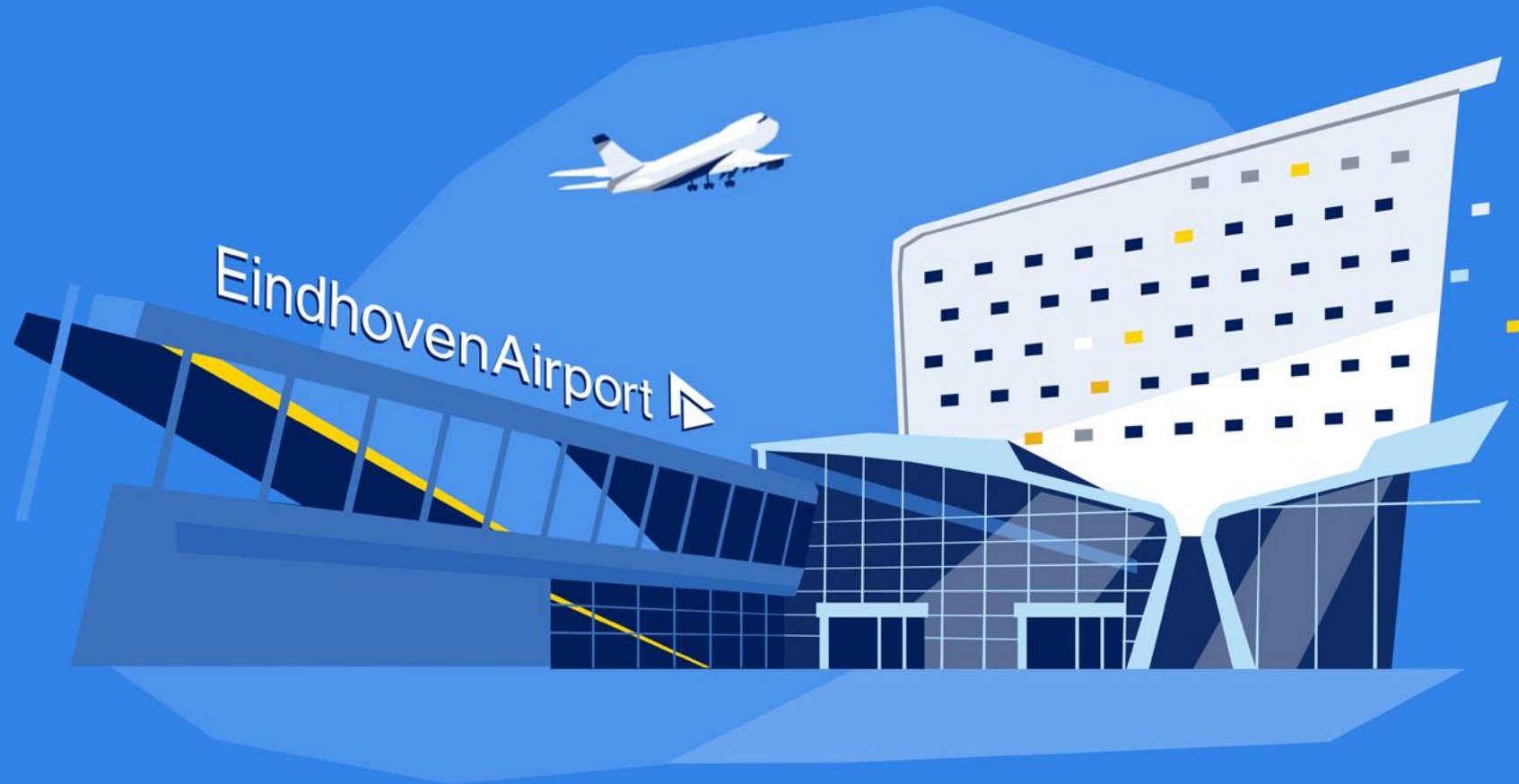


Eindhoven Airport: Outline & scope position paper I&W, Luchtvaart nota

December 2018



Content

Facts & figures Eindhoven Airport (slide 3, 4, 5)

Brainport region and catchment area serve as foundation to develop Eindhoven Airport (slide 6, 7, 8, 9, 10)

New narrative and tone of voice essential are elements in Luchtvaart nota (slide 11, 12, 13, 14)

An outside in reasoning.

Scarce capacity in relation to consumer prices (slide 15, 16, 17, 18)

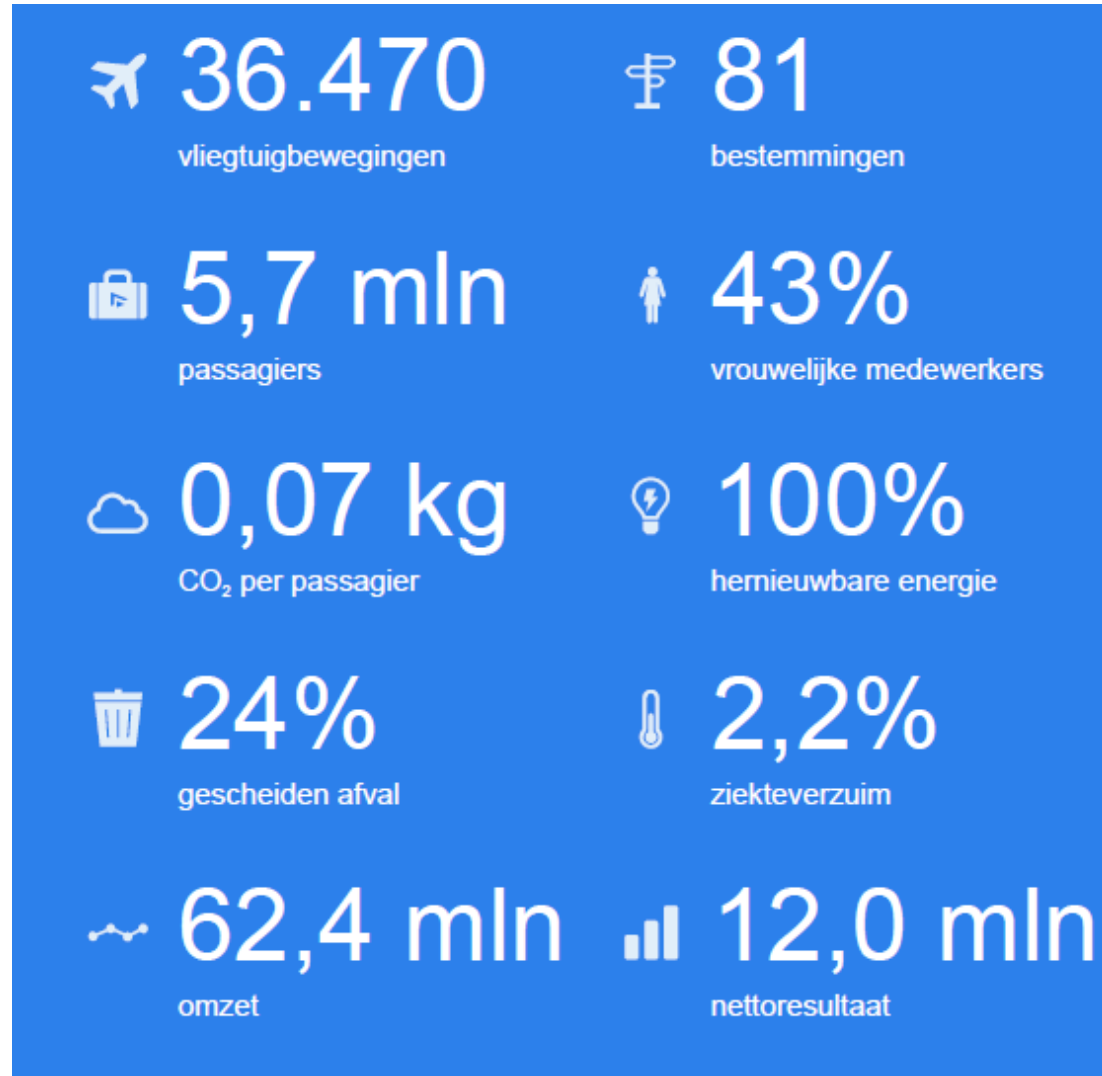
From thinking in quantity to quality (slide 19, 20, 21, 22, 23)

Other issues to be addressed (slide 24, 25)

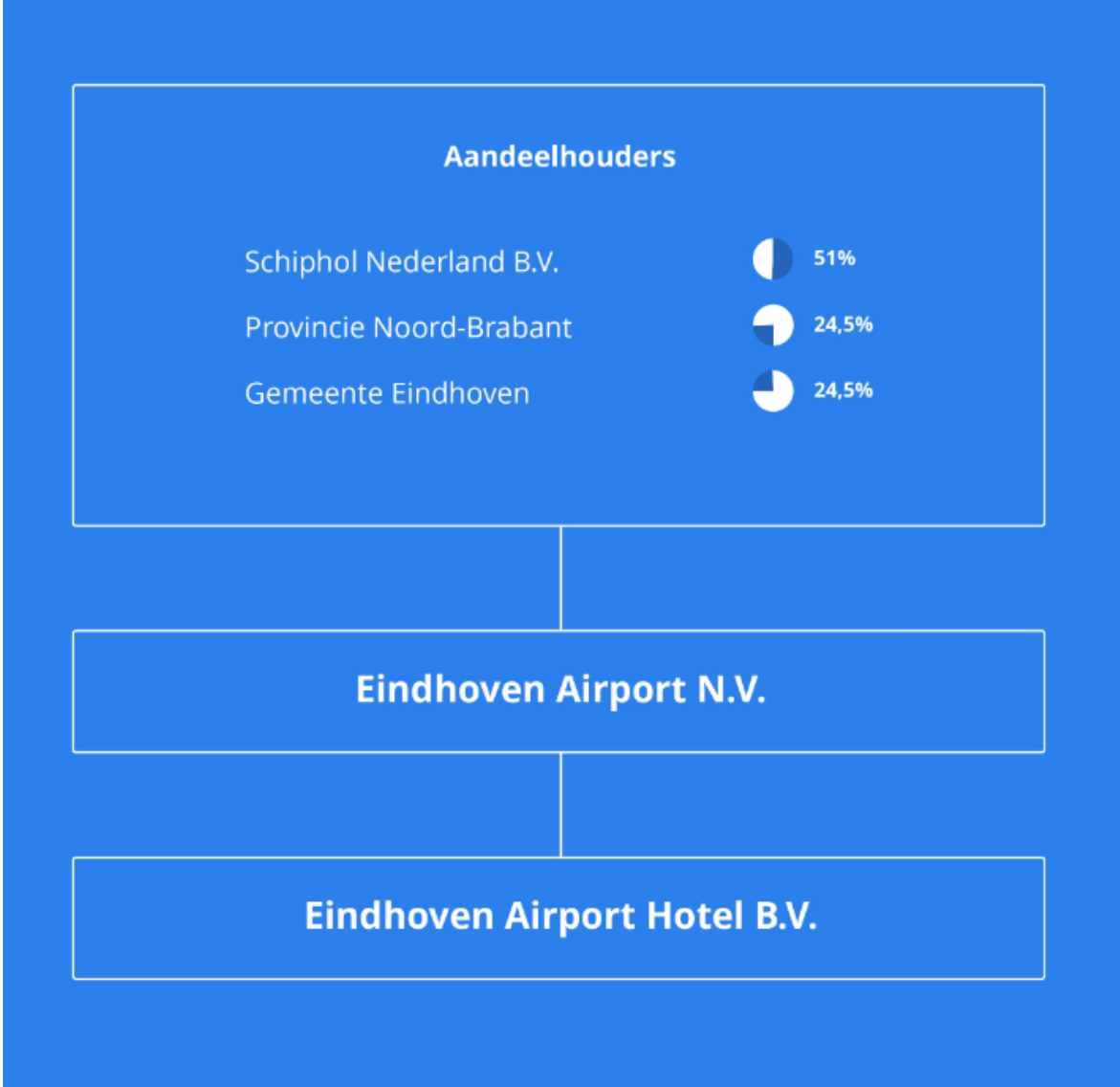
Facts & Figures



Eindhoven Airport at a glance



Shareholders



Brainport region and catchment area serve as foundation to develop Eindhoven Airport



Where are we?

geographically

North Sea

Germany



Belgium



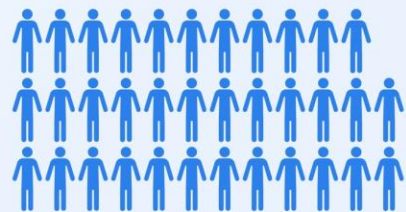
Where are we?

catchment area



7.700.000

within one hour drive



38.600.000

within two hour drive



Brainport region

Smartest of the world



High tech jobs to be doubled to 400.000 in years to come



€2.5 bn innovation spending



2.268 patents per inhabitant



Ranks 9th on the global cities talent competitiveness by INSEAD



Ranks 2nd on the Small European Regions of the Future 2018/2019 by FDI strategy



VANDERLANDE

ASML



PHILIPS

NXP

TESLA



SHIMANO

DAE

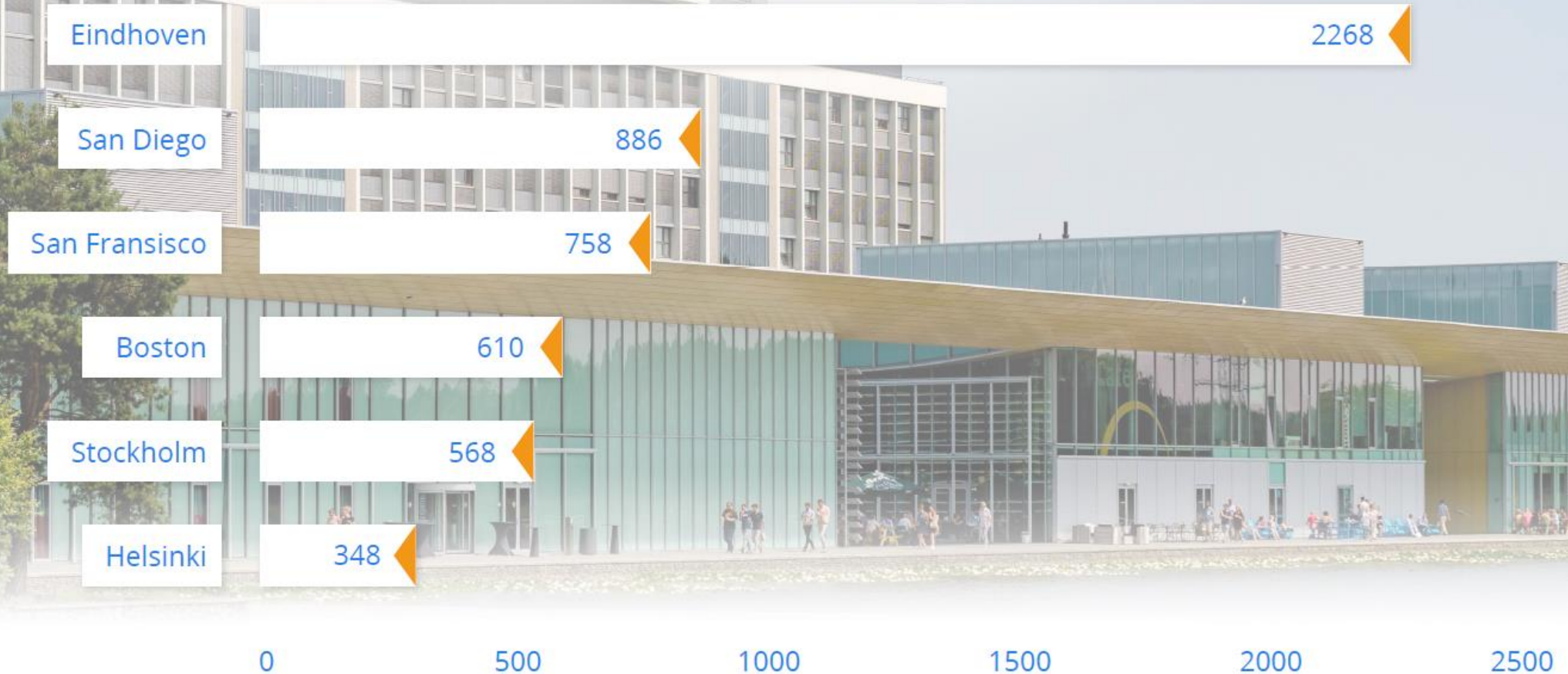
FUJIFILM



VDL Nedcar

Business environment

Most patent applications per inhabitant in the world



New narrative and tone of voice are essential elements in Luchtvaart nota



The narrative behind aviation is changing in society

1. *Story line last decade (2008 – 2018)*

Growth of aviation stimulates the Dutch economy, which stimulates welfare and purchasing power, which is good for people and nation.

So, let's create airport capacity for the full demand of 580 thousand flight movements in 2020.

And yes, it causes noise problems too, so the aviation sector must do the utmost to reduce noise.

2. *Story line upcoming three decades (2019 – 2050)*

Growth of aviation creates a strong footprint on people and planet.

So, the aviation sector has to earn new capacity by fleet renewal, smart innovations and new technologies.

And yes, growth will stimulate Dutch economy, which stimulates welfare and purchasing power.

3. *Story line > 2050*

Growth of aviation impacts Dutch society only positively and seems to be the solution for many challenges the society is facing (immigration, traffic jams, logistics, labour market). The sector has successfully managed the negative effects of aviation and growth by investing in innovations and putting new technologies in place
-> -> no noise, no pollution.

The more the better.

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It is all about quantity

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Transition period: only quality leads to more quantity

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Future reality: quantity and quality form a happy couple

The more the better.

Tone of voice

- The vision should address the dilemma which the Dutch society is facing: On the one hand, the critical way in which society and politics see the volume and the impact of low prices (with the growing footprint on the environment as a result) and on the other hand, the rapidly increasing demand for international transport;
- The vision should resonate in society. In essence: A reasoning that starts outside and ends inside (and not vice versa) and reflects a transition from thinking in quantity (# flight movements and passengers) to thinking in quality: How do airports use the scarce environmental space in such way that it maximizes value for regions, nation and aviation parties?;
- *Aviation serves!* and it is not a goal in itself. It is one of several modes of transport and creates international connectivity in order to support a nation or a region in achieving their ambitions;
- At equal suitability (combination of travel time and consumer price), future society chooses the most sustainable transport mode. The aviation sector should therefore invest in innovation and put new technologies in place to become the most sustainable transport mode. This's an opportunity and not a threat;
- The vision should indicate clearly how airports contribute to the connectivity, economy and business climate of The Netherlands and the specific regions;
- 'Bottom up' (regional autonomy) if possible and 'top down' (national direction) if it should. Airport business means (local) politics. Since all airports depend for their development on (local) political support and local engagement, local wishes and circumstance must be taken into account;
- Amsterdam, Eindhoven and Rotterdam are mature mainport regions that largely contribute to the Dutch economy and so should be able to develop their own vision on international connectivity and the role of the airport in their regions, unless NIMBY attitude appears or a national interest would be harmed.

An outside in reasoning

Scarce capacity in relation to consumer prices



A reasoning that starts outside and ends inside (1)

1. Social cultural developments which has to be taken into account

- Sustainability. Sustainability and climate are more and more focused on when people think about aviation. Formerly the discussion was primarily about noise but now themes such as CO₂, (ultra) thin particles, nitrogen, etc. are of an equal interest;
- Price and volume. A vision should be developed by the sector on the ticket price developments of last decades. Ticket prices have been moving downwards over time, due to strong competition and growing supply/demand. This, among others, has created enormous volumes of passengers against external costs.

What policy is conducted by the sector (Government, airport, airline) to internalize the external costs in the ticket price?

- Safety. In the vision the question should be addressed how we can guarantee the desired level of safety in relation to the growing volumes of flight movements.

A reasoning that starts outside and ends inside (2)

2. Economic developments

- Outline the three economic hotspots/mainports in Netherlands and how these develop:
 1. Amsterdam region,
 2. Rotterdam/The Hague region,
 3. Eindhoven region;
- Outline the characteristics of the regional economies per region (which industries and sectors, regional, national or international orientation, etc.);
- Outline per region the development of GRP over the past 10 years and forecasts the development of GRP for the next 10 years (express GRP as a % of GNP);

3. Demographic developments

- How many people live and work in these regions? Express in % of the Dutch population. Which region grows and at what speed? Outline spending power (developments) by region.

Demand for transport and connectivity in relation to the consumer price

- Develop a new vision on pricing policy in aviation that reflects better the internal and external costs for people and planet and creates at the same time higher profit margins for aviation parties per unit/ticket;
- Foundation under the new pricing policy should be:
 1. Attractiveness of the market: Western Europe belongs by its size, international orientation and purchasing power among the most attractive aviation markets;
 2. Scarce airport capacity: In the upcoming decades airport capacity will remain scarce relative to growing demand for international transport. Profitability should and can be improved by higher prices in stead of more volumes (quality in stead of quantity). A new pricing policy is necessary for a healthy and sustainable aviation sector in Western Europe;
- Seeing the new pricing policy, what will be the demand for transport (business and leisure) in 2050: European demand (< 2500 km), intercontinental demand (> 2500 km);
- Zoom in on the demand to and from the defined economic hotspots/mainport regions;
- Define the role of aviation and international train traffic and make the quality of both modalities comparable (price/quality/travel time).

From thinking in quantity to quality



From thinking in quantity to quality (1)



- Quality of life
- Quality of Network
- Quality of Service



- Quality of participation & inclusion
- Quality of airport premises
- Quality of life
- Quality of airport



From thinking in quantity to quality (2)

Quality of participation & inclusion

How to get to political decision-making at airports? How to engage local communities and stakeholders in decision-making in a structural way? Terms like "inclusion", master classes, micro participation and community engagement should be further developed. Find new online and offline communication tools. The starting point in the vision should be to give the region a maximum role in decision making, unless this leads to NIMBY-behaviour and/or the Dutch aviation sector being run in a suboptimal way with less than maximum added value to the BV Nederland.

Quality of life

Define how and where to spend quality of life funds (leefbaarheidsfonds), how to optimize noise reduction, education and labor market, circularity, CO₂, (ultra) fine particles, nitrogen, etc.

Define the scope of responsibility of airports in and for societies.

From thinking in quantity to quality (3)

Quality of airport premises

Airports are important gateways to and from regions and The Netherlands (like big railway stations). These gateways should serve as iconic infrastructure with a *wow! factor* and of international allure in 2050. Airports must be easy reachable both by car and above all by public transport. The airport premises should become multifunctional dynamic areas with a pleasant living and working climate.

Quality of airports

Airport capacity remains scarce relative to growing demand until 2050. How can we create more steering tools for airports to manage the scarce capacity in such a way that we maximize the economic added value for the regions by optimizing destinations network and optimizing operations and fleet.

Quantity should be the outcome of a discussion on quality

Previously (Aviation note 2008) the objective at the front was facilitating the full demand for air transport with sufficient airport capacity (580 thousand flight movements in 2020);

Nowadays extra airport capacity will be an outcome of the discussion on quality dimensions;

Any sector, also aviation sector must have any perspective on growth and development to remain an healthy entrepreneurial mentality and focus on innovation. A sector without any perspective on growth perspective is a "dead" sector → Airports: Controlled and moderate growth perspective linked to regional GRP forecasts;

A controlled and moderate growth of airports should in quality terms fit in the economic development of the Netherlands or region concerned.

Other issues to be addressed



Other issues to be addressed

Embrace innovations

Accelerate innovations to become a sustainable sector as soon as possible. Embrace the goals and ambitions of the “Klimaattafel” and show unconditional commitment to realizing these objectives;

Ticket tax

Sector and government should use the ticket tax incomes to fill a “Sustainability Fund”, to support investments in innovations, new technologies, and living quality;

Hub function Schiphol

The hub function should be strengthened wherever possible. The network of intercontinental destinations is unique and gives a competitive advantage to Dutch business climate. However, trends like self hubbing and new hub models and airports are here to stay and should be taken into account.