

Our role in the Netherlands

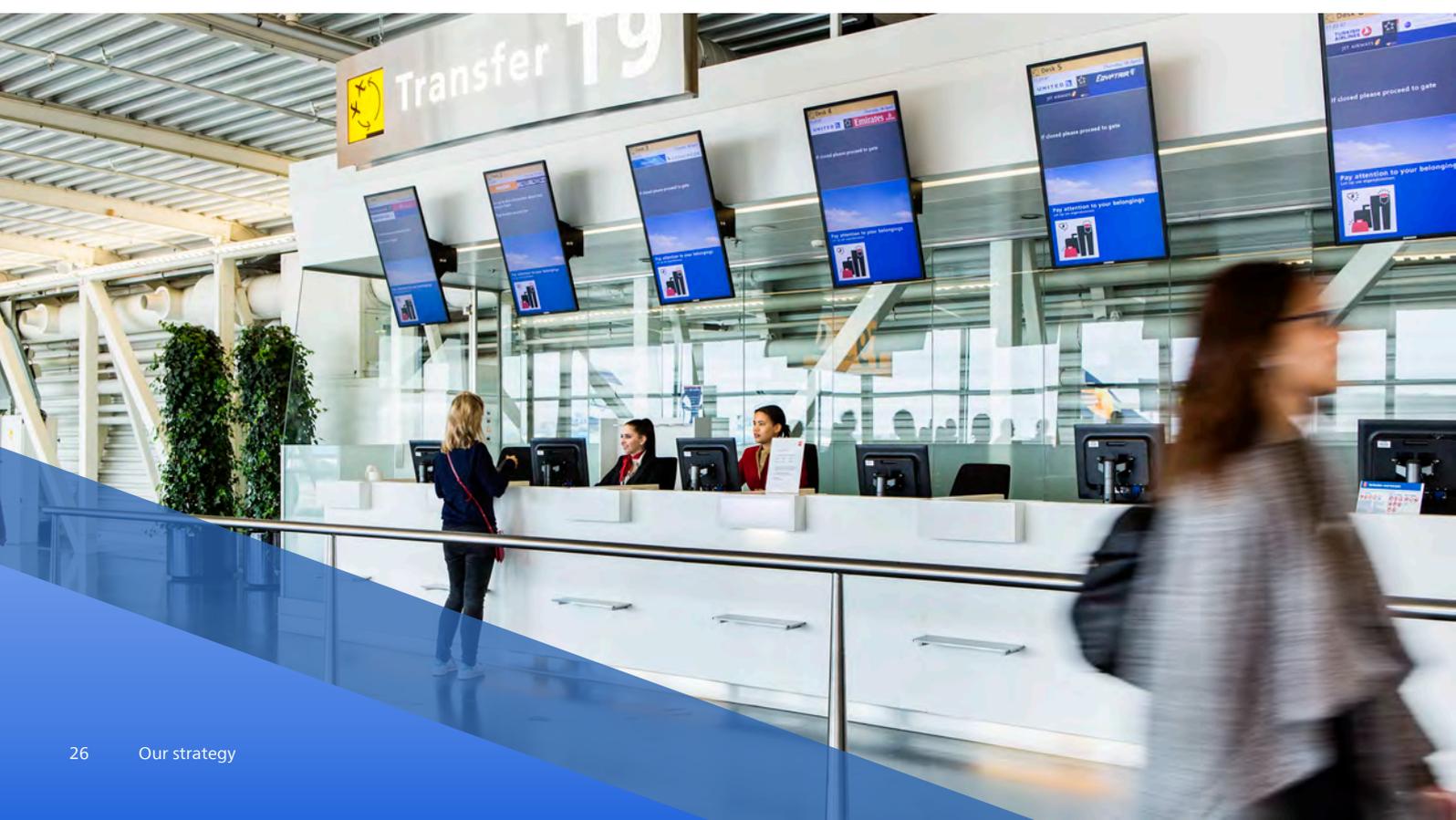
Connecting the Netherlands to the rest of the world

Robust international connections are more important than ever in today's increasingly globalised world, particularly for an outwards-facing economy like the Netherlands. Aviation is a key facilitator of this connectivity, linking people, driving trade and supporting business growth.

By delivering on its mission to connect the Netherlands to the world, Royal Schiphol Group plays an important social and economic role. Schiphol is one of the world's best-connected airports, offering direct links to 327 international destinations. This global reach is strengthened by our regional airports.

In today's globalised society, connectivity is key to the international competitiveness of the open Dutch economy. Economic data reinforces this view: the Netherlands is the 28th largest economy in the world, but ranks as the fifth largest exporting country and eighth largest foreign direct investor. According to the Global Competitiveness Report 2017-2018, the Netherlands is the fourth most competitive economy in the world.

Equally, the Randstad metropolitan region depends on good connectivity: as in other parts of Europe, air connectivity contributes to the competitiveness of cities such as Amsterdam and Rotterdam within the global arena. Research shows, for example, that all things being equal, an increase of 10% in intercontinental destinations results in a 4% rise in the number of large firms headquartered within a specific European metropolitan area.



The Dutch aviation sector also contributes significantly to employment and GDP growth, with the total economic contribution of aviation in the Netherlands estimated at 4.5% of GDP and 370,000 jobs, including direct, indirect, induced and catalytic employment. Furthermore, societal cost-benefit analyses highlight the net positive contribution of connectivity development to Dutch wellbeing.

For all its advantages, we also recognise the wider impact of aviation on neighbouring communities and the environment. In particular, we note growing calls from governments, local communities and the wider public to reduce carbon emissions and noise pollution, and to mitigate climate change. Balancing

the benefits and costs of our activities will therefore be crucial in ensuring the wellbeing and trust of our neighbours and stakeholders in future years.

Yet, as support for aviation comes under increased pressure, the number of international air passengers continues to grow, with demand expected to double during the next 15-20 years. The aviation industry is also evolving: new airline business models, hub locations and types of aircraft are being developed, and new digital trends are emerging.

We address these complex issues in our future strategy, which is defined in terms of quality: Quality of Life, Quality of Network and

Vision 2050

Royal Schiphol Group is developing its Vision 2050, which defines our aspirational goals in light of the fast-changing world around us and potential long-term developments and scenarios. Vision 2050 will not only serve as our own overarching strategic umbrella for our next strategic plan, the new Master Plan and the objectives of our specific business areas, but also as our main point of reference with respect to the Aviation White Paper. We are creating Vision 2050 based on an extensive, iterative process of analysis and forecasting. These processes will involve consulting internally with Schiphol management and staff, as well as with sector and business partners, and other stakeholders during the course of 2018 and 2019. We expect to finalise Vision 2050 in the fourth quarter of 2019.

Vision 2050 is structured around three main pillars: Quality of Life, Quality of Network and Quality of Service. It is built on the belief that - both today and in the future - maximising the societal value of aviation requires Schiphol to carefully balance Quality of Life (environment) and Quality of Network (connectivity), while maintaining a high Quality of Service and ensuring safe operations at all times.

The Aviation White Paper

The Dutch Ministry of Infrastructure and Water Management (I&W) is working on its Aviation White Paper 2020-2050, or 'Luchtvaartnota', setting out the government's perspective on the development of the Dutch aviation industry over the coming decades. The Paper seeks to address a key challenge: how to balance society's need for aviation, sustainability, a healthy living environment, safety, and a robust economy.

An extensive consultation process has taken place, led by the Ministry. Along with other key stakeholders, the Ministry has consulted Royal Schiphol Group regarding its position and perspectives, with Schiphol submitting its own position paper for the Aviation White Paper in December 2018. In the same month, the Ministry sent a letter to the House of Representatives consisting of an overview of key points raised from the consultations, a 'knowledge plan' and a plan of action for 2019. In 2019, the Ministry will conduct further theme sessions and joint fact-finding around the topics under discussion, and a strategic environmental assessment (SEA) will also be conducted. The Aviation White Paper is expected to be ready for publication in the fourth quarter of 2019.

Using airspace as efficiently as possible remains a key area of attention within Dutch aviation policy, not least because efficient airspace usage can contribute to more sustainable aviation operations.

Quality of Service. These qualities underpin our new Group Vision, which we expect to finalise in 2019. Our future vision involves the moderate and controlled development of our airports.

Going forward, Schiphol Group aims to lead by example, operating Europe's most sustainable hub and regional airports for the benefit of our neighbours and future generations. We want to play a leading role in reducing aviation-related emissions, and driving initiatives such as cleaner, quieter aircraft and alternative fuels.

Our commitment to quality also means making sure our customers receive the highest levels of service, whether efficient processes for airlines or the personal approach to our passengers. And, of course, we must continue working with our stakeholders to deliver a high-quality network and ensure excellent connectivity for the Netherlands for many years to come.