

Keynote speech Minister Melanie Schultz van Haegen on Civil Aviation Seminar [Airneth], 5 April 2011, New Delhi

Ladies and gentlemen,

It is my pleasure and honour to visit your country in the year you celebrate your centenary anniversary in the field of aviation.

Like yours, ours is a long tradition of aviation dating back over a century. Air transport thrives where there is economic success.

India's achievements of phenomenal growth and goals attained serve as an example for many the world over. We are the 5th largest investor in India and the Netherlands tops the Indian list as the number one country that receives Foreign Direct Investment from India. Our two countries share common values such as democratic principles and entrepreneurship.

We have made our mark in this period by delivering renowned brands like Amsterdam

Airport Schiphol, KLM, Van der Lande just to name a few. Likewise Air India is one of the oldest airlines in the world and many of your newer airlines, like Kingfisher, Jet Airways and Indigo are brands in their own right. India has built modern world-class airports in a very short timeframe.

Making a product into a brand is hard work but making that product into a lasting brand name is even harder work. A product like a hub is not built in a day nor is it a finished product rather it's a project that needs to meet the demands of our dynamic society. What are the important success factors?

Creativity:

It starts with daring to imagine - our hub Amsterdam Airport Schiphol is built on a marshland – our ability to manage water and reclaim land. Since then we have built and

expanded the site to the current one-terminal with 5 runways and developed an airport city around it. As a result in the surrounding area European Headquarters for global companies originating the world over have sprung up to profit from a consistent policy to provide a friendly, open and lucrative investment climate. Not only passengers but cargo movements too are essential to build a successful hub. To illustrate, the flower auction in the Netherlands requires on time delivery to many destinations in the world given the perishable nature of the goods. To avoid more congestion on the roads we have created a sustainable logistical solution by laying down a conveyor belt between the flower auction and the cargo warehouse at the airport – a direct connection so to speak. Existing bottlenecks pertaining to policies on immigration, tax, logistics, operations and so

forth are addressed. The possibilities are limitless but our resources are not.

I presume that in India the path of aviation and airports in the past 100 years has also been a path of using creativity. You may have encountered other situations and other requirements. But when I look at Indian airports and aviation, I notice a well developed industry. Combining your creativity with ours must give even better results.

Challenges:

The scarcity of resources brings about challenges. How do we balance economic needs with environmental realities? How do you establish and maintain your position in a globalized setting? In many ways questions we are dealing with the world over – however given the unique situation per

airport they require tailor made solutions. Sharing enhances our ability to deliver better quality products. In a way we in the Netherlands have practiced *'open source creation'* long before it was labeled thus. Singapore and Dubai both have benefited tremendously from the experiences the Netherlands has shared with them making them hubs that we even have to compete against today! We choose to share with you our experience, as we believe in a win-win.

Choices:

To tackle the challenges, you have to be willing to make choices. Given the diversity in our democratic arena and adding to that the European dimension, decision-making processes itself in our country can be complex. The Netherlands is often seen as a

country that makes choices based on consensus.

The need to ensure participation from nearly all sections of society before coming to a decision, I am sure is well embedded in your democratic institutions too. This in our experience has now become more important with regard to large infrastructural projects. The Netherlands given that it's densely populated and therefore space is a scarce resource amongst other things – has developed a number of policy processes to come to more integrated decisions. Spatial planning taking care of not only the gateway to Europe using our seaports Rotterdam/Amsterdam and our airport Schiphol but also the roads and logistical networks that ensure that these vital hubs for our economy remain accessible.

Chances:

As much as choices need to be made, seizing opportunities is a must if entrepreneurial success is to be guaranteed. A tradition both our countries share. In the field of air transport we in the Netherlands have dared to be different as to accumulate 'first mover' advantages.

Where many carriers were nationally owned KLM remained a privately owned company. In 1992 we signed the first open skies treaty with the US.

In 2003 we agreed to the merger of our hub carrier, KLM, with Air France and it is now part of the SkyTeam alliance. As a result, KLM and Northwest pioneered the global airline alliance model.

These choices have strengthened our hub's position, given the symbiotic relationship that exists between a hub and its hub carrier.

You too have made bold steps by allowing a unilateral open skies cargo regime as one of the only countries in the world and signing an open skies treaty with the US.

In the past few years we have removed restrictions in our own bilateral relationship allowing for market access to further strengthen our economic ties.

Why? To give our citizens, consumers and companies good quality products and services, at a decent price and with optimal choice!

Concepts:

In my keynote address thus far I have named the concept of Amsterdam airport city, our 'one terminal' concept, transfer hub, integral policy formulation many of which were firsts in the history of aviation.

Today issues have to be addressed at a multi dimensional level capacity, markets, the environment and R&D innovation to be able to take a next step. Integral policy on infrastructure and environment taking all these dimensions on board is a tool that is useful for the government in our experience. I am confident the Dutch Companies that have joined me on this mission will be able to provide you with sustainable and smart solutions in logistics and transport.

To conclude-

The state of the art hubs you have created, such as the International airports of Delhi and Mumbai, and the exponential growth of the aviation sector here attests to the need for today's seminar.

This seminar establishes a platform for government, industry and academics to meet and share their experiences. For us in the Netherlands Airneth has proven to be a very useful tool to help formulate integral government policy.

May this exercise in sharing experiences pave the way for more economic activity and further sharing of knowledge between our two countries as we both continue to apply the success formula:

"Creativity plus Challenges plus Choices plus Chances lead to successful business Concepts."

Thank you!