

Catering leaders see potential and pitfalls in year ahead



Erdmann Rauer, CEO of LSG Group

Long-term issues of environmentally sustainable product and practices and near-term challenges of finding employees and dealing with rising prices face the airline catering industry as it moves out of pandemic preparedness and into the summer travel season.

Those issues and more were discussed by representatives of three of the world's largest airline caterers in an hour-long online discussion today, organized by the Airline Catering Association (ACA). Tackling the issues facing the industry were Robin Padgett, Chairman of the ACA and Divisional Senior Vice President for [dnata's](#) catering division; Erdmann Rauer, CEO of the [LSG Group](#) and Christoph Schmitz, CEO of [gategroup](#).

Before delving into the industry's path forward from the last two years, the participants expressed optimism that air travel and the companies that supply it have survived a historically difficult period and have turned a corner.

"I feel we are on a strong and careful pathway out of the last two years," says Padgett. Rauer added that he was "touched and surprised" by the resilience of the industry and the flexibility of the industry's players to move ahead. Schmitz adds that the next three to five years will see the emergence of hybrid models of airline catering. He says the crisis of the last two years has also become a catalyst for new ways of delivering service for airline customers.



Christoph Schmitz, CEO of gategroup

Preparing for a summer travel season by ramping up production and finding staff for airline catering facilities around the world will be one of the first challenges that the world's large caterers will face. When the pandemic hit and travel ground to a halt, airline caterers saw business plummet. As the volume of travel dropped, so too did workforces at airline catering kitchens. Schmitz estimates that business will be at approximately 80 percent of pre-pandemic totals this summer and require an additional 20,000 workers at operations around the world.

Rauer says that to "make the summer right" will require thinking along several areas, including how to best make use of workforces in unique ways. He says LSG Group is looking at several approaches as the busy season nears and all have to be tempered with what the industry can offer employees who have been laid off.

In addition to finding and recruiting workers, airline catering is facing challenges with worldwide inflation that has driven up the cost of food products and fuel. Padgett says food and related goods account for 40 percent an airline caterer's costs. He says he's happy that the data is having "very sensible conversations with our airline customers who, on the whole, have been receptive and listening."

What is needed in the future, he says, are mechanisms in place for dealing with cost increases on a regular basis and address the effects of price increases quickly.

Another challenge in the future is the move toward more sustainable products. Up and down there has been pressure from consumers passed through to the airlines for fewer onboard plastic products and more rotatable and biodegradable airline catering equipment. Adding sustainable products to an airline's cabin service presents cost challenges of its own, said Schmitz.

"On balance, it is more expensive to be sustainable," he says. "The question is who will be paying for

it?”

While the industry has gone through a great deal of volatility in the last two years, planning for what is to come is vital. Schmitz says gategroup is changing its strategy and diversifying its offering outside aviation catering.

Padgett adds that the industry has become more agile and technologically savvy, capable of handling unforeseen challenges. “This is an industry where there is still lots and lots of potential.”

The future points to an increasing number of people interested in travel and will require food service in many forms.

“Whether that comes in a more retail-oriented form, whether it comes from more service-oriented form, that’s a debate we can have on a separate forum,” he says. “But we have to be ready to go either path, and be able to react to those airline customers.”