

Happy Landings

Emmanuel Menanteau, Representative Director Co-CEO of Kansai Airports, in the Departures Lobby at Kansai International Airport

On 15 December 2015, a consortium made up primarily of ORIX Corporation of Japan and VINCI Airports of France signed a forty-four-year concession contract with the New Kansai International Airport Company for the operation of Kansai International Airport and Osaka International Airport. We asked Emmanuel Menanteau, Representative Director Co-CEO of Kansai Airports, which commenced its business as an operating company for the two airports in April 2016, about the investment.

What makes ORIX Corporation, a company predominantly engaged in financial services, a good match for VINCI Airports — and vice versa — in the operation of Kansai Airports?

The concession business requires a very long-term involvement and commitment, in this case forty-four years. The two companies are a good match in terms of the strategy we would like to build for Kansai Airports, bearing together the risks, which can take many forms. It is important, for example, that ORIX is originally from Kansai and has a strong presence in the region. ORIX brought the idea that we would try to syndicate other local companies in the consortium. The shares today are 40% ORIX and 40% VINCI Airports, with the remaining 20% split between thirty companies from the Kansai region, including such well known companies as Panasonic Corporation, Suntory Holdings Limited, ASICS Corporation and the Kansai Electric Power Company. This is very important because there can be no airport development without engagement with the local territory and there can be no significant development of the local economy without strong airport initiatives. VINCI Airports meanwhile is an emerging leader in the international airport sector and manages the development and operations of thirty-five airports — thirteen in France, ten in Portugal, three

in Cambodia, two in Japan, six in the Dominican Republic and one in Chile. We have some expertise in driving tourism development.

What was the appeal of the Kansai Airports concession contract to VINCI Airports?

Vinci airports has a unique position in the concession field as we are able to invest, build and operate new projects or existing infrastructure. Japan is very stable politically and economically with long-term objectives to boost tourism activity. This makes new concession opportunities in Japan very interesting for us because there is a need for more infrastructure in the future.

What have been your first steps at Kansai Airports?

One important factor is developing networks to increase traffic. At the end of this year, for example, Qantas Airways will resume direct flights from Kansai International Airport to Sydney after a ten-year absence. Our efforts to persuade Qantas Airways to come back involved the whole region including representatives of Kansai Economic Federation and City governments including the Mayor of Kyoto visiting Australia with us to build the business case and re-establish the route. The Kansai region and Kansai Airports already welcome a lot of tourists from South

All photos: Junichi Ota

Ranks of capsule toy vending machines at Kansai International Airport deliver a “sense of place.”

Korea, China, Taiwan and Hong Kong, and these routes – we serve more than thirty destinations in China – are very important, but attracting new routes requires us to create new synergies involving airport operations, airlines, passengers and the whole society around the airport.

■ What best practices have you introduced?

At Terminal 2, we have introduced “Walk-through type” duty-free shopping for the first time at an airport in Japan. We have introduced “smart lanes” to improve passenger flow in particular at security check to reduce the waiting time. In Japan, security checks had always been the responsibility of the airlines, but we have taken over some of those responsibilities both in introducing the new system and training personnel. At Osaka International Airport too we are working on creating a seamless travel experience for passengers. Osaka International Airport competes with the Shinkansen for passengers. The big advantage of traveling by air – the time saving – is lost if the passenger has to wait 30 minutes or more at the security gate.

■ How do you motivate or engage such a large workforce?

Kansai Airports employs around 3,800 personnel. Unlike in other countries where work is typically subcontracted, we have group companies directly in charge of retail, duty free, security, IT, cleaning, cargo and so on. One of our key challenges is to reach out to all these people and bring them a new vision. To do this, we created a new brand for Kansai Airports, including a new logo, and appointed brand ambassadors. We are promoting the concept of one airport, one company, one group, with our slogan being, “Shaping a new journey.” We encourage employees and managers to think about and come up with new ideas on pricing, airport organization, the sense of place, and so on. Some fifty or sixty people have been involved in this and shared with management novel ideas, some of which we have implemented. Most importantly, the initiative has created a communication bridge outside the normal organizational structure.



■ What are the short- or medium-term prospects for expansion of the airport and regional infrastructure?

The Japanese government has certain objectives, to reach 40 million tourists by 2020 and 60 million by 2030. We are preparing to help reach those targets, anticipating how we need to modify our assets to be able to welcome such numbers. This may entail for example improvement of passenger terminals or preparing for the adaption to specific new infrastructure such as the Naniwasuji Line connecting the airport. In April next year, we will begin operation of Kobe Airport, so another task now is to think about the integration of the three main regional airports as an airport system. Regional connectivity is very important. There are plans, for example, to develop an integrated resort in anticipation of Osaka winning the bid to host Expo 2025.

■ As a French company, has it been difficult to adapt to the Japanese business environment?

This is the first time for a Japanese airport both to transition from public to private management and to mix Japanese and international management cultures. Certainly there are challenges, such as language differences. I encourage English to be spoken as much as possible. In targeting tourism, Japan is in a competition with countries like the Philippines, China, South Korea and Australia. It is important that all the stakeholders involved in tourism development have an international outlook. In this respect it has been a great initiative of the Japanese government to open the airports to international investors. ■

Interview by ALEX HENDY
