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Airports are the Cathedrals of our Times



*In an exclusive interview at the [stars Switzerland symposium 2019](#), **Stephan WIDRIG**, CEO of Zurich Airport, explains why he is not worried about the so-called “Greta Effect” – a decreasing demand for flying driven by climate responsible travelling. Despite local opposition against airport capacity expansion plans and rising climate change concerns, demand for mobility is in fact still increasing. Airports are the cathedrals of our times, because to be connected in a globalized world is a quality for everyone. Disruptive technologies will also change the face of airports and the way of flying, making aviation more sustainable.*

Luisa KINZIUS: What do you see as the biggest challenge for your business in the next five to ten years?

Stephan WIDRIG: Aviation connects a globalized world. If you want to be successful as a Swiss economy, you have to have direct links to all global centres and establish new connections to upcoming cities. Demand for international mobility is increasing every year. Though in a wealthy society as Switzerland, the need for capacity additions increasingly clashes with the willingness of the people to also accept the negative impacts of such increased international connectivity, for example noise or carbon emissions. We need to convince the people that aviation is good for society. In terms of climate change, we need to convince society that we also find solutions for zero carbon emissions.

What are carbon-free traffic solutions that you as an airport can deliver in response to climate change?

On the ground, buildings and ground transportation will achieve zero carbon emissions in 2050. In the air, in the short term, emissions of aircrafts are optimized with every fleet renewal. In the medium term, biofuels and synthetic fuels gradually replace fossil fuels. And in the long term, new technology for aircraft combustion engines will become reality. Planes also get larger and have a better seat load, which also helps.

In the canton of Zurich and around the city of Kloten, where Zurich Airport is located, the airport faces a lot of protests against potential capacity expansions, such as building a third runway. How will you simultaneously meet the increasing demand for mobility, while at the same time facing fierce opposition against capacity expansion plans?

Being an infrastructure provider, we can only keep our quality promise as one of the best airports in the world if capacity is meeting demand. Airports as complex systems need long-term planning cycles. That's what we have to explain to the people. It helps that we are a direct democracy, since the people voting are also the ones that want a smooth travel at their next journey. Capacity increase does not only mean building new runways, but also terminals and attractive commercial centres. Since we are a public listed company with widely spread private shareholders and a successful business model, we can fund our investments ourselves and do not need political decisions. Creating attractive commercial platforms generates revenues that allow us to think big and long-term. Airports are the cathedrals of our times. Zurich Airport is a symbol of Switzerland, which we try to enhance, so that people like spending time here.

Will links between several airports in Switzerland be a solution?

No. I think nowadays and also for the next 10 to 20 years, hub-and-spoke is the dominant system for long distance flights. You have to collect enough people in one location to bring them in a wide-body plane to another continent – that at the end is economically viable. And in that context, people want short connection times. As part of helping Swiss tourism, we try to motivate people to spend two or three nights in Zurich, but by far the majority of people wants to go from point A to point B in the fastest time – if you can't offer that, traffic will not go over your hub.

Protecting our climate and fighting global warming is a major public concern. Most presented solutions regarding aviation focus on making flying greener and achieving zero-carbon emission aviation, which is a very long-term solution. What is the more immediate answer to climate change from your perspective?

Planes become much more fuel efficient. Planes make less noise. So I think a lot of optimization is already happening now. But to really reach zero carbon emission flying, different forms of combustion engines are needed and the development of those probably needs more time. Zurich Airport is also known for leading ecological building technology. We are currently building "The Circle", a large real-estate project for USD 1.2 billion. This building will be free of carbon emissions. Energy is being generated from solar panels on the roof. Heating is being activated using deep water. Facades have three layers of isolation. This is an example that zero-carbon emissions is possible – even in large scale projects.

Are you worried about a decreasing demand for flying driven by climate responsible travelling, due to the so-called "Greta Effect"?

No, I am not. I think this world is a global and connected world and this will need people to travel. I think it's a good thing though that through the climate debate we become aware of the problem and it has also created a certain pressure for solutions, because no one really wants this world to disintegrate again. Being connected in a globalized world is a quality for all of us. But also everyone agrees that we have to have a sustainable world and in order to achieve this we have to come away from carbon.

Zurich Airport has invested into several international airports, such as the airport in Bangalore in India or Brazil's Hercilio Luz International Airport. What is the rationale behind these investments?

There are two reasons: Firstly, we accumulated a certain know-how and there are several things we might do a little bit better than others. So exporting this know-how contributes to value generation. Secondly, we have a growth problem in Switzerland. We come to a natural cap. Zurich Airport could become larger and larger as a shopping centre, but we have a core of the company and that contains to build modern travel platforms. And if we can't grow here in Zurich in the long run, we have to find other places for long-term growth in order to have a true purpose, and thereby be successful as a company. That is why we look at those markets where you still have a large proportion of people that do not fly yet, and where there is still a large need to build adequate capacities for the next generation.

What is your vision of how the airport might look like in 40 years? What is the most disruptive technology for the airport business?

I think probably the most disruptive would be a new way of flying technology, where planes start vertically like helicopters or drones. If planes would not need a runway anymore to depart that would be extremely disruptive for the airport as it is built today. But there is still a far way to go.

What do you see as a trend that might be disruptive to your business model in the short term?

In the short term, one of the key parts of the business are duty free sales. Currently the airport business faces a certain pressure from the WHO and other health institutions to no longer allow the sale of tobacco or alcohol. This would not be a disruptive change but it would put serious threat to our business model if we would not be allowed to sell these goods at the airports anymore. But I am optimistic, that we will find new things that we can sell to people if this will become the case. As long as we have people travelling, I am quite confident that we find new ways of revenue generation.

Do you see any challenge that your generation will delegate to the next generation of leaders?

Maybe my generation tries to contribute to solutions, but the whole issue regarding zero carbon emission planes will be a long-term project. I think we have to make sure that we don't leave problems to the next generation. This holds for pension funds, for climate, for trade. We should make sure that we have liberal economic models that reflect fair costs in a way that we don't create new long-term problems for the next generation. But the next generation will decide itself how it sets its priorities.



Stephan WIDRIG has worked for the airport operator since 1999 and has been CEO with overall responsibility for Flughafen Zurich AG since the beginning of 2015. A Swiss citizen born in 1972, he has been a member of the Management Board since 2008. From 2005 to 2008 Stephan was Chief Financial and Commercial Officer at Bangalore International Airport Ltd. (BIAL) in India and prior to that Head of Real Estate Management at Zurich Airport.

The interview was conducted by stars alumna Luisa KINZIUS, consultant at Sinolytics, on the sidelines of the [stars Switzerland symposium 2019](#). The views expressed here are solely those of the interviewee and they do not necessarily represent or reflect the views of the stars Foundation.

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