

AAPA 59th Assembly of Presidents

13 November 2015

Bali, Indonesia



**OPENING SPEECH OF MR. ANDREW HERDMAN, DIRECTOR GENERAL OF
THE ASSOCIATION OF ASIA PACIFIC AIRLINES**

- Mr Ignasius Jonan, Minister of Transportation of Indonesia
- Pak Arif Wibowo, President & CEO, Garuda Indonesia
- Members of the AAPA Executive Committee and Member Airlines
- Distinguished Guests, Ladies and Gentlemen

Selamat Pagi, Good morning,

It gives me great pleasure to welcome you to AAPA's 59th Assembly of Presidents here in Bali at the kind invitation of Garuda Indonesia, our gracious hosts. Bali needs no introduction. The combination of friendly, hospitable people, a magnificently visual, spiritual culture, and stunning beaches have made the island of Bali Indonesia's unrivaled number one tourist attraction. Eighty percent of international visitors to Indonesia visit Bali as the sole destination. Such is the magic of this island of the gods.

I am delighted to see so many old friends gathered here in this spectacular location. I also know that a few of you had to make some changes to travel plans to get here, thanks to Mount Rinjani on the neighbouring island of Lombok which kept us all guessing.

What better place than Indonesia to hold this year's Assembly of Presidents? With over 13,000 islands in the vast Indonesian archipelago, aviation is an absolutely crucial sector, and the safest mode of transportation in this country, just as it is around the world. There can be no doubt that aviation is one of the key catalysts of social and economic development in Indonesia, with the tourism sector being one of the key contributors to the Indonesian economy. Rising incomes and a fast growing middle class in a population of 250 million – all key ingredients for the spectacular growth in demand for air travel in Indonesia. And beyond Indonesia, the same trends are seen in the wider Asia Pacific region.

By all measures, the Asia Pacific region is now already the global leader in terms of passenger and freight traffic volumes. Every year, 3.3 billion people around the world travel by air, and a third of them are being carried by Asian airlines. The world's 10 busiest international routes are all in the Asia Pacific region. These numbers are surely encouraging, in terms of the opportunities they bring, but they also bring challenges.

First, let me say a few words about safety. Flying is already the safest mode of travel. Yet the industry never takes this for granted, and this is why safety standards have been steadily improving year after year. Accident rates in the Asia Pacific region have halved over the past decade. But with growing air travel demand, we cannot afford to be complacent. We must ensure that the quality and consistency of safety oversight are commensurate with such growth. Further efforts are needed by some governments to strengthen their systems of regulatory oversight, in line with globally agreed ICAO standards.

In support of these efforts, over the past 12 months, AAPA has actively engaged with regulators and industry stakeholders to share lessons learned and prioritise enhanced safety measures. Amongst recent initiatives, AAPA successfully organised the 6th AAPA Emergency Response Conference in June this year, and held two safety management workshops focusing on turboprop aircraft, which often operate into remote airports with limited navigation aids. Here in Indonesia, we partnered with local stakeholders such as INACA, the Indonesian Air Carriers Association, to establish a national industry safety forum.

The growth in travel demand in the Asia Pacific region has also led to large investments in infrastructure. Indeed, airports in Asia are regularly voted the world's top airports, as testimony to the foresight of Asian governments in building ahead of demand. But the growth in traffic demand is also creating infrastructure challenges, and even the most well-managed airports are showing signs of congestion today, notably during peak hours. Aviation infrastructure must keep pace with traffic growth. Fortunately, many governments have recognized this, and are investing further in the appropriate infrastructure to meet this demand. I am hopeful that this momentum will continue.

Obviously, with all this traffic growth, the aviation industry's license to grow must also be sustainable. And this leads me to the environment.

In 2013, we welcomed ICAO's leadership at the 38th ICAO Assembly in forging a consensus amongst its 191 member States to develop a global market-based measure to address aircraft emissions from 2020. Since then, ICAO has been working hard to deliver a proposal for agreement by governments at the 39th ICAO Assembly in 2016. No one said it was going to be an easy process. The final agreement would need to be fair and equitable,

balancing the aspirations and needs of the developing world with those of slower-growing developed countries.

Ladies and Gentlemen, we are now less than 12 months away from the 39th ICAO Assembly in 2016. The world is looking to the aviation sector to deliver on its promise three years ago, and lead by setting an example for other sectors. It would be an immense achievement for ICAO member States to be able to set aside differences and agree on one common vision to address aviation's carbon emissions. As industry, we are optimistic that a deal can be reached.

Over the course of today, we will be discussing many topics of great importance to the aviation industry, with a uniquely Asia Pacific perspective. And we have so much to talk about: After all, this is the region that hosts some of the world's most fiercely competitive markets, and some of the world's most innovative airlines. Up to a dozen airlines compete on some international routes in Asia. That's what I mean by fierce competition!

Of course the intense competition also spurs airlines to change their ways of doing business in response to customer needs, delivering even greater choice and better service standards, whilst keeping costs low and maintaining profitability. We celebrate this diversity, and at the same time, we aspire to reach greater heights.

As the trade association of the region's airlines, AAPA's mission is to articulate, to the world at large, the perspectives of Asia Pacific airlines. With your support, we can engage more effectively with governments and regulators around the world on issues that affect us all.

Before I end, I would again like to thank the Minister of Transportation Mr Ignasius Jonan for kindly officiating at the opening of this event.

Finally, I'd like to extend my sincere gratitude to Pak Arif Wibowo, President & CEO of Garuda Indonesia for his leadership as Chairman of AAPA this year. I'd also like to thank the Garuda organising teams, for all their hard work and efforts in organising this year's superb event here in Bali. And of course, we are extremely grateful to our sponsors for their generosity and their wider support of the Association's activities.

Asia Pacific airlines are committed to playing an important role in shaping the future of this always dynamic global industry. Working together, we can continue to contribute to social and economic development, serving the global community.

Terima kasih, Thank you.

Andrew Herdman
Director General
Association of Asia Pacific Airlines

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