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Speech to the International Aviation Club

September 13, 2012

**Check against delivery**

Natalie, thank you for that kind introduction...

I appreciate the opportunity to address this distinguished Club and audience

Yesterday just before 9.00am Emirates flight 231 landed at Washington Dulles, marking our seventh destination in these United States

The paid-up marketing for this inaugural service began three months ago, with splashy full page ads in local Washington papers:

An elegant US-made, GE powered Boeing 777-300ER pictured on finals, framed by your spring cherry blossoms

Brilliantly these ads were paid for by Delta, and we thank them for their investment in our launch

I can't fully recall the ad's exact message - it may have been about export finance - but given a picture speaks a thousand words, I distinctly recall a 'Made in America' aircraft approaching the Capitol in fine Emirates livery

That aircraft, the advertising and yesterday's inaugural flight are all confirmation that this country is now one of the most important on the Emirates global network of six continents...

At the heart of this US expansion is our fundamental bullishness on the US economy

As Emirates expands its network, we study and analyse economies obsessively

This research drives our optimism on the US

And as The Economist stated recently, the US economy is again reinventing itself

To quote, 'America's economy is certainly in a tender state. But the pessimism of the presidential slanging-match misses something vital. Led by its inventive private sector, the economy is remaking itself. Old weaknesses are being remedied and new strengths discovered, with an agility that has much to teach stagnant Europe and dirigiste Asia'

At the heart of our optimism is an unshakable belief in the prospects for globalisation and global trade

In 1774, Benjamin Franklin remarked 'no nation was ever ruined by trade'

...and 238 years later, even in the midst of these complex economic times, such wisdom and vision were never more apt

Today, the United States' leadership in international aviation policy is of vital importance to global aviation and global trade - and your economy

Your steadfast and unqualified Open Skies policy has transformed the global marketplace in ways that have left a global legacy

Carriers and economies from Dubai to West Africa, South East Asia to the Iberian Peninsula, have all benefited from US leadership on open skies – although arguably none have gained as much as US carriers themselves

Today American carriers operate more than 58% of the total number of flights to and from the US. That is a big market share, and reflects the underlying strength of the US airline industry

The UAE has 115 Open Skies or fully liberalized air service agreements, and the 150 airlines we face at Dubai International Airport push us daily to be a better airline

Open Skies has been an indisputable benefit for consumers, competition, global trade and the airline industry worldwide...

...and something everyone in this room can be proud of as an example of American international leadership

Countries like your northerly neighbour, Canada, that, for whatever reason, have failed to embrace Open Skies, do so at a huge cost to their economy, trade and consumers

Sadly it can only be called protectionism, and what's being protected is a single airline

Witness the recent University of Maryland study which found over 4.7 million passengers a year cross the border to take flights from the United States rather than from Canadian airports

This speaks volumes about the contrasts that exist between the aviation policies of Canada and the US

Our launch this year of non-stop flights to Seattle from Dubai is another such example...

While the vast majority of passengers are travelling from or to Washington state and Dubai, or using the Dubai hub for its regional connectivity...

...we are also seeing over 15% of our Seattle passengers originating and crossing the border from Canada

We are here today in the Capital thanks to the Open Skies agreement between the US and the United Arab Emirates, which

has allowed Emirates to offer non-stop services from the Middle East to the seven points we serve so far across your country

Including our inaugural to Washington Dulles yesterday, we also fly to New York, Houston, Dallas-Fort Worth, San Francisco, Los Angeles and Seattle

As Virginia Governor Bob McDonnell said when he welcomed the announcement of our new Dulles flight, it will create countless new possibilities for people and businesses in the greater Washington metropolitan area

The core of my remarks today focuses on trade as it relates to aviation; its importance, the hurdles and handwringers - and the near-term future from an Emirates perspective

For those of you unfamiliar with Emirates, we take pride in being the world's most global airline, with our Dubai hub situated at the crossroads between Asia, Africa, Europe and Australasia

We serve 126 destinations in 74 countries, having steadily grown our operations since our founding in 1985

Our fleet currently consists of an all wide-body collection of 184 aircraft and counting; we will receive an average of one aircraft per month through the decade, to drive our growth and for replacements; we operate more Boeing 777s than any other airline and also, I should add, more Airbus A380s

Emirates' most recent route launches show our global approach to network growth - along with Washington we have recently added or announced plans for Adelaide, Erbil, Lyon, Warsaw, Phuket and Algiers. So between the first quarters of 2012 and 2013, Emirates will have opened 14 new destinations across the planet

Let me state unequivocally that the Dubai Government's progressive and unrelenting policy support for aviation is at the heart of this steady, long-term growth

A half-century ago, when oil was struck in prodigious quantities in places like Abu Dhabi and Saudi Arabia, Dubai's rulers had to contemplate – with its minimal oil reserves – a different business plan

It turned to transport and logistics and began exploiting the great economic opportunity just beyond its borders. Like Singapore, Dubai became a service-based trading hub, creating companies like Emirates and the ground handler and ticketing agency dnata, as well as offering foreign carriers unfettered access to Dubai International

Today, oil makes up just 5% of Dubai's GDP, while aviation makes up 28%, or \$22 billion, as well as directly and indirectly supporting over 250,000 jobs

This is a direct result of Dubai's pro-aviation policy and vision of the leadership

We recognise that with our growing size comes enormous responsibility, and we stand ready to join the voices in our industry pursuing good aviation public policy worldwide

We support the UAE and the United States in their joint opposition to the EU emissions trading scheme - we don't like the ETS and believe there must be a better and global solution to the challenge of greenhouse gas emissions

We are also sympathetic to the concerns of our competitors in the US and other countries about excessive taxation, counterproductive

regulation and insufficient aviation infrastructure to meet market growth and carrier needs

In July I asked the British Prime Minister this very question - namely how does the UK plan to respond to its infrastructure and economic challenges

We share these problems daily when we serve those countries...

...consider the challenge of securing slots at major European airports or convincing the UK Government to roll back its increasingly blunt and economically damaging air passenger duty - which has resulted in three consecutive years of falling passenger numbers at UK airports...

...and, bizarrely, a surge of travellers for UK ferry operators as they avoid APD by flying instead from Paris or Amsterdam

We believe the industry under Tony Tyler's leadership at IATA can help itself immensely by joining together in a unified global effort to address anti-aviation and protectionist policies

Aviation can only make a meaningful impact quelling this global trend of re-regulation, taxation, night curfew growth and infrastructure minimalism - if we make doing so a priority and speak with one global voice

By the same token, we also commend the work of A4A in its efforts to rally awareness in the US for a wider appreciation of air transport's economic role

One of the topics we tend to speak a lot about at Emirates, for better or worse, is protectionism, state aid, and subsidy generally

It is an issue unlikely to go away anytime soon

Let me state clearly and without qualification: Emirates is opposed to all forms of state aid

We believe in open markets and businesses based on rational commercial fundamentals, regardless of shareholding

Airlines which are artificially supported distort fair competition

So let's examine a few of the myths about Emirates...

The most absurd allegation being the suggestions of cheap fuel

Lest anyone believe discounted oil is part of our equation - our global fuel suppliers are those philanthropic organisations Exxon, Chevron, Shell and BP

Nothing is ever cheap about their prices, which amounted to \$6.6 billion in our last fiscal year

There may be some state-owned oil companies directly supplying state-owned airlines on non-commercial terms in the Middle East, but Emirates is certainly not one of them

The term "Gulf airlines" is also something you read regularly - and unfortunately much of it is misinformation supplied by some of our rivals who use the phrase to create a negative connotation

Competing with 150 airlines operating to Dubai, and against some younger, differently structured Middle East carriers aggressively growing their hubs, Emirates remains the most profitable, transparent and sustainable airline business in the region

And one of the few that is independently audited by PwC, accountants for Lufthansa and other leading airlines, releasing annual financial statements to the highest global standards



Sustained profitability has allowed us to issue a yearly dividend to our main shareholder, a Dubai-government owned investment company named ICD - with returns totalling over \$2.4 billion to date

As this illustrates, Emirates is a strong business with a successful model that delivers considerable benefits for the emirate of Dubai...

...and quite the opposite of an airline requiring state support, as some competitors seek to portray

We also believe state aid and, frankly, aspects of Chapter 11 reorganisation law do create competitive distortions

Other distortions come from some immunised global alliances, including at Dulles, where the Star Alliance is heavily represented

It is our view that the major alliances do not always operate in the interests of the travelling public, having found very cosy nests in their respective hubs

Were we a member of Star, I am confident there would be no Emirates flight to Dulles: Star leadership in Frankfurt and Chicago would have vetoed the plans

It is in the best interest of the Star alliance to route passengers between Washington and India, for example, through its hubs in Europe...

...and to also protect Star's non-stop service between Dulles and Dubai

The same would be true if we were part of SkyTeam, where the focus would be on feeding traffic through Delta's hubs in Atlanta, Detroit and New York and protecting its non-stop service to Dubai

This is not to say that Emirates believes that “every airline for itself” is the only acceptable approach. On the contrary, Emirates code shares with 11 airlines around the world, including the major partnership with Qantas that we announced last week

This was a major announcement for Emirates and Qantas and, we think, international aviation

While Emirates will continue with its philosophy of not joining one of the big three alliances, we do evaluate and embrace specific bilateral partnerships that add value to us and our customers

The Qantas partnership more than fulfils these criteria

Like the US, Australia is a large land mass with considerable domestic traffic – Sydney to Melbourne is the third thickest air route in the world – and a love of the frequent flyer point

Despite challenges, the Qantas Group is a remarkable brand with great loyalty, 65% domestic market share and premium values

They sought a partner with a true global network, a 24 hour hub that was geographically centric to the world’s core population, with a strong footprint and growth mindset in Australia

Subject to regulatory approval, we feel this is a perfect match – and all without equity or takeovers

Here in the US we code share with JetBlue, a relationship that has quickly demonstrated value for consumers

From Florida, the Caribbean, the Carolinas and upstate New York, every day we carry hundreds of passengers on our code share partnership; we are optimistic it will grow further in the coming years

Emirates also has interline agreements with American Airlines and Alaska Airlines, with our Alaska partnership extending to a reciprocal agreement on each airline's frequent flier programmes

There is an important difference between Emirates' strategic bilateral arrangements and the strategies of the global mega-alliances

Our philosophy is focused on consumer interest, an ability to grow based on our own business plan without seeking permission from an alliance partner, and the economic value that strategic geographical partnerships can add to each airline partner

We do not think we are alone in this thinking

As we see with Qantas partnering with Emirates, or perhaps even Air France's discussions with Etihad, some of the largest members of the global alliances have taken the view that solutions to whatever challenges they face may not always be solved by the alliance model

Indeed, we see a trend and expect alliance members to continue making targeted, individual and often very important strategic decisions on their own, in line with their best interests

While we are pleased with the commercial arrangements with our US airline partners, there are a few matters where we disagree with some members of the US airline industry

Let me say a few words about the debate over Reauthorization of the Export Import Bank.

First, there was a great deal of misinformation about Emirates

The facts are simple... overall, just 12% of our fleet is financed through Ex-Im and 13% from European export credit agencies

The vast majority of our fleet is commercially financed from external sources relying on our strong balance sheet

Our robust financial profile rewards us with favourable risk-based credit prices

We were thus a tad dismayed when Delta sought to limit the role of the Ex-Im Bank in a way that would not only harm US exports but also stifle international airline competition

Their stance was particularly surprising in light of reports that Delta has purchased some \$4 billion worth of planes from Embraer and Bombardier using export financing from Brazilian and Canadian export credit agencies

Delta will benefit further when it begins a lucrative Ex-Im financed deal with Gol of Brazil to repair US engines

What Emirates supports, as do some other US carriers, is an expansion of Ex-Im, not a roll-back of its activities

Given challenging commercial lending markets, greater access to export financing credit - including Ex-Im access for Delta and all US carriers - is in the best interest of the US airline and aerospace industries, and certainly US jobs

As you're aware, aerospace exports are critical to President Obama's initiative to double US exports, and they produced a \$7.3 billion trade surplus last year alone

And when American products have financing that is comparable to that offered by Europe and other countries, their high quality,

reliability, durability and value give US companies the ability to compete effectively

Our perspective on issues like export financing and competition reflects our origins and values, as well as our commitment to the future

The need to compete vigorously and effectively was instilled in Emirates management from the very beginning, when the airline received \$10 million in start-up capital from the Government of Dubai and was told never to come back asking for more

We did not have the option of waiting for the traffic to come to us

We recognised the potential of Dubai as a hub - and set out to build an airline to make it work

With 75% of the world's population within eight hours of Dubai, we saw that new aircraft technology, particularly the 777's development in the mid-1990s and the fabulous A380s a decade later, would allow us to connect the globe

Emirates has proactively capitalised on Dubai's location along the New Silk Road to link both developed and developing nations together

Likewise, we looked beyond existing tourist markets to expand international leisure travel, tapping advances in information to drive the evolution - and revolution - in leisure markets

From the very start we also envisioned emerging trade routes for the 21<sup>st</sup> century

Many of our competitors had long relegated markets in the developed world such as Prague, Venice and Hamburg to the

status of secondary spokes, to be served only by short-haul flights to established hubs and leave passengers with no choice but multi-stop trips

Emirates reached a diametrically opposite conclusion

We launched non-stop, long-haul flights to these cities, and passengers responded by filling our wide-body aircraft to take advantage of the convenience and reduced journey times of one-stop flights via our Dubai hub

Emirates was also the first to launch long-haul flights to many secondary cities in the Middle East, Africa and the South Asian subcontinent

We opened non-stop services to places like Durban, Basra, Bangalore, Adelaide and Peshawar – cities that were not exactly considered by airlines as essential points on the international long-haul travel map, yet have fast become vital spokes in our network

Today, our network is our greatest asset

In India we operate an unparalleled 185 weekly flights to 10 cities

In Africa, Emirates serves 21 destinations across a continent that is burgeoning with economic growth

To the new economic drivers of the 21<sup>st</sup> century - the BRICS nations of Brazil, Russia, India, China and South Africa - Emirates offers 300 weekly flights - more than Lufthansa, United, Delta or any other airline

Emirates also recognised the potential of air cargo in the global economy, using both freighters and the bellyhold capacity in our wide-body passenger flights

In America, we provide critical uplift to a host of firms across many industries - totalling nearly 800 tonnes per week of capacity out of the US

We carry auto parts from JFK, apples and cherries from Seattle, and oil and gas equipment from Houston

Our new service to Dulles opens up vast new options for US passengers and exporters

Not only will we introduce competition into the non-stop market to Dubai, but we will be highly competitive for connections to points beyond

In India, for example, the diversity and frequency of flights there will offer Washington travellers travel times to destinations like Delhi, Mumbai and Bangalore that are one to six hours faster than what is available on airlines operating over European hubs

The economic benefits to the Washington Metropolitan area will be impressive:

When we began flights to Southern California, the Los Angeles Economic Development Corporation found that a long haul flight such as ours generates \$624 million in annual economic benefits, sustains 3,120 jobs and produces \$156 million in annual wages

Houston Airport System and the University of Houston estimate Emirates services generate \$257 million a year and will carry 98,000 new passengers a year travelling to or through Houston

But the economic benefits are not just about moving passengers and cargo. Emirates' history is closely aligned with Boeing aircraft

At Dulles we are using a Boeing 777, the backbone of our fleet

To date we have 116 777s, the most of any airline, powered largely by GE90 engines, and are set to eventually have 170 based on our current orders

We worked closely with Boeing to develop the B777-300ER and are now collaborating closely on future options for the 777 as we plan for fleet renewal

All told, Emirates has taken delivery of more than \$26 billion worth of US aircraft - with another \$30 billion worth of Boeing airplanes still on order

Equally Emirates engagement with Airbus has seen one of the largest orders in aviation history - 90 A380s, of which we have 23 in service today and seven more arriving by year end

Such investment decisions weren't taken easily - they require enormous commitment and hard-earned global financing secured from a balance sheet we sweat over daily

But the economic benefits shared by our airline and America's economy are enormous

Using the Department of Commerce estimate that each \$1 billion of aerospace exports creates or sustains 6,800 direct and indirect US jobs, Emirates' US purchases to date have supported nearly 180,000 US jobs

And the same metrics must apply to the Europeans

These are quality jobs not only at large companies like Boeing, GE, Honeywell and Rockwell Collins, but also at countless medium and smaller suppliers. The 777, for example, has 11,000 small business suppliers on its program



While Emirates is proud of where we came from, what matters most is the future and our commitment to imagining what is ahead

The focus at Emirates has always been on discovering new markets and connecting previously unconnected passengers and shippers around the globe

Our challenge - and our commitment - is to apply that philosophy to the expanding middle classes in the developing world and to a world that is being remade by new information technology

By 2025 China's middle class will make up half of its population - that's 700 million people with expanding appetites for travel and leisure, more than the size of all of Europe today

In Brazil - the home of the next Olympics, the burgeoning middle class is already an unheralded force in international tourism, spending an average of \$43 million per day, more per capita than any other nationality

More than 1.5 million Brazilians visited the US last year, injecting \$8.5 billion into the American economy and becoming, you may be interested to learn, one of the fastest growing sources of new visitors to US ski resorts

The 10 fastest growing economies last year were evenly distributed across the emerging world, in particular to countries in the Middle East, Central Asia, Africa, Latin America, the South Asian subcontinent and Oceania

Connecting people and goods from these countries to each other and to the rest of the world is at the core of Emirates' vision for the future

Meanwhile consumer behaviour in all nations is being reshaped by technology

Think for a second what has emerged in the US and globally in the previous decade but now taken for granted - SMS, GPS, hybrid vehicles, social networking etc

It was five years ago that Apple introduced the iPhone - now there are more than one billion smartphones around the world

The value of the “App economy” is estimated at \$17.5 billion, supporting more than 450,000 jobs

Every day Apple receives 50 million App downloads on its website - this innovation is an American story, and benefits the global economy

Just imagine where we will be in another 10 years, and the rewards for companies that can identify emerging needs and markets

The 360 degree visibility and convenience brought about by Apps and smartphones is destined to play a huge role in changing how we book, and indeed whole travel patterns

So while there may be pessimism about the state of Europe and the global economy, there is life beyond current worries

We have only scratched the surface for the Internet’s true potential, yet the technology has already allowed small and medium sized businesses to stand toe-to-toe with the mega-corporations

This is what drives our optimism about the global economy

Emirates is both delighted and honoured to expand service to the United States, the country that brought the world Open Skies and aviation pioneers like Fred Smith and Herb Kelleher...

They recognised the importance of seeking out new markets with new concepts of how aviation can meet the needs of consumers, and they were committed to testing their ideas through open competition

Emirates welcomes the challenge of competing with US carriers in the marketplace

Unfortunately, there are indications that some US airlines favour protection over competition

Recently I met with the leading aviation official in one of the most important emerging markets in the world

He told me a US airline CEO had just left his office after spending nearly the entire time talking not about his own carrier and its plans, but about Emirates and the horrendous threat it posed to his country's airlines

I guess it's a compliment

In any event, I can assure you that I spent my time with this important official by focusing on how Emirates can better serve his country, its passengers, shippers and wider economy

Here in Washington, the good news is that the US remains a deeply open, vibrant and welcoming market

So let me conclude by again thanking the Club for the opportunity to speak today

Emirates is committed to the US

We plan to continue expanding competitive choice for US air travellers and businesses

We remain committed to purchasing US aerospace products and creating US aerospace-related jobs

I hope we will have the chance to welcome you on-board one of our flights in the near future

Thank you