



## Panel session: Aviation in the post-Covid-19 world: Towards a sustainable recovery?"

With travel restrictions imposed on international routes, few industries have been more severely affected by the Covid-19 pandemic than the aviation sector. Uncertainty remains with respect to passenger numbers returning to their pre-crisis trajectory, with both ACI and IATA expecting that this will not be achieved before 2024.

Despite the severe impact of the crisis on the aviation sector, pre-Covid climate concerns remain. Norway has taken a radical route in addressing the crisis and in preparing a sustainable transition. Anders Tyvand, State Secretary, Norwegian Ministry of Transport, stated that despite the drop in traffic of around 90%, Norway has put in place a procurement scheme to preserve a critical network in Norway in order to maintain critical basic connectivity. Norway expects to spend a total of two billion euros by the end of 2021 in the context of its stimulus programme for the whole sector. For Norway, the pandemic is no excuse for inaction: both carrots and sticks will be needed to put aviation on a more sustainable pathway. Norway, through its climate action plan, foresees the increase of the carbon tax rate and provides numerous incentive measures for innovation, including pilot funding and loan guarantees.

Sebastian Mikosz, Senior Vice-President of IATA, voiced careful optimism with regard to the economic recovery of the sector. While the airline sector is still 'in intensive care', the patient is expected to be 'slowly walking again' from 2022. Various surveys have indicated that passengers are eager to return to flying, and there seems to be enough trust among customers, also confirmed by the many intra country flights being booked in the United States. Sustainability efforts will be built on existing efforts at the international level, such as the offsetting scheme CORSIA. The Air Transport Action Group (ATAG) whose membership is spread across the aviation value chain has convened environmental action working groups since 2008. In addition, individual airlines and airline alliances have pledged their carbon neutrality by 2050 in recent years. Mikosz did not favour the use of carbon taxes unless their revenues are reinvested in innovation schemes.

The necessity to 'build back better' and make aviation more sustainable is obvious for Paul Stein, Chief Technical Officer of Rolls-Royce. Three elements will contribute to the transition: further aircraft efficiency improvements, the ramp up of sustainable aviation fuels and electric aircraft technology for short range flights. Since 65% of CO<sub>2</sub> emissions are caused by long-range flights above 500 km, the availability of sustainable aviation fuels is key. The production of sustainable aviation fuels requires enormous efforts: 500 million tonnes of sustainable biofuels, hydrogen based e-fuels and others will be needed by 2050.

One of the big policy interventions needed is encouraging scaling up of the production of these fuels worldwide. This could be done through blending mandates, innovation funding, subsidising investment capital and other measures to achieve the technological maturity and cost-competitiveness with fossil fuels.

Luis Felipe de Oliveira, Director General of ACI World, represented airports in the discussion. Luis considers the main elements for the recovery to be digitalisation of travel and environmental sustainability. Digitalisation is on the rise, including improved biometrics and facial recognition at airports, as well as digital vaccination certification that has become relevant due to the pandemic. Sustainability efforts of airports build on schemes that have been around for quite some time: the airport accreditation scheme has just celebrated its 10<sup>th</sup> anniversary. Some airports are very advanced in their efforts. For example, the operator of 10 airports in Sweden, including the three biggest airports, reached zero net emissions from its airport operations last year.

Virginia Messina, Acting CEO of the World Travel and Tourism Council, stressed the role that consumers play in driving sustainability in air travel. The demand for more sustainable travel has increased and people are expected to care even more about the environmental footprint of their travel in the future. Companies could further drive conscious decision making by providing information on the environmental footprint and use advance trusted sustainability certification for tourism packages they offer. While big hospitality players have been driving these efforts, smaller companies should be included in this process and be supported in their efforts.