Airlines & ANSPs
Aligning Objectives

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Association of Asia Pacific Airlines
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

Source: ICAO, ATAG
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

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

### RPK traffic by airline domicile (billions)

<table>
<thead>
<tr>
<th>Region</th>
<th>2014 traffic</th>
<th>2015-2034 traffic</th>
<th>% of 2014 world RPK</th>
<th>20-year growth</th>
<th>% of 2034 world RPK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td></td>
<td></td>
<td>29%</td>
<td>5.7%</td>
<td>36%</td>
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<tr>
<td>Europe</td>
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<td>3.6%</td>
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<td>Africa</td>
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<td></td>
<td>3%</td>
<td>5.3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: Airbus GMF 2015

20-year world annual traffic growth 4.6%

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*
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 call for action to address evident weaknesses

“No country left behind” global campaign
Asia Pacific - PBN

Inconsistent implementation of ICAO ASBU

Progress has been slower than expected
Airline expectations of ANSP

- 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