

Daily Reports

Day one of the ERA Regional Airline Conference 2019 opened in Prague today, 27 March. This annual event increases in popularity every year and more than 260 delegates attended the 2019 conference.

The Airline and Airport CEOs' Breakfast and Meeting kick-started the day, which included informative presentations from representatives from JLT Speciality, Baines Simmons and Wings Alliance.

This was followed by a networking lunch for all of our attendees and then an opening speech from ERA President Andrew Kelly. Kelly referenced the current subjects dominating the news at the moment, including Brexit – a topic to be discussed in tomorrow morning's conference session – and the recent grounding of Boeing 737 MAX 8 and 9. He said: "These are strange and difficult times for the industry in terms of media alarmism and as a group, we must redouble our efforts to show that safety is our first priority and a way of life."



The future of aviation

As we approach the 2020s and move into a new decade for air transport, the first session asked "what does the current European landscape look like in terms of connectivity, growth and competitiveness for our industry?" Chaired by AAR Corp.'s VP Corporate Marketing, Pascal Parant, today's first conference session included experts from across the industry discussing the current issues faced, the importance of connectivity and the future of the market. Speakers included:

- **Brian Pearce, Chief Economist, IATA** – The issues driving European airline financial performance;
- **Flor Diaz Pulido, Head of Unit Aviation Policy, Directorate General for Mobility and Transport, European Commission** – The importance of the regional market, connectivity and competition in Europe; and
- **Henk Ombelet, Head of Advisory Operations, Ascend by Cirium** – Future aviation market trends in Europe.

Pearce, Diaz Pulido and Ombelet all highlight the many challenges facing the European and regional airline market at the moment.

Pearce said: "We face an environment where costs are high, we're short of infrastructure and we have European regulatory costs, meaning the European aviation industry has to work all the harder just to break even - these are things that need to be examined."

Diaz Pulido highlighted the seven main challenges and areas of focus she sees: safety, security, sustainability, competitiveness, connectivity, citizens and capacity. She continued to describe these in detail and the EC's plans to evaluate them in more detail over the course of the year with the help of the industry.

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Finally, Ombelet spoke of geopolitical and economic threats as well as growth cycles, from Brexit to the environment, providing the company's analysis and statistics throughout.

The great manufacturers' debate!



The leaders of ERA's aircraft manufacturer members took to the stage in this session to chat about the key industry focusses for our business, from product development and future market trends, to industry challenges and the future of air transport in Europe. With ERA Director General, Montserrat Barriga, leading the debate, Stefano Bortoli, CEO, ATR; Colin Bole, Senior Vice President Commercial; and John Slattery, President & CEO, Embraer Commercial Aviation all joined the discussion.

The speakers began by providing an overview of their business' current ventures and the new and innovative programmes they have/are rolling out. Though they showed competitiveness, they all agreed that innovation is only valid when supported by economic requirements.

Conversations continued on to Brexit, on which all speakers agreed would not be a positive thing from European aviation. However, Slattery concluded: "Tens of thousands of jobs around Europe will be affected if no deal is agreed. While I think it's a subject we're all getting fatigued with, in reality, it's too important to ignore. Otherwise, no one wins."

In addition to this, the environment, ACMI and the pilot shortage were all discussed. Bole provided the figure that 50 per cent of pilots by 2027 have not yet started training and stressed that training capabilities need to increase sooner rather than later. Bortoli highlighted that with the rising cost of training, better investment needs to be made to open up the career path to all income households and Slattery added that with less than four per cent of pilots being women, more also has to be done to get women interested in aviation, as well as science, technology, engineering and maths (STEM).

Delegates regrouped at the evening's cocktail reception to network and continue discussing business opportunities. A great close to a fantastic first day.





Brexit – deal or no deal!

The second day of the Regional Airline Conference 2019 opened with the third conference session of the event which focussed on Brexit. With the discussion taking place only one day before the initial date the UK was due to leave the European Union, this session took a closer look at the current situation and its anticipated impact on the aviation industry.

Chaired by Hahn Air's Head of Corporate Strategy and Industry and Government Affairs, Jörg Troester, discussions took place with Pablo Mendes De Leon, Professor of Air and Space Law, Leiden University; Luc Tytgat, Strategy and Safety Management Director, EASA; and Andrew Kelly, ERA President and Director Corporate Affairs for ASL Airlines Ireland.

Professor Mendes De Leon began this session with a presentation on the rules, regulations and rights available following Brexit, whether a deal or no deal occurs. This was followed by Tytgat who discussed the need for preparedness and what airlines must do to ensure they are ready for Brexit, no matter what the outcome. Finally, Kelly provided an airline perspective, highlighting seven key Brexit issues for the industry, including: airline ownership, traffic rights, pilot licences, engineering licenses, design organisational approval, components and contractor work permits.



Brexit uncertainty still remains and only time will tell how aviation will truly be impacted. One thing is for sure, as Kelly puts it: "We need regional air traffic and this connectivity must remain open. Brexit, whether it passes or not, deal or no deal, will be on the agenda of this conference for years to come."



The people hacker

Inspirational speaker Jenny Radcliffe gave the final talk on her experiences in information security, explaining how 'social engineering' can be a huge security threat to any organisation. Using a combination of anecdotes, science and humour, Radcliffe shared how she uses social engineering – the human element of security, such as negotiation, persuasion and influence, non-verbal communication and deception – to test an organisation's security defences.

Radcliffe pointed out that: "industries spend billions of pounds on technology security, but the weakest link remains people. In fact, 80 per cent of attacks on businesses – cyber or otherwise – are enacted by people."



The final networking buffet luncheon was a great close to the event. An increasing number of delegates register for the Regional Airline Conference each year making it one of the must-attend conferences for European aviation. Thanks to all the delegates who attended this year's event.

