**FINAL**

**AVIATION CLUB SPEECH**

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**26 MARCH 2015**

GOOD AFTERNOON, LADIES AND GENTLEMEN. IT IS A PLEASURE TO BE BACK AT THE AVIATION CLUB, AND TO HAVE THE CHANCE TO SHARE SOME OF MY VIEWS ON AIR TRAVEL TODAY.

BEFORE I START MY PREPARED REMARKS, LET ME FIRST JUST OFFER MY CONDOLENCES TO THE FAMILY AND FRIENDS OF ALL PASSENGERS AND CREW ON 4U 9525, AND TO ALL AT GERMANWINGS. I KNOW THEY ARE IN THE THOUGHTS AND PRAYERS OF US ALL.

THERE IS SO MUCH GOING IN OUR INDUSTRY, IT IS DIFFICULT TO KNOW WHERE TO BEGIN, TODAY.

BUT I THOUGHT THE EVENTS OF LAST WEEK GAVE A GOOD STARTING POINT.

I BEGAN THE WEEK IN ABU DHABI, WELCOMING MORE THAN 500 GUESTS TO THE LAUNCH OF OUR NEW GLOBAL MARKETING CAMPAIGN, WITH A NEW TV COMMERCIAL STARRING NICOLE KIDMAN.

NICOLE REALLY REPRESENTS THE STYLE, THE SOPHISTICATION AND THE ELEGANCE OF OUR NEW PRODUCT, ACROSS ALL CLASSES, WHETHER THAT BE ECONOMY, BUSINESS OR FIRST – OR A CATEGORY WE CAN TRULY CALL OUR OWN, THE RESIDENCE BY ETIHAD.

THE NEW AD PROMOTES OUR NEW POSITIONING: FLYING REIMAGINED.

IT’S A WELL-CHOSEN PHRASE. WE REALLY HAVE TRIED – AND, I BELIEVE, SUCCEEDED – TO REINVENT WHAT FLYING IS ABOUT. NICOLE’S APPEARANCE IN OUR NEW GLOBAL AD WAS THE LATEST STEP IN A PROJECT THAT BEGAN FIVE YEARS AGO.

WE KNEW THE FIRST OF OUR A380S AND OUR DREAMLINERS WOULD ARRIVE AT THE END OF 2014 AND WE DECIDED TO USE THE NEW AIRCRAFT AS THE OPPORTUNITY TO DO SOMETHING COMPLETELY DIFFERENT IN OUR INDUSTRY.

WE RAN THE BIG TALK – EVENTS IN NEW YORK, LONDON, SYDNEY AND ABU DHABI WHICH TOOK THE UNUSUAL STEP OF NOT ASKING TRAVELLERS WHAT THEY THOUGHT OF A PARTICULAR SEAT OR SERVICE, BUT INSTEAD ASKING THEM TO DESIGN THE PERFECT TRAVEL EXPERIENCE.

THAT WAS FOLLOWED BY YEARS OF CONCEPT DESIGN, TESTING AND REFINEMENT, BEFORE OUR LAUNCH IN DECEMBER OF OUR OUTSTANDING NEW PRODUCT AND SERVICE. NEW SEATS IN ALL CLASSES; THE LOBBY; THE RESIDENCE; NEW I.F.E.; OUR BUTLERS, OUR CHEFS, OUR NANNIES, OUR FOOD AND BEVERAGE MANAGERS.

ALL BENCHMARKED AGAINST NOT JUST THE BEST AIRLINES IN THE WORLD, BUT THE BEST OTHER SERVICE INDUSTRIES – INCLUDING THE WORLD’S BEST FIVE STAR HOTELS.

IT REALLY WAS FLYING REIMAGINED.

I’M NOT HERE TO STAR IN MY OWN COMMERCIAL. I SHARE BEING AUSTRALIAN WITH NICOLE BUT SHE LOOKS AND PERFORMS MUCH BETTER THAN ME.

BUT I THOUGHT THE START OF THE WEEK WAS INTERESTING, GIVEN WHAT FOLLOWED.

ON THE FOLLOWING DAY, WE SAW REPORTS IN THE NEWSPAPER OF COMPLAINTS BY EUROPEAN STATES ABOUT THE ACTIONS OF THE SO-CALLED ‘GULF CARRIERS.’

THEN A COUPLE OF DAYS LATER, I SPOKE IN WASHINGTON AT THE US CHAMBER OF COMMERCE FOUNDATION’S ANNUAL AVIATION CONFERENCE. I USED THAT AS THE OPPORTUNITY TO RESPOND FOR THE FIRST TIME PUBLICLY TO THE ATTACKS MADE ON US BY THE BIG THREE U.S. CARRIERS.

ACCORDING TO THESE ATTACKS, THE LIKES OF DELTA, UNITED, AMERICAN, LUFTHANSA AND AIR FRANCE ARE EXTREMELY CONCERNED ABOUT THE COMPETITIVE THREAT POSED BY THE GULF CARRIERS.

ALL SORTS OF ACCUSATIONS HAVE BEEN THROWN AROUND, FROM SUBSIDIES, TO ANTI-COMPETITIVE PRACTICES, TO THE SEIZING OF MARKET SHARE, TO PLANS FOR WORLD DOMINATION.

NOW IN RESPONDING TO THESE ATTACKS, I COULD TALK ABOUT HYPOCRISY, ABOUT INACCURACY, ABOUT SCARE-MONGERING AND ABOUT SELF-INTEREST.

I COULD TALK ABOUT THE HYPOCRISY OF AIRLINES THAT HAVE BEEN GIFTED INFRASTRUCTURE, MARKET ACCESS AND HARD CASH – FOR DECADES - CHOOSING TO ATTACK US WITH ALLEGATIONS OF GOVERNMENT SUBSIDIES. I COULD TALK ABOUT THE INACCURACY OF A REPORT THAT DELIBERATELY CONFUSES THE CONCEPTS OF INVESTMENT AND SUBSIDY. I COULD TALK ABOUT THE SCARE-MONGERING OF A 55-PAGE REPORT WHICH, AFTER TWO YEARS OF RESEARCH AND HIGHLY BIASED ANALYSIS, FAILS TO MAKE THE CASE FOR HARM CAUSED BY OUR ACTIONS. OR I COULD TALK ABOUT THE SELF-INTEREST OF CARRIERS WHICH MENTIONED SUBSIDY 42 TIMES IN THEIR REPORT BUT MENTIONED THE CUSTOMER ONLY ONCE.

I COULD DO ALL OF THOSE THINGS. BUT I WON’T.

INSTEAD, I’D LIKE TO INJECT A FEW FACTS INTO THIS DEBATE. BECAUSE AS THIS DEBATE HEATS UP, AROUND THE WORLD, FACTS ABOUT THE REAL ISSUES SEEM TO BE THE ONE THING MISSING.

THE DARK CLOUDS OF PROTECTIONISM ARE GATHERING OVER EUROPE AND THE UNITED STATES. FIVE MEGA-CARRIERS ARE TRYING TO PULL THE LADDER UP AFTER YEARS OF HAVING IT THEIR OWN WAY. THE PEOPLE THAT WILL REALLY LOSE IF THESE GIANT LEGACY AIRLINES ARE SUCCESSFUL ARE THE MILLIONS OF TRAVELLERS BENEFITTING FROM NEW CHOICE IN THE GLOBAL AIR TRAVEL MARKET.

BUT LET ME START BY SAYING, I AM ONLY SPEAKING ON BEHALF OF ETIHAD AIRWAYS. UNLIKE THE THREE AMERICAN CARRIERS, WHO HAVE BEEN WORKING TOGETHER SO CLOSELY ON THIS ISSUE, LATTERLY IN COOPERATION WITH LUFTHANSA AND AIR FRANCE/KLM, WE JUST WORK ON OUR OWN.

IT SEEMS TO SERVE MANY INTERESTS TO LUMP THE SO-CALLED GULF CARRIERS TOGETHER.

MY BIGGEST COMPETITOR IS EMIRATES. MY SECOND BIGGEST COMPETITOR IS QATAR AIRWAYS. WE HAVE DIFFERENT BUSINESSES, DIFFERENT STRATEGIES AND DIFFERENT VIEWS.

LET ME GIVE YOU THE ETIHAD AIRWAYS VIEW ON CURRENT ISSUES.

JUST OVER 11 YEARS AGO, THE GOVERNMENT OF ABU DHABI DECIDED THAT CREATING AN AIRLINE COULD BE A SMART INVESTMENT.

IT SAW THE OPPORTUNITIES FROM A NEW WORLD ORDER IN TERMS OF INTERNATIONAL COMMERCE, FROM ITS GEOGRAPHICAL POSITION AND FROM MODERN AIRCRAFT TECHNOLOGY WHICH MEANT THAT FOR THE FIRST TIME, IT WAS ONE FLIGHT AWAY FROM ALMOST ANYWHERE IN THE WORLD.

IT ALSO RECOGNISED ITS GREATEST WEAKNESS – COMING TO THE PARTY DECADES AFTER EVERYONE ELSE – AND TURNED IT INTO A STRENGTH. IT VIEWED THE BLANK SHEET OF PAPER AS OFFERING HUGE OPPORTUNITY – NO LEGACY SYSTEMS, NO LEGACY AIRCRAFT AND NO LEGACY MINDSET.

AND IT RECOGNISED THAT A SUCCESSFUL, COMPETITIVE AIRLINE WOULD BE GOOD FOR THE WIDER ECONOMY, STIMULATING TRADE AND TOURISM, PROVIDING DIRECT EMPLOYMENT, AND HAVING STRONG KNOCK-ON EFFECTS TO ITS ECONOMY.

STANDING HERE IN LONDON, IN A CITY AND IN A COUNTRY THAT HAS FOR DECADES BEEN A WORLD LEADER IN INTERNATIONAL AIR TRAVEL, I HAVE NO NEED TO EXPLAIN THAT POINT FURTHER. I THINK IT IS PRETTY CLEAR THAT THE UK RECOGNISES THE IMPORTANCE OF AIR TRAVEL, EVEN IF IT HAS HAD DIFFICULTY IN AGREEING HOW BEST TO SUPPORT THAT IN TERMS OF AIRPORT AND OTHER INFRASTRUCTURE.

THERE MAY BE LONG AND SUSTAINED DEBATE ABOUT WHETHER IT SHOULD BE AT HEATHROW, AT GATWICK OR AT NEWLY CREATED ISLANDS – BUT NOBODY IS SERIOUSLY ARGUING *NOT* TO EXPAND THE NATION’S CAPACITY.

AS AN ASIDE, MANY IN THIS ROOM WILL BE INTERESTED IN OUR VIEWS ON THE CAPACITY DEBATE.  WELL, WITH OUR PLANS TO BRING THREE A380S A DAY INTO HEATHROW ONCE WE HAVE THE AIRCRAFT, YOU COULD SAY I AM VOTING WITH MY FLEET.

FOR US, LONDON IS A KEY STRATEGIC MARKET AND THAT IS PRECISELY BECAUSE IT IS BOTH DESTINATION AND HUB.  THE GUESTS THAT WE CARRY WANT TO FLY FROM AND TO HEATHROW AND WE CANNOT SEE THAT CHANGING.  THAT’S WHY WE’VE INVESTED SO MUCH IN OUR OWN INFRASTRUCTURE THERE – SUCH AS OUR PREMIUM LOUNGE AND SPA.  THAT’S WHY WE’VE BUILT UP OUR FLIGHTS TO THREE A DAY.

BUT IT IS NOT HEATHROW AT ANY PRICE.  ALL AIRLINES OPERATING INTO HEATHROW NEED TO BE SURE THEY ARE GETTING VALUE, IN TERMS OF THE GUEST EXPERIENCE AND OPERATIONAL ISSUES.  A NEW RUNWAY CAN’T BE AN EXCUSE TO JACK UP FEES WITHOUT DEMONSTRATING VALUE.

BACK TO ABU DHABI. THE EMIRATE RECOGNISED THOSE ARGUMENTS TOO, AND CHOSE TO INVEST IN AN AIRLINE.

BUT IT SET SOME CLEAR RULES.

IT SHOULD BE SAFE, AS ITS FIRST PRIORITY.

IT SHOULD BE BEST IN CLASS. NOT THE BIGGEST, BUT THE BEST.

IT SHOULD SUPPORT ABU DHABI’S LONG-TERM ECONOMIC DIVERSIFICATION. NOT AS AN ARM OF POLICY BUT AS A STAND-ALONE BUSINESS THAT WOULD DELIVER LOCAL EMPLOYMENT, AND WHICH WOULD BY ITS VERY EXISTENCE ENCOURAGE GREATER TRADE AND TOURISM INTO ABU DHABI.

AND ABOVE EVERYTHING, IT HAD TO WORK TO A COMMERCIAL MANDATE.

ETIHAD AIRWAYS HAS RECEIVED INVESTMENT FROM ITS SHAREHOLDER, THE GOVERNMENT OF ABU DHABI, IN THE FORM OF EQUITY CAPITAL AND SHAREHOLDER LOANS. WE HAVE ALWAYS BEEN CLEAR ABOUT THAT.

THE SHAREHOLDER KNEW THOSE AMOUNTS WOULD NEED TO BE SIGNIFICANT. IT WAS, AFTER ALL, SETTING UP A NATIONAL AIRLINE IN 2003, DECADES AFTER MOST GOVERNMENTS. IT WAS INVESTING IN AN INCREDIBLY CAPITAL-INTENSIVE INDUSTRY, ONE WHICH REQUIRES SIGNIFICANT INVESTMENT IN THE OBVIOUS ITEMS OF AIRCRAFT AND ENGINES; BUT ONE WHICH ALSO REQUIRES HEAVY INVESTMENT IN THE LESS OBVIOUS ITEMS: PEOPLE, TRAINING, TECHNOLOGY, A HEADQUARTERS BUILDING – EVERY SINGLE THING HAD TO BE STARTED FROM SCRATCH.

TO HAVE ANY CHANCE OF SUCCESS, ETIHAD AIRWAYS HAD TO GET TO A SIZE AND SCALE THAT COULD COMPETE AGAINST THE NETWORKS OF AIRLINES THAT HAD NOT ONLY BEEN OPERATING FOR YEARS, BUT HAD BENEFITED FROM DECADES OF GOVERNMENT INVESTMENT AND INFRASTRUCTURE SUPPORT.

TO BECOME A SERIOUS COMPETITOR IN LONG HAUL HUB-AND-SPOKE AIR TRAVEL, THERE IS A VERY, VERY HIGH COST OF ENTRY.

SO OUR SHAREHOLDER KNEW INVESTMENT WAS REQUIRED. BUT IT SET CLEAR PARAMETERS FOR THAT INVESTMENT. THE AIRLINE HAD TO GET TO PROFITABILITY WITHIN A DECADE. TO SOME, IT SOUNDS AN EASY TARGET BUT I HAVE TO SAY WE CAN FIND NO OTHER NATIONAL AIRLINE THAT A/. SET A PUBLIC TARGET OF PROFITABILITY WITHIN A DECADE; OR B/. DELIVERED PROFITABILITY WITHIN A DECADE.

WELL, WE DID DELIVER A PROFIT. AND WE HAVE TO CONTINUE TO DO SO.

AND IN THE LONG TERM, WE HAVE TO DELIVER A RETURN. EVERY PENNY OF THE LOANS WE’VE RECEIVED HAS TO BE PAID BACK. OUR BUSINESS NEEDS TO DELIVER A RETURN ON THAT CAPITAL INVESTMENT.

WE ALSO NEED TO OPERATE ON A WIDER COMMERCIAL BASIS. WE CANNOT RELY ON SHAREHOLDER FUNDING – A REASON WE HAVE 76 INTERNATIONAL INSTITUTIONS WHICH HAVE LENT US MORE THAN $10.5 BILLION. THEY GET NO SOVEREIGN GUARANTEES, NO LETTERS OF COMFORT. IN FACT, THE ONLY THING THEY GET TO GIVE THEM CONFIDENCE IN OUR BUSINESS IS DETAILED FINANCIAL REPORTS.

BECAUSE WE HAVE SATISFIED THOSE CONDITIONS, BECAUSE WE HAVE GROWN MORE QUICKLY AND MORE SUCCESSFULLY THAN OUR INITIAL TARGETS, OUR SHAREHOLDER HAS INVESTED FURTHER. IT HAS INVESTED IN SUCCESS. JUST LIKE ANY OTHER RATIONAL INVESTOR.

OUR SHAREHOLDER MAY BE NATIONAL BUT WHEN IT COMES TO MONEY, IT IS VERY, VERY RATIONAL.

THAT IS CALLED INVESTMENT. NOT SUBSIDY.

WHAT HAS THIS INVESTMENT DELIVERED?

IN A WORD, COMPETITION. NEW CHOICE FOR CONSUMERS. NEW CONNECTIONS AND NEW MARKETS.

I THINK ALL OF US THIS ROOM KNOW THE BASIC RULE OF AIRLINE COMPETITION. LIBERALISATION ENCOURAGES NEW MARKET ENTRANTS. NEW MARKET ENTRANTS ACT AS CATALYSTS FOR MARKETS TO GROW. CONSUMERS SEE MORE CHOICE; THE INDUSTRY SEES MORE CUSTOMERS; ECONOMIES BENEFIT FROM TRADE AND TOURISM. IT’S A WIN-WIN-WIN.

BRITAIN HAS BENEFITTED FROM THAT WIN-WIN-WIN FOR DECADES, THANKS TO A GOVERNMENT THAT ENCOURAGED DEREGULATION.

SOME OF THE CARRIERS ATTACKING US CLAIM THEY ARE LOSING MARKET SHARE. WE’VE STARTED SOME ANALYSIS ON THIS ISSUE AND ALTHOUGH THE DETAILED STUDY WILL TAKE SOME TIME TO COMPLETE, I CAN SAY THAT OUR INITIAL STUDIES ALREADY SUGGEST THAT THOSE CLAIMS ARE TRUE. WE ADMIT IT!

BUT THAT SO-CALLED LOSS HAS RESULTED IN THOUSANDS OF NEW PASSENGERS FOR THESE SUFFERING AIRLINES, THANKS TO THE MARKET STIMULUS WE PROVIDE.

THEY ARE GETTING A SMALLER SLICE, IT IS TRUE. BUT IT IS A SLICE OF A BIGGER CAKE. AND THE BIGGER CAKE IS PROOF THAT MORE PEOPLE ARE ABLE TO TRAVEL – MORE CONSUMERS ARE GETTING THE BENEFITS OF COMPETITIVE CHOICE.

THE RECENT ATTACKS ALSO SEEM TO SUGGEST WE ARE A MASSIVE THREAT TO EXISTING AIRLINES.

WE FIND THAT A BIT SURPRISING. WE ARE PLEASED WITH OUR GROWTH. WE CARRIED 14.8 MILLION PASSENGERS LAST YEAR, IN OUR 11TH YEAR OF OPERATIONS.

OUR NEAREST AND MOST DIRECT COMPETITOR, EMIRATES, CARRIES THREE TIMES AS MANY PASSENGERS AS WE DO.

THE THREE MAJOR EUROPEAN LEGACY GROUPS CARRY 18 TIMES MORE.

THE THREE BIGGEST U.S. AIRLINES WORKING TOGETHER TO BLOCK OUR PROGRESS CARRY 34 TIMES MORE.

AND THE GLOBAL ALLIANCES, WHICH THOSE U.S. AND EUROPEAN GIANTS DOMINATE, CARRY 120 TIMES MORE PASSENGERS THAN WE DO.

NO WONDER THEY’RE SCARED OF US!

IN THE U.S., IN THE SIX AIRPORTS INTO WHICH WE FLY, WE PROVIDE 0.008 PER CENT OF WEEKLY INTERNATIONAL DEPARTURES. THAT’S LESS THAN ONE TENTH OF ONE PER CENT. NOT OF TOTAL DEPARTURES. NOT OF INTERNATIONAL DEPARTURES FROM THE U.S. JUST DEPARTURES FROM THOSE SIX AIRPORTS.

AT HEATHROW, WE OPERATE 21 FLIGHTS A WEEK – AGAIN, JUST A FRACTION OF A PER CENT OF TOTAL INTERNATIONAL DEPARTURES. AGAIN, A TINY, TINY PROPORTION.

YES, WE HAVE JUST INCREASED CAPACITY, WITH THE INTRODUCTION OF OUR FIRST A380, ONE OF ONLY 10 WE HAVE ON ORDER. WE’VE BROUGHT THE A380 IN BECAUSE HEATHROW IS SO CONSTRAINED – AND LOOKS LIKE BEING SO FOR MANY YEARS TO COME.

BUT THE FACT IS, WE ARE A SMALL DAVID, FIGHTING AGAINST MANY GOLIATHS.

THE GREAT THING ABOUT DAVID IS THAT HE WON.

I THINK WE ARE WINNING. BUT THAT IS DOWN TO TWO SIMPLE FACTORS.

THE FIRST IS AN OUTSTANDING PRODUCT, DELIVERED BY ENTHUSIASTIC STAFF, ON MODERN AIRCRAFT, FLYING TO DESTINATIONS PEOPLE WANT TO GET TO, AT VIABLE AND COMPETITIVE PRICES. BASIC, BUT IT WORKS. WE’VE USED OUR BLANK SHEET OF PAPER TO GOOD EFFECT.

THE SECOND IS THE WAY IN WHICH WE HAVE TURNED WEAKNESSES INTO STRENGTH, MOST PARTICULARLY IN OUR PARTNERSHIP APPROACH, OF CODESHARES AND MINORITY EQUITY INVESTMENTS.

LET ME SAY A FEW WORDS ABOUT THAT EQUITY STRATEGY.

WHEN I FIRST TOOK OVER AT ETIHAD, WE LOOKED INTO OUR OPTIONS WITH THE GLOBAL ALLIANCES – TO FIND WE HAD NONE. NONE OF THE THREE GLOBAL ALLIANCES WANTED A GULF CARRIER MEMBER AT THAT TIME.

HUB-AND-SPOKE OPERATIONS NEED CONNECTIVITY, THEY NEED FEED. SO HAVING BEEN TURNED DOWN BY THE ALLIANCES, WE TOOK A DIFFERENT STRATEGY. WE STARTED CODESHARING, WITH AS MANY AIRLINES AS POSSIBLE – 49, TODAY. WE DIDN’T MIND IF THEY WERE IN ALLIANCES OR NOT; IF, TOGETHER, WE COULD IMPROVE CONNECTIVITY AND CUSTOMER CHOICE, THEN WE’D CODESHARE.

OUR EQUITY INVESTMENTS, IN MINORITY STAKES IN AIRLINES IN KEY STRATEGIC MARKETS, TOOK THAT A STEP FURTHER. THE SKIN IN THE GAME ALLOWS US TO GO FURTHER IN NETWORK CONNECTIVITY, IN PRODUCT ALIGNMENT, IN FFP AND IN COST SYNERGIES.

LET ME REPEAT: THIS WAS INITIALLY A STRATEGY BORN OF NECESSITY. THE ALLIANCES DID NOT WANT US. RATHER THAN GO WHINING TO THE WORLD, WE SIMPLY CHANGED OUR STRATEGY. WE FOUND A NEW WAY TO COMPETE.

THAT’S WHAT COMPETITION IS. YOU AIM TO CREATE INCREDIBLE STRENGTHS. AND THEN BE READY TO IDENTIFY WEAKNESS AND TRY TO TURN THOSE INTO STRENGTHS. THAT SOUNDS LIKE BUSINESS TO ME. THAT SOUNDS LIKE COMPETITION.

WHEN IT COMES DOWN TO IT, COMPETITION IS WHAT THE MARKET WANTS.

IT IS CERTAINLY WHAT THE CUSTOMER WANTS. PEOPLE WANT CHOICE WHEN THEY TRAVEL. CHOICE MEANS THEY KNOW THINGS WILL CONSTANTLY IMPROVE. THAT’S THE SAME WHETHER YOU ARE SITTING IN ABU DHABI, OR IN LONDON, MANCHESTER OR EDINBURGH.

IT IS CERTAINLY WHAT THE WIDER ECONOMY WANTS. AIR ROUTES STIMULATE TRADE AND TOURISM. TRADE AND TOURISM STIMULATE ECONOMIC GROWTH. EVERY AIR ROUTE IS WORTH TENS OR HUNDREDS OF MILLIONS OF POUNDS OF ECONOMIC IMPACT. WE KNOW THAT IS TRUE IN ABU DHABI, AS DETAILED ECONOMIC ANALYSIS HAS SHOWN. BUT IT IS ALSO TRUE IN EVERY DESTINATION WE FLY TO – THERE IS A REASON THAT MANCHESTER WAS SO KEEN TO ENCOURAGE OUR SECOND DAILY FLIGHT. THERE IS A REASON EDINBURGH IS SO DELIGHTED WE START DIRECT DAILY FLIGHTS THIS YEAR. THERE IS A REASON HEATHROW IS SO PLEASED WE ARE BRINGING A380S IN – OVER TIME, ON ALL THREE OF OUR DAILY FLIGHTS.

SO, I THINK WHAT WE PROVIDE IS A POWERFUL STIMULUS.

THE AIRLINES RANGED AGAINST US TAKE A DIFFERENT VIEW, OF COURSE. BUT I THINK WE CAN ALL BE A BIT SCEPTICAL OF A GROUP OF FIVE GLOBAL GIANTS – FIVE OF THE BIGGEST AIRLINES IN THE WORLD – JOINING TOGETHER TO STAMP OUT THIS NEW WAVE OF COMPETITION. THEY TRIED THE SAME TWENTY YEARS AGO WITH THE ASIAN CARRIERS. THEY’LL PROBABLY TRY THE SAME AGAIN IN 20 YEARS AGAINST THE AFRICAN CARRIERS.

THERE’S ONE GLOBAL AIRLINE THAT HASN’T COMPLAINED ABOUT THE NEW COMPETITION FROM THE GULF CARRIERS – AND THAT’S YOUR HOME AIRLINE HERE, BRITISH AIRWAYS. BA IS A BUSINESS WHOSE STEEL HAS BEEN FORGED IN DECADES OF FIERCE COMPETITION – DOMESTICALLY, ACROSS EUROPE AND GLOBALLY. WILLIE WALSH DOESN’T COMPLAIN WHEN HE SEES NEW COMPETITION COME INTO THE MARKET – HE JUST GETS ON AND COMPETES!

AT ETIHAD, THE GREATEST WEAPON WE HAVE IN OUR ARMOURY IS THE SIMPLEST. IT IS THE BLANK PIECE OF PAPER THAT WAS OUR BIGGEST WEAKNESS WHEN WE STARTED. WE HAD NOTHING.

WE’VE USED THAT BLANK PIECE OF PAPER TO GOOD EFFECT. WE’VE CREATED NEW SERVICES, NEW CHOICES, NEW MODELS.

WHEN NICOLE KIDMAN TALKED OF FLYING REIMAGINED AT OUR EVENT IN ABU DHABI LAST WEEK, SHE WAS SPEAKING IN PARTICULAR ABOUT OUR NEW PRODUCT AND SERVICE ON THE A380 AND THE DREAMLINER. BUT SHE MIGHT AS WELL HAVE BEEN TALKING ABOUT OUR WHOLE HISTORY – NOT A LONG ONE, BUT A VERY PROUD ONE.

WE ARE TRYING TO REIMAGINE FLYING. I MAKE NO APOLOGY FOR THAT. WE ARE DOING THAT IN RESPONSE TO THE NEW TRADE AND TRAVEL PATTERNS OF THE 21ST CENTURY, NEW AIRCRAFT TECHNOLOGY AND NEW CUSTOMER EXPECTATIONS. THE TIME IS RIGHT FOR SOMETHING TO MATCH THAT OPPORTUNITY.

LADIES AND GENTLEMEN, AIR TRAVEL IS AN INDUSTRY THAT GREW FROM CHANGE. IT IS AN INDUSTRY THAT GROWS WHEN THERE IS COMPETITION.

INVESTING IN SUCCESS IS NOT A CRIME; BLOCKING COMPETITION WOULD BE.

THANK YOU FOR YOUR TIME.

**ENDS**