



**AAPA**

ASSOCIATION OF ASIA PACIFIC AIRLINES

# Airlines & ANSPs

## Aligning Objectives

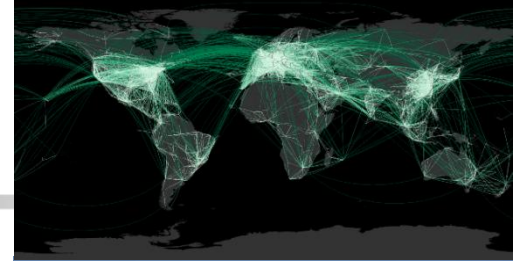
Andrew Herdman  
Director General  
Association of Asia Pacific Airlines



**12-14 SEPTEMBER 2016**  
NEW CHINA INTERNATIONAL  
EXHIBITION CENTRE **BEIJING**

# Aviation: moving the world

- Air travel delivers global mobility
- 3.6 billion passengers
  - 10 million people flying per day
- Carries 35% by value of global trade
  - Goods worth US\$ 6 Trillion
- Wider social and economic benefits
- Committed to sustainable growth
- Outstanding safety record



# Asia Pacific



- **Diverse geographic region**
- **Home to more than 4 billion people**
  - **57% of the world's population**
- **Dynamic economies generate 31% of global GDP**
- **Wide range of income levels, rapidly growing middle class**
- **Aviation widely recognised as a key contributor to economic and social development**
- **Political diversity remains challenging: need for multilateral cooperation**

# Asia Pacific Aviation



**US\$200 billion revenue**  
**US\$6 billion net profit**  
**1,200 million passengers**  
**861 million domestic**  
**339 million international**  
**20 million tonnes of cargo**  
**6,284 aircraft**

***Asia Pacific carriers overall market share:***

***32% of global passenger traffic***

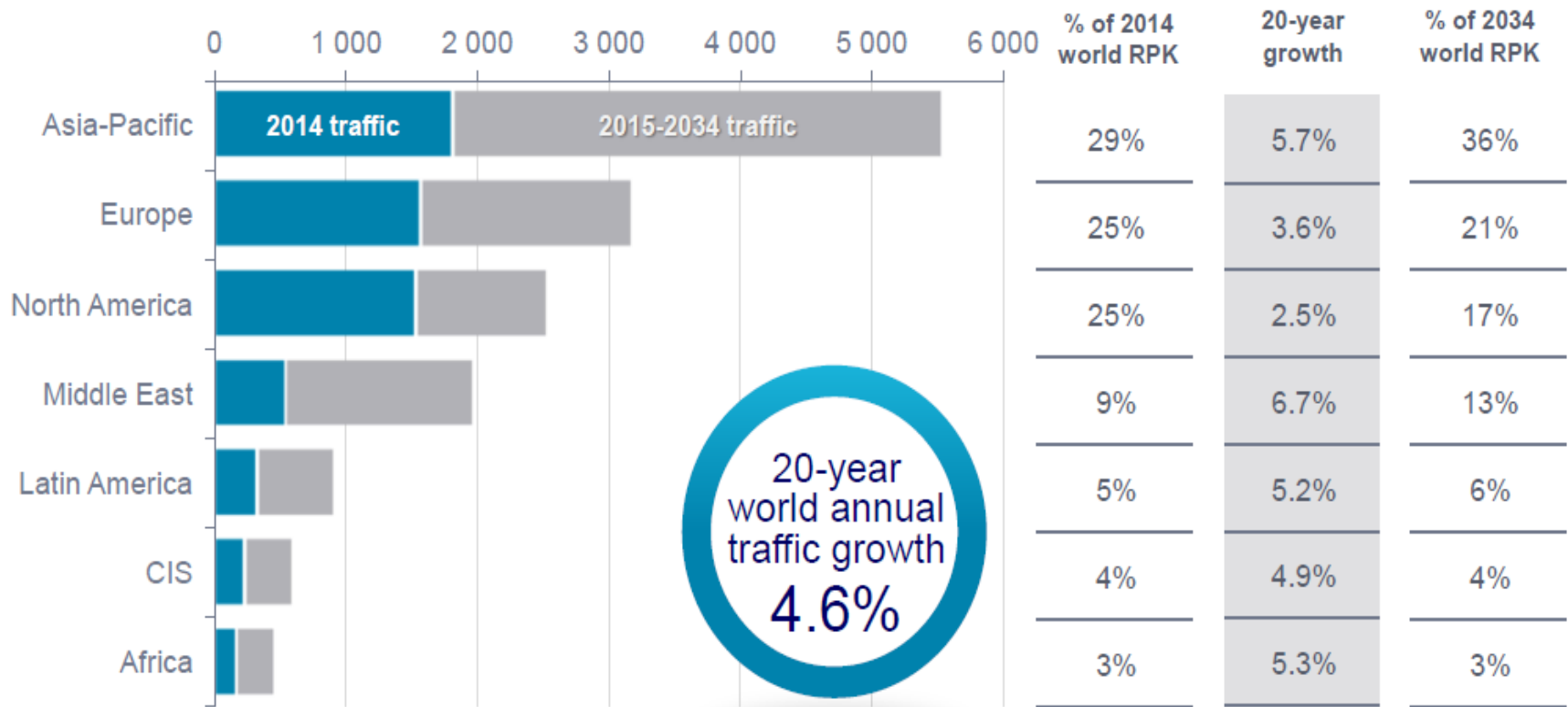
***39% of global cargo traffic***

Data: IATA 2015 Estimates

Source: Combined AAPA + non-AAPA airlines GMT+5 to GMT+12

# Asia Pacific traffic leading global markets

RPK traffic by airline domicile (billions)



Source: Airbus GMF 2015

**Asia Pacific represents 40% of future aircraft orders and pilot training requirements**

Source: Airbus GMF 2015-2034

# Infrastructure



- Airlines, airports and ANSPs need to work together as business partners to meet future growth and adapt to changing patterns of customer demand
- Greater focus on operating efficiency, productivity and cost-effectiveness
  - Efficient use of capital
  - Efficient use of labour
  - Efficient use of technology
- Mutual recognition of the benefits of a collaborative response to industry challenges



*Need for coordinated long term investment*

# ICAO Global Action Plan (GANP)



- ICAO Global Air Navigation Plan
- 15-year strategic methodology leveraging existing technologies
- Anticipates future developments based on State/industry agreed operational objectives
- Introduced the Aviation System Block Upgrade (ASBU)
- Planned implementation in five-year phases
- Provides a basis for sound investment strategies

*Need to strengthen regional collaboration and cooperation*

# Asia Pacific - ATM Modernisation

## APANPIRG Seamless ATM Plan (2013)

- **Agreed by all States**
  - **Phase 1 2015**
  - **Phase 2 2019**
  - **Phase 3 2022**
- **Implementation very slow**
- **Mixed capability = mixed implementation success**
- **Service defaults to lowest common denominator**
- **Challenges of implementing Air Traffic Flow Management (ATFM) without centralised flow control**



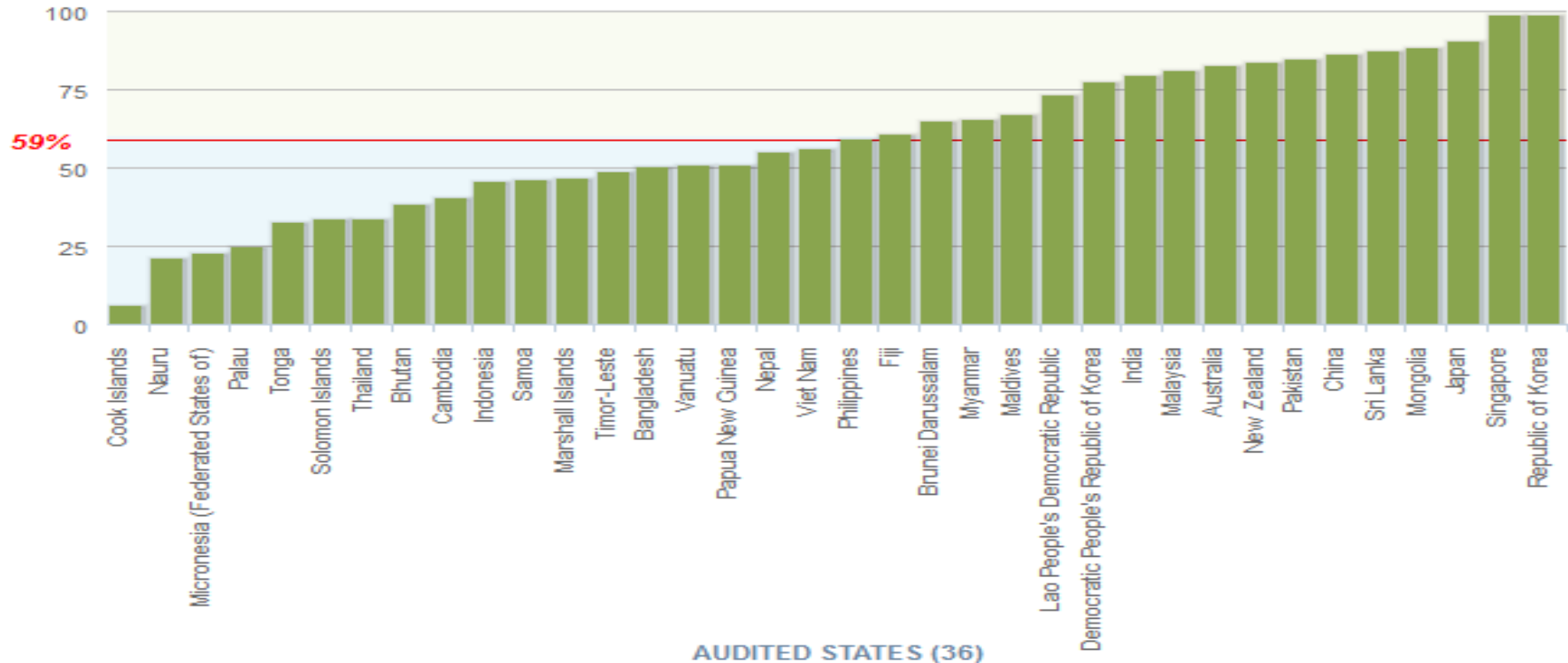
# Regulatory Oversight: Asia Pacific



## Inconsistent implementation of ICAO standards

### ICAO Safety Audit Results for APAC

Effective Implementation of safety oversight systems by State



**ICAO call for action to address evident weaknesses**  
**“No country left behind” global campaign**

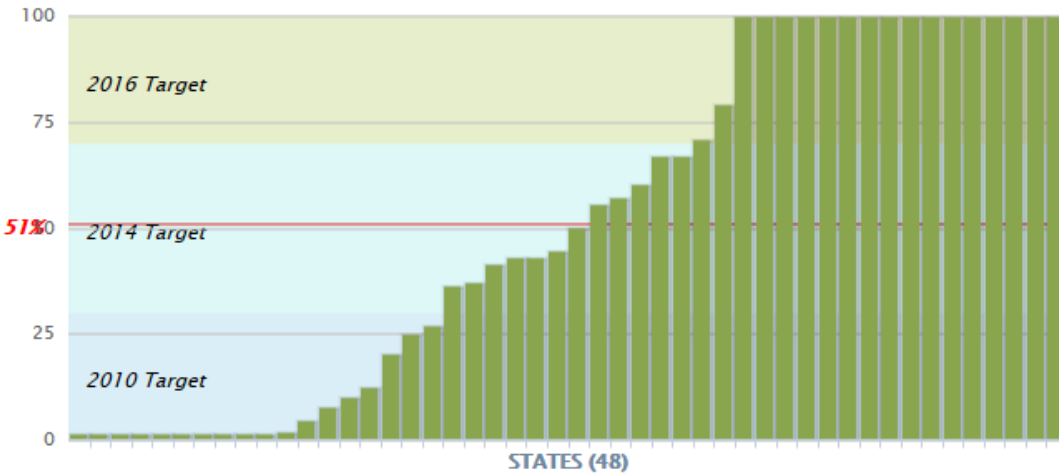
# Asia Pacific - PBN



## Inconsistent implementation of ICAO ASBU

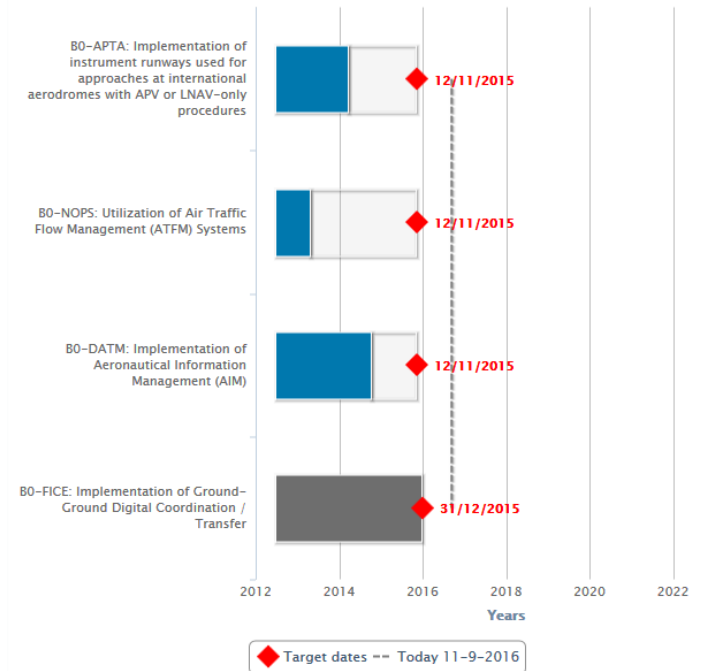
### Implementation of PBN Approach Procedures for Asia

% of instrument runways at international aerodromes with APV or LNAV-only procedures



### Status of Air Navigation for Asia

According to the APAC Priorities and Targets for Safety (RASG-APAC) and Air Navigation (APANPIRG)



*Progress has been slower than expected*

# Airline expectations of ANSP

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- **Safe**
- **Secure**
- **Efficient**
- **Affordable**
- **Capacity**
- **Flexibility**
- **Service**
- **Collaborative approach**

# Closing Thoughts



- **Aviation drives economic and social development**
- **Aviation is a complex system requiring close cooperation amongst many stakeholders**
- **Growing but highly competitive markets**
- **Industry has to respond and adapt to changes in market demand and consumer preferences**
- **Infrastructure planning is a shared challenge**
- **Technology is only part of the solution**
- **Complex process management issues**

***Asia Pacific airlines playing a leading role in shaping the future of global aviation***

# AAPA

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