



MEDFA Conference

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Sharjah Airport Authority

A vision on aviation business today



Sharjah International Airport

Since 1932 - celebrating 80 Years of success





Sharjah International Airport

Regional

**New markets, trade links, and gradual
elimination of international constraints
driving the development of air transport
in the U.A.E.**



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Turning point

- The advent of the LCC in SHJ



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Why the Low Cost Carrier option?

- Full fledged legacy carrier already present in the country.**
- Markets sensitivity to cost and price**

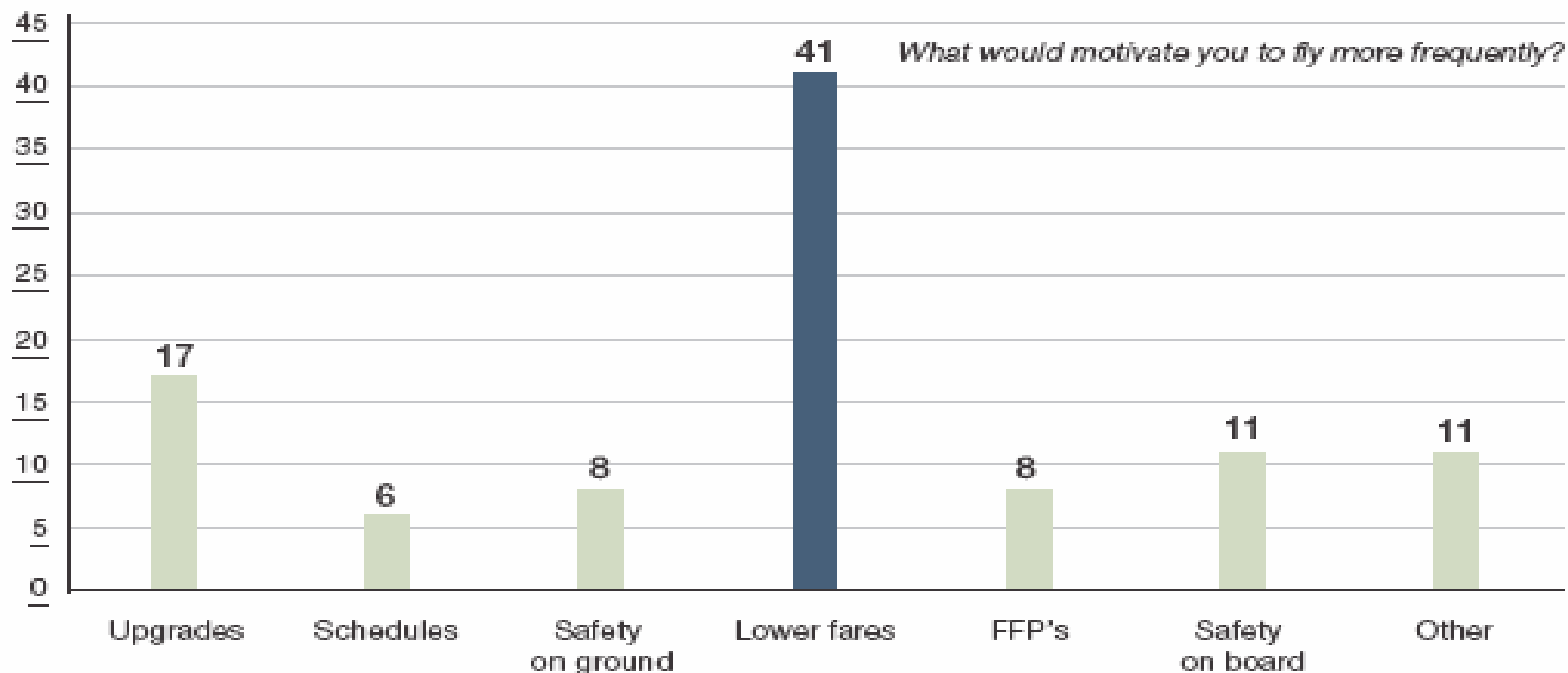


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Passengers motivated by lower fares

IATA Online Survey

in %



Source: IATA online survey 2003.



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Air Arabia Takes Wings



www.sharjahairport.ae



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Low-Cost-Carrier (LCC) business model:

Single passenger class a

- **Single type of airplane**
- **Simple fare scheme**
- **Flying to secondary airports**
- **Short flights**
- **Simplified routes**
- **Direct tickets sales**
- **Employees in multiple roles**
- **Paid in-flight services**



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Air Arabia

Air Arabia has customized certain practices to suit local demands and culture.

“Be Smart. Pay less. Fly more.”

Air Arabia



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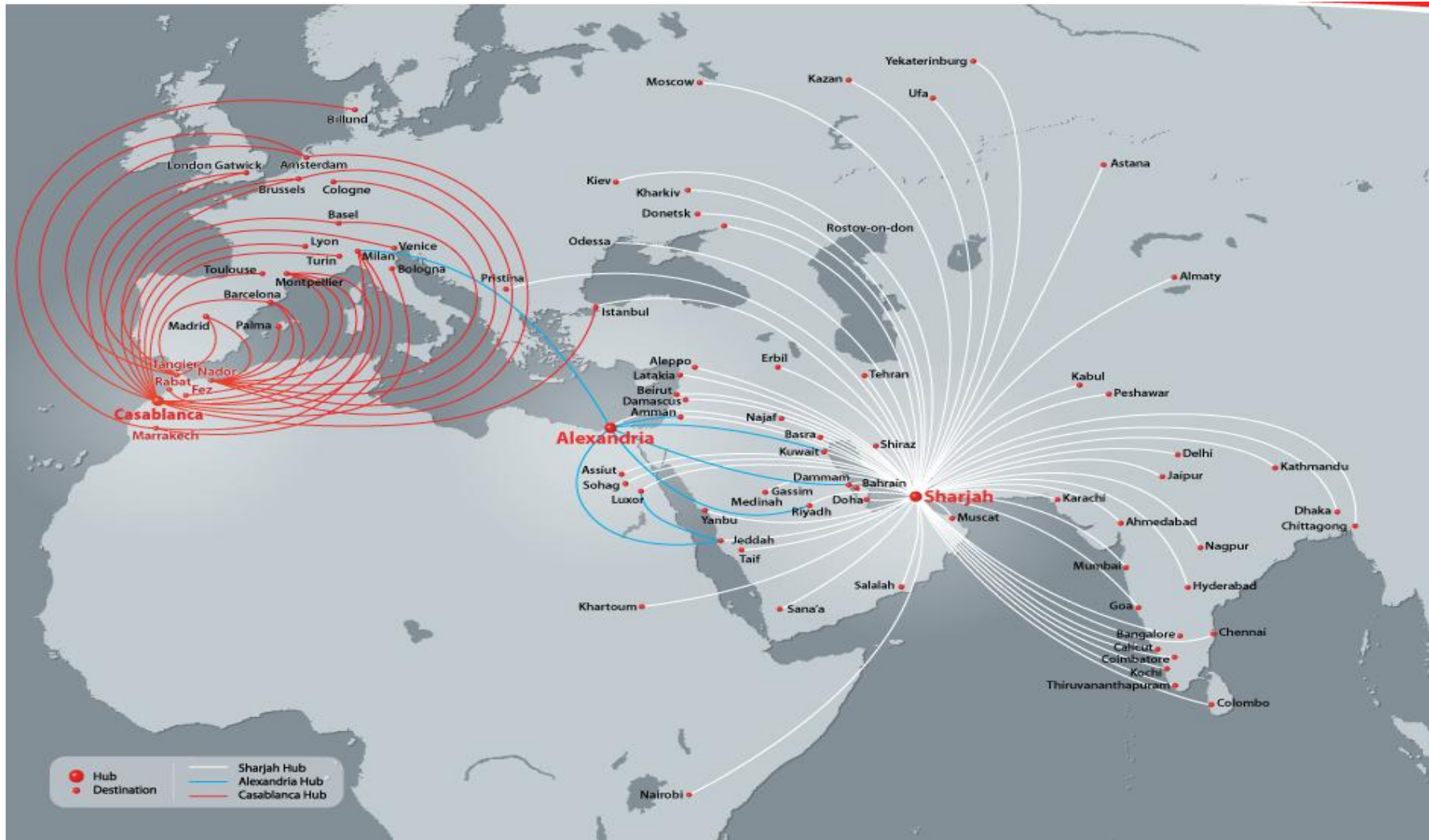
Air Arabia

Today Air Arabia possesses **31 aircraft**
conducts **308 flights weekly** serving
81 destinations around Middle East,
North Africa, Europe & Asia.



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Air Arabia Serving 81 Destinations

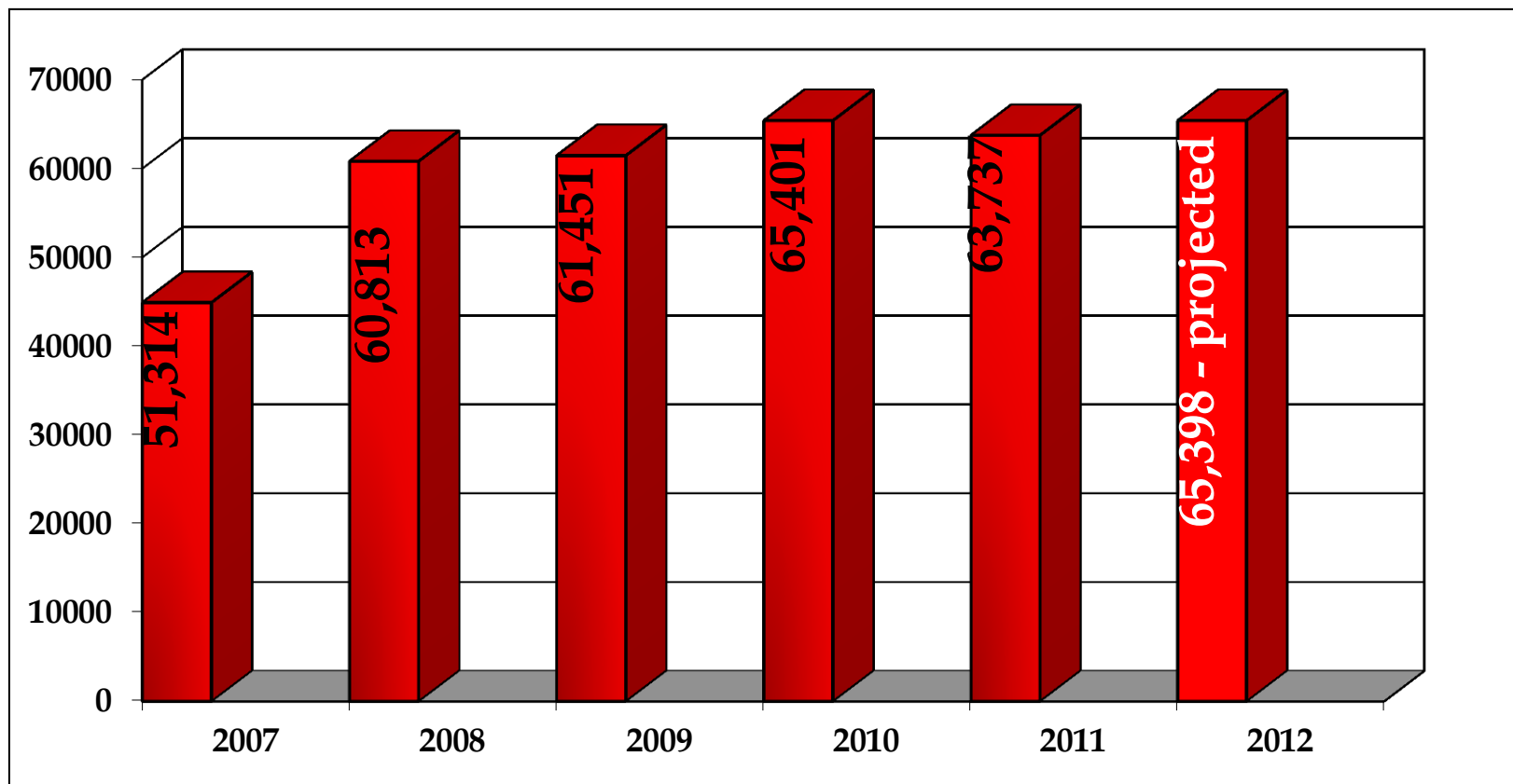


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Resultant traffic growth at SHJ Aircraft Movements

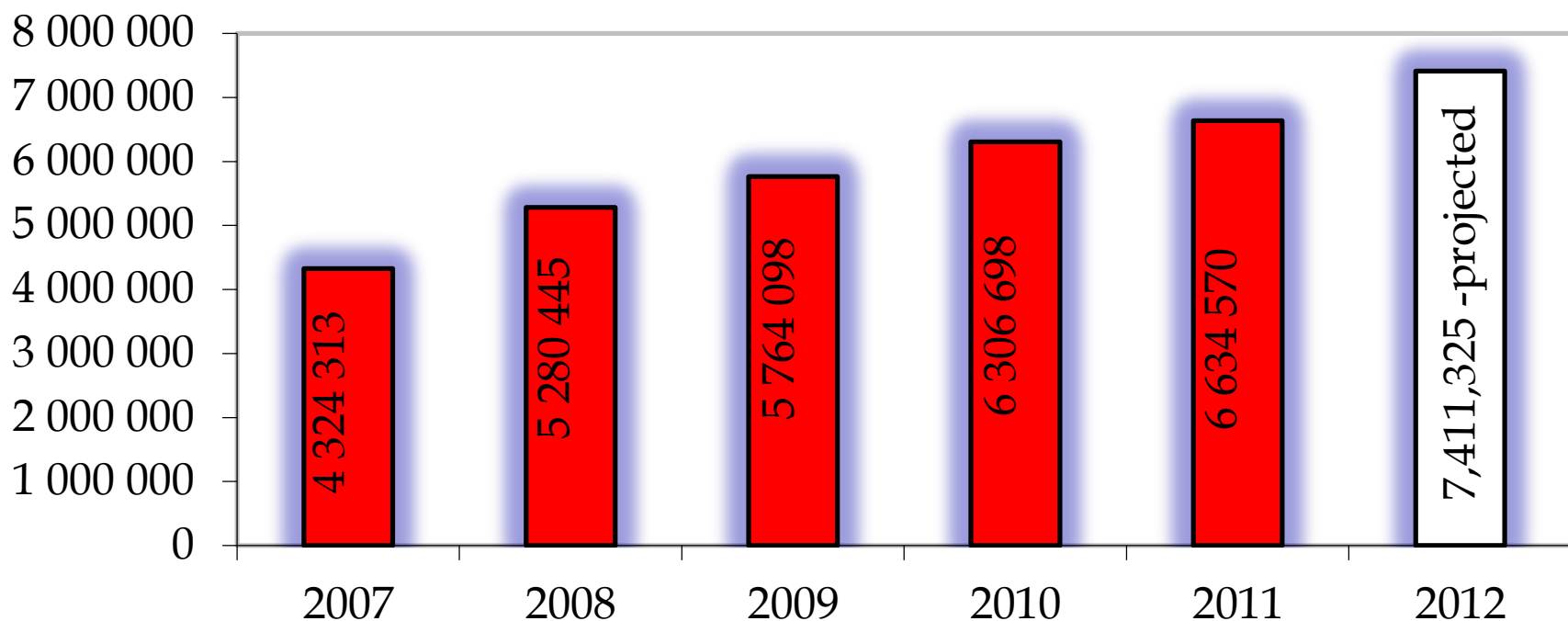




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Resultant traffic growth at SHJ

Passenger Movements





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Sharjah Airport - Challenge

Today we are faced with the challenge of having to enhance our capacity, to cope with the dramatic increase in traffic.



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Increase in Passenger Volume

The growth of LCCs and the resultant increase in passenger volume has given rise to a wide variety of passenger types that frequent our airport.



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Sharjah Airport - Challenge

Passenger profiles and spending habits are extreme in their variety, with high profile businessmen and lower income market segments rubbing shoulders on the same flight.

Catering to their retail and F&B needs is both interesting and challenging.



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SHJ's USPs

And this is where we stand out as we value the importance of understanding the Customer, however large or small

Empathy with clientele whoever they may be is the cornerstone of our functioning philosophy.



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The Secret for success

Innovation, good procurement,

good retail sales practices : the secret

for success.



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Our views on customer engagement...

We work closely with partners to improve the customer experience, reduce wasted time in “processes” thereby increasing dwell time airside and with it, commercial revenues.



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Diversification of Revenues

**Airports need to diversify their
revenue sources to generate income
and utilize every potential source.**



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Revenues

Aeronautical revenues – large capital outlay, returns over a very long term.

Non-aeronautical services bring immediate returns with minimal investment.



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Revenues

Reasons for increase in the focus on non-aeronautical revenues :

- The cost of infrastructure development.**
- The airports to bear additional burden.**



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Revenues

Non-aeronautical revenue closer to

40 %, with large airports deriving over

60 % of gross revenues

-ACI Survey



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The way ahead

Our emphasis is now on the sustainability of our growth.

We aim to achieve this through a vision of long term partnerships.



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Partnership with airlines, retailers and brands (and other commercial partners)



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For example the growth of Air Arabia brings us the opportunity of connectivity with other airlines.



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The key issues for success:

- Liberal policy for airports
- Flexibility in decision making.
- Quality service & Professionalism.
- Facilities.



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**The changes in the marketplace
require innovative and imaginative
marketing approaches.**



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'It is not the strongest of the species that survive, nor the most intelligent, but the one most responsive to change'.

Charles Darwin



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