

Remarks of Giovanni Bisignani at Aviation and the Environment Summit

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Geneva - Good morning and welcome to Geneva - IATA's home in Europe.

The Problem

Environment - global warming - is at the top of the world's political agenda. Environmental responsibility is a core promise of air transportation alongside safety and security. According to the Nobel Prize-winning Intergovernmental Panel on Climate Change (IPCC), aviation contributes 2% of manmade CO₂ - about 700 million tonnes annually.

Air transport is popular. Some 2.2 billion people flew last year and our aircraft carried over 40 million tonnes of cargo - 35% of the value of goods traded internationally. We are essential economic infrastructure for both the developed and the developing world, connecting people to business and goods to markets.

Our Approach

The industry is growing at 5-6% a year. Our responsible approach to the environment limited the growth in our carbon footprint to just half of that: 3%. The challenge is to keep the enormous economic benefits of air transport and eliminate the environmental impacts. So, despite our good track record, we must do more. That is why IATA developed a four pillar strategy to address climate change

- Investing in new technology
- Flying aircraft effectively
- Building and operating efficient infrastructure
- And using positive economic measures

We also needed targets to measure progress, 10% alternative fuels by 2017 and more importantly a 25% improvement in fuel efficiency by 2020 compared to 2005.

Results

The important question is what have we accomplished? The answer is a lot. In 2007 alone, IATA's efforts saved over 10 million tonnes of CO₂; 3.8 million tonnes by optimising 395 routes and 6.7 million tonnes from our Green Teams working with airlines to spread best practices. We took our track record, our strategy and our targets to the International Civil Aviation Organization (ICAO) Assembly in September. All 179 States attending the Assembly endorsed the strategy and the target. This included an

agreement to work towards a global solution for an emissions trading scheme. Unfortunately, the commitments of the Assembly did not translate into actions by governments.

Europe and Emissions Trading

This is particularly true with respect to emissions trading. Let me be absolutely clear on two points.

- First, the question of CO₂ is a question of fuel, if we burn less fuel we emit less CO₂. Fuel is 30% of an airline's operating cost and the total bill for 2008 is estimated at US\$156 billion. No other industry has such an enormous incentive to be more fuel-efficient.
- Second: IATA is not opposed to emissions trading provided that it is fair, global and effective.

And the only place to achieve that is at ICAO. Europe has been the strongest in pushing emissions trading. They should take credit for getting environment onto the global agenda. But at this stage, Europe's unilateral approach will only lead to legal battles and trade wars. Not the global solution that we need or to a real reduction in aviation's emissions.

Last week I went to see Commissioner Dimas in Brussels and delivered a tough reality check. We all want a global solution on emissions trading but the answer will not be the world adopting Europe's system. Success will only come through the ICAO process as it did with safety. All European states are ICAO members. It is their responsibility to push and to ensure ICAO's success.

Commissioner Dimas agreed with our position and I appreciate his openness. I believe that we made some real progress and the Commissioner is ready to work with IATA and ICAO on a global solution that we can all agree to. I also reminded Commissioner Dimas and Vice President Barrot that economic measures are only part of the solution. If Europe is championing environmental issues it needs to clean up its own back yard.

"Embarrassing" is the most polite word that I can find for Europe's failure to implement a Single European Sky that could deliver 12 million tonnes of CO₂ savings. We have had nearly 20 years of talks and no results. Finally, now we are starting to see some change. By 2012 we expect to have functional airspace blocks based on technical capabilities, not political boundaries. But Europe's national governments do not understand the urgency of implementing a Single European Sky. We cannot be expected to purchase allowances for fuel we do not want to burn.

We don't need to wait for technology, we just need strong political will. The same kind of political will and vision that Delors and Kohl had when they created the Euro. Where can this leadership come from? The next President of the European Union has an environmental vision and the speed and passion to make it a reality. We must encourage

President Sarkozy to take leadership to tear down Europe's borders in the air and build a real Single European Sky by 2012.

Agenda for Governments

Governments everywhere have an enormous role to play in environment. But they must move beyond politics and economic measures and become engaged in delivering real solutions.

Let me highlight two areas:

- **1. Research and development**

Technology is critical. It helped us improve fuel efficiency by 70% over the last 40 years and it will drive future improvements on everything from alternative fuels to new materials and radical airframe designs. Governments must cooperate to support and fund basic research so that the private sector can do its job competing to apply it effectively.

- **2. Improving air space**

The IPCC estimates a potential 12% efficiency gain from improvement in how we use air space.

That's over 70 million tonnes of potential savings. A Single European Sky is the most obvious but we see potential savings in all regions, sorting out the Pearl River Delta in Hong Kong or implementing next generation technologies in the US and also Russia, China, India, Africa, Latin America... It's a long list.

Aiming High

In the meantime, our industry is aiming even higher. Incremental change is important but the industry needed a more powerful vision to focus our efforts. At the last IATA AGM in Vancouver, I am sure that I shocked many of you when I announced a vision for air transport to achieve carbon neutral growth on the way to a carbon-free future.

Our goal is zero emissions. And to indicate a time frame, the challenge that I laid out was to develop carbon-emission-free technology in 50 years. I did not have all of the answers on how to achieve this but our history of turning dreams into reality tells us that this must be possible. In 50 years we moved from the Wright brothers to the jet age. Today, we are an industry that safely transports 2.2 billion people every year.

Our spirit of innovation continues today. We thought that running a jet on bio-fuel was a 5-year project but we achieved it in less than a year using both an Airbus and a Boeing aircraft. The same can be true for other potential building blocks like hydrogen cells or solar power. Of course airlines cannot do it alone. Shortly after the AGM, I met with all the manufacturers here in Geneva. The spirit of cooperation was fantastic. We agreed to work together as partners and as a result we have made quick progress in evaluating a

technology roadmap to carbon neutral growth that is now in its final stage of development.

Communications

As we move forward, effective communications by all industry partners is essential. The enviro.aero programme has united the industry with common messages. Aligned with these efforts, IATA is helping our members communicate with their customers with some effective tools.

Over 40 airlines have used IATA's print ads and environment video on board and we are working with our member airlines and airports to roll out environmental stands at major airports across Europe. We are also developing a common IATA carbon offset scheme in partnership with a respected NGO that all our members can use. If you are not already involved in these please talk to the IATA team over the next days.

Finally, to give life to our vision, IATA teamed up with a famous modern-day explorer, Dr. Bertrand Piccard, who shares our vision for carbon-free flight. In three years, Dr. Piccard's Solar Impulse project will fly around the world - day and night - using only Solar Power. Solar power alone will not be the answer to the environment question but the innovation and pioneering spirit of Solar Impulse is exactly what will drive us forward.

Conclusion

The final element is working together. Our great record on safety is the result of 60 years of industry partnership between airlines, governments, manufacturers, airports and air traffic control. The progress that we have made since the last Summit is proof that this approach works for the environment.

This Summit is a great opportunity to strengthen our common commitment to deliver global solutions for an environmentally responsible aviation industry.