

# Political Newsletter

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Zurich Airport



## EDITORIAL

## Dear Readers,

Zurich Airport is a vibrant place with people from all over the world. We have become accustomed to a high level of global connectivity. However, the pandemic has thrown us back to a time when borders were closed and freedom of travel was significantly impaired. Zurich Airport, Switzerland's gateway to the world, was severely affected by this.

Since the summer, borders have been opening gradually again, which has brought back the desire to travel. Relatives, friends and business partners can finally meet again. Since 8 November, travelling to the U.S. is possible again. In addition, many countries in Asia are starting to open borders as well. This positive development is noticeable at Zurich Airport, which lifts the mood after a long period of very low passenger numbers. For this trend to continue, there needs to be further harmonisation of entry requirements and mutually recognised health certificates at the global level (see p. 3–4).

The last 20 months have shown how significant Switzerland's continental and inter-continental connections are – both for our economic and social life. Precisely because international mobility will continue to gain in importance, climate protection is a top priority for our company. In terms of ground infrastructure, we have been working hard for two decades to reduce our fossil footprint and have already achieved the 2030 targets set out in the Paris Climate Agreement. With the reduction path we have embarked on, we want to be completely independent of fossil energy by 2050 at the latest.



In addition, industry-wide measures are necessary. At the European level, we consider a harmonised blending mandate for sustainable aviation fuels (SAF) to be an important measure on the road to climate neutrality in the aviation industry. Therefore, we support the Federal Council's course of action in climate policy and the proposals for the aviation sector contained therein, that was presented on 17 September 2021 (see p. 5).

I wish you an informative read.

Stephan Widrig  
Chief Executive Officer

## Glimmer of hope: Upswing in travel industry must not be threatened

**Rising passenger numbers during the autumn holidays have indicated a recovery of the Swiss aviation industry. In addition, the re-opening of the U.S. borders for individuals fully vaccinated and tested against COVID-19 is another promising sign. Policy makers are now called upon to continue to support the normalisation of international travel.**

The Swiss Federal Council introduced the Swiss COVID certificate in spring 2021. The EU and Switzerland have officially recognised their respective certificates in July 2021, allowing an upward tendency in the travel industry. This was accompanied with the lifting of travel restrictions. As a result, passenger numbers at Zurich Airport doubled between June and September 2021 compared to the previous year. This year's peak was reached during the autumn holidays with just under 70,000 passengers. This corresponds to about 60% of the number on the peak day in 2019. While these latest key figures are encouraging, they are only a silver lining. On average, one out of two passenger is still missing compared to pre-covid levels.

### **New U.S. entry requirements mark an important step forward**

Among other factors, U.S. travel regulations are decisive for the recovery in international travel. Since November 8, 2021, travel to the U.S. has been permitted again for individuals fully vaccinated and tested against COVID-19. With transatlantic flights being equally popular with business travellers and tourists, this news has been very much wel-

comed by the aviation industry. Moreover, these connections are of strategic importance for the hub operation at Zurich Airport. Before the pandemic, almost every fourth overnight visitor reached Switzerland through Zurich Airport, with an increasing share of North American and Asian tourists.

### **Zurich Airport is an economic engine**

Despite the pandemic and the economic losses, Zurich Airport remained open and operational throughout. The approximately 280 companies with their 25,000 employees worked hard to maintain operations during times of great uncertainty. Short-time work still remains an important pillar for their economic survival. To underline the economic importance of the airport with figures: Before Covid these companies generated 5 billion Swiss francs in value added, equivalent to 3.5% of the GDP of the Canton of Zurich – the same value added as that of a medium-sized Swiss city. The expiry of short-time work compensation in February 2022 will leave companies again to their own devices to cope with the crisis. A continuation of the recovery in international travel is necessary to generate turnover again and secure jobs in the long term. A continuation of the recovery in international travel is necessary so that businesses



can generate turnover again and secure jobs in the long term. Therefore, it is important that the current recovery is supported with prudent policy decisions and not hindered by bureaucratic hurdles and unnecessary requirements.

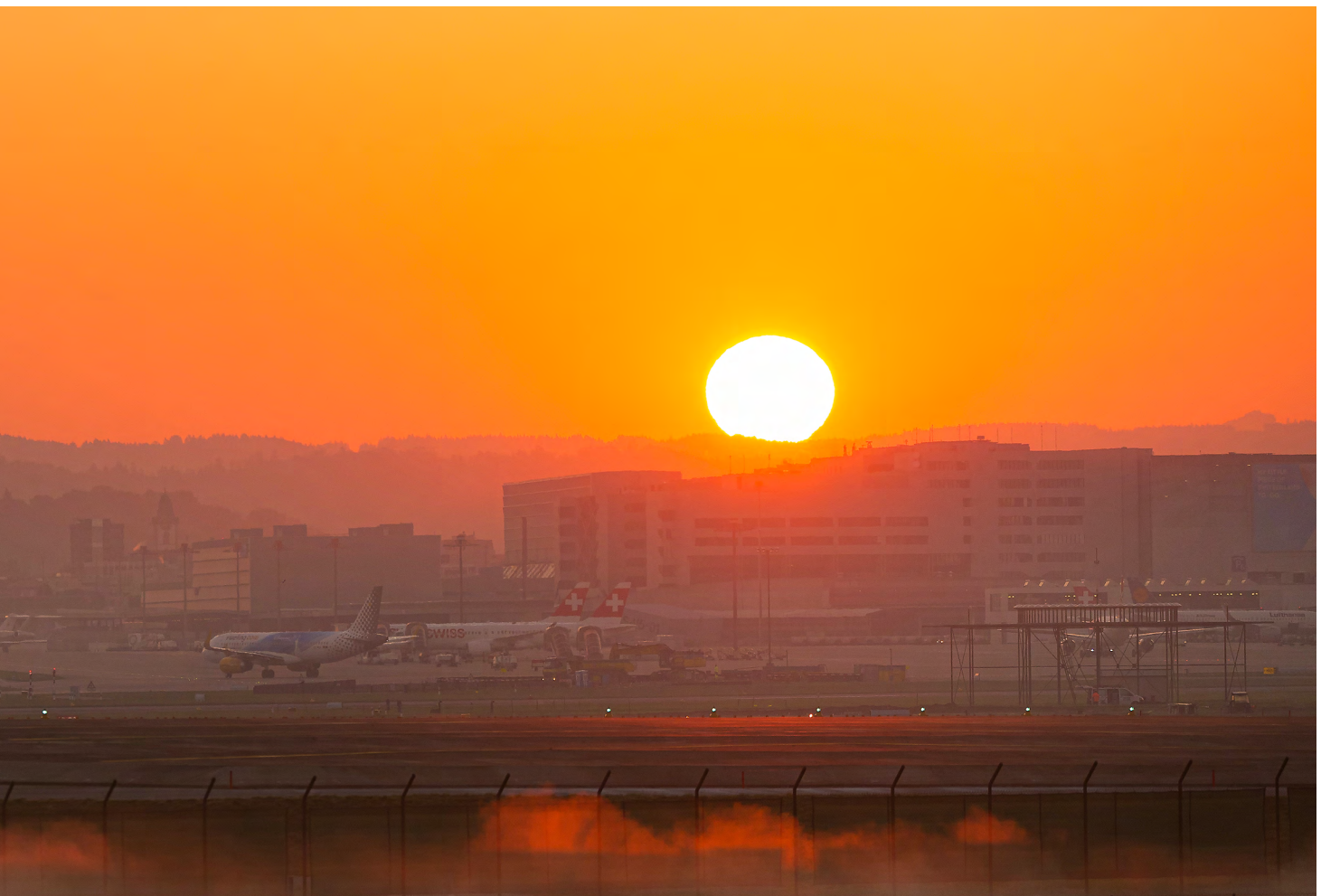
#### **Uniform and harmonised entry regulations needed**

Travel regulations, which vary from one country to another and which are constantly changing, remain a major obstacle for international travel. Unharmonised travel requirements lead to both great uncertainty and a huge amount of bureaucracy as well as inefficiencies in the travel process. The necessary verification of a wide variety of travel documents and

certificates complicates and delays booking, check-in and boarding processes. As the pandemic subsides, requirements for international travel need to be reviewed. Wherever possible, entry restrictions must be dismantled. More importantly, harmonisation of international entry requirements and mutually recognised health certificates is needed at the global level. Meanwhile, the mutual recognition of Covid certificates between Switzerland and the EU for travel purposes must be maintained as a matter of urgency. Further, entry forms (e.g. Passenger Locator Form) should also be standardised and simplified to allow online check-in again. Ultimately, this is precisely how contactless and safe travel is promoted.

### KEY TAKE AWAYS

- Zurich Airport and the aviation industry are showing signs of recovery from the historic crisis. Further border openings, first and foremost that of the U.S., support the upswing.
- To further improve the situation, it is important that economic recovery is not hampered by bureaucratic and unnecessary regulations.
- Travel regulations need to be simplified and harmonised internationally. Mutual recognition and standardisation of digital health certificates as well as entry forms is needed at the global level.





# Federal climate policy:

## Market-based and target-oriented proposals for the aviation sector

**On 17 September, 2021, the Swiss Federal Council informed about its future climate policy. The proposal follows a market-oriented and sustainable decarbonisation path of air transport. This approach needs to be continued in the upcoming debate of the bill.**

Flughafen Zürich AG has committed to achieving net zero emissions in relation to airport infrastructure by 2050. The airport has already reduced its CO<sub>2</sub> emissions by nearly 50 percent over the last 30 years. As a consequence, the company already meets the target to which Switzerland has committed itself by 2030 in accordance with the Paris Climate Agreement. In September 2021, the Federal Council outlined its future climate policy which has become necessary after the rejection of the revised CO<sub>2</sub>-Act by the Swiss electorate in June. The proposal also includes measures to decarbonise the aviation sector.

### Proposal is in line with EU policy

The Federal Council proposes a blending quota for sustainable aviation fuels (SAF) which shall be based on and follow the developments in the EU. Equally, the Federal Council intends to refrain from introducing new levies or bans. This approach lays the foundation for a market-based decarbonisation of the aviation industry and avoids unnecessary interventions to the detriment of the Swiss economy. According to the plan, fuel suppliers shall be required to supply a certain percentage of SAF as part of the total fuel mix. The EU's "Fit For 55" model envisages a mandatory blending rate of 2% from 2025, rising to 63% SAF by 2050 (of which 28% will have to consist of synthetic SAF). This would create market incentives for the wider use of SAF while ensuring a level playing field in European air transport.

### Support for new technologies

The new benchmarks set by the Federal Council will strongly enable a sustainable future for Swiss aviation. Also, the alignment with the EU climate policy will ensure that there are no distortions of competition in the (European) market. At the same time, companies producing or investing in SAF are given a perspective and a purchase guarantee. This will lead to an increasing supply of SAF while reducing the price gap to fossil fuels – a development that could also benefit the Swiss companies such as Synhelion SA, which produces synthetic fuels. Financial support for research and development of these technologies, as proposed by the Federal Council, could further accelerate the aviation industry's transformation.

### A common path is needed

In the coming weeks and months, two important bills on Switzerland's future climate policy (the so-called Glacier Initiative and the revised CO<sub>2</sub>-Act) will be discussed in parliament. Following the rejection of the revised CO<sub>2</sub>-Act on 13 June, 2021, there should be no doubt that industry-damaging state interventions such as the introduction of an air ticket levy or a fuel tax must be off the table. In contrary, now is the time to tackle the upcoming challenges together and to walk a common path. Flughafen Zürich AG has consistently advocated for a mandatory SAF blending quota as well as for regulations harmonised with the EU. It therefore welcomes the Federal Council's climate policy, which is in line with its own commitment to decarbonising air transport.



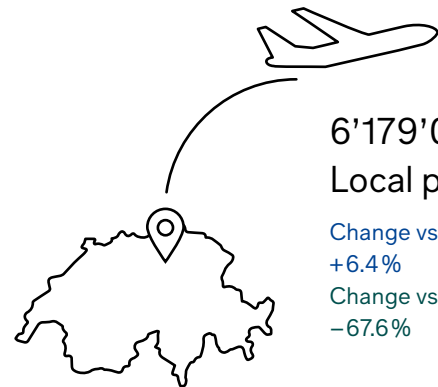
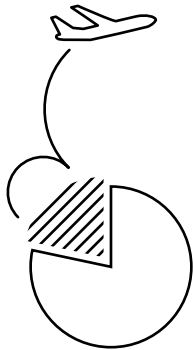
# Traffic Development

All figures January to October 2021

The monthly traffic statistics can be accessed here:  
[www.zurich-airport.com/the-company/investor-relations-en](http://www.zurich-airport.com/the-company/investor-relations-en)

22.8%  
Share of transfers

Change vs. 2020  
–1.7 percentage points  
Change vs. 2019  
–6.2 percentage points

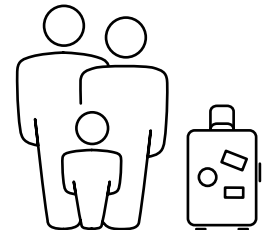


6'179'056  
Local passengers

Change vs. 2020  
+6.4%  
Change vs. 2019  
–67.6%

8'057'972  
Total passengers

Change vs. 2020  
+4.1%  
Change vs. 2019  
–70.1%



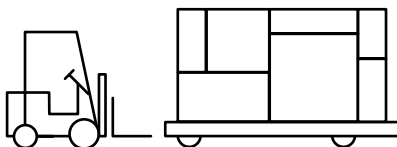
1'830'686  
Transfer passengers

Change vs. 2020  
–3.2%  
Change vs. 2019  
–76.5%



317'056 t  
Freight

Change vs. 2020  
+34.3%  
Change vs. 2019  
–15.3%



105'417  
Flight movements

Change vs. 2020  
+6.3%  
Change vs. 2019  
–55.2%

## Publication details

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