and France as a whole.

4. Public image deficit

In addition to creating better public transport links, the airport and the surrounding area need to be improved in order to boost visitors' perception of Paris and the rest of France. The airport has already started to be revamped, with improved facilities, better training for employees (particularly frontline staff) and greater efforts to cater for businesses.

Charles de Gaulle Airport tomorrow

1. Local integration

Details of all improvements are laid down in a number of official documents including the masterplan established at regional level (the Schéma Directeur de la Région Île-de-France - SDRIF) and six Territorial Development Contracts (CDT). There is now a consensus on the need to act on a larger scale, hence the Grand Roissy scheme. In parallel to the Grand Paris Express project, Territorial Development Contracts are new tools designed to give structure to development around the airport by grouping all the relevant economic decision-makers, political figures, etc.

2. Improved transport links

Further development of Charles de Gaulle Airport is currently being hampered by the saturated road network and poor transport links, which make it very difficult for the vast numbers of airport staff to get to work. In order to support further development, a local transport authority and a coordinated economic development monitoring group must be set up and the Grand Roissy authorities should adopt a dynamic development scheme. Unfortunately the CDG Express project, which would link the airport directly to the city centre, is once again being called into question. There are also plans to extend line 14 of the metro but this is just a stopgap solution. The suburbs of Paris are just as badly served by public transport, and even airport staff from nearby suburban towns struggle to get to work so better road transport at convenient times must be provided.

3. Better services

Housing, shops, leisure and sports facilities, hospitals, schools, cultural centres and parks need to be provided and laid out wisely. During the first ten years of Roissy's development, when money was plentiful, local authorities would compete with one another by building ice rinks and stadiums side-by-side, which is ludicrous.

4. Increased competition

Competition between different airlines and airports is increasingly fierce. Charles de Gaulle Airport not only faces direct competition from London and Frankfurt but it also has to compete with Istanbul airport and the new airports in the Gulf region. The airport must modernise if it is to compete. This particularly crucial given that in 2011, the Île-de-France region – the world's top tourist destination – saw tourism growth fall by two percentage points in comparison with its main rivals.

Question and answer session with the audience

Peter PRACZKI (Moderator): How many passengers does the airport handle annually and how do you see this figure evolving over the next 10 years? What is your take on the possibility of a third international airport opening in Paris?

Francis CLINCKX: In 2012, Charles de Gaulle Airport handled 62 million passengers.

In my opinion, Charles de Gaulle, Orly and – to a lesser extent – Bourget, will provide enough capacity for the next 25 years. That being said, it depends on how air transport evolves.

Airplanes are becoming bigger and able to carry ever more passengers. They are also quieter – new airplanes are 20 % quieter than older models. Thanks to EU air traffic harmonisation efforts, procedures that generate less noise have become widespread. In addition, French airport authorities and airlines fund soundproofing for houses located close to airports, and general efforts to insulate all houses better have resulted in improved soundproofing.

The question of a third international airport for Paris has been under discussion since before I started working for Aéroports de Paris. Vatry has been put forward as a potential site but in my opinion it would be a huge mistake because it is 140 kilometres away from Paris. A TGV route would have to be built to connect Vatry to Paris, which is not practical. I very much doubt that the authorities will be looking to create a third airport any time soon.

Airline strategies in a globalised context

GUY
TARDIEU

After graduating from the aeronautical school ENSAE (Sup'Aéro), Guy TARDIEU joined Air France in 1973 and held several key positions there, including Head of Africa and the Middle East and later Head of Asia-Pacific. He served as Head of the Directorate of Operations Control from 1996 to 2001 before joining Jean-Cyril Spinetta, Chairman and CEO of Air France KLM, as Chief of Staff and External Relations. Since 2009, he has been Director of Corporate Quality and Compliance.

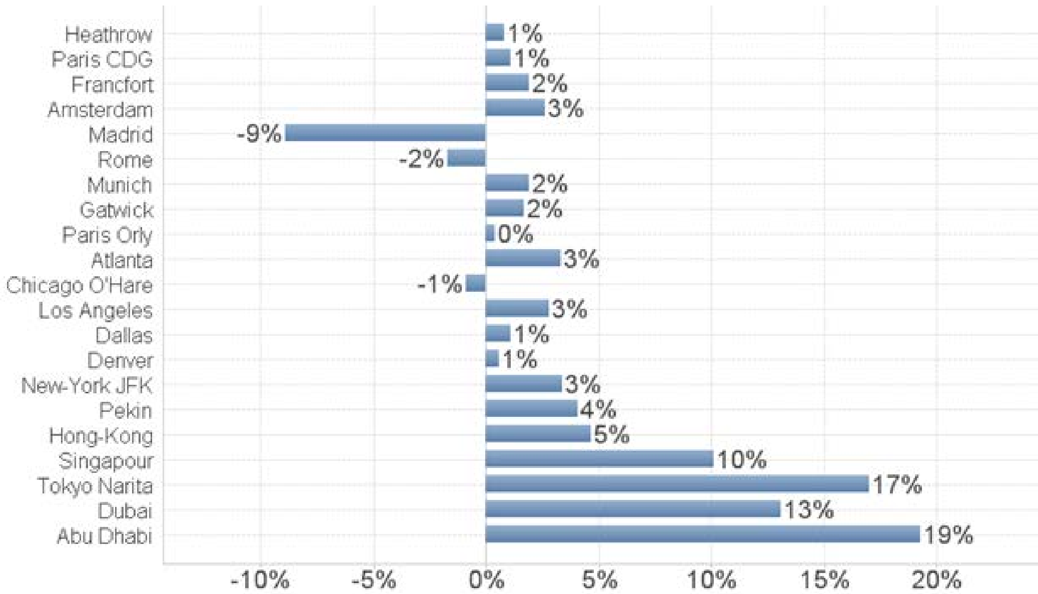
My presentation will focus on the challenges facing the aviation sector in 2012/2013. From September to November 2012, international air passenger numbers grew strongly in the Middle East and Latin America, more modestly in Asia and Africa, and relatively weakly in Europe and North America.

Passenger-kilometres, September – November 2012

Source: IATA

However, if we look at domestic air travel figures, Asia is seeing huge growth, primarily because the aviation industry in China booming. Indeed, for the last 10 years, domestic air traffic in China has grown 25 % per year and in 2011, no fewer than 91 brand new airports were being built. People often talk about strong growth in the Gulf region but China is not far behind.

Growth of the world's main airports, 2012



Source: unknown

It is also interesting to look at how airports themselves grew in 2012. The figures speak for themselves. Airports in the Gulf region experienced strong growth – Abu Dhabi Airport grew by 19 % and Dubai by 13 % – as did airports in Asia, notably Singapore, Hong Kong and Beijing. On a side note, although Tokyo Narita Airport grew by 17 % in 2012, this figure is misleading as it was the result of the airport playing catch-up following the 2011 tsunami.

By contrast, 2012 figures show that most European airports – including Heathrow and Charles de Gaulle – are really lagging behind. Madrid Airport actually experienced negative growth, although it has to be remembered that this is the translation of the economic downturn in Spain. The picture in France was rather mixed, with growth for regional airports rather different to that for airports in Paris.

If we look at the market share of French airlines in terms of France's air traffic, again the figures speak for themselves. Over the last decade, French companies have lost 1 % to 2 % of the market share per year. In 2000, French companies represented 59 % of the total aviation industry, a figure which has dropped to 48 % today.

Market share of Fr. airlines, international destinations	Market share of Fr. airlines, European &	Market share of LCC, Eur. & Med. destinations	% of LCC flying to Eur. & Med. destinations that are French	Market share of Fr. airlines, domestic destinations	Market share of LCC, domestic destinations	Market share of Fr. LCC, domestic destinations	Overall market share of Fr. airlines	
2000	61%	37%	5%	0%	100%	21%	100%	59%
2009	66%	30%	31%	5%	89%	34%	71%	49%
2010	66%	29%	31%	6%	87%	35%	66%	48%

Source: FNAM, 2012

Clearly, French airlines are no longer as competitive as rival airlines flying the same routes. This is partly due to huge increases in airport security taxes, not just in France but across Europe as a whole. Indeed, from 2000 to 2012, airport security taxes rose by 470 %. Moreover, airport safety taxes paid by French airlines and most other airlines based in Europe have to cover 100 % of the cost of aviation security procedures, whereas in the United States these costs have been met from the federal budget since 9/11.

In short, it is very difficult for French and European airlines to be competitive.

At the same time, airlines and airports in the Gulf region have taken advantage of Europe’s weak economy to expand massively. They already have a significant competitive edge because of the **low operational costs on the ground there**, which make airlines based in the Gulf much cheaper to run. In addition, the Gulf airlines are **expanding their fleets**. Out of the 2,000 airplane orders made in 2008, 26.8 % came from Asia and 20.6 % from the Middle East. European airlines made just 15.3 % of orders, and these were primarily to replace ageing planes rather than expand fleets.

Moreover, European airlines are facing ever stiffer competition from **low-cost carriers, particularly on short-haul routes to and from hub airports**. Legacy carriers previously enjoyed a strong position in hub airports but increasingly they have to compete with low-cost carriers, with the result that legacy airlines will have to become more competitive.

Last but not least, it is important to note that airports are an extremely valuable source of **employment** for the local area. From 1995 to 2005, the number of jobs created by Charles de Gaulle Airport grew seven times faster than in the rest of the Île-de-France region. However, there is a strong correlation between employment figures and passenger numbers, and when air traffic fell for the first time in 2008, fewer jobs were created.

Source: Unédic, 2006

Question and answer session with the audience

Jean-François BENON (Director General of the Val-d’Oise Economic Development Agency): What is your view on the possible emergence of Middle Eastern airlines, particularly Turkish Airlines? Could Turkish Airlines become one of the main competitors of European airlines?

Guy TARDIEU: Absolutely. Turkish Airlines is extremely well run and is experiencing relatively strong growth. It has adopted the European hub model and it also operates outside of the EU, which gives it a slight edge. In addition, Turkish Airlines’ main airport has a very good relationship with its region and has plans to expand. Turkish Airlines is certainly one of the main competitors of the future.

Florent NOBLET (TLF Overseas – French Air Freight Union): Could you say a few words about freight in terms of competition between airlines and European airports?

Guy TARDIEU: Transporting freight is much more complicated than transporting passengers. The industry is changing in terms of the volume of goods transported. For instance, in the past China would import, say, machine tools and export cars, whereas now they import motherboards and export microcomputers. For this reason, these days there is far too much global air freight capacity. Secondly, the air freight industry – which was always superior in terms of 'time to market' – is facing increasing competition from modern container ships, which are now able to cross the Atlantic in just four and a half days. I think companies specialising in superfast delivery will be able to survive, as will very large Antonov-style cargo planes, but apart from that I cannot see the air freight industry surviving much longer.

Elisabeth LE MASSON (Sustainable Development Delegate, Aéroports de Paris): I agree that the freight business model is changing but I just wanted to point out that 50 % of freight, particularly at Charles de Gaulle Airport, is transported in the baggage holds of passenger planes. New types of planes such as the Triple Seven and the A380 can hold a vast amount of cargo.

Guy TARDIEU: Thank you. I take your point. Air freight is indeed changing. Perhaps it is not the end of air freight, but in any case the way we transport freight and our business model will have to change.

The new players in the game

LEA BODOSSIAN

Léa BODOSSIAN has been ARC Secretary General since January 2011. Before that, she spent a significant part of her career dealing with aviation issues, especially in the European Aviation Safety Agency and the European Commission. Léa also ran regional representations in Brussels in the early 2000s. By training, she is a spatial planner and researcher specialising in economic development near airports. She holds Masters degrees in Spatial planning, Political Science and European Affairs.

My presentation will focus on the impact that new actors are having on the market. Before I start, I would like to clarify that I am not making any sort of value judgement; I am just trying to present the facts and promote debate. The European aviation system was constructed in the 1970s and 1980s around the hub model. In order to be considered a hub, an airport must handle a minimum of 20 million passengers, at least 20 % of whom must be connecting passengers. In addition, hub airports have 'waves' of flights i.e. peak hours just like motorways. European hubs include Vienna, Brussels, Copenhagen, Frankfurt, Munich, Rome, Amsterdam, Madrid, Barcelona, Zurich, London and London 2.

According to a European Commission study, many European hubs (including Charles de Gaulle, Orly, Frankfurt, Gatwick and Heathrow) will become congested within 15 years, meaning that they will be unable to accommodate additional traffic and further growth will be stifled. However, the ARC does not see congestion as the real issue but rather the lack of environmental capacity. Of course building additional runways is costly but if there was the general will to do so, it would certainly be possible. The real reason new runways are not being built is the lack of acceptance, which is why it is so important for airports and their regions to work together.

European hub airports

Country	City	Airport	IATA Code	Traffic (Pax 2011)
Austria	Vienna	Vienna Int'l Airport	VIE	21,106,292
Belgium	Brussels	Brussels Nat'l Airport	BRU	18,786,034
Denmark	Copenhagen	Copenhagen Airport	CPH	22,725,517
France	Paris	Paris-Charles de Gaulle Airport	CDG	60,970,551
Germany	Frankfurt	Frankfurt Airport	FRA	56,436,255
Germany	Munich	Munich Airport	MUC	37,763,701
Italy	Rome	Leonardo da Vinci-Fiumicino Airport	FCO	37,651,700
Netherlands	Amsterdam	Amsterdam Airport Schiphol	AMS	49,755,252
Spain	Madrid	Madrid-Barajas Airport	MAD	49,671,270
Spain	Barcelona	Barcelona El Prat Airport	BCN	34,398,226
Switzerland	Zurich	Zurich Airport	ZRH	24,337,954
United Kingdom	London	London Heathrow Airport	LHR	69,433,230
United Kingdom	London	London Gatwick	LGW	33,674,264
			TOTAL:	516.65

TABLE 2.1 AIRPORT SELECTION CRITERIA

State	Airport	Fully coordinated all year?	20 million or more passengers?	Congested?
Austria	Vienna	✓		✓
France	Paris CDG	✓	✓	✓
	Paris Orly	✓	✓	✓
Germany	Düsseldorf	✓		✓
	Frankfurt	✓	✓	✓
	Munich	✓	✓	
Ireland	Dublin	✓	✓	
Italy	Milan Linate	✓		✓
	Rome Fiumicino	✓	✓	✓
Netherlands	Amsterdam Schiphol	✓	✓	✓
Spain	Madrid Barajas	✓	✓	✓
	Palma de Mallorca	✓	✓	✓
Sweden	Stockholm Bromma	✓		✓
United Kingdom	London Gatwick	✓	✓	✓
	London Heathrow	✓	✓	✓

Source: ACI, 2001

If we consider Ryanair's route map, it is clear that point-to-point traffic has increased enormously. Today, almost every part of Europe has an airport. However, as low-cost airlines do not have hubs and can change routes and destinations with very little notice, they are rather volatile.

Ryanair's route map

Source: Ryanair

In addition to the superimposition of hubs and regional airports, we are also witnessing the arrival of a number of new entrants, namely Emirates, Qatar Airways and Etihad, which has completed altered the market. Dubai Airport currently handles around 55 million passengers per year and they are aiming for 90 million passengers in the very near future. The Gulf carriers are the biggest buyers of airplanes and are growing at an unprecedented speed. To illustrate just how fast they are expanding, over the course of last week, Emirates announced that it was launching new routes to Lyon, Poland and Tokyo Haneda Airport, while Etihad bought a 25 % stake in Indian-owned Jet Airways.

Emirates	Information
Established	1985
Home Airport	Dubai, United Arab Emirates
Passenger Fleet Size (Orders)	153 (184)
Destinations served Worldwide	102
Destinations served in Europe	28
Passengers Carried (2010)	31,420,000
Freight Tonne kilometres (millions)	8,151.43
Employees	30,258

Qatar Airways	Information
Established	1993
Home Airport	Doha, Qatar
Passenger Fleet Size (Orders)	102 (179)
Destinations served Worldwide	109
Destinations served in Europe	26
Passengers Carried 2010	12,900,000
Freight (million) tonne kilometres	3.290.00
Employees	13,136

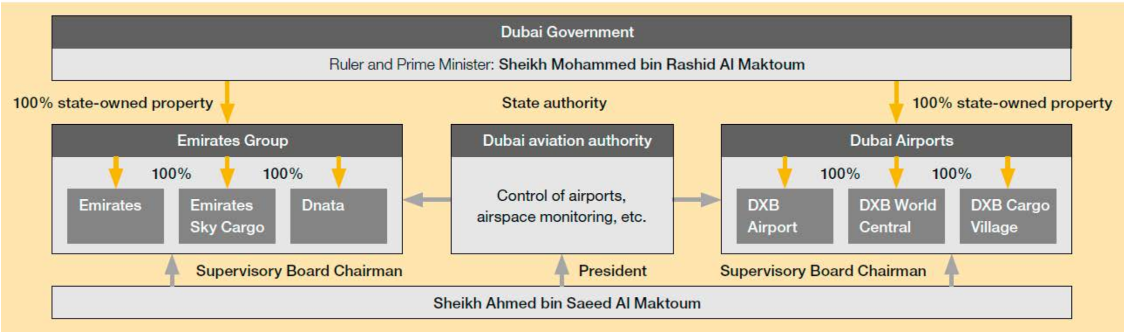
Source: ATI and OAG

Etihad	Information
Established	2003
Home Airport	Abu Dhabi, United Arab Emirates
Passenger Fleet Size (Orders)	61 (91)
Destinations served Worldwide	81
Destinations served in Europe	15
Passengers Carried (2010)	7,010,000
Freight Tonne kilometres (millions)	2,212.75
Employees	7,855

Source: ARC

There are a number of reasons why the Gulf carriers are so competitive. Firstly, regarding their geographical location, they are based midway between Europe and Asia, which is currently booming. Secondly, most of their aircrafts are less than five years old so they need less maintenance, making them cheaper to run. Thirdly, labour costs there are much lower. In addition to this, they are better able to attract talented young pilots because of the potential for progressing quickly up the ranks. Fourthly, they favour what is politely referred to as consensus-based decision-making, which makes decision-making much quicker.

Consensus-based decision-making in Dubai



Source: Lufthansa Policy Brief

In the 1980s, legacy carriers such as Air France and Lufthansa dominated the market, but their market share has fallen with the rise of low-cost carriers, which today account for about 40 % of the market. It remains to be seen exactly how the rise of the Gulf carriers will affect the market. European airlines can either sit back and let market forces rule or they can choose to form strategic alliances with their competitors, as Air France has done with Etihad.

The airports in the Gulf have had a considerable impact on their regions. Dubai now has a metro and is building 100 hotels around the airport as well as the world's largest shopping mall. Dubai has a clear image of how it wishes to be perceived by the world but the city is taking a number of risks. Firstly, the authorities have made a huge investment, especially considering the current state of the global economy. Secondly, Dubai faces fierce competition from the other Gulf airports. Although we tend to see them as a single group, in fact they all compete with one another. Finally, as the Gulf airports are relatively new, we do not know how resilient they will be, in contrast to European airlines.

The emergence of the Gulf airlines has had both favourable and adverse impacts on European regions. On the one hand, their incredible rise threatens the major European legacy airlines, challenges hub supremacy, undermines the benefits that European hub territories currently enjoy and moves the centre of decision-making power away from Europe. However, on the other hand, thanks to the Gulf airlines some regions with smaller airports now have intercontinental connectivity and 50,000 jobs have been created in Europe. In short, Dubai is the next European hub.

European hubs and airport regions need to be able to turn these risks into opportunities for growth, and I believe the solution is the smart specialisation of regions. Regions need to find a unique strategy that will set them apart.

Question and answer session with the audience

Jürgen SCHULTHEIS (Frankfurt House of Logistics and Mobility – HOLM): I agree with most of what you said but I cannot agree with you regarding Frankfurt. You mentioned Frankfurt in the list of congested hubs but a new runway was built at the end of 2011, increasing the capacity of the airport to up to 88 million passengers.

Elisabeth LE MASSON (Sustainable Development Delegate, Aéroports de Paris): The same is true for Charles de Gaulle Airport. The airport is not saturated: the number of runways has been doubled and thanks to the Satellite 4 terminal, we now have the capacity to handle 80 million passengers, 18 million more than we currently handle.

Léa BODOSSIAN: This is an example of territorial marketing because both Mr Schultheis and Ms Le Masson are here representing airports. My statements were based on European Commission projections of how big European airports will need to be to cope with future levels of air traffic. Of course your airport may be able to accommodate more passengers but it is essential that residents accept expansion as this is what will ensure you are able to put on more flights.

Elisabeth LE MASSON: I would just like to point out that increased passenger numbers does not necessarily mean more flights.

Léa BODOSSIAN: I agree, and this is better for everyone – the environment, the economy and airlines themselves.

Shamal RATNAYAKA (Principal aviation transport planner, Transport for London): There is already a very big capacity problem in London and it is only going to get worse. Other cities are going to experience similar problems. One of the challenges is that as the global economy changes and there is a growing requirement to fly to more cities in the developing world, airports need to have a greater number of connections to a greater number of cities, which places further constraints on capacity.

Jacques GRANGÉ (Head of Planning, Ville de Tremblay): Your presentation appears to contradict Mr Noisette's, which showed that the development of airports and aviation depends heavily on a country's urban infrastructure. And yet the Golf region does not have an urban infrastructure and is not an urban hub.

Léa BODOSSIAN: I do not think there is a contradiction. Development in the Gulf region does not depend on urban areas but on the authorities' political will to use airlines as a driver for the economy. In Europe, airports are designed in accordance with our urban reality, which is not the case in the Gulf. This is why the question of resilience is relevant, because of what could happen if that political will suddenly disappears.

François SCELLIER (ARC Vice-President, MP and President of the Val-d'Oise Economic Development Committee): Hub airports can either be created from scratch or by continually developing existing airports that are already integrated into a dense urban fabric. Charles de Gaulle Airport is an interesting case because it is a mix of the two. It is essential to ensure that locals accept airport expansion and do not perceive the airport simply as a nuisance. At Charles de Gaulle, a great deal of effort has been made to make the airport acceptable to locals, such as by adapting access roads and runways. Ms Bodossian's presentation was very objective. We need to be aware of what airports bring to the region. There is a great deal to do if we are not to be completely overtaken by others, hence the importance of the ARC's work and the need for enhanced cooperation with all stakeholders.

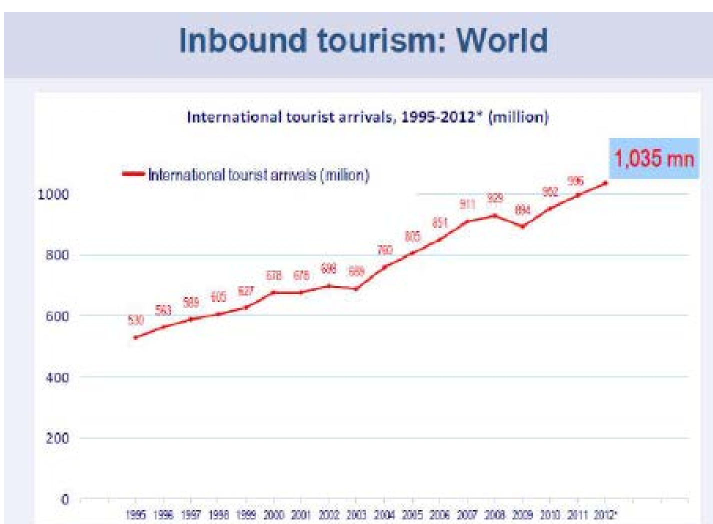
Patrice NOISETTE (Professor and Chair of Urban Economy, ESSEC): Dubai's strategy was to use the hub system but the underlying idea is to use it as a tool to develop the territory and increase Dubai's international influence. The Emirate states invest heavily in education and compete directly with China and other east-Asian countries, which means organising exchanges and study visits and hosting international students and researchers.**** Airports in competition, regions in competition: impact and consequences***

VINCENT GOLLAIN

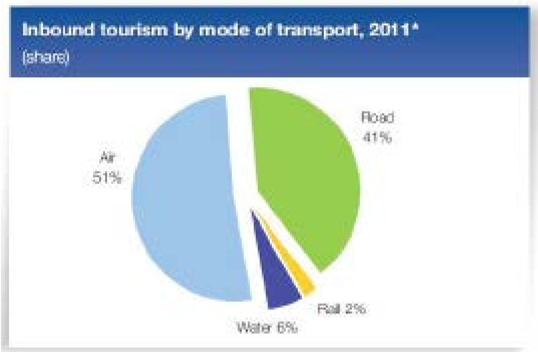
Vincent GOLLAIN is the Chief Territorial Marketer for the Paris Region Economic Development Agency (ARD). He is also President of the Club of Economic Developers of the Île-de-France region (CDEIF) and sits on the executive board of Cap Digital. In addition to teaching on the Masters 2 course at the University of Paris-Sud and running training courses, he regularly publishes articles on the attractiveness of regions and writes a blog (www.marketing-territorial.org).

Our economy is based on both **mobility** and **efficiency**. Let us first examine the issue of mobility. If we consider the volume of world merchandise exports between 2000 and 2012, trade has generally increased, despite the impact of the economic downturn. In 1960, world imports and exports made up 15 % of world GDP, a figure which has increased to 50 % today. In other words, our economy is heavily reliant on trade – a form of mobility.

Tourist numbers are also rising – another sign of our mobile society. In 2012, the number of tourists exceeded one billion, over half of whom travel by plane. Around 15 % are so-called business tourists, which is very good for conference centres and so on. In short, people, goods and businesses are becoming increasingly mobile, and it is vital that regions become aware of this so that they can attract and retain workers and businesses.



Source: UNWTO



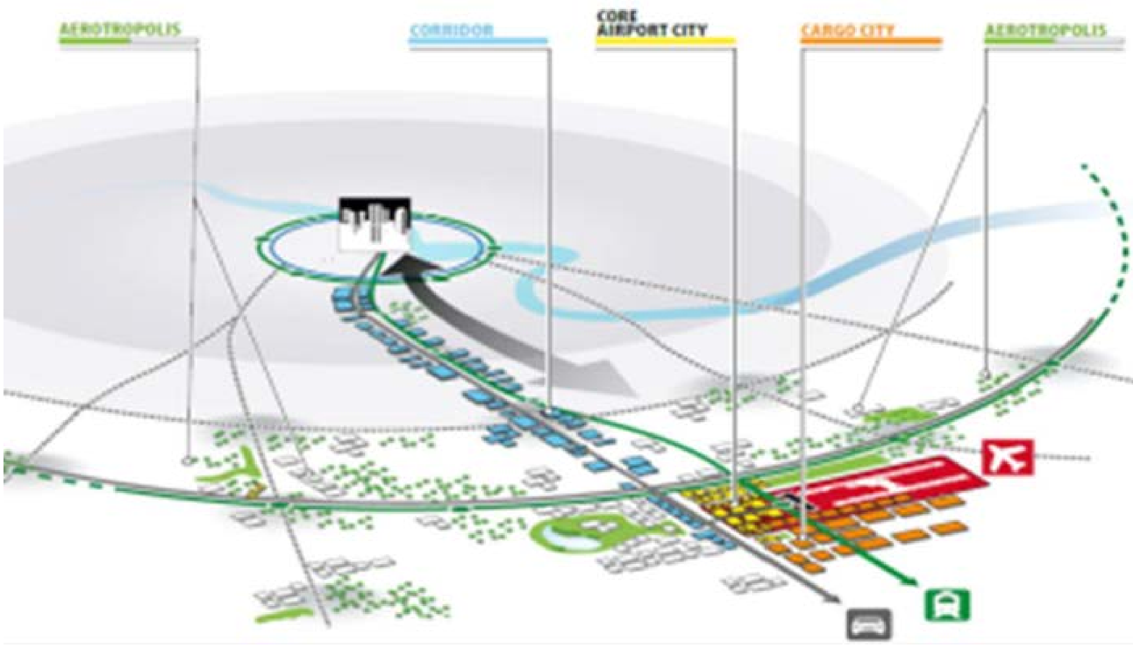
Source: UNWTO

Secondly, our economy is also based on **efficiency**. Efficiency and productivity are central to succeeding in the business world.

All of this means that businesses have more and more choice about where to base themselves, which means that regions are under increasing pressure to remain attractive destinations.

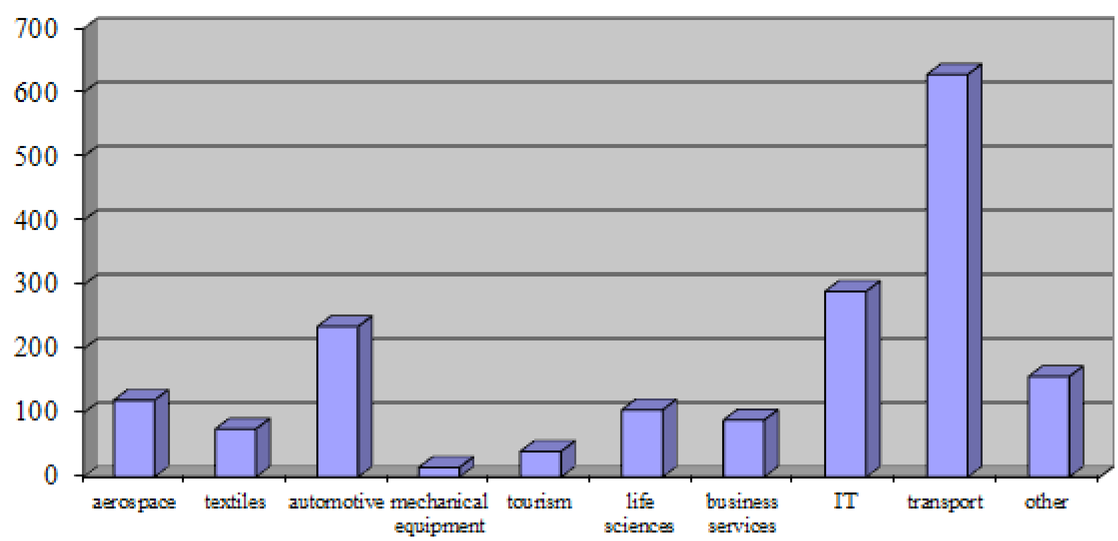
Airport regions are playing a growing role in the global economy. Over the last five years, passenger numbers at the world's 14 largest airports have increased by 10 %, which has a direct impact on the airports themselves and their regions. Of course airports already create both direct and indirect jobs but they can also be harnessed to boost the attractiveness of the surrounding area. In many regions, the stretch between airports and city centres (the so-called airport corridor) is already being developed. Airports can also drive more general economic development – i.e. not strictly related to the airport and transport itself – throughout the wider airport region, a phenomenon that air commerce expert Dr Kasarda calls the 'aerotropolis' (e.g. outlet malls, theme parks, business parks, urban farms).

Source: Datagora/Hubstart Paris



For instance Porsche recently moved its US headquarters to a complex near Atlanta Airport while in France a vast shopping mall called Aéroville is being built near Charles de Gaulle Airport. Ever more companies are also choosing to hold training days in airport regions instead of hotels and resorts because it is convenient, efficient and accessible. In terms of numbers, from 2008 to 2011, 40 international businesses have established themselves in Roissy, creating 1,700 jobs.

Jobs created in Roissy, by industry



Source : PREDA/AFII/Hubstart Paris

However, economic development around airports is certainly not a given and competition between airports is fierce and increasingly globalised, which is why it is vital that airports and their regions utilise territorial marketing techniques. Moreover, because businesses are more mobile than ever, they can demand much more from potential business destinations. In addition, development can be hampered by the type of regulatory environment. Many airport regions span a number of local authorities, which means that there is often no single economic development agency that businesses can approach.

In order to make territorial marketing effective, it is essential for local authorities grouped around the same airport to develop a shared vision of their future economic development strategy. Working together is crucial, both at local and international level. Secondly, development must be well managed to ensure that economic development projects do not have a negative impact on the airport's own accessibility, which is after all of central concern.

Some airports already play some role in promoting themselves while others work with their regions on certain specific issues but Hubstart Paris aims to go much further by creating a single brand for the whole Charles de Gaulle airport region. Indeed, I think this is the key to good territorial marketing: regions need to come up with a unique strategy and build relationships with the airport itself, the public authorities and businesses. It is simply no longer enough to claim to be 'at the heart of Europe': airport regions need to develop a unique selling point (USP) that will set them apart and then promote this by, for instance, providing a space to welcome new businesses, establishing a presence at trade fairs and giving business tours.

Regions adopting a territorial marketing strategy should consider eight points:

1. Forming an alliance with all the relevant stakeholders and working together.

2. Creating a single brand.

3. Setting up a dedicated team to coordinate the marketing strategy.

4. Establishing a marketing strategy.

5. Drawing up a budget.

6. Setting up a specific facility for the marketing team.

7. Providing services to investors.

8. Evaluating results and outcomes.

Finally, stakeholders take time to learn how to work together but as times goes by, trust will increase, and this – mutual trust – is the true key to success.

Question and answer session with the audience

Ibrahim ELADHI* (International Relations consultant): A huge amount of time is lost between the moment passengers arrive at the airport and boarding. I think there could be some sort of interactive system whereby, using their iPads, passengers could swap virtual business cards, etc.

Vincent GOLLAIN: I completely agree and in fact at Hubstart we are working on something similar, an interactive smartphone app that will make travelling much easier by giving passengers all the information they need on taxis, taking the RER, etc. in a single place.

Debate

Peter PRACZKI (Moderator): Before concluding our first round table, I would like to put a question to all of you. In your opinion, and based on the field you work in and what your aims are, what are the main factors for increasing Europe's international competitiveness?

Léa BODOSSIAN (ARC Secretary General): It is important to look at things from a global perspective. Realistically, we do not want nor need 50 European hubs. What we do need is smaller regional airports that will boost the connectivity of regions. Second, airports need to develop unique strategies of their own and find their own path instead of copying others.

Patrice NOISETTE (Professor and Academic Director, ESSEC): I believe there are three key factors. First, promoting a culture of working together, based on mutual trust. Second, building an overall vision of mobility, and finally, developing common economic development strategies that benefit both the airport and the region.

Guy TARDIEU (French National Federation of Commercial Aviation – FNAM): Firstly, Europe's decision makers need to stop taxing the aviation industry so heavily. Secondly, governance and administrative procedures need to be simplified as this is one of the main factors hindering Europe's competitiveness.

Francis CLINCKX (Member of the Economic, Social and Environmental Committee of the Île-de-France region): Every airport needs to make full use of its 'region' and by this I do not just mean the immediate zone but also areas further afield.

Vincent GOLLAIN (Director of Territorial Marketing, Hubstart Paris): Lots of people have spoken about the importance of local cooperation but it is also a question of working together on an international level. Hubstart has developed effective alliances with Atlanta, Memphis, Shanghai and Pudong, and these are vitally important because they enable us to share valuable knowledge about developing and promoting airport regions.

Peter PRACZKI: Before we finish up, would anyone like to ask one last question?

Sergi ALEGRE CALERO (ARC President): We have spoken a lot about the rise of China and the Gulf region but we have not spoken about the other side of the Atlantic. If the US Government does ban further European investment in US airlines, would the solution be for Europe and the US to work together to challenge the Gulf carriers?

Guy TARDIEU: In my opinion this is not the real issue, firstly because the US Government sees airlines as strategic assets so I cannot imagine that they will ever allow foreign investment over and above the current limit of 25 % of shares. Secondly, it is hard enough driving a transatlantic alliance of two big players so I am very uneasy about having those two elements merged to fight against the Gulf carriers, precisely because they are so well-organised.

Conclusions of the morning

FRANCOIS SCELLIER

Francois SCELLIER is Vice-President of Val-d'Oise County Council, in charge of economic and technological development and employment. Previously, he worked for the Ministry of Finance. Since 1986, he has been the Special Rapporteur on housing for the national Budget Committee. He has been a member of the ARC Executive Committee since 2011.

Today's speakers have shown, firstly, just how much airports affect economic development, and secondly, that we live in a globalised economy characterised by ever-increasing mobility of goods, people and ideas.

As the MP for the Val-d'Oise – an area home to a major international airport – I am well aware of just how important Charles de Gaulle Airport is for the economic development of not only the Val-d'Oise but the Paris region as a whole, and even the rest of France. Airports create jobs and wealth, and attract international companies. Thanks to the proximity of Charles de Gaulle Airport, there are close to 7,000 export firms based in the Val-d'Oise, putting it in third place in the Île-de-France region, behind only Paris and Seine-Saint-Denis.

However, as this morning's speakers stressed, this is certainly not something we should take for granted because established airports regions are facing increased competition from new airlines and airports.

I was most interested by what Léa Bodossian, ARC Secretary General, said about the need for each airport region to develop a unique specialisation instead of simply copying the approach of its neighbours. Of course we still need to work together and share best practices but we must also develop strategies that are appropriate for our own region and economy.

Given the current economic climate and the competitiveness of the market, airports need to work hard to remain attractive to businesses. Consequently, it is essential for airports to develop a strategy that encompasses not only economic development but also environmental and welfare issues (i.e. safeguarding the interests of local residents). I would also like to stress the need for airport authorities to involve and work with all affected stakeholders and players in order to develop a truly sustainable airport region.

I recently came across a remarkable example of such cooperation. A few months ago, I attended the second annual seminar on sustainable airports, which was held in Atlanta and organised by the Hubstart Paris alliance and their Atlanta colleagues. During the seminar, which covered issues such as economic development, land planning, environmental and social issues, everyone was very constructive, transparent and keen to help their foreign counterparts find long-term solutions. The seminar proved that such exchanges can be hugely beneficial for all.

To conclude, I believe that this type of cooperation and partnership between airport regions and other players is essential. It is only by working together and sharing our findings that we will learn from our mistakes and succeed in building truly attractive and sustainable airport regions. In particular, working together will help us to ensure that airport regions benefit the public at large, especially local residents.

I hope this afternoon's discussions with representatives from airport regions throughout the world will enable us all to learn from each other. This is more important than ever if we are to remain competitive in an increasingly complex and difficult economic environment. I am convinced that by working together, we will be able to move forwards more effectively.

ROUND TABLE II

MARKETING STRATEGIES OF AIRPORT REGIONS

North America's approach - Washington D.C.

T

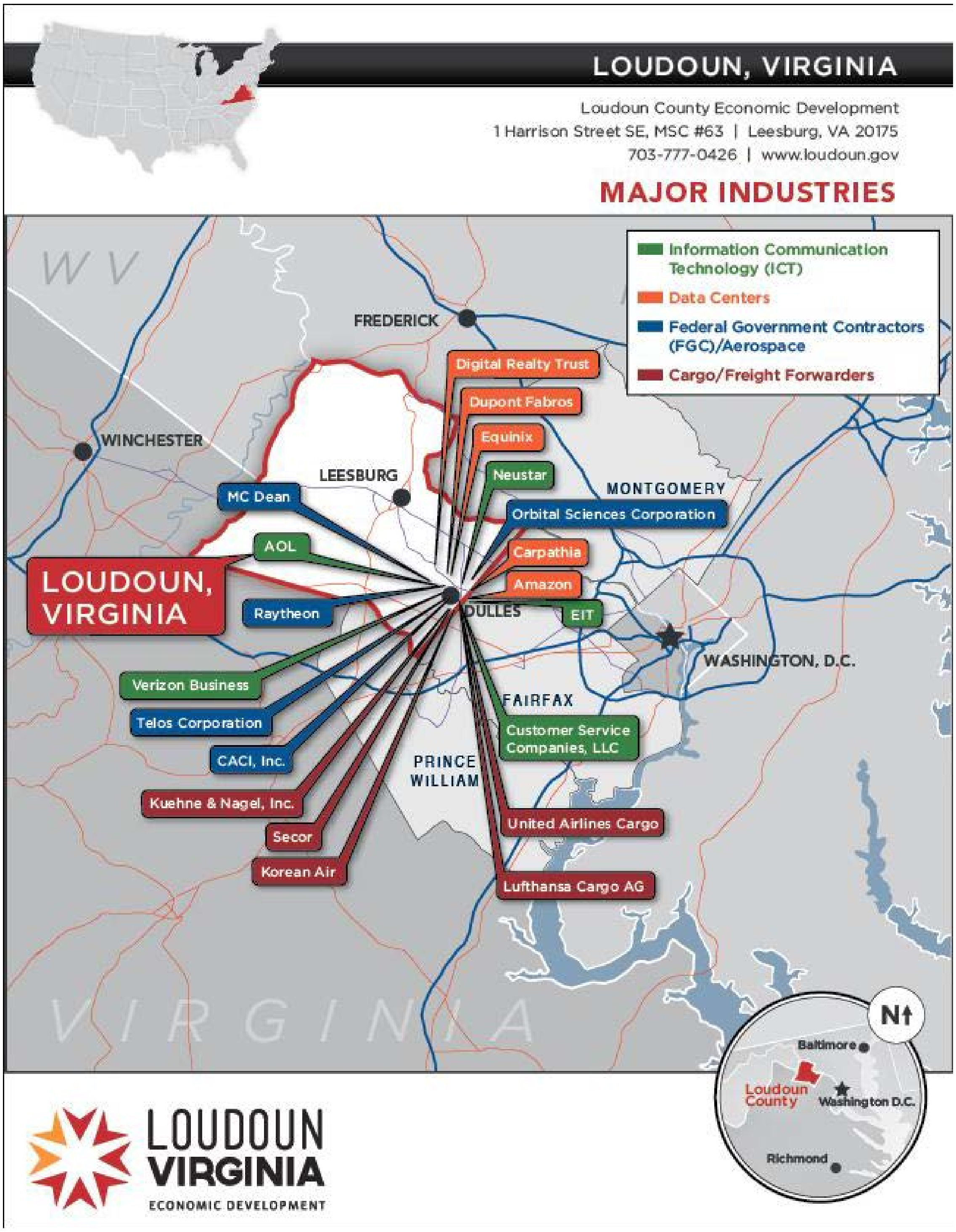
THOMAS FLYNN

Thomas FLYNN is Director of the Department of Economic Development for Loudoun County, Virginia. Previously he was Economic Development Director for the city of Charlotte, North Carolina. He has a Bachelor of Arts degree from Kalamazoo College and a Masters in Public Policy from the LBJ School of Public Affairs, University of Texas at Austin. He has also earned a Professional Economic Developer certification from the International Economic Development Council.

Overview of Loudoun's economy

I hope my presentation will provide some concrete examples of how we in the US are working in partnerships to keep our airports competitive. Loudoun County, Virginia, where Dulles International Airport is mostly based, is located about 30 miles west of Washington D.C. In our marketing of Loudoun County, we stress **access**: access to the rest of the world through both Dulles Airport itself – which is the twentieth largest airport in the US – and through the internet. 70 % of the world's internet traffic goes through Loudoun. Loudoun County also has access to a highly educated workforce: 56 % of the population has a Bachelor's degree. The types of business we want to attract to Loudoun County include information and communications technology companies (including data centres), aerospace and airport-related companies, federal government contractors, healthcare and bio IT firms and agribusiness, because these are the areas in which we believe we have a competitive edge. Indeed, in 2010 Moody's Economy said that 'the Dulles technology corridor, centered in Loudoun County, hosts the largest number of Internet, satellite and defense companies in the nation', and it is clear that the Dulles International Airport plays a big part in that. I certainly believe that businesses are increasingly conglomerating around airports.

Loudoun is home to many businesses including AOL and Visa. Loudoun also has a large data centre community that includes companies such as Facebook and Amazon. Finally, Loudoun also plays host to more than 80 foreign-owned companies including Airbus, Alcatel-Lucent, BAE Systems, Swissport and Virgin Atlantic.

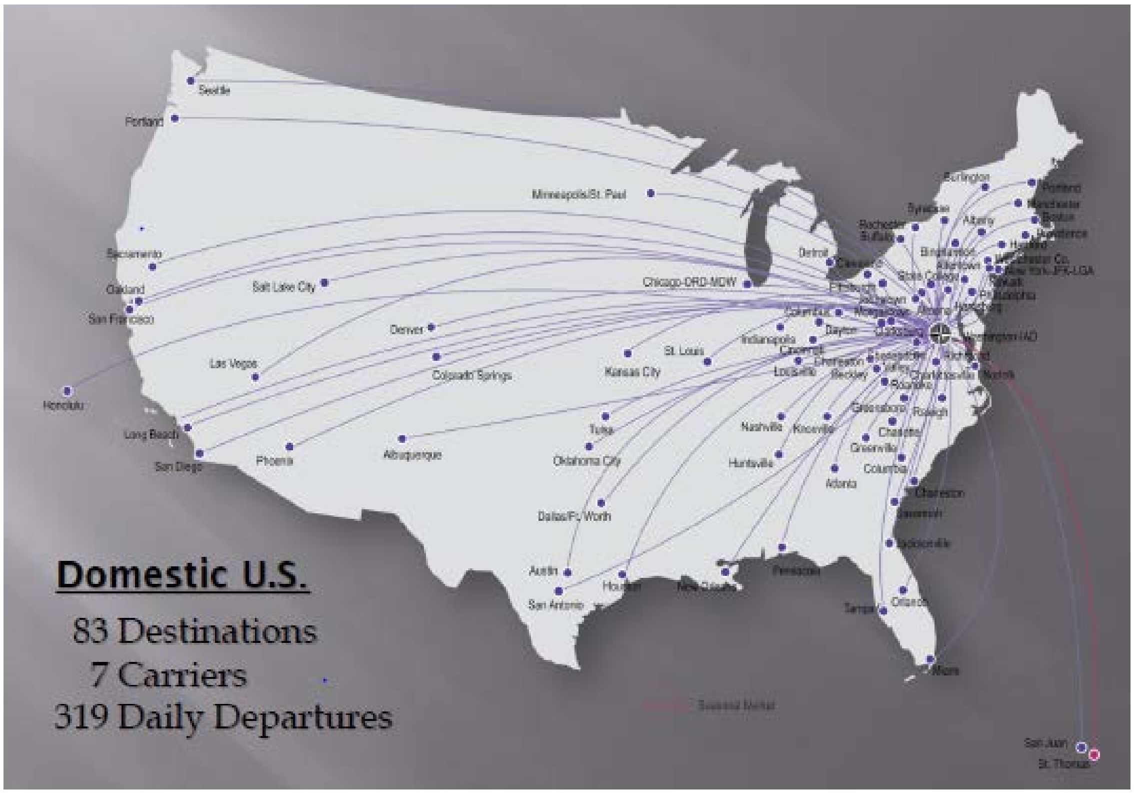


Source: Loudoun Virginia Economic Development

Dulles International Airport as an economic development engine

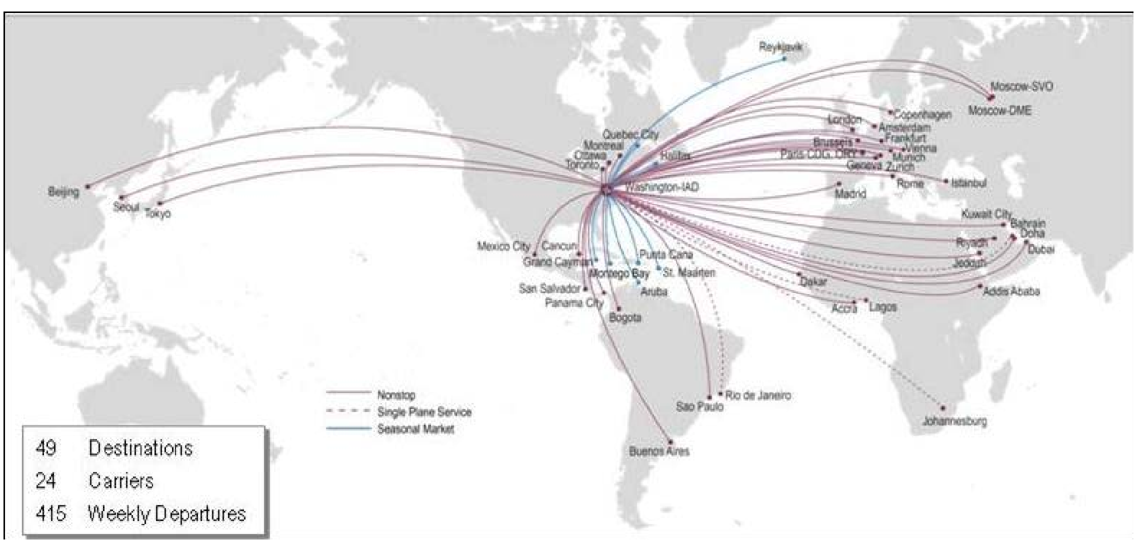
While Loudoun County might not be well-known, Dulles International Airport has helped to put it firmly on the map. The airport has services to 49 world cities, connecting Loudoun to 80 % of the world's economies, and it is growing fast. Once Etihad launches its service this spring, Dulles Airport will actually have more flights to the Middle East than JFK Airport. It is a trans-Atlantic hub for United Airlines/Star Alliance and also has excellent domestic services to 83 US destinations. The airport handles more than 23 million passengers and over 300,000 tonnes of cargo annually. All of this is central to Loudon's marketing strategy.

Domestic services from Dulles International Airport



Source: Metropolitan Washington Airport Authority

Loudoun's connection to the world



Source: Metropolitan Washington Airport Authority

If we look at the economic impact, Dulles Airport generates about 26,000 jobs and $1.4 billion in annual wages in Northern Virginia alone. Five of Loudoun County's top 15 employers are airport related, including United Airlines, Swissport and Gate Gourmet. Dulles Airport also generates a tremendous amount of tax revenue: $435 million in state and local taxes, of which Loudoun County alone receives $73 million.

In terms of what we are doing in partnership with others to improve our competitiveness, a large part of this is our air cargo industry. We need to make sure that it is profitable for airlines to establish routes to and from Dulles, and transporting cargo in the belly holds of passenger planes is a piece of that. Since we started transporting high-value manufactured items, many the companies importing these goods have set up small finishing operations in Loudoun, particularly for pharmaceutical products.

Together with the Virginia Economic Development Partnership, we have been contacting the so-called 'site selectors', who are the people who advise airlines and companies on the best places to locate, and we are starting to see the first results. For instance, Ethiopian Airlines now has a daily service to Dulles Airport. Ethiopia is the second-largest exporter of roses to the US, and whereas previously the roses were first being flown into Amsterdam Airport, Ethiopian Airlines realised it could get two cents more per stem if it flew direct to Dulles. Another thing is we are now working with United Airlines; because of our partnership with Ethiopian Airlines, they are aware of our interest in this area. A few weeks ago, there was a conference on cold storage in Basel and United invited us to go with them. The conference generated about four business leads and some very significant contacts.

Source: Loudoun Department of Economic Development

Last year we built around 55,000 square metres of new warehouse distribution space in Loudoun, all of which has been occupied by freight forwarding companies.

To add to our competitive advantage, the airport owns 400 acres of vacant land adjacent to the brand new third parallel runway, and we are planning to build a cargo city there. Dulles Airport is unique in this regard: no other airport on the East Coast has this type of capacity. In addition, there are another 500 vacant acres of commercially zoned land close to Dulles, which protects the airport from residential encroachment and provides that higher level tax rate that commercial businesses do. So it is good for the airport in terms of logistics, cargo, etc. and it is good for us in terms of tax rates.

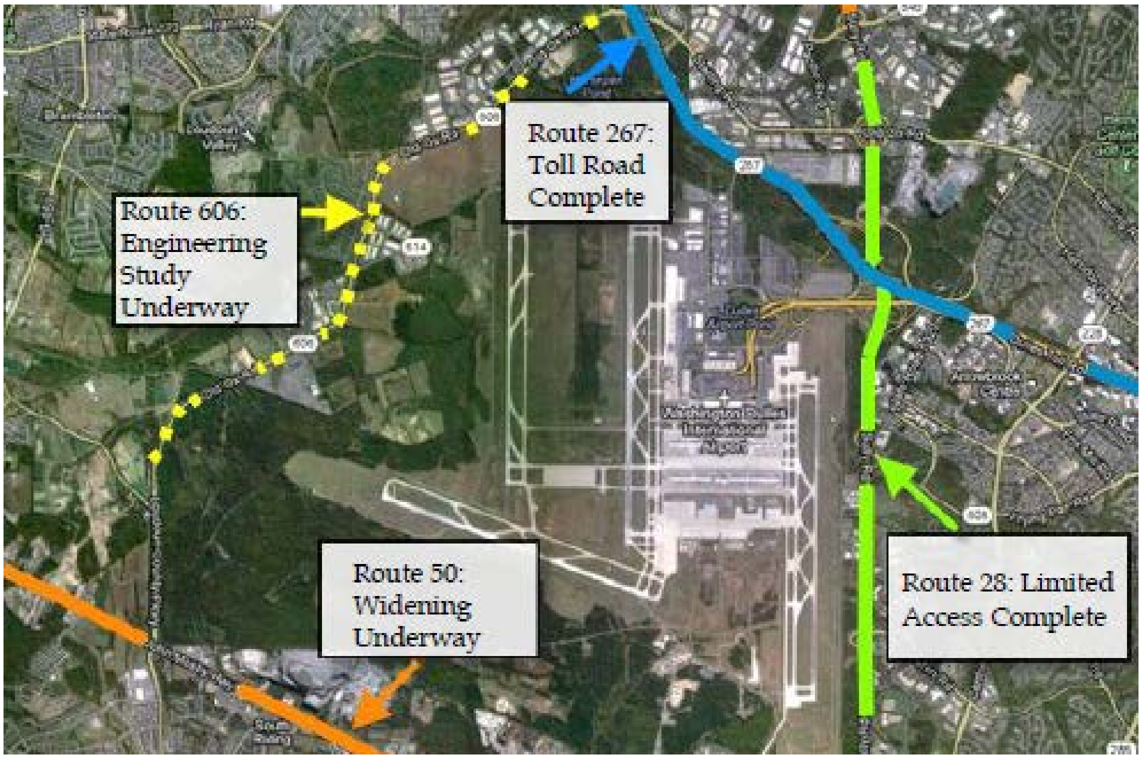
We advertise Loudon County in industry magazines such as ‘Site Selection Magazine’ but also on Facebook and LinkedIn. As Loudon is not very well known, we highlight its proximity to Dulles International Airport. Our advertisements also make use of the iconic design of the airport terminal and pull out key selling points about the airport, such as the fact that 500 acres of nearby land have been zoned for industrial development.

Challenges, successes and opportunities

One of our main achievements is the extension of the Metrorail from Washington D.C. to Dulles Airport and Loudoun, which will provide another competitive advantage by improving access for workers and passengers. In order to make this possible and meet the construction costs of $2 billion, we have had to form **funding partnerships** with the US Government, the state of Virginia, the airport authority, Loudoun County and Fairfax County. The extension is already well under way and the first phase is set to open in 2014. An independent survey carried out by George Mason University estimates that Loudoun’s economy will grow by $3 billion more per year once the extension of the Metrorail is complete. The extension of the Metrorail will also provide an opportunity to build mixed-used live-work developments around the new stations.

We are also improving the road transportation infrastructure around Dulles. We are in the process of building and widening a number of roads around the airport. For instance, the State of Virginia is currently widening Route 50 at a cost of $95 million. Again, many of these projects are partnerships between the state, the county and the airport.

Dulles road improvements



Source: Loudoun Department of Economic Development

In addition, the Washington Airports Task Force is looking into the possibility of buying a former oil refinery and using it to manufacture bio jet fuel out of household waste and switchgrass, which is very easy to grow in Virginia. Not only would this benefit local farmers but it would also give Dulles Airport a further competitive edge by providing a ready source of fuel for airlines.

Finally, in terms of opportunities for tomorrow, there is a great deal of potential for expansion. Dulles Airport currently handles around 23 million passengers but is designed to be able to handle up to 75 million. Equally, the airport has a huge cargo capacity of 8 million tonnes.

Question and answer session with the audience

Léa BODOSSIAN (ARC Secretary General): How did you decide which industries to target and try to attract to Loudoun County?

Thomas FLYNN: We looked at the types of companies already clustering in Loudoun and built on those 'business clusters'. It all comes down to competitive advantage. Information technology companies want to be in Loudoun because of the East Coast internet hub, airport-related companies are there because of Dulles Airport, federal government contractors want to be close to Washington D.C., etc.

Anne DEVITT (Fingal County Council): What level of funding will Loudoun County have to put into the construction of the Metrorail project?

Thomas FLYNN: Loudoun County's contribution to the construction will be $320 million. The estimated annual operating cost is around $90 million, which we will also have to contribute to. All things considered, we think it will be a good return on our investment.

Vincent GOLLAIN (Director of Territorial Marketing and Coordinator, Hubstart Paris): This is an observation, not a question. Mr Flynn did not mention something which I think is relevant: Dulles was a pioneer in terms of territorial marketing. The airport was built far from the centre of Washington and initially found it hard to compete with Washington National Airport, so it had to develop a territorial marketing strategy in order to attract business. In a way it is a type of 'virtuous circle', because Dulles is now a major airport and the area around it is probably one of the more dynamic in the United States.

Peter PRACZKI (Moderator): I have read that one of the reasons for the development of Dulles Airport and its region was because during the US-USSR Star Wars, the Pentagon placed a great deal of orders and expected defence suppliers to be close to its headquarters.

Thomas FLYNN: What you say is correct but I think it came the opposite direction: the defence suppliers recognised that in order to be closer to their customer – i.e. the Pentagon – they needed a location in Washington D.C. The other factor that drove development was the tremendous growth along the corridor to Dulles and beyond, and the fact that once one company had set up there, others had to follow to be nearby, and so on.

Peter PRACZKI: Could you tell us a bit more about the Washington Airports Task Force and its role in promoting the growth of Dulles?

Thomas FLYNN: It is a public-private partnership that brings together various partners to support the two airports that serve Washington. For instance, the Task Force has been very involved in the rail project to link up Loudoun and Dulles Airport and lobbying for improvements to the road transport network.

Atlanta

JOHN WOODWARD

John WOODWARD is Senior Director for Foreign Investment at Metro Atlanta Chamber. Previously he was Director of Economic Development for the city of Richmond, Virginia. He has a Bachelor of Science in Foreign Service from the School of Foreign Service at Georgetown University and an MBA from New York University Stern School of Business. He has also completed programmes at the Université de Strasbourg and Hautes Etudes Commerciales (Paris).

Atlanta as a driver of US economic growth

I work for the Metro Atlanta Chamber, one of the oldest and largest chambers of commerce in the United States. Indeed, the Chamber was established before even the American Civil War and was instrumental in helping rebuild the region. The Chamber is the only economic development agency for the region, which covers 22,000 square kilometres, 28 counties and 6 million inhabitants.

Atlanta is the cultural and commercial hub of the US southeast, which is the fastest growing submarket in the US in terms of both economy and population. People in the US are migrating from the northeast and northwest – traditional industrial and business areas – to the southeast and the southwest. The southeast is also seeing its political influence rise as its growing population has meant that it has gained additional seats in the US Congress.

I cannot stress enough how important it is not to try to create ‘business clusters’ in which your region is not already strong. Our business clusters in Atlanta are logistics, technology, biosciences, IT and corporate operations. We even break it down further: for instance we do not just target IT in general but highly specific areas e.g. electronic payment processing and healthcare IT. Our aim is to be number one or two in the US in each of these specific areas; if that is not possible, then we do not see it as worth pursuing. Atlanta was founded as a logistics city and even there we have moved on from the traditional concept of logistics (trains, lorries, etc.) to the next wave of logistics i.e. logistics and management software. Owing to its origins as a railroad town, Atlanta has good railway connections and is the only major US city with three main outer routes. Atlanta also has direct freight connections to Savannah, the fastest growing port in the US, which is located 400 km away, and is already positioning itself to benefit from the Panama Canal expansion, due in 2014. About two thirds of the traffic from Savannah goes through Atlanta.

Importance of the airport for Atlanta

Hartsfield-Jackson Atlanta International Airport is the busiest in the world in terms of passenger numbers and has been for the last 15 years. In 2012, the airport handled 95.5 million passengers, up almost 4 % from 2011. The airport is trending favourably although we know that Beijing Airport (currently in second position) will eventually overtake us. However, we are aware that we need to continue improving. In terms of cargo development, we are barely in the top ten but we have the necessary capacity so we are actively recruiting cargo lines. Atlanta is already in a good position because of its geographical location: about 80 % of the US population can be reached by truck from Atlanta within two days. We are also trying to bring in new business by repositioning Atlanta as the gateway to the Americas. This is especially applicable for Asian companies (European companies generally already have their preferred gateways). Only Miami has as many non-stop flights to South America.

The airport is undoubtedly a huge factor in the growth of Atlanta. The airport flies nonstop to around 160 domestic destinations (more than any other US airport) and 80 international destinations. 80 % of the US population is within a two-hour flight of Hartsfield Airport, which is a huge asset.

Flight times from Hartsfield-Jackson Atlanta International Airport

Source: Georgia Power Community & Economic Development

In terms of how much importance businesses give to the airport, Deloitte carried out a survey asking companies based in Atlanta or considering moving there what they perceived to be the city's main assets, and the airport was by far and away the top response. This is reflected in the fact that Atlanta ranks third in the US in terms of the number of Fortune 500 company headquarters. Atlanta is home to a diverse array of companies – Coca-Cola, UPS, Home Depot – but they all have one thing in common, namely that they need immediate, convenient non-stop air service.

Fortune 500 company headquarters located in Atlanta

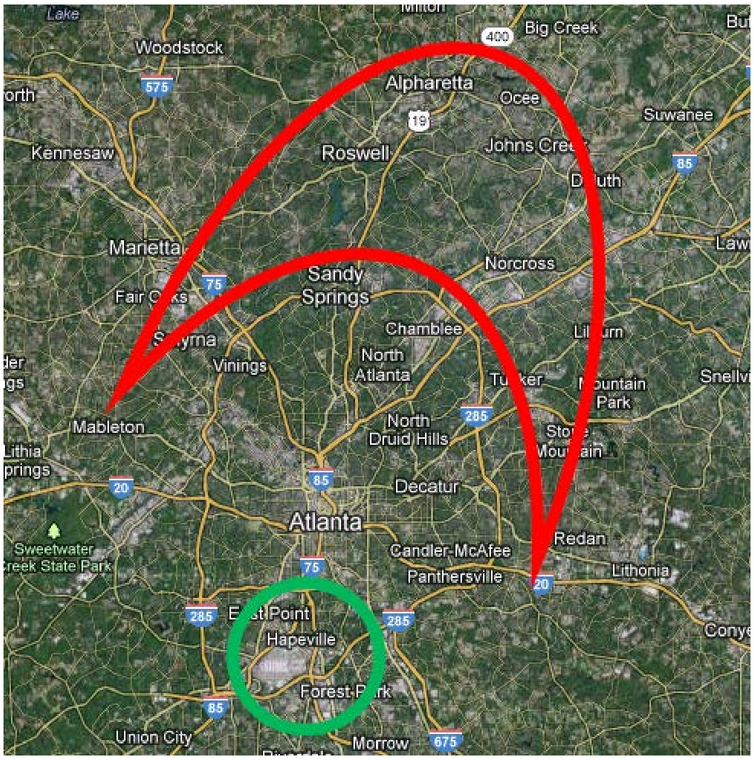
The city of Atlanta has no natural geographical barriers such as rivers or mountains, and is rather spread out. Atlanta has been ranked the most efficient airport in the world by the Air Transport Research Society because it has five parallel runways and six perpendicular concourses, making it the perfect hub.

Hartsfield-Jackson Atlanta International Airport

Source: Hartsfield-Jackson Atlanta International Airport

However, the airport is landlocked so instead we are trying to influence development around the airport. For instance, a lot close to the airport was recently cleared and this is where Porsche is moving its North-American headquarters. This is a huge departure because Porsche's headquarters were previously based in the northern arc of Atlanta, which is where a lot of Atlanta's quality growth – technology firms, software companies, etc. – is located (the airport is to the south of the city). Porsche wants to be near the airport because of the tremendous visibility it offers.

Atlanta's 'northern arc' in relation to the airport



In addition, a former military base located between Atlanta and the airport is being repositioned as a science and technology park, and one of its key attributes will be its proximity to the airport.

To sum up, the positives of the airport are its proximity to the central business districts and the Georgia International Convention Center (the second largest in the south) and its direct subway connections to the city centre. Moreover, development is moving south, closer to the airport (Porsche, new film studio, etc.).

In terms of the challenges we are facing, we have to contend with the fact that the airport is owned by the city of Atlanta and is surrounded by a dozen or so jurisdictions, all of which have different interests and demographics. The area is somewhat underdeveloped and underutilised i.e. the highest and best use of land is not always achieved. Much of the highest-quality development is still concentrated to the north of the city. Noise pollution is also a consideration, although it is not a huge issue because residents are so used to it, and the airport is landlocked.

We are taking steps to capitalise on the airport. For example, the Atlanta Regional Commission is currently setting up a task force that will address some of the aforementioned issues. Secondly, we are working to bring together all the relevant stakeholders, including residents and businesses, whose interests do not always converge. We are also offering both statutory ('on the books') and discretionary incentives (e.g. tax abatements and credits). Last but not least, in July 2011 we signed a memorandum of understanding with Hubstart Paris, which has led to some excellent publicity. Since then we have been working closely together to identify best practices, cross-promote each other and enhance passenger and cargo traffic between the two airports.

Question and answer session with the audience

Peter PRACZKI (Moderator): Compared with Charles de Gaulle Airport and Hubstart Paris, Hartsfield Airport does not seem to have an overall branding approach. Would you agree?

John WOODWARD: A large part of that is due to all the different jurisdictions involved. Hartsfield Airport is actually a division of the city of Atlanta, which means that the head of the world's busiest airport has to report to the mayor of Atlanta. In this regard, the airport is very localised. On top of that, there are different jurisdictions around the airport. You are absolutely right – we do not have anything as far along as Hubstart Paris. What we are trying to do with the Atlanta Regional Commission and the task force is to bring some of these disparate interests together to capitalise on the airport. As we have seen, the presence of the airport is what draws businesses to Atlanta and yet we are failing to capitalise on that. So the answer is that we need to work on our branding.

Anne DEVITT (Fingal County Council): As the busiest airport in the world, there must be huge demand for staff training. Does the airport have its own staff training facilities?

John WOODWARD: No, and this is something else we need to work on. At present most of our large employers such as Delta Airlines have their own in-house training schemes. This is potentially something the task force could work on in order to provide locals currently not achieving their full potential with training to help them find jobs at the airport.

Peter PRACZKI: Given that Atlanta Airport currently handles around 95 million passengers per year, have you considered developing another airport?

John WOODARD: There has been talk of developing another airport but there are a number of reasons why I think this is unlikely to happen any time soon. The obvious location would be around the northern arc that I described earlier but that is very mature development with well-established neighbourhoods and businesses, and although residents there want to be closer to the airport, they would be unwilling to have one quite so close. We also have to consider the huge cost of developing a second airport. Moreover, Delta Airlines, Hartsfield's main user, does not support the idea of building another airport because it benefits from the current state of affairs. However, there is talk of building a sixth parallel runway at Hartsfield Airport instead.

Japan's approach

HIDEHIKO YAMAJI

Hidehiko YAMAJI studied International Politics at the Faculty of Law, University of Kyoto. He joined the Osaka Prefectural Government in 1982 and was mainly involved in the Osaka Bay area development project and planning the Osaka Growth Strategy. He is currently Senior Executive Director for Airport Strategy within the Department of Policy and Planning (Osaka Prefectural Government).

Kansai International Airport (also known as KIX) is located in the prefecture of Osaka, which is about 500 km west of Tokyo. Today we would like to brief you on how the airport can contribute to the development of Osaka and its surrounding prefectures, as well its potential for the future. The prefecture of Osaka is located in the centre of the Kansai region, which is the second biggest economic zone in Japan. KIX is also close to the historic ancient cities of Kyoto and Nara. In addition, five World Heritage sites and about 60 % of Japan's national treasures are less than 100 km away.

Osaka and the Kansai region

Source: Osaka Prefecture

Kansai International Airport (KIX)

Source: Osaka Prefecture

To give you a bit of background, the Kansai region is very strong in the field of life sciences, including medication, pharmaceutical and medical equipment and clean energy technology (lithium-ion batteries and solar cells).

KIX was built on an artificial island in Osaka Bay to relieve overcrowding at Osaka International Airport. Because of its location, there are no noise pollution issues and it can operate 24/7, unlike other Japanese airports in more built-up area. There are three airports in the Kansai region within a 25-km radius of one another (KIX, Osaka International Airport and Kobe Airport). KIX has excellent transport connections, two long runways and has become an international hub airport.

As KIX flies numerous Asian routes and is one hour closer to many Asian destinations than Narita and Haneda airports, the number of Asian passengers is increasing. In addition the number of low-cost carriers (LCC) using KIX is increasing steadily and last year passenger numbers reached record levels.

Imports of pharmaceutical products are growing rapidly. As there are a number of pharmaceutical companies around Osaka and the region is the top producer of pharmaceutical products in Japan, KIX is trying to capitalise on this by facilitating pharmaceutical trade, which it terms 'strategic cargo'.

To drive the growth of Japan, KIX must fulfil its role as a key hub airport capable of rivalling the airports of Haneda and Narita in the Tokyo area. It also needs to serve as a cargo hub for the whole of Asia and a main airport for inbound tourists and business travellers. To this end, it became essential to improve its fiscal structure to enable the airport to compete with other Asian airports. As the first step towards achieving this aim, the management of KIX and Osaka International Airport was integrated in July 2012, creating the new Kansai International Airport Co. Ltd. This was achieved thanks to a government investment covering 100 % of the cost.

Next I would like to draw your attention to two current topics. Firstly, 2011 saw the arrival of Japan's first LCC, Peach Aviation, which is based at KIX. Since then, KIX has become Japan's first full-scale attraction hub for low-cost carriers (LCC) following the opening of a dedicated LCC terminal in 2012. Construction of a third terminal is under consideration. Secondly, FedEx is planning to open a North Pacific Regional Hub at KIX in 2014, which will serve as a consolidation point for shipments from northern Asia to the USA and handle cargo for western Japan.

KIX has benefited from investment from the business community, national and local government.

In terms of the challenges KIX is facing, Asian countries are growing and emerging rapidly. As competition between Asian airports increases, we need to promote global exchange among regions and improve Kansai Airport's global competitiveness. In the Osaka Growth Strategy, we stress the need to boost both domestic and international demand. To achieve this, we are taking on the role of a metropolis that creates high added-value products. We also see Osaka as a connective point between Asia and many Japanese regions.

We are now trying to make KIX a global and tourism hub by further enhancing its airport functions, and we are currently pursuing a number of projects with this aim in mind. One of the major policies is to invite new international carriers and airline groups. The new Kansai International Airport Co. Ltd. has also introduced a new pricing strategy, reduced landing charges and incentives such as landing charge support.

We are also working to turn KIX into a global food hub. Kansai is famous for its cuisine and is home to 12 three-star Michelin restaurants. We consider food as 'strategic cargo' and are working to attract more food-related cargo.

Another strategic cargo for KIX is pharmaceutical cargo. KIX has also become the most advanced airport in Japan in terms of transporting pharmaceutical cargo, and has the country's first temperature-controlled airport warehouses. Since the temperature-controlled system was introduced, there have not been any thermal management accidents in the handling of cargo, which may mean we can reduce insurance rates. In order to further improve the airport's cooling facilities, the region applied to the Japanese Government for designation as a Comprehensive Special Zone, which was approved in 2011. As a result KIX now benefits from special measures including preferential tax treatment, financial support, etc. which has enabled the airport to launch three new projects. The first is to expand the airport's network by attracting new cargo routes from Europe to Asia, building on the success of FedEx. The second is to improve the quality of the airport's logistics e.g. better pharmaceutical facilities, regular training for cargo staff, etc. The third is to improve the speed of logistics by computerising and simplifying import and export procedures for unapproved medical projects.

We are also investigating the possibility of extending the subway line and train network in order to shorten the access time from the city centre to the airport.

In order for Osaka to drive Japan's growth and for KIX to survive among highly competitive Asian cities, it is essential to promote the airport and generate a synergistic effect with regional development. We also believe it is important to enhance the airport's functions by perceiving a coordinated airport provision of industrial policy and urban development. We hope today's presentation gave you an insight into our airport. Equally, we are very keen to learn from all of you about best practices.

Madrid: Building an airport strategy

DAVID SOLLA NAVARRO

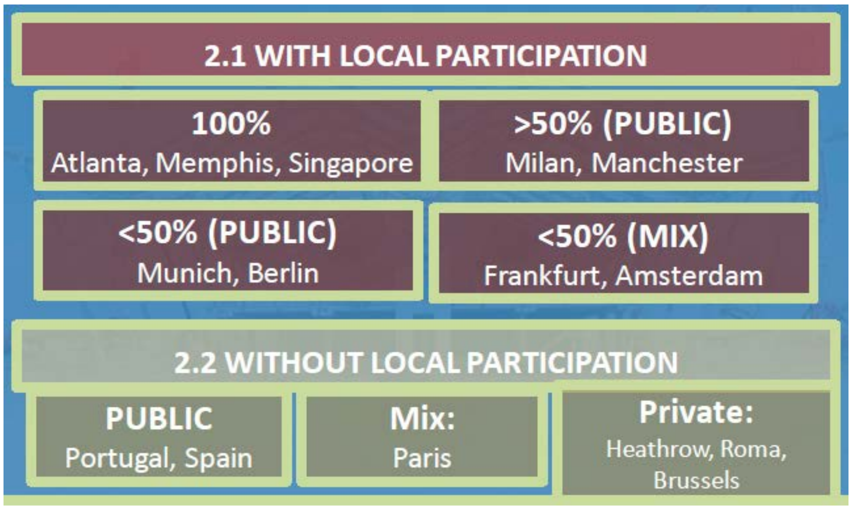
David SOLLA NAVARRO trained as an economist and now works as a Technical Advisor for Madrid's Economic Observatory. He has been working in public administration since 1997, first for the regional government of Castile-La Mancha and then for the federal government on issues related to railway management. He holds two Masters, one in Public Management and another in Infrastructure and Public Services Management. He is also taking PhD-level courses in economy and administration.

Madrid is now building its airport strategy. This strategy is determined by three basic factors: the economic impact, the Spanish airport management model and Madrid's participation in management.

The economic impact is very important for every city and region. This impact can be direct, indirect, induced or catalytic. The type of economic impact depends on the airport management model.

In terms of airport management models, airports can be classified into different groups based on the degree of local ownership. First there are airports owned wholly by local governments, such as Atlanta, Memphis and Singapore. Then there are airports that are more than 50 % owned by local governments (Milan, Manchester) and airports that are less than 50 % controlled by local governments but remain publicly managed (Munich, Berlin). There are also airports where local governments own less than 50 % and the remainder is owned by a mix of different interests (Frankfurt, Amsterdam). Then there are airports without any local participation at all, which can be publicly managed (Portugal, Spain), managed by a mix of interests (Paris) or privately managed (Heathrow, Brussels, Rome).

Airport management models

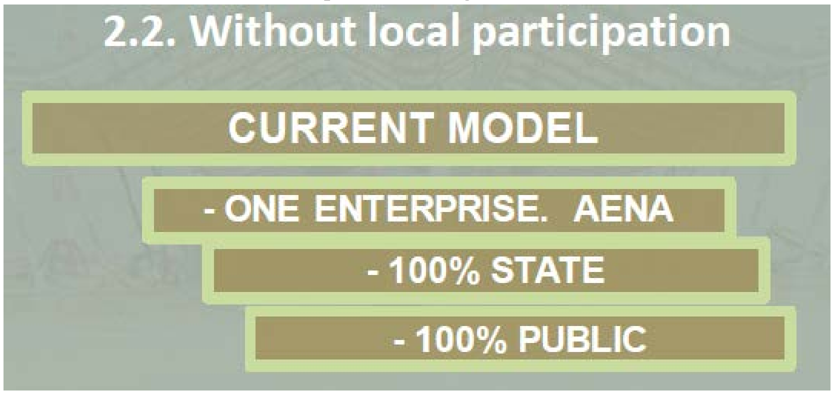


Source: Madrid City Council

Examining an airport's mission statement can reveal not only its purpose and objectives but also its values and general philosophy. For instance, AENA's mission is "to provide airport services to contribute to a safe, efficient and environmentally responsible development of the national and international air transport", which seems pretty standard and predictable. I think Atlanta's mission statement is much more interesting: "Our mission is to provide the Atlanta region with a safe, secure and cost-competitive gateway to the world that drives economic development, operates with the highest level of customer service and efficiency, and exercises fiscal and environmental responsibility". In my opinion Atlanta's mission statement commits the airport much more to the region and its population, and lays out specific goals such as excellent customer service.

In Spain, there is only one airport operator, namely AENA. AENA, which is wholly state-owned, manages 47 Spanish airports and participates directly and indirectly in the management of another 26 airports throughout the world. AENA is the biggest airport operator in the world in terms of passenger numbers (over 200 million passengers).

Current Spanish management model



Source: Madrid City Council

Proposed Spanish management model

Source: Madrid City Council

Since the 1990s there have been a number of different proposals to change the way Spanish airports are managed. For instance, two committees were created: the Airport Coordination Committee and the Route Coordination Committee. The Spanish Government wanted to privatise part of certain Spanish airports instead, including Barajas and Barcelona El Prat; however, just as it seemed that privatisation would reach Spain, the economic crisis erupted and AENA's value dropped so all plans were put on hold. AENA's goal is to ensure that airports work together instead of competing in order to achieve greater efficiency and value for all.

Regarding Madrid's participation in management, the Madrid City Hall has been asking to participate in the management of Barajas Airport for years. Amazingly there are still people who wonder why the local government needs to participate at all in airport management – I wish someone from Atlanta could go to Spain to explain! However I do my best to respond as follows. Firstly, local governments need to be involved in airport management because there is a legal basis for it: the Capital City Law states that the City Hall shall participate in any state-owned infrastructure affecting the city. It goes without saying that the airport affects Madrid. The airport has both an impact on residents (noise pollution) and an economic impact (GDP and employment). For all of these reasons, the Madrid city authorities want to participate in the management of the airport.

In 2010 and 2011, Madrid Airport handled close to 50 million passengers but by 2012 this had dropped to 45 million. For the city of Madrid, income from the tourist industry is crucial. If we knew beforehand approximately how many tourists were going to be flying into the airport, we would have a better idea of what to expect in terms of revenue. The average expenditure per tourist is EUR 1,100 and around 4 million tourists fly into Barajas so this is obviously an important sector for us.

The city authorities have recently been allowed to participate in the same committees as the Spanish Government i.e. the Airport Coordination Committee and the Route Coordination Committee. Madrid City Hall has also signed a cooperation agreement with Barajas Airport and each member of the Route Coordination Committee with the aim of boosting the number of destinations that the airport offers. We are also busy updating the master plan.

Finally our interest is not just national: we want to learn from others and transfer our national expertise.

Question and answer session with the audience

Léa BODOSSIAN (ARC Secretary General): If I have understood correctly, in Spain everything is state-owned and although that was supposed to change, due to economic circumstances that is no longer the case. The strategy of the city of Madrid in terms of territorial marketing was to empower itself by participating more in the choices of routes offered, etc. As that is no longer possible for now, what are you doing in the meantime?

David SOLLA NAVARRO: As I said, the Capital City Law stipulates that Madrid should participate in managing infrastructure that affects the city so the Spanish Government lets us participate in the two newly created committees (the Airport Coordination Committee and the Route Coordination Committee). Before this we cooperated with Barajas through a different route committee in order to increase the number of destinations from Madrid. We are also updating our master plan.

Peter PRACZKI (Moderator): How is the current economic crisis affecting Barajas Airport? What are the prospects for the future?

David SOLLA NAVARRO: Spain has undoubtedly been hit harder by the crisis than other European countries, and the airport is certainly feeling the impact. However, Barcelona has seen passenger numbers increase which suggests that the economic crisis is not solely to blame for falling passenger numbers in Madrid. Falling passenger numbers are also due to Iberia's merger with British Airways. Nevertheless, we think 2013 will be a better year for us.

Frankfurt: Pole of logistics intelligence

JURGEN
SCHULTHEIS

Jürgen SCHULTHEIS is Senior Manager of Communications & PR at House of Logistics & Mobility (HOLM) in Frankfurt am Main. He studied Political Sciences, Medieval and Modern History and Philosophy in Erlangen and Frankfurt, and was Senior Editor at Frankfurter Rundschau (a daily newspaper) for several years.

At House of Logistics & Mobility (HOLM), our motto is 'setting future in motion' and that is the topic I am going to address today. Logistics is an important sector of the German economy, with a total turnover in 2011 of EUR 222 billion. Germany also plays a key role among the world's leading importers and exporters. According to figures compiled by the World Trade Organization (WTO), Germany is the third biggest importer/exporter in the world. Interestingly six of the top ten countries are EU Member States.

World's leading importers/exporters

(Billion dollars and percentage)

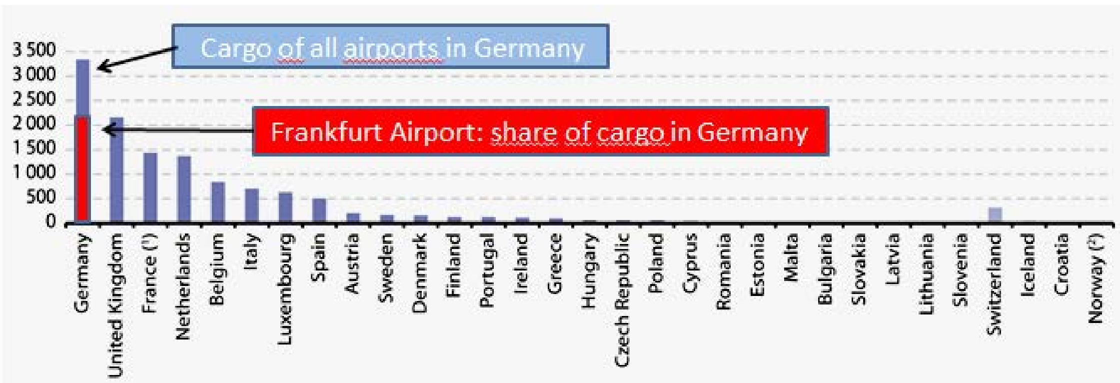
Rank	Exporters	Value	Share	Annual percentage change
1	China	1578	10.4	31
2	United States	1278	8.4	21
3	Germany	1269	8.3	13
4	Japan	770	5.1	33
5	Netherlands	573	3.8	15
6	France	521	3.4	7
7	Korea, Republic of	466	3.1	28
8	Italy	448	2.9	10
9	Belgium	412	2.7	11
10	United Kingdom	406	2.7	15

Source: WTO

Exports account for close to 50 % of Germany's GDP, so this is clearly a key part of the German economy.

Frankfurt Airport is the gateway for exporting German goods to the rest of the world: in 2011 Germany's airports combined handled 3.3 million tonnes of airfreight (cargo and airmail), of which 2.1 million tonnes passed through Frankfurt Airport alone. Consequently, logistics and cargo play a central role in Frankfurt and the Metropolitan Area of FrankfurtRhineMain.

Cargo handled by European countries in 2011, in million tonnes



Source: Statistical Yearbook EU / Eurostat / Fraport

Frankfurt is a real logistics cluster, with 14 of the top 100 global logistics companies based there. Frankfurt's logistics cluster gives access to 35 million consumers in its 200 km-radius catchment area and a further 500 million consumers in Europe.

What are logistics clusters though? According to Professor Michael Porter of the Harvard Business School, "clusters are **geographic concentrations** of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field that are present in a nation or region. Clusters arise because they **increase the productivity with which companies can compete**". I think this is a very good explanation of why clusters arise and why we should foster them.

Globalisation may be a bit of a 'buzzword' but at HOLM we nevertheless feel it is extremely relevant. Globalisation is not a virtual concept but one which affects real places in a regional world, and we call these places **nodes of exchanges of goods, services and information**.

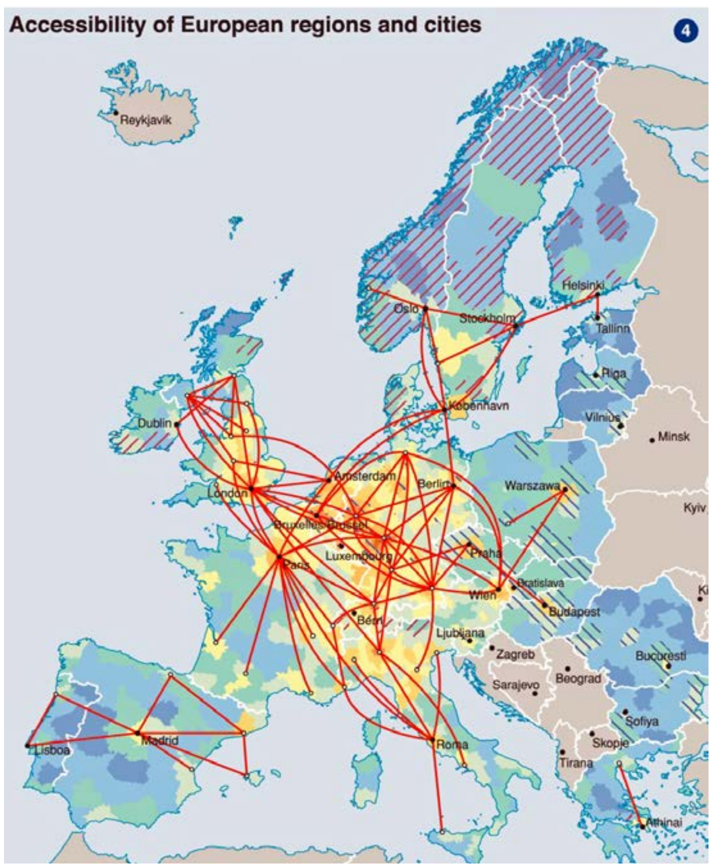
However, is the term 'globalisation' really appropriate for what we want to express? In my opinion, it is not. Instead, I think a more apt term is '**glocalisation**', a composite of 'global' and 'local' coined by Robert Robertson and Eric Swyngedouw in response to the phenomenon of 'world cities'. We see Frankfurt and the Metropolitan Area of FrankfurtRhineMain as one of these world cities or glocalisation hotspots i.e. an intersection area of globally floating goods, services and ideas.

In terms of the multimodal accessibility of NUTS 3 regions (a hierarchical system for dividing up the economic territory of the EU for the purpose of collecting regional statistics and analysing regions), Frankfurt ranks top. Moreover, save for Düsseldorf and Seine-Saint-Denis, all the other areas in the top 25 are also in the Frankfurt Rhein-Main region.

Top 25 of NUTS 3 regions, ranking after Multimodal Accessibility 2001 1

Rank Region	Multimodal accessibility 2001 Index	GDP in Purchasing Power Parities per inhabitant in % of the EU25 avg. 2003
1 DE - Frankfurt am Main	190	300.4
2 DE - Main-Taunus-Kreis	189	146.6
3 DE - Düsseldorf	187	258.3
4 DE - Offenbach am Main	185	147.4
5 DE - Groß-Gerau	183	135.1
6 DE - Offenbach. Landkreis	180	116.5
7 DE - Darmstadt	180	207.7
8 FR - Seine-Saint-Denis	179	110.7
9 DE - Mainz	179	176.9
10 DE - Mülheim an der Ruhr	177	107.7

Source: ESPON



Source: ESPON

The functional core of Frankfurt Rhein-Main is the city of Frankfurt itself, which is relatively small (680,000 inhabitants), and the 'airport city'. Greater Frankfurt (Frankfurt and the surrounding region, Regionalverband FrankfurtRheinMain) has a population of 2.2 million, the Metropolitan Area FrankfurtRhineMain has a population of 5.5 million. The city is located in the State of Hesse, which has a total population of 6.1 million.

FrankfurtRhineMain has a **long tradition** as a market place and important European trade route. Transport and trade flows have always been a vital tributary of its logistics cluster and economic development. Frankfurt has had a marketplace since 1140. Frankfurt's main railway station was built in 1888 and is now one of the most busiest station in Germany with 350,000 passengers per day. Frankfurt also has an important motorway linking it with Basel, which had been called the HaFraBa (**Ha**mburg **Fra**nkfurt **Ba**sel motorway) in the late 1920.

You may be familiar with John Kasarda's definition of an airport city (which he termed the 'aerotropolis') but here in Frankfurt we have a different understanding of that because our airport city is more concentrated at the airport itself. For us, **proximity is key.** A lot of companies want to be as close as possible to the airport. For instance KPMG has chosen to establish its European headquarters in a building called The Squaire, which is directly connected to Terminal 1. The airport also has two Cargo Cities, one to the north of the airport and one to the south, where a lot of logistics companies are based. The Cargo Cities cover 149 hectares, employ 10,000 people and are home to 280 companies and airlines. The Cargo Cities also have special facilities such as an animal lounge, a perishable centre and an airmail centre. One of the new centres of the Airport City is Gateway Gardens, a fast-growing area built on a former US military base. Within 10 years, it is expected that around 16,000 people will work in Gateway Gardens, which has direct train connections to Frankfurt. Gateway Gardens will emerge as the new knowledge hub in the core of the Airport City with new headquarters (e.g. DB Schenker, Condor, Imtech), Hotels (e.g. Park Inn, Meininger) and the think tank House of Logistics & Mobility. The Airport City is also well connected by high-speed train to other airports, and has good access to Germany's main motorways.

Together with four other logistics clusters, we have been taking part in an EU project called SoCool@EU (Sustainable Organisation between Clusters of Optimised Logistics @ Europe) to develop a tool to assess the competitiveness of logistics regions. The study has revealed that 1.8 million people are employed in the transportation and storage sector in Germany, of which 252,000 in the FrankfurtRhineMain region alone. It also concluded that the Frankfurt logistics cluster is very competitive, constitutes an international gateway and has an excellent range of knowledge-intensive services.

In terms of the challenges Frankfurt is facing, the energy crisis is undoubtedly the most serious. Rising energy prices are going to change the supply chain dramatically: for instance, we are going to witness a shift in production from China to eastern Europe and Mexico.

HOLM aims to act as a neutral innovation platform for the interdisciplinary and cross-sector collaboration of companies, academics, associations and other public institutions with regard to questions concerning the future of logistics and mobility. According to the State Secretary of Hesse, Steffen Saebisch, HOLM "pools competencies regionally, connects them nationally and positions them internationally".

Question and answer session with the audience

Vincent GOLLAIN (Paris Region Economic Development Agency): I have two questions. First, how do you market the airport area? For instance, do you work with the economic development agency? Second, how do you work with the logistics cluster? How do you help companies move forwards?

Jürgen SCHULTHEIS: In terms of marketing, Fraport runs the airport itself. Gateway Gardens is also a public-private partnership between the city of Frankfurt and other organisations, all of which do their own marketing. Of course all of these associations work closely together. What is unique about HOLM is that it brings together experts from lots of different fields, which means we can identify problems and help companies to become more competitive. In answer to your second question, we hope to be able to develop blueprints that could be applied in other parts of the world with only minor modifications.

Francis CLINCKX (Aéroports de Paris): Is there any available land left around the airport for future development?

Jürgen SCHULTHEIS: I am convinced that we are ready for future development. I was struck this morning by our different perceptions of what an airport city is. Although airports can be viewed as purely functional entities, for us airport cities represent accessibility and proximity. They bring people together and create knowledge. This is the reason I am not too worried about Dubai. I wish them all the best with their shopping malls, but our approach is completely different: we offer knowledge.

Peter PRACZKI (Moderator): Could you expand on airport cities as knowledge-creators, specifically with regard to education and training?

Jürgen SCHULTHEIS: We are convinced that creating and transferring knowledge is key, which is why we have worked to develop relationships with organisations and institutions (e.g. MIT) throughout the world. We are trying to position ourselves as an organisation capable of finding sustainable solutions to future logistics problems. Earlier I mentioned rising energy prices. This is undoubtedly going to be a huge challenge, which is precisely why we need more knowledge. I feel that Europe needs to position itself as a creator of knowledge, but to do this we need to work together. Of course, we are still competitors but we nevertheless have to cooperate.

Ibrahim ELADHI* (International Relations Consultant): This is addressed not just to you but to the whole panel. You mentioned climate change and rising energy prices. Millions of people pass through airports every day so why not use airports as a showcase to raise awareness about climate change? For instance, innovative financing schemes could be adopted. United Airlines already donates a percentage of each airline fare to the Bill & Melinda Gates Foundation.

Jürgen SCHULTHEIS: That is a good idea but we must remember that the majority of greenhouse gas emissions do not come from aviation but from cars and lorries. Off the top of my head, around 25 % of all greenhouse gas emissions are produced by the transport sector, of which aviation makes up only 3 % or 4 %. I am absolutely not implying that is a reason to do nothing but the first priority should be to reduce the energy consumption of cars and lorries. I certainly agree that airports could be used to showcase greener alternatives. Fraport, for instance, already uses electric vehicles on its runways.

London: Maintaining global competitiveness

SHAMAL RATNAYAKA

Shamal RATNAYAKA works for Transport for London, a functional body of the Mayor of London, with responsibility for long-term planning of transport infrastructure. Projects he has worked on include Crossrail 2 (a NE-SW rail line for London), High Speed Two (a high-speed rail line linking London with the North) and the Mayor's Transport Strategy. His current focus is aviation strategy and planning for a new airport for London. He is a graduate of the University of Oxford and the University of Bonn and previously worked for the Financial Times in London and New York.

London as a destination for global business

London is a global city and international trade has always been at the heart of London's history. As a result, London lies at the centre of a global network. It remains a place where the world comes to live, work, study and trade, and is a truly international city.

London's global aviation connectivity is key. In 2011, 133 million passengers used London's six airports. Few cities can match London in terms of flight frequencies to key international destinations. For instance there are 206 flights to New York per week, 84 flights to Dubai and 66 flights to Hong Kong.

Flight frequencies from London airports

Source: Transport for London

It is vital to attract investors to London. To give you a few statistics, in 2008, foreign direct investment (FDI) contributed £52 billion to the London economy. In 2010, FDI-generated jobs represented 13 % of all jobs in London. Foreign-owned businesses created 42 % of London's economic growth between 1998 and 2004. Finally, between 1998 and 2009, 49.7 % of foreign companies chose to establish their European headquarters in the UK. In short, London is a very attractive city for investors.

London's marketing strategy

The London 2012 Olympic Games provided a unique platform for promoting the city: for one month, the world's attention was focused on London. During the Olympics, the City Hall was transformed into London House. It was a great opportunity to showcase London to the rest of the world, including business leaders. London House hosted a number of events including four flagship debates on the global challenges of the 21st century with speakers such as the founder of Wikipedia, Jimmy Wales; seminars and receptions for business leaders; an exhibition of development opportunities in London; and an extensive cultural programme. London House cost £850,000, of which £225,000 was secured in sponsorship. In survey of visitors to London House, 93 % said they would recommend London as a good place to do business, 51 % said that London House had improved their perception of London and 25 % said it had made them more likely to invest in London.

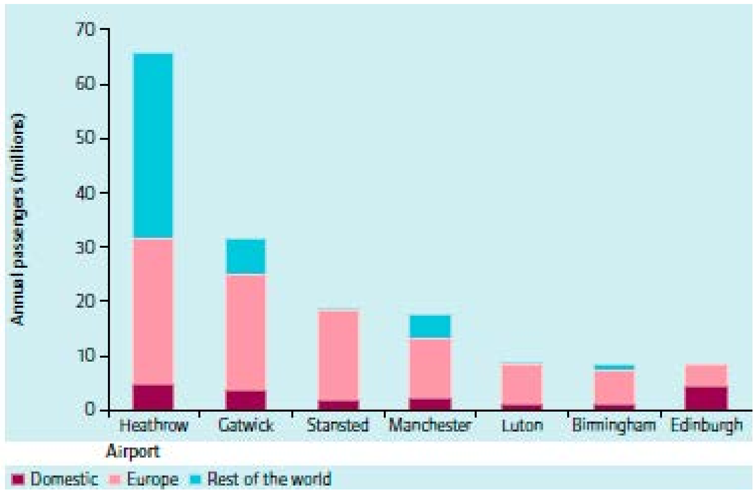
Source: Greater London Authority

London's need for more aviation capacity

However, London has a big long-term problem, namely that it needs more aviation capacity. Demand for air travel is constantly increasing: 5 % per year between 2011 and 2031. The global economy is changing and we are witnessing the rise of emerging countries such China, Brazil and Mexico.

As such, access to a wide range of longhaul destinations is vital, and this type of connectivity can only be offered by a hub airport. A London hub airport can draw on an exceptionally strong catchment area, where the population and economic profile support a critical mass of flights. Heathrow, London's existing hub, although imperfect, accounts for 40 % of all scheduled UK air traffic but 80 % of scheduled longhaul traffic.

Annual passengers by route type at the UK's largest airports

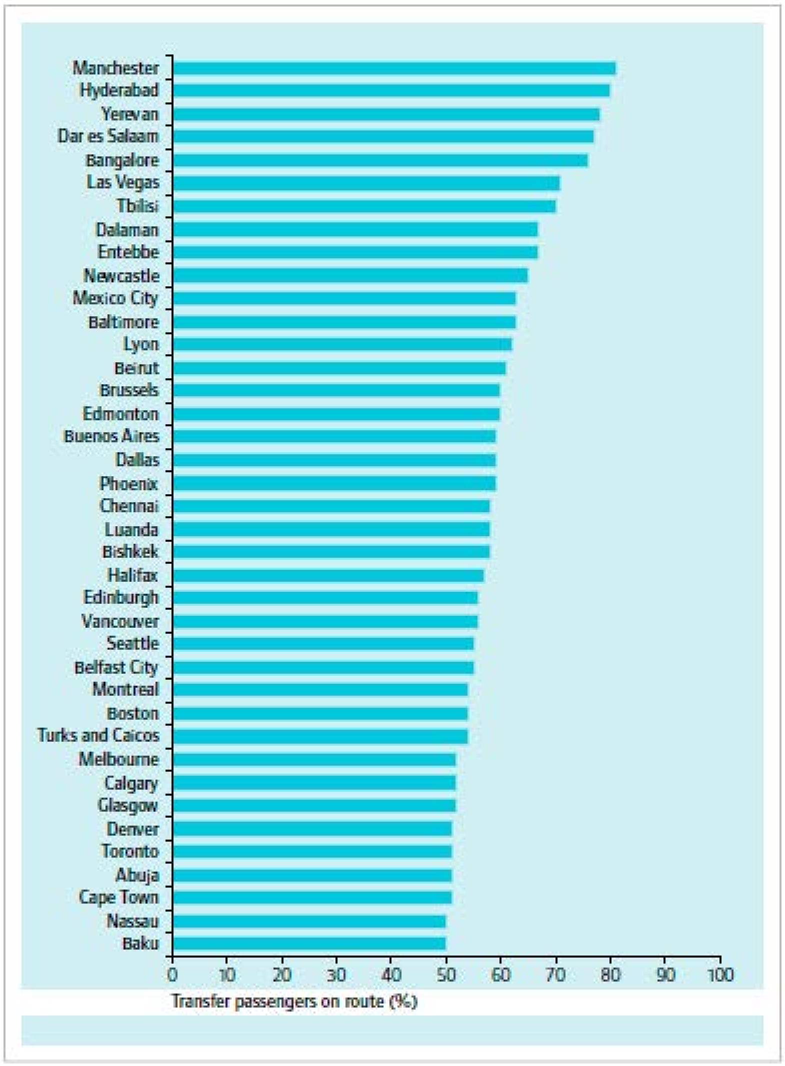


Source: Report: A new airport for London – Part 2, Mayor of London, November 2011

Why is the hub so important?

The combination of direct and transfer passengers is key because it supports routes and frequencies which otherwise would not be viable. In 2007 British Airways operated an average of 7.5 flights per day from Heathrow to New York JFK. On these flights, almost 40 % of passengers were transferring at Heathrow. 39 routes from Heathrow benefit from more than 50 % transfer traffic, including routes to both developed countries (e.g. Dallas, Montreal) and emerging markets (Bangalore, Cape Town). These high numbers of transfer passengers enable Heathrow to establish routes to destinations that no other European airports can offer, such as Hyderabad, India.

The importance of transfer passengers in supporting use of Heathrow, by route

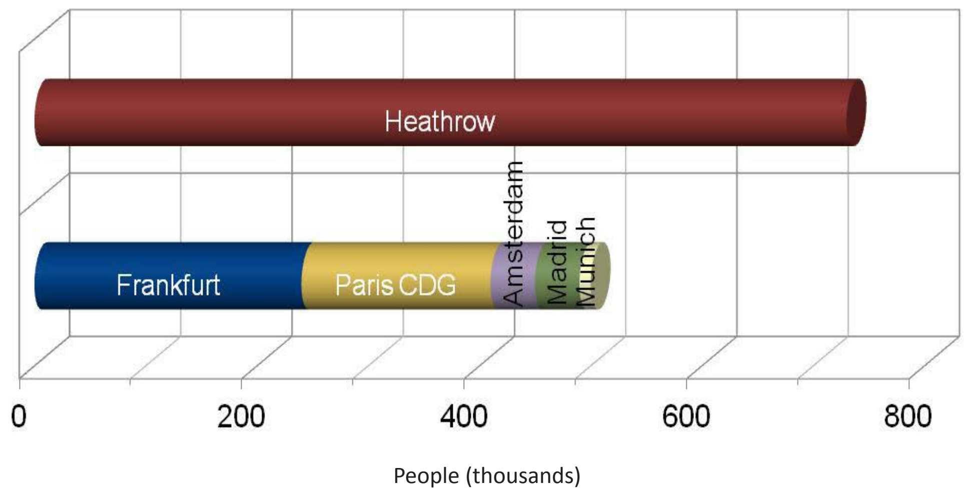


Source: Report: A new airport for London – Part 2, Mayor of London, November 2011

However, Heathrow has reached maximum capacity and lacks runway capacity. This has resulted in increased delays, very poor resilience in the face of disruption and a lack of flexibility. It is also constraining the number of destinations served, which in turn means that established longhaul routes are being prioritised over those to emerging markets. All of this is affecting trade and London's connectivity. Indeed, Heathrow now offers flights to fewer destinations than it did 20 years ago and has fallen behind European rivals.

Heathrow's environmental impact is also dire. There are points around Heathrow breaching EU limits for nitrogen dioxide. Moreover, Heathrow is also the worst European airport in terms of noise pollution, despite only having two runways: the number of residents affected by noise levels of over 55db L_{den} around Heathrow exceeds the combined number of people affected by similar noise levels around its main rival airports of Frankfurt, Paris-Charles de Gaulle, Amsterdam, Madrid and Munich. Consequently, the impact of a third and fourth runway would be wholly untenable.

People affected by noise above 55db L_{den}



Source: Transport for London

London needs a new hub airport

The proposal is to create a six-runway hub airport for 180 million passengers by 2050. In order to determine the best option, the Mayor of London has set out six categories of criteria:

- **Economic impact**
- **Airport infrastructure**
- **Airspace consideration**
- **Surface access network**
- **Environmental impact**
- **Deliverability**
-

We need to come up with the best option for London. Following consultation, these criteria will be used to assess the different options and the Mayor will submit his proposals to the Government in the summer.

One of the questions is where to locate a new hub. Options include other London airports such as Gatwick, Stansted or Luton. There are also airports slightly further afield (Manston, Lydd). Finally, a completely new airport could be built in the Thames Estuary. The likeliest options are Stansted and the inner and outer Thames Estuary, firstly because these areas are less densely populated so noise pollution would not be such an issue. Secondly, situating the new hub towards the east of London will give a valuable boost to areas that historically have suffered substantial deprivation.

Potential locations for a new hub airport

Question and answer session with the audience

Francis CLINCKX (Member of the Île-de-France Economic, Social and Environmental Council): How far is central London from the proposed Thames Estuary airport?

Shamal RATNAYAKA: An inner Thames estuary location would be about 50 km from central London while the outer location is around 80 km away. However, it is not the distance that matters so much as the time it takes to get to central London. With a high-speed rail link, it would be possible to go from the new airport to central London in 20 to 30 minutes.

Sergi ALEGRE CALERO (ARC President): Heathrow's lack of capacity reminds me a lot of the situation of Frankfurt Airport, which was congested for a long time. To combat the problem, Lufthansa built a second hub in Munich, which is why it is the only airline with two hubs. I assume British Airways has thought of moving its hub to another city such as Manchester. After all, even if Heathrow had six runways, London's weather – snow, rain, etc. – would still be an issue. This is obviously a weakness. What does British Airways make of this?

Shamal RATNAYAKA: This is a very interesting question. When Lufthansa opened a secondary hub in Munich, potentially undermining Frankfurt's dominant position, this undoubtedly gave Frankfurt the push it needed to build a third runway. I think British Airways probably did consider other hubs but found that they did not have the necessary traffic profile. Obviously hubs rely on transfer passengers – as we heard earlier, Hartsfield-Jackson Atlanta Airport has 60 % transfer traffic; nevertheless, that still means that 40 % of all passengers fly to Atlanta itself as a final destination. In other words, there needs to be a strong local demand. Manchester does not have the demand or economic profile to support a hub airport – and this is partly why British Airways closed its Manchester base five to ten years ago. However, the picture is not restricted to just one country: British Airways now has the option of expanding to Madrid. For example, Madrid is now offering flights to cities in West Africa that do not have any particular connection to Spain because Heathrow does not have the necessary capacity. This is why we must expand London's airport capacity, because if we do not the main beneficiaries will be European airports such as Madrid, Frankfurt and Paris-CDG.

Anne DEVITT (Fingal County Council; honorary ARC President): What is the anticipated future for Heathrow?

Shamal RATNAYAKA: We do not believe that it is possible to have two hub airports competing in the same space, particularly as Heathrow is a big, attractive 'brand'. For example when the Open Skies Agreement was signed, all the US carriers that were previously based at Gatwick moved to Heathrow, despite the fact that the slots cost tens of millions of pounds. This means that Heathrow would have to shrink. Similarly, when Kansai Airport was opened, Osaka's Itami Airport was made a lot smaller (including restrictions on the size of planes, operating times and numbers of movements). Alternatively, the airport could be closed. Either way, there is tremendous potential for redeveloping Heathrow because it is a huge site with excellent transport links – in a city with a particularly acute need for new housing. Whatever happens, Heathrow could certainly not survive in its current form if a new airport were built.

Peter PRACZKI (Moderator): Does your airport strategy prioritise environmental concerns?

Shamal RATNAYAKA: We believe it is very important to recognise both the economic and environmental concerns. Interestingly, in Heathrow's case, the economic and environmental concerns point to the same conclusion, which is that Heathrow simply is not viable: economically Heathrow needs four to six runways but because of its location that is not possible. Secondly, in terms of the environmental impact, 28 % of all people in Europe affected by noise pollution live near Heathrow, so the idea of further expanding it is unthinkable.

Grand Roissy: Cooperation at local level with Hubstart Paris

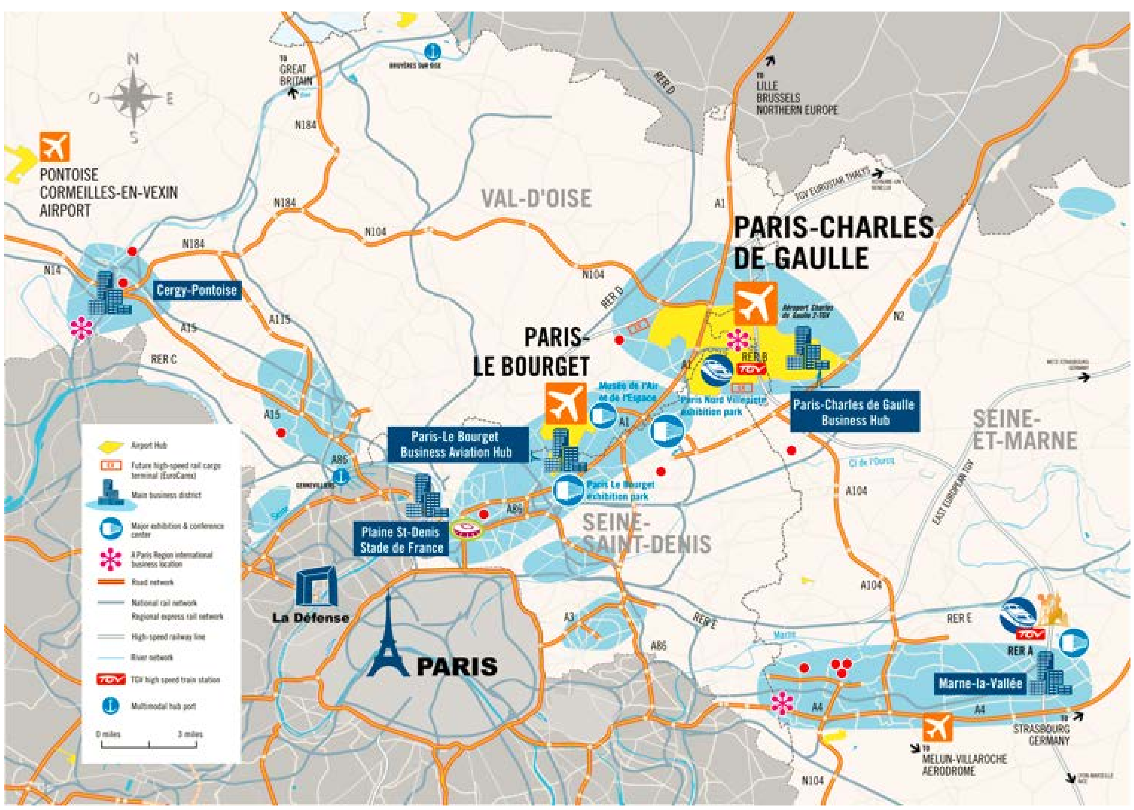
ELISABETH
LE MASSON

Elisabeth Le Masson has been the Delegate for Sustainable Development for the airports of Paris-Charles de Gaulle and Paris-Le Bourget since September 2007. She has worked for Aéroports de Paris for thirty years, during which time she has held a variety of different posts. She is also a member of the Board of Directors of Hubstart Paris.

Greater Roissy's assets

Greater Roissy refers to the area around the airports of Paris-Charles de Gaulle and Paris-Le Bourget. Greater Roissy straddles three different départements or counties and is home to around 500,000 people. Over the last sixty years, the area has changed enormously. With Charles de Gaulle Airport acting as an economic driver, Greater Roissy has gone from a predominantly rural, agricultural area to one of France's top three economic powerhouses. The airport has created 250,000 direct and indirect jobs and an added value of around EUR 2.1 billion.

Greater Roissy



Greater Roissy ranks third in Île-de-France in terms of the number of international companies that choose to settle there, and it is the biggest creator of jobs (Greater Roissy has created 15 % of the jobs in the region since 1975).

It is also a transport and international trade cluster. We heard earlier about the need for regions to specialise in areas in which they are already strong and this is precisely why the overall Greater Paris strategy has chosen to position the Roissy area as a transport and international trade cluster. There is a tremendous concentration of transport infrastructure in Greater Roissy: Charles de Gaulle Airport handles 62 million passengers per year, making it the second busiest airport in Europe and the seventh busiest in the world. It is the hub to Sky team. It is also the number one European airport in terms of cargo (2.4 million tonnes of freight and mail per year) and is FedEx's European hub.

Charles de Gaulle Airport

Grand Roissy is also home to Paris-Le Bourget airport, which is number one for business travel and host to a major air show every two years called Le Bourget Air Show.

Grand Roissy also boasts a high-speed rail network (TGV) linking Charles de Gaulle Airport to Brussels, Lyon, Strasbourg and London. We are also involved in developing a European high-speed rail freight network called Euro Carex, which will use existing TGV train lines to transport up to 700,000 tonnes of express cargo straight from the airport to cities including Liège, Amsterdam, Lyon, Cologne, Frankfurt and London.

Charles de Gaulle Airport itself has direct access to the centre of Paris via the RER B.

Lastly, Greater Roissy also has excellent maritime and river connections via Gennevilliers Port to the Seine, and from there to the Atlantic Ocean (le Havre Port).

There is also a major project in the works, the Grand Paris Express, which is an automated metro that will connect Greater Roissy to the main economic hubs of the Île-de-France region including the Central Business District of La Défense and the centre of

Paris.

Greater Roissy boasts world-class facilities including exhibition centres such as Paris Nord Villepinte, which is 240,000 m2 and receives more than 1.5 million visitors per year. Paris Nord is still due to expand, which will make it one of the ten largest exhibition centres in the world. There are also shopping malls (such as Aéroville, which is currently under construction and will create 2,600 jobs), business parks and hotels (around 10,000 rooms in total). There is also of course the Airport City, Roissy Pôle, with 230,000 m2 of office space and 1,700 hotel rooms, in addition to other 8,000 rooms in the area.

Real capacity for growth

At airport level

Greater Roissy also has one big advantage that not all airports can claim, namely that there is the possibility for further development both at the airport and in the surrounding area. In 2012, Charles de Gaulle Airport opened a new boarding satellite called S4 which will be able to handle 8 million passengers and accommodate seven A380 airliners at the same time. Incidentally, referring back to earlier talk about making airports themselves livelier, S4 has a shopping centre that is ranked as one of the best in the world.

Charles de Gaulle is not facing the same sort of situation as Heathrow: Charles de Gaulle has four parallel runways, nine terminals and two satellites. It is able to handle up to 80 million passengers, versus current passenger numbers of 62 million, giving it plenty of room to grow.

At territorial level

The Greater Roissy region is also home to a number of international business parks: Aéroliance, À Parc (dedicated to Asian companies), Parc Mail and ITC. There is also Europa City, a huge and innovative cultural, recreational and retail space. In short, Greater Roissy is a vibrant region where things are really happening and moving along.

As Patrice Noisette and Vincent Gollain said earlier, airport regions are becoming new urban hubs as companies looking for better transport connections move closer to the airport. As we saw from the presentations given by Thomas Flynn and John Woodward, these companies are often ones which create or provide high-added value items and services such as international training centres, conference or exhibition halls, company headquarters, high-tech labs, showrooms, etc. In turn, this creates a need for facilities such as hotels and shopping malls.

Consequently, the growth in international trade represents a tremendous opportunity for Greater Roissy to carve out a niche for itself as a destination for business, just like the CBD of La Défense did. What makes Roissy so unique and attractive is its international connectivity.

Nevertheless, as this is a global phenomenon, Roissy is in competition with other airport regions, which means that in order to draw in businesses, it needs to be attractive. What does ‘being attractive’ really mean in this context? Firstly, it means Roissy has to be **visible**, which in turns implies the need to build a common identity for the region. Secondly, Roissy needs to be **strategic** i.e. build a shared vision. Thirdly, the region needs to be **efficient**, which means that all the stakeholders need to work together. However, in Greater Roissy – just like in many other airport regions – there are lots of different players, all of whom have different visions, strategies and interests.

Hubstart Paris was set up by the Greater Roissy authorities in 2009 to respond to these three needs – being visible, strategic and efficient – by bringing all the relevant players together. Initially Hubstart had around 20 partners, a figure which has risen to 30 public and private partners today. Broadly speaking, all the relevant players are well-represented: our partners include regions, départements or counties, communes, public planning authorities, economic development agencies, chambers of commerce, Aéroports de Paris, and companies such as Air France. All these partners represent the ‘ecosystem’ of Greater Roissy.

Hubstart’s partners

Hubstart set itself three objectives:

- **to raise the profile of the Greater Roissy area and promote it as a destination for international business;**

- **to highlight the region’s strong points, such as efforts to turn it into a truly sustainable airport region. This is a concept which Hubstart came up with and which aims to strike a harmonious balance between economic development, effective urban planning and quality of life of local residents;**

- **to ensure better cooperation between all parties in order to be more efficient and optimise resources (particularly important given the current economic climate).**

Hubstart participates in around 30 projects and events per year e.g. international trade shows (selected as per its strategic priorities), conferences, business tours, etc., all with the aim of meeting potential investors. Our annual plan of work is approved by a steering committee, and then each project or event is managed through an operational committee that meets every three weeks. Each individual project or event is assigned an action leader, who we all decide on together.

Sustainable Airport Areas

Concept:

I would now like to come back to the concept of a sustainable airport area. The idea is to combine economic growth, sustainable development and benefits for local residents and the region i.e. 'licence to grow'. One of the central points is that the positives must outweigh the negatives. Here at Hubstart we are all agreed that positioning Roissy as a sustainable airport region will make it stand out on the world stage and therefore help to boost its attractiveness. This all comes back to the need to develop 'specialisations', as mentioned earlier.

The SAA conferences

When Hubstart started to work on making Roissy a sustainable airport region, we soon realised that we needed some sort of benchmark or way to find out more about best practices. Consequently, in November 2011 we launched the first seminar on Sustainable Airport Areas, which was attended by experts from Europe, North America and Asia. Our second seminar was held in October 2012 in the context of our partnership with Atlanta, and the third will take place from 24 to 25 October 2013 in Roissy. In order to enable the experts to continue working together in between the annual seminars, we are currently launching a network of experts in sustainable airport regions.

The working agreements

Hubstart has already signed three international agreements with non-competitor airport regions, namely Memphis (April 2011), Atlanta (July 2011) and Shanghai (November 2012). I would like to take this opportunity to underline just how fruitful our cooperation with Atlanta has been. I feel that over the course of the last 18 months, we have developed a really strong working relationship built on mutual trust.

Memphis 2011

Atlanta 2011

In order to forge a real 'identity' for the Greater Roissy area, we have developed a number of tools such as a website, a newsletter, brochures and a photo library. On our website we have an interactive 3D map of Greater Roissy, which is very useful for events such as trade shows. We are also developing a smartphone app that will enable visitors arriving at the airport to access all of the information they need about the region in one place.

We are also developing a wide range of service to attract foreign investors, such as a Hubstart showroom, a business incubator and an assistance service to help international businesses move to Roissy.

In short, Hubstart is a **strong** alliance of 30 partners, including most of the region's relevant players. It is also an **effective** alliance, organising and attending around 30 events per year. Finally it is an **efficient** alliance, because by working together and pooling resources we can achieve more with a smaller budget.

Three years on from Hubstart's launch, Greater Roissy is now much more visible on the world stage, something which is evidenced by the fact that Hubstart is now in great demand at international conferences. Greater Roissy also has a much stronger identity and sense of belonging, as well as a shared long-term vision. Of course this is only the beginning.

I would like to finish by quoting John Kasarda, the internationally renowned airport region expert, who has done us the honour of following our progress here and attending our annual seminars on sustainable airport areas. He has said that 'vision without action is a day-dream. Action without strategic vision is a nightmare. What is needed is both action and cooperative vision from people in and outside the fence. This all goes back to a generic term called governance'. I feel this quote perfectly sums up Hubstart's approach.

Question and answer session with the audience

Peter PRACZKI (Moderator): I have been most impressed by how passionately and positively you and today's other speakers have spoken about the future of airport regions; nevertheless, I feel I must mention an article about the Île-de-France region published in Le Parisien on 9 February 2013 which was entitled 'Towns under the flight path left poorer than ever' ('Sous les avions… des villes de plus en plus pauvres'). Does development in airport regions make the towns around airports poorer?

Elisabeth LE MASSON: Excellent question. Unfortunately this is true of certain airport regions. However, the area around Charles de Gaulle is a pocket of prosperity in an area that is generally considered one of the poorest in the Île-de-France region. This is exactly what I was talking about earlier when I mentioned the need to generate positive impacts for locals. Here at Hubstart we want to ensure that economic development benefits locals too, primarily via good employment opportunities in high added-value industries and other sectors related to aviation. In order to achieve this, we need to work on providing better training opportunities and transport links from residential areas to the airport. Here in Roissy we are lucky enough to have a specific organisation, GIP Emploi, which deals with training and job opportunities. Nevertheless, I am aware that this is a real issue.

Peter PRACZKI (Moderator): Excuse me but when I asked about airport regions becoming poorer, I did not just mean in economic or employment terms but also in terms of noise pollution resulting in the devaluation of land and property.

Elisabeth LE MASSON: As I said this morning, expanding an airport does not necessarily mean increased noise pollution. Although passenger numbers are rising, planes are bigger and more sophisticated than ever, resulting in fewer plane journeys. At Charles de Gaulle airport, maximum noise levels have been established governing any future airport development, and we are still well below these. Moreover, it is clearly in our interests to stay below these noise levels because we know that economic development – the driver of which is the airport – has to be accepted by all players, including local residents.

Ibrahim ELADHI* (International Relations Consultant): There is a real lack of connectivity between the infrastructures you mentioned.

Another thing, regarding the 3D map you mentioned, this could be used to help passengers navigate their way from train to plane, because at the moment it is not very easy to work out which terminal to head for or how to get there.

One last question, in the future, could Hubstart's network of experts help other airports in cities such as Dakar or Abidjan expand and develop?

Elisabeth LE MASSON: In answer to your last question, I do not think that Hubstart's network of experts could help with that; however, Aéroports de Paris does have two subsidiaries, ADP engineering and ADP management, which work internationally and could therefore provide assistance to airports in other countries.

Transport links between the airport and the Villepinte business park are indeed a real issue, which is why we have introduced a free welcome service for international showrooms with over 20,000 visitors and conferences with over 5,000 attendees. We provide services such as extra signage to help visitors navigate through the airport, free shuttle buses to the venue, etc.

Léa BODOSSIAN (ARC Secretary General): I would like to address my question to both Elisabeth and Jürgen Schultheis. All these projects are very interesting but how much do they cost?

Elisabeth LE MASSON: I am going to get my colleague and the coordinator of Hubstart, Vincent Gollain, to answer this question.

Vincent GOLLAIN (Paris Region Economic Development Agency): All our partners contribute and our combined annual budget is around EUR 350,000. However, on top of that, there is also all the time that we invest into Hubstart. Plus that figure does not include two buildings – Datagora, which is going to become the Hubstart Centre, and the business incubator Aéropole – which are paid for out of a separate budget at the moment.

Jürgen SCHULTHEIS (House of Mobility and Logistics – HOLM): HOLM is financed by the city of Frankfurt and the state of Hesse. Our office building cost EUR 50 million but it was built by investors; we just rent it. The companies and institutions that HOLM represents all contribute to the cost of running HOLM. We also sponsored by companies such as DHL, Fraport and Proctor & Gamble.

Elisabeth LE MASSON: I would just like to add that Aéroports de Paris provides Hubstart with the space for the Hubstart Centre, Aéropole and Datagora free of charge.

Florent NOBLET (TLF Overseas – French Air Freight Union): I would like to ask Mr Schultheis a question. Who do you view as your main competitors in terms of air cargo? Is it still Charles de Gaulle or is it London or Amsterdam Schipol?

Jürgen SCHULTHEIS: I think the main question is: how can we best meet the needs of our customers? We are not really focused on looking at other airports such as Charles de Gaulle: our number one goal is to ensure our customers are satisfied. Consequently, we keep in close contact with DB Schenker Logistics, Lufthansa Cargo, etc.

Peter PRACZKI: What are you most proud of at Hubstart?

Elisabeth LE MASSON: What I am most proud of is that we now have a real Hubstart family. We have built very successful, effective working relationships with all our partners. Of course we do not agree on everything all of the time but we know how to solve issues when they arise. There is a real feeling of trust among the Hubstart partners.

Debate

Peter PRACZKI (Moderator): I would now like us to conclude the presentations with a general question for everyone: in terms of your future marketing strategy, what sort of schemes do you hope to put in place in order to develop your airport and airport region?

Shamal RATNAYAKA (Principal aviation transport planner, Transport for London): As I mentioned in my presentation, our situation is slightly different. We are doing lots of things to encourage inward investment into London and maintain its position as a world centre for trade. Nevertheless, in the long-term, if we are to continue to safeguard our prosperity, we need to look to the future and make sure we have the capacity at a location which is sustainable environmentally and economically, to support both London and Britain's economy.

David SOLLA NAVARRO (Madrid Economic Development Agency): For Madrid, it is very important to start up new routes. Barajas Airport has the capacity to handle 70 million passengers so we are trying to attract new airlines such as Emirates, Etihad and Qatar Airways.

Jürgen SCHULTHEIS (Frankfurt House of Logistics and Mobility – HOLM): First of all, I would like to go back slightly and reply to the person who asked about poverty in airport regions. It seems to me that we need a new social contract for what we do with our airport regions.

Secondly, we have to be clear about what the outcome of logistics and mobility is: mobility is not an end in itself. We have to take responsibility for what we do.

Thirdly, what we are trying to do in Frankfurt is to connect all stakeholders and create a knowledge centre (i.e. HOLM). We are trying to be part of what Antonio Tajani, Vice-President of the European Commission, called the third industrial revolution. According to him, such a revolution has five pillars, one of which is 'logistics and mobility of the future'. I would like to stress that building shopping malls in airport regions is not our solution. Instead, I am convinced of the need to create knowledge centres that will attract talented people able to create new knowledge. That is what will make us truly competitive. I'll say it again: when I look at Dubai, I think we have to take them very seriously and keep a close eye on what is happening there. However, I am not afraid if we continue to follow our 'knowledge' model.

John WOODWARD (Director of Foreign Investment, Metro Atlanta Chamber): With regards to a forthcoming marketing strategy, in operational terms, for us in Atlanta it would be to focus on cargo. In terms of passenger travel, we are already at the pinnacle and still growing, so we are now trying to develop the cargo side.

On the capital side, it would be the Aerotropolis development, anchored by Porsche, which – with the exception of some government funding – is entirely private money ($100 million).

Lastly, in terms of environmental concerns, Atlanta Airport is positioning itself to become a leader in the field of sustainable airports. Airports have a unique opportunity to test environmental technology (water, recycling, electricity, etc.) because of the huge numbers of people coming through their terminals. In Atlanta, for instance, we have introduced waterless toilets throughout the airport. We are planning to use this in our marketing strategy once everything is up and running. Already we very much tout the fact that we are not only the world's busiest airport but also one of the greenest.

Thomas FLYNN (Economic Development Director, Loudoun County): I think for us it is all about building on partnerships in order to market Loudoun collectively. We only have a budget of $3 million so we are really looking to stretch that as much as possible, and we can do that through strategic partnerships, whether with the airport authority, airlines or other jurisdictions. In the long-term, I think our real opportunities lie in those vacant plots of land both on and off the airport and along the Metrorail line, in terms of adding tax base to our economy and creating more jobs.

Elisabeth LE MASSON (Sustainable Development Delegate, Aéroports de Paris): Our objective in the medium to long term is to come to be recognised as a sustainable airport region. I think this would really make us stand out in the long term. I also agree with everything that John Woodward said. We also want to be recognised within the Greater Paris region as a great area in which to set up business.

I would just like to add that I found today extremely useful. It is very beneficial to be able to exchange our experiences, hear about other airport regions' best practices and listen to experts from different fields. Interestingly though, we all seem to have relatively similar views and opinions. I think it is invaluable to meet up like this because it enables us to move the industry and our own airport regions forward, all of which ultimately benefits the general public and our countries.

Iroshi ASHIMOTO (Consultant, Aéroports de Paris): I have two questions. Elisabeth Le Masson, I understand that your aim is to make Charles de Gaulle the best possible airport, and yet you never mentioned staff in your presentation. In my country, we say that people are the backbone of every business. How much importance is given to continuous on-the-job training, lifelong learning and evaluation for airport staff?

Secondly, what are your plans to improve airport food?

Elisabeth LE MASSON: Come and talk to me at the end and I'll give you the names of some good restaurants in Roissy!

Shamal RATNAYAKA: With regards to London, Terminal 5 at Heathrow Airport has a restaurant run by Gordon Ramsay, a well-known British chef.

John WOODWARD: That is not a trivial question. We have actually been asked the same thing so I guess this is a general problem. In Atlanta we have brought in four-star restaurants and it has dramatically changed the customer experience. At the end of the day we are all in the customer service industry. Atlanta was recently rated the number one airport by business travellers – the bread and butter of the airline industry – because they finally have decent restaurants and high-end shops. And with that have come additional employment opportunities of course.

Thomas FLYNN: I would like to address the training aspect of Mr Ashimoto's question. We are currently working with a local community college to start a programme whereby students could be trained in aircraft frame maintenance. United Airlines has already broken ground on a big maintenance hangar at Dulles and many of their maintenance staff are approaching retirement so we see a very good opportunity to introduce training programmes.

Elisabeth LE MASSON: Regarding training at Charles de Gaulle, 18 months ago we opened a ‘service university’ for airport staff. There we train staff, especially front-of-house staff, to ensure that they provide excellent customer service. It is a very good scheme and it works well.

Peter PRACZKI: Thank you very much. Unfortunately we are out of time so we have to move on, but many thanks to all our speakers.

ROUND TABLE III

HOW CAN EUROPE BEST SUPPORT ITS AIRPORT REGIONS?

Peter PRACZKI (Moderator): Given the fierce competition in the aviation sector, how can Europe best support its airport regions? I would first like to give the floor to Sergi Alegre Calero to introduce the topic.

Sergi ALEGRE CALERO (ARC President): When I was asked to speak during today's third round table, my first thought was that the priority for regions needs to be to **attract the attention of the EU**. Regions need to ensure they are heard at EU level. Of course, that is the obvious answer.

At the end of the day, none of us goes from one airport to another. No, we go from home, work or a hotel to another home, office or hotel. The airport in itself is just a means of getting there, not a destination. When we fly, above all we go **from one territory to another, from one region to another**. Consequently, Europe needs to hear us. We need to be given more influence in the place where decisions are made, because otherwise we are missing out on a very important aspect.

In light of this, in October 2012 ARC organised a working session in Vienna where urban planners and airport developers met. This was very significant because a considerable proportion of the problems that crop up between airports and regions (such as disagreements over noise pollution) are simply down to a **lack of communication**. We simply do not talk to each other enough. Indeed, sometimes airports do not even know who their counterparts in urban planning are, and vice versa.

Secondly, the EU needs to have a **clear, global vision** of the direction it wants to go in so that the regions can fulfil this. Of course, this is a huge task, but Europe needs to know where it wants to be in 20 years' time. However, clearly each airport region will have to follow its own path. A one-size-fits-all solution simply would not work because as we have seen, Heathrow faces very different issues from Charles de Gaulle or Frankfurt. Madrid, for instance, wants to attract the Middle-Eastern and Gulf carriers since it no longer has a large flag carrier.

Of course this would increase competition, but this is a good thing. We cannot and we should not avoid competition. It would be very beneficial for the regions if Europe took three specific steps.

Firstly, we need a general **framework** that sets **minimum standards** for everyone in Europe. This is something that the ARC has pushed for a long time. Most of the countries represented in this room have adopted the Euro and yet there are still big differences in average salaries, tax systems, etc. I am not saying that we need to have exactly the same systems but we do need certain minimum standards.

The EU also needs to push for certain **global standards**. We live in an increasingly competitive, globalised world and the EU needs to help if our regions are to compete. On the other hand, we as regions are generally afraid of global competition. However, if one takes a step back and thinks about who is building all these new airports and planes as Chinese and Middle Eastern aviation booms, then it is clear that Europe as a whole is benefitting. Thanks to the emergence of new airports and airlines in the Gulf and China, demand for architects, engineers, pilots, etc. is rising, and many of these positions are being filled by EU citizens.

Thirdly, **cooperation** is absolutely vital. We still like to think of our countries in terms of proper 'nation-states' and yet in this increasingly globalised world, they are mere counties. We also still compare countries to one another, as if we were comparing like to like, but how on earth can one compare Ireland and China, or Spain and India? Europe really needs to push for greater cooperation. We must work together and learn from another because otherwise we are going to be overtaken very quickly.

Patrick BERNARD-BRUNET (Policy analyst, DG Regional and Urban Policy, European Commission): First, I would like to point out that in the case of both regional airports and bigger, international airports, there are a number of EU policies involved, including transport policy, cohesion policy, regional policy, etc.

When one looks at the transport priorities laid down by the EU in 2000, airports were barely mentioned. Out of the 30 projects identified as priorities by the EU's TEN-T scheme (Trans-European Transport Networks), only one was an airport (Malpensa in Milan, which is now finished). Moreover, out of the projects pre-identified as potential recipients of a new infrastructure fund (which are divided into 10 European corridors), I could only find one airport, namely Malta International Airport.

In other words, since at least 2000, airport infrastructure has not been one of the EU's priorities, and that is reflected in EU regional policy. Regional policy makes up the second largest proportion of EU spending, after the CAP.

In 2007–2013, the EU had a regional budget of EUR 346 billion, of which EUR 75 billion was spent on transport (around 20 %). However, just EUR 1.7 billion of that was spent on airport infrastructure, less than 2.5 % of the total transport budget. This means that the regions themselves have chosen not to spend European Regional Development Fund (ERDF) money on airports, since it is they that get to decide which projects should be allocated funding.

This is also true of Member States that receive cohesion policy funding (e.g. Slovakia, Hungary and Bulgaria), which have all chosen not to invest in airport infrastructure.

In terms of cooperation, regional policy can consist of territorial cooperation between neighbouring regions but also thematic cooperation (e.g. transport policy, research and development policy, environmental policy, etc.). All of this is financed by the ERDF and the EU.

Michel MONTALDO (Val-d'Oise County Council Vice-President, responsible for international and European affairs): Indeed, Patrick Bernard-Brunet has just identified the real crux of the problem. Before coming here, I reread a 2008 IAU publication on territorial solidarity, and there was one chapter on how the EU contributes to territorial stability. It revealed that regions have indeed long sought to ensure social cohesion so that the only talk within the region is of social cohesion and regional dynamism. The issue of airports is rarely considered.

It is enough to make one start wondering whether perhaps the EU has adopted the wrong approach. Perhaps this is a slight exaggeration but I feel that EU structural funds, at least in Greater Paris, are spent in a completely piecemeal way that that is not always noticeable or effective in terms of boosting regional economic development.

Of course, we should not throw the baby out with the bath water: we have definitely seen some positive outcomes in terms of improved employment opportunities in airport regions. For instance, in Garges-les-Gonesse, EU funding has helped set up an out-of-hours nursery just a few kilometres away from the airport. EU funding has also helped a charity called Papa Charlie, which provides subsidised hire vehicles for airport workers at Orly and Roissy.

However, both of these are small projects with a limited scope; an airport the size of Charles de Gaulle should be able to have a much greater impact on the surrounding region. If the political desire was there, the EU could direct a much greater proportion of funding into airports in order to boost ‘smart’ development, such as digitalisation and better professional training. We already know that there are not enough airport-relating training schemes in our regions, and we need to tackle that.

We hear a lot about social cohesion and territorial equality. I think EU structural funds need to provide airports with much more support given the threat posed by airports in the Gulf region and China, and also – in my opinion – Russia. If Europe does not wake up to this soon, our airports’ competitiveness is really going to suffer.

I would also like to take this opportunity to say a few words about a revealing study called ‘Survol’, which was recently conducted by Bruitparif (Île-de-France noise observatory). The study revealed that areas most affected by airport-related pollution and noise are more likely to be poor. Bruitparif noted that this was especially true around Roissy. This is not a recent phenomenon: indeed, for the last 30 years and more, airport regions have increasingly become home to poorer families. For decades, poor families that the authorities did not want to house in Paris have been moved to areas such as Garges, Sarcelles, Villiers-le-Bel and Arnouville. I believe these political errors have led to many of the problems facing airport regions today. Most of these people do not have the necessary training to work in airports and the aviation industry so they have become poorer and poorer. Fortunately, the FSE has been able to help some residents by providing professional training schemes.

To conclude, in my opinion Europe is heading down the wrong road with regard to airport regions. EU structural funds have been allocated in far too piecemeal a way. If our airports are to continue to be able to compete internationally in the future, the EU needs to wake up and accept that it must invest in airports and airport regions.

Peter PRACZKI (Moderator): Jean-Claude Detilleux, in terms of the regional development of the Île-de-France region, what is your view on the support and guidance provided by the EU?

Jean-Claude DETILLEUX (Chairman of the Board of Directors, Paris Region Economic Development Agency): I will come back to the Greater Paris region later but I would first like to address what the previous speakers said. A great deal has been said about European competitiveness, and indeed it is the subject of much debate both within the EU and throughout the rest of the world – after all, a competitive Europe is in everyone’s best interests.

One of the ways for the EU to overcome the problems it is currently experiencing would be for it to develop stronger trade links with different parts of the world. The EU has already signed a free-trade agreement with South Korea and there is another with Japan on the horizon. There also reports in the press of a potential free-trade agreement with the USA, which would be a real step forwards.

Michel Montaldo was absolutely right to mention Moscow: it will be very interesting to see how things will pan out in the future once China and Russia truly start engaging in the World Trade Organisation.

What does this all mean? Well, it means that Europe needs to start readying itself to trade on a much greater scale. Of course, this goes both ways – I am talking about imports and exports, and the movement of not only goods but also people and ideas. Europe's airports will play a significant role in all of this.

Consequently, if Europe is to remain competitive – and as I said before, this is clearly in everyone's interests – then its airports need to be efficient and equally competitive. I wholeheartedly agree with everything my colleagues have said about the need to invest more in our airports.

With regard to the Île-de-France region in particular, there has been a great deal of talk about all of this. Obviously an airport the size of Charles de Gaulle is essential for the region. The Île-de-France region is huge and very diverse, which means that the Paris Region Economic Development Agency really has its work cut out in terms of boosting economic development, promoting social cohesion, etc. The agency has recently been given extra powers and resources to ensure that the whole region benefits from Charles de Gaulle airport.

Around a quarter of all jobs created in the Île-de-France region result in one way or another from the airport, so it is clearly of vital importance for the area. This is where the EU could step in, to help ensure that the airport creates even more jobs, particularly ones suited to local residents.

Two of the main obstacles to better employment rates are the lack of suitable training schemes and inadequate transport links. This is one of the reasons why the Economic Development Agency has been so involved with Hubstart and why we think it is so important.

Charles de Gaulle airport faces certain specific problems, partly because it is relatively old and long-established, which is why we need all the relevant stakeholders to work together. Hubstart has over 20 partners, making it an effective alliance able to ensure that the whole Île-de-France region benefits from the airport and the opportunities it offers. Once again, though, I would like to stress that we also feel concerned by the problems facing Europe as a whole.

Peter PRACZKI (Moderator): I would now like to ask François Scellier to talk to us about the social aspects and environmental constraints. What is your view on the policy of expanding and developing airports?

François SCELLIER (ARC Vice President, MP and President of the Val-d'Oise Economic Development Agency): I am afraid that what I am going to say might not really answer your question, because what struck me the most today were the discussions about the situation in Europe as a whole. Having been shown the bigger picture, I am suddenly very conscious that we are lagging behind in certain areas.

The EU is certainly a topic worth discussing and throughout the course of today we have shared our experiences from our home countries. There are few recurring themes, such as the fact that there are often social problems around airports, and that airport regions tend to be densely populated despite the fact that, in terms of the surroundings themselves, they are not attractive areas.

I certainly do not want to cast a damper over today but I am convinced that, as Sergi Alegre Calero just said, we must adopt a more European dimension in our work. We can claim that EU policies distribute funding rather sparsely and ineffectively but ultimately this is our fault – we have created this situation. When the EU budget is being negotiated – as is the case now – all 27 Member State Governments fight to get back at least as much or more than they put in. That is what is most important to them, and this is the main problem: we are all too busy thinking, ‘How can I make sure that I get back everything that I put in?’

I have to say that when the issue of building a third airport in Greater Paris came up, some of us asked ourselves the same questions. It is very difficult to make yourself think beyond your own region.

The question that was asked was, ‘do airport regions in their current form really meet the needs of the general public throughout Europe?’ So far – and I completely understand why – we have not been able to look at things at EU level i.e. thinking not in terms of competition with other EU member states but solidarity.

We need to remember that the individual contributions made by each Member State help the EU as a whole move forwards. And I think that until we understand this, we will not get to the bottom of the problem. We need to really work together in a spirit of European solidarity and stop thinking ‘selfishly’ i.e. solely in terms of our own individual regions. Even when we talk of redistributing wealth at national level, from one region to another, it provokes a certain type of response.

Today was extremely interesting and useful. While it enabled us to gain further insights into our own regions, we must ensure that we also consider the bigger picture. I hope that the next conference might look more generally at the overall situation in Europe, which would go some way towards overcoming our desire to think solely in terms of our own region.

Patrick BERNARD-BRUNET (Policy analyst, DG Regional and Urban Policy, European Commission): Very briefly, I would just like to add to what Michel Montaldo said. The EU’s regional policy is intended to reduce structural disparities between the richest and poorest EU regions. At present, there is a disparity of 7 points between regions like London, Luxembourg, Brussels and northern Italy, and the poorest regions in Romania and Poland. By contrast, in Japan and the United States there is a disparity of about 2 or 2.5 points.

Should EU funding continue to go to rich regions such as Île-de-France, London, Hamburg, Frankfurt and Vienna, which is where the main hub airports are? The Commission thinks so but the UK and the Scandinavian countries do not.

Following the European Council’s recent negotiations on the 2014–2020 multiannual financial framework, it was decided that regional policy would continue to apply to all regions but that future funding would primarily go into innovation, research, SMEs and energy, all of which are part of the Europe 2020 objectives.

This means that 80 % of future regional schemes, including in Greater Paris, will automatically focus on these fields, leaving around 20 % of funding for transport. Even this is not assured because the draft proposal excludes basic transport infrastructure from receiving ERDF funding.

In an attempt to strike a balance between what the richest and poorest regions want, it has been decided that all regions will continue to benefit from regional funding but only in certain fields; regions such as the Île-de-France will find that transport is not one of these.

Michel MONTALDO (Val d'Oise County Council Vice-President, responsible for international and European affairs): It is not a question of demanding as much money as possible for air transport and airlines. We live in an increasingly globalized world and we need to provide Europe's main airports with the tools they need to stand their ground and remain competitive.

If Aéroports de Paris were to lose its economic sway tomorrow, the social cohesion that the EU is so eager to protect and promote would soon disintegrate in the areas around Charles de Gaulle.

I spoke earlier about the need to focus on innovation, but innovation also applies to economic areas other than airport regions. However, this all seems slightly contradictory to me. On the one hand, the EU wants to safeguard social cohesion and yet on the other it is not giving regions the means to create wealth.

I was struck by what John Woodward of Atlanta said about their 'task force'. We simply do not have the willpower or mentality needed to bring all the relevant players together and set up a powerful task force that will create wealth for our region. We keep talking about social cohesion but we are unable to create wealth. It is all very well formulating new social cohesion policies all the time but the fact is that the number of poor people in Europe just keeps going up.

Should we settle for simply helping poor people scrape by, to make sure that we do not end up with a revolution on our hands? Or should we adopt policies that create wealth and then try to redistribute this as best we can?

In my opinion, if we really want to create wealth, we need to focus our efforts on innovation and research instead of handing out small amounts of aid all over the place, which acts as a temporary sticking plaster but does not address the real issue.

Sergi ALEGRE CALERO (ARC President): I agree and perhaps we could organise a conference on the challenges facing Europe as a whole.

With regard to what has just been said about the social impact of airports, two main points need to be made. First, we all agree that airport cities and regions create economic development and wealth. The real question is how to distribute that wealth. This probably goes beyond the scope of today's conference but it is important for Europe to look into this question.

Secondly, there is no doubt that all airport regions suffer to a certain extent. We simply cannot deny that living conditions in airport regions are not the same as elsewhere. We have conducted a study into this which revealed that wealthy people simply do not choose to move to airport regions.

Consequently, the ARC believes there should be a standardised Europe-wide system of compensation for people living near airports – which after all benefit society as a whole. We could look at the best practices in airports around Europe for inspiration.

One of the complaints we often hear is that while airports create lots of jobs, these are often badly paid. However, there is a lot of diversity between the types of skills and qualifications called for, which means that many airport jobs are accessible to poorly-qualified people who would otherwise find it difficult to get a job.

Debate

Peter PRACZKI (Moderator): I would now like to open up the debate to the public. Would anyone like to ask a question?

Françoise CHOTARD (Île-de-France representative in Brussels): I agree that Europe is not looking at the bigger picture in terms of airports and their regions. Although there are a number of ways airports can receive help – transport policy, training assistance, structural funds, R&D policy, etc. – I do not think we have a real overall vision of what our airports represent for Europe and its competitiveness. Perhaps Commissioners Hahn (Regional Policy), Kallas (Transport), Tajani (Industry and Entrepreneurship) and Poto□nik (Environment) could work together to set up a task force that would help Europe move in the right direction and develop its vision for the future. After all, as we have heard today, airports are central to maintaining the EU's competitiveness on the world stage.

Anne DEVITT (Fingal County Council; honorary ARC President): I think what we can take away from today is that airport regions create wealth; they are not just about transport and getting us from A to B. For this reason, I am not disheartened by the Council's decision regarding how the EU budget will be spent. I think we can use the 80 % of funding that is earmarked for sectors other than transport in an innovative way that will attract future funding to our transport sectors. Instead of looking solely at the transport budget as a way of developing our airport regions, we should also make indirect use of the other budgets to boost our transport sectors. For instance, as Mr Schultheis said, airport regions need to become centres for knowledge; in this case, we can also tap into budgets for research and development to boost our airport regions.

Conclusion

François SCELLIER (ARC Vice-President, MP and President of the Val-d'Oise Economic Development Committee): Today has been very productive and has enabled us to pool our ideas and thoughts. Thank you very much for attending. I think I speak for everyone when I say that today has been very fruitful.

Peter PRACZKI (Moderator): It has been a pleasure to act as the moderator for this conference. Many thanks to everyone who made today possible – the Val-d'Oise team, the ARC, the sound technicians and our interpreters, Joachim Colaris and Muriel Mercier. I hope you enjoyed today and found it useful. Thank you very much for attending.

François SCELLIER: I would also like to thank our moderator, Peter Praczki, for keeping everything running so smoothly and on time, and all of you for keeping to today's timetable so well. Thank you very much.

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