

Jochen Schnadt VP, Aviation Business Management, Dubai Airports



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Located in the heart of the UAE, Dubai Airports owns and manages the operation and development of both of the city's airports, Dubai International (DXB) and Dubai World Central (DWC). Jochen Schnadt, VP of Aviation Business Management, explains why the pharmaceutical industry has been a success story within the special cargo business and what makes Dubai the place to be for any industry.

You have extensive experience working with different airlines and organizations across the globe. What would you highlight as the most important lessons learned that will help you in the new role?

My background is mostly on the airline side, but I was previously on the supervisory board of Belfast City Airport in the UK, which gave me some great insights about the airport industry. In addition, I have done plenty of consultancy work in the wider aviation industry over the years. The main asset I am bringing to this position at Dubai Airports is the wider aviation and specifically the airline perspective into an environment typically focused strongly on infrastructure. Compared to airports, airlines have traditionally had a strong focus on customer-centricity but in recent years, airports around the world have started to do the same. Dubai Airports is one of the pioneers that changed the way airports were perceived and continues to drive change by putting the customer at the centre of

everything we plan and do. Customer experience is not only relevant on the passenger side, it equally applies from a cargo point of view; the ease of doing business, the ability to connect with as many customers as possible and to have an effective and transparent way of getting things from point A to point B are all critical factors. From that point of view, it is a great challenge and an opportunity for somebody like me, both from the business development and the customer experience perspective.

After taking over the position of VP of Aviation Business Management at Dubai Airports, what priorities and goals have you established?

One of the key take-aways during my first four months at Dubai Airports was a realization that we need to look at both airports (DXB and DWC) as a portfolio, as a system rather than looking at them in isolation. When you look at the industry, there are good examples where two-airport systems have worked well. For us, given that we live in a very vibrant city, located at the key trading crossroads of the world, there is a big opportunity, even more so given that the world's economic centre is shifting towards the east. We have an opportunity to capitalise on that and strengthen our position in that environment. This approach will become even more important in a Post-COVID world, which will result in new dynamics, priorities and customer requirements.

Since DXB opened in 1960, passenger numbers have grown at an annual average growth rate of more than 13 percent, the airport serves more than 86.4 million customers annually, connecting more than 245 destinations across six continents on more than 80 airlines. What are the targets for 2020?

In the first instance our focus was to move towards a system approach for our airports. On the back of the efforts taken over the last 20+ years utilizing Dubai's unique geographic location, the first and most significant super-connector in the world has been created, both for passengers and cargo. This has meant that we have been able to achieve critical mass here in Dubai, which also means that we can look at things differently compared to niche players. That said, we had blind spots before Covid and this was always going to be a focus for us to address these. In light of COVID, it will become even more important that we address these blind spots and more importantly align ourselves for what will be fundamentally different dynamics.

On the cargo side in particular, it is a dynamic market that is influenced by geopolitical aspects as well as the health of the global economy and the current crisis has highlighted this fact very vividly. One thing that will become more important than ever for Dubai, is a strong focus on our customers and consumers offering a great experience and ensuring superior connectivity.

Considering that a facility was added in 2016 that expanded the Cargo Mega Terminal's capacity by 75,000 tons for Pharma and Perishable operations, how important is the cargo business, particularly pharma, for Dubai Airports?

Pharma has emerged over the recent years as one of the most important segments in the cargo sector and it continues to be one of the success stories at Dubai Airports. While the overall cargo business registered a slight contraction in 2019 owing to the global economic situation, the special cargo segment has grown by 5% year on year and pharma specifically has been a positive outlier. I think that there is a more important aspect here; the Middle East, and the UAE in particular, have a

strong focus on the healthcare sector. For the UAE, health is one of six key pillars in the country's overall strategy. The UAE aims to maintain a world-class healthcare system and pharmaceuticals are a key element in realizing that objective. For that reason alone, we have the potential to be a key player in the global market and the domestic market from a connecting point of view. Population in the UAE has grown significantly to almost 10m over the last 50 years and the vast majority of people are within 60 minutes of Dubai which means that the home demand will continue to increase in its own right. When you then overlay this with a global crisis caused by a health issue, as we are currently witnessing, having an effective distribution infrastructure for pharma products, becomes even more important not just for the UAE, but for the region and on a global scale.

What role can Dubai Airports play to propel the country's healthcare strategy?

We have a very important role to play here. Part of it is making sure that we have state of the art facilities and the right capacity at the right time to accommodate future demand. Since the pharmaceutical market is highly regulated, we have to make sure to have processes that comply with the highest international standards. Also, we have to anticipate the dynamic life sciences industry and be ready to adapt. Dubai Airports is playing a significant role to support the national healthcare strategy.

Our cargo operation within the airport is mainly focused on the processes, we do not manage cargo ourselves since it is done predominantly by Emirates SkyCargo and Dnata, the handling agent for the other airlines. What we do is streamline the processes and look for ways to make cargo run as efficiently and cost efficiently as possible as well as creating and providing the infrastructure that is required to handle cargo activity. We have to work with all stakeholders to make sure that everything runs smoothly from a logistical, regulatory and security point of view. We do not only want to play for mass but also deliver quality. We will be looking at specific target markets with much greater focus as the scale of our overall operation provides us with the opportunity to do things other players cannot.

What is your strategy for the upcoming five years?

We are looking at significantly moving the needle in terms of cargo traffic; we are at 3.4 million tonnes today and we are looking to get it close to the 5 million tonnes mark or beyond. We want to develop specialty cargo capabilities in line with future developments of our society and this is more relevant than ever in light of what we are all experiencing at the moment. We are well established as a global hub in terms of volume and growth, but our ultimate goal is to be globally acknowledged as the best airport for service quality and customer experience while we continue to grow. I am relatively new to Dubai and what amazes me most is the outlook on life in general and the determination to achieve new heights. The leadership and vision behind this mindset coupled with the top flight infrastructure and the great position Dubai has achieved already, provides this fantastic foundation to further develop our position as a top global hub in the years to come.

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