

## The aviation industries as a growing market in the Near and Middle East region

by Matthias Canzler



f.l.t.r.: Gerold Reichle, Director General of Civil Aviation at the Federal Ministry of Transport, Building and Urban Development and Member of the Board of Trustees of the German Orient- Institute; H.E. Abdel Nabi Mussayab, Ambassador of the League of Arab States; Abdul Wahab Teffaha, Secretary General of the Arab Air Carriers Organisation (AACO); Akbar Al Baker, CEO of Qatar Airways; Henry Hasselbarth, Vice President Central and North Europe of Emirate Airlines and Dr. Wolfgang Helbach, Member of the Executive Board of the German Aerospace Industries Association and CEO of AOA Apparatebau GmbH

In recent years, almost all countries of the Near and Middle East region constantly denote high economic growth rates. Though, in some countries, particularly those of the Gulf Cooperation Council (GCC), the most important single industrial sector remains the oil and gas industry, which contributes to more than 90% of the GDP and government revenues. Therefore, it is a major objective of various government initiatives to diversify the economy. Due to constantly high economic and population growth rates, additional investments in transport and infrastructure are required. Within the context of these recent developments, NUMOV organised the German – Near and Middle East Conference in cooperation with the German Aerospace Industries Association (BDLI), which took place on 9<sup>th</sup> June 2010 at the ILA Berlin Air Show 2010. The conference was attended by high-ranking speakers and numerous company representatives from Germany and the Near and Middle East region.

In his opening speech **Henry Hasselbarth**, Vice President Central and North Europe of Emirates Airlines, warmly welcomed all speakers and participants at the conference and the ILA Berlin Air Show 2010 on behalf of NUMOV. He emphasized the high demand for such events and the great opportunities offered in the aviation sector worldwide, and the Near and Middle East region in particular.

Following up Henry Hasselbarth, **Dr. Wolfgang Helbach**, Member of the

Executive Board of the German Aerospace Industries Association and CEO of AOA Apparatebau GmbH expressed his happiness that the aviation conference takes place at the ILA in Berlin. He considered the International Aerospace Exhibition a highlight, not only because 74 countries participate in the exhibition but also because participants and visitors of the exhibition have the chance to watch the construction of Berlin-Brandenburg International Airport.



Henry Hasselbarth, Vice President Central and North Europe of Emirate Airlines and Deputy Chairman of the German Orient-Institute

He stressed the growing importance of international aerospace exhibitions and conferences as aviation is a fast growing market, which significantly contributes to the development of infrastructure, trade and economic growth.

Tying in with Dr. Wolfgang Helbach's speech, **Gerold Reichle**, Director General of Civil Aviation at the Federal Ministry of Transport, Building and Urban Development and Member of the Board of Trustees of the German Orient-

Foundation stressed the good relations between the Arab region and Germany. He referred to the high number of reliable flights between Germany and the Near and Middle East region today.

Aviation would thereby lead to increasing cultural contact and exchange. Above its crucial role for all worldwide businesses, trade and industries, aviation became an important industrial branch itself. Gerold Reichle considered the flourishing aviation industry on the Arab peninsula, with a number of countries having recognized the importance of aviation for their national development. States of the Near and Middle East can take great advantage of their geographical location at the intersection between Asia, Africa and Europe. Hence, airports in the GCC-States are already world-leading in the conveyance of passengers from Asia to Africa and vice-versa. **H.E. Abdel Nabi Mussayab**, Ambassador of the League of Arab States, stressed the importance of ILA especially for the sectors of defence and security as the exhibition connects specialists, politicians and industries of the respective fields. With regard to the aviation industry, H.E. Abdel Nabi Mussayab stated that the Arab states will continue their massive capacity growth due to the increasing number of passengers especially from Asia and Africa. According to H.E. Abdel Nabi Mussayab, the importance of airports such as Abu Dhabi and Dubai will raise significantly in the future. Hence, Arab airlines will also prospectively demand German supplies and know-how.

**Akbar Al Baker**, CEO of Qatar Airways pointed out that aviation serves as an

important engine for economic growth in Qatar. "Any country like Qatar needs a strong airline to foster this unprecedented economic growth" Mr. Al Baker said with regard to the establishment of Qatar Airways. Referring to the Qatari-German relationship Akbar Al Baker praised the measures of the EU to install a single European aviation market.

However, he would wish to see more efforts towards opening markets for foreign airlines such as Qatar Airways. As Qatar Airways is an important customer of Airbus and requires a lot of German and European know-how for the maintenance of its aircrafts, market liberalization in the aviation sector would according to Mr. Al Baker also be in the interest of Germany and other European countries. Furthermore, passengers would benefit from lower prices and better services. He stressed the importance of Qatar Airways as it connects markets which are too thin to be reached by European Airlines.

**Abdul Wahab Teffaha**, Secretary General of the Arab Air Carriers Organisation (AACO) argued that due to constant average economic growth rates of 5% to 6% each year, the region faces increasing demand for air transportation and the enlargement of the existing airport infrastructure. High population growth rates will pressure investments additionally.

Mr. Teffaha emphasized the objective of the aviation industry in the Near and Middle East region to use its very positive strategic location in the world as regional hubs and to deliver highest quality and comfort during the flight as well as at the airport by creating an atmosphere of ease. Hereby it is necessary to meet challenges, like further liberalisation, equitable and open relations with other regions and the opening of ownership and path towards consolidation.

As it is also important to expand the German airport infrastructure, **Dr. Till Bunse**, Vice President Marketing and Public Relations of Berlin Airports, provided a broad overview of the construction of the brand new Airport Berlin-

Brandenburg International in Berlin, which is currently the largest German infrastructure project. Mr. Bunse pointed out that the construction of the new airport is very important since the air traffic sharply increased in 2002 as a result of the arriving of low cost and long-haul traffic as well as the start-up of the airline Air Berlin. The Airport Berlin-Brandenburg International is expected to open in October 2011 and has a capacity of 27 mn passengers p.a. in its first phase. It will be extended to about 45 mn passengers p.a. in a later phase.

In his speech, **Peter Schnölzer**, Director Corporate International Relations NME & Asia Pacific at Deutsche Lufthansa AG, addressed various challenges, faced by the airline industries in recent years and the chances offered in the Near and Middle East region. Challenges are particularly the impact of the global financial and economic crisis, several natural phenomena, further economic development in Europe, the development of bi- and multilateral relations as well as the increased competition in the airline industries sector.

**Martin Seeger**, Head of International Division of HOCHTIEF Facility Management, presented the activities of HOCHTIEF Facility Management in the aviation sector, containing the construction and full service operation of airports. HOCHTIEF Group itself owns six attractive airports. In 2009, Bahrain Airport Company (BAC), being responsible for the management and operation of Bahrain International Airport, established a Joint venture with HOCHTIEF Facility Management in order to manage all Facilities Management and Energy Management Services at the airport. The presentation of Mr. Seeger provided a broad overview of the high expertise of HOCHTIEF in the airport sector.

**Helmut Pawlischek**, Cluster Manager Airports MEA of Siemens AG, emphasized the high potential of the aviation sector in the Near and Middle East region for Siemens AG, achieving about 41.5% of its revenues in Europe, CIS, Africa and the Middle East in 2009. With an



Akbar Al Baker, CEO of Qatar Airways

annual average growth rate of 5.5% the Middle East region marked the highest increase in the global airport market. With a share of about 10% in the aviation sector, Siemens is the market leader in the region and will expand its engagement as it is able to deliver a lot of services and high end technology.

**Tilmann Gabriel**, President/CEO of CHC Europe and Former President/CEO of Safi Airways Afghanistan, used the opportunity to present the evolution of Safi Airways and the German support for the civil aeronautical infrastructure in the case of Afghanistan. Safi Airways, primarily managed by German and European Airline Executives, is the first international Afghan airline which complies to the standards of the International Civil Aviation Organisation (ICAO).

Further, it is the only airline flying non-stop to Frankfurt/Main (Germany) and Dubai's International Terminal 1. Germany helps to strengthen the aviation industry by establishing a German Apprentice School (Berufsschule) in Kabul, which is intended to include airline related apprenticeships, a potential aviation academy and provides air cargo support in cooperation with various German ministries and the support of KfW and GTZ. ●



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