

# **Asia Pacific Aviation**

## ***Making Flying Even Safer***

**Andrew Herdman**  
**Director General**  
**Association of Asia Pacific Airlines**



**International Forum on Civil Aviation Safety**  
**Beijing, China**  
**23-24 April 2015**

# Overview

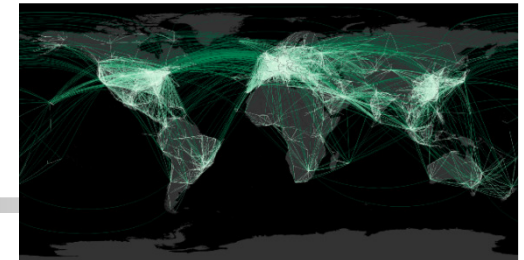
- **Asia Pacific aviation**
- **Future growth drivers**
- **Infrastructure needs**
- **Safety performance trends**
- **Making flying even safer**



# Asia Pacific Aviation

# Aviation: moving the world

- Air travel delivers global mobility
- 3.2 billion passengers
  - 9 million people flying per day
- Carries 35% by value of global trade
  - Goods worth US\$ 6.4 trillion
- Wider social and economic benefits
- Committed to sustainable growth
- Outstanding safety record



Source: ICAO, ATAG

# Asia Pacific Aviation



**US\$173 billion revenue**

**US\$2 billion net profit**

**1,078 million passengers**

**767 million domestic**

**311 million international**

**17 million tonnes of cargo**

**6,268 aircraft**

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

***31% of global passenger traffic***

***40% of global cargo traffic***

Data: Financials: 2013 Estimates, Traffic & Fleet: 2014 Estimates

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

**AAPA**  
ASSOCIATION OF ASIA PACIFIC AIRLINES

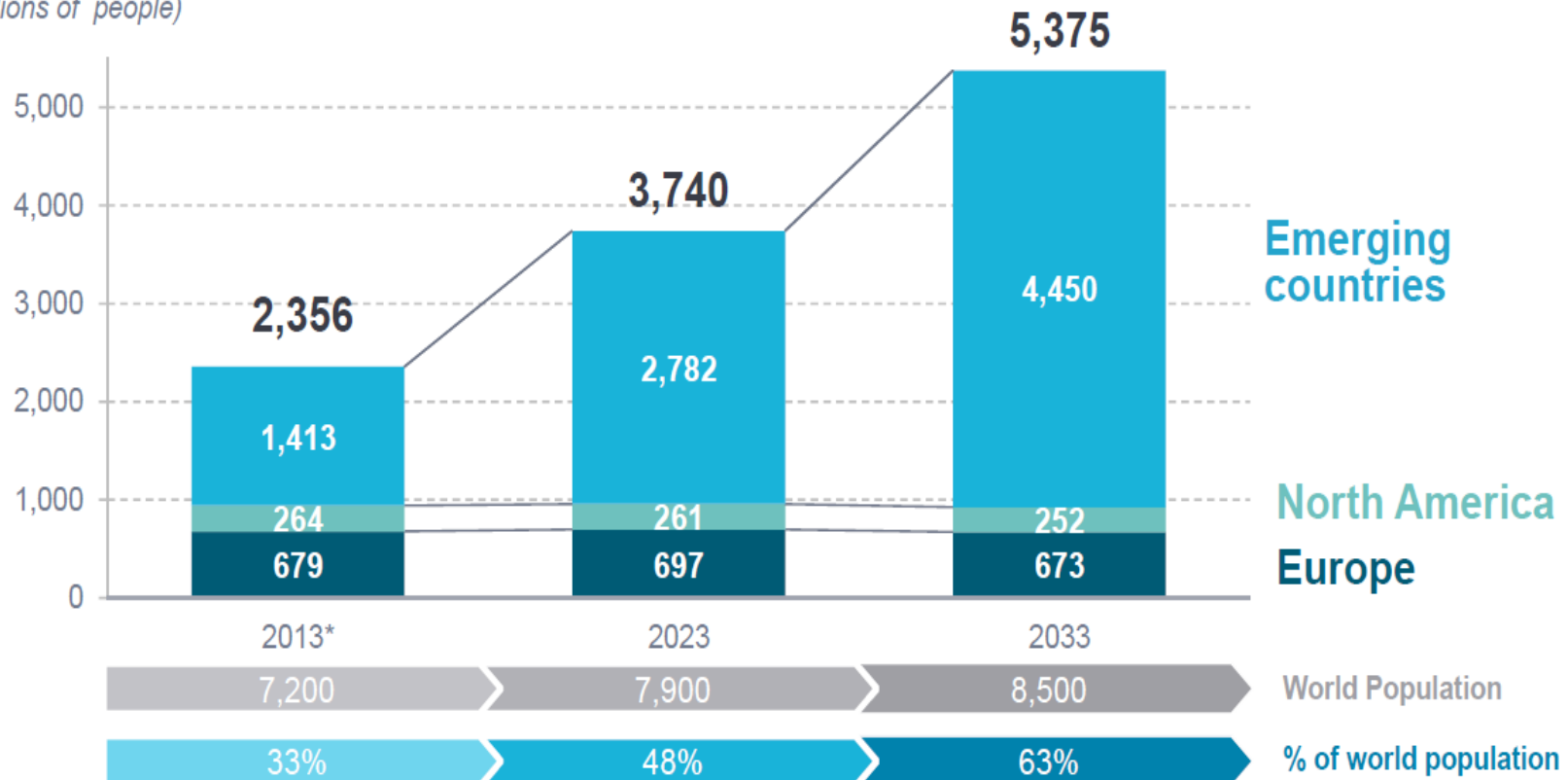




# Future Growth

# Emerging economies drive growing middle class

Global Middle Class\*\*  
(Millions of people)



Source: Kharas and Gertz, Airbus  
\* EOY 2013

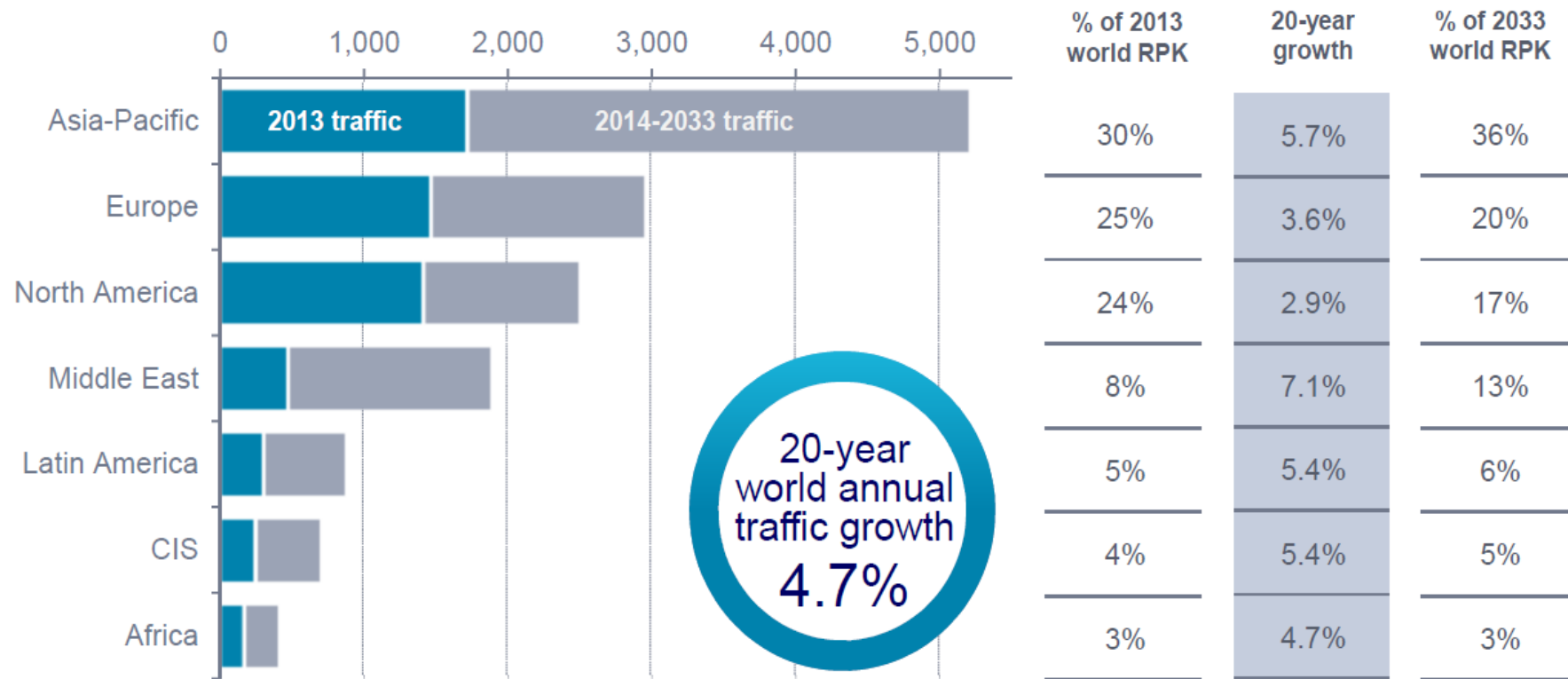
\*\* Households with daily expenditures between \$10 and \$100 per person (at PPP)

Source: Airbus  
GMF 2014 - 2033

**AAPA**  
ASSOCIATION OF ASIA PACIFIC AIRLINES

# Asia Pacific traffic leading global markets

RPK traffic by airline domicile (billions)



Source: Airbus GMF 2014

Source: Airbus GMF 2014 - 2033

**AAPA**  
ASSOCIATION OF ASIA PACIFIC AIRLINES



# Infrastructure



- Aviation infrastructure must keep pace with rapid traffic growth
- Chronic congestion and delays already evident in some areas
- Greater focus on operating efficiency, productivity and cost-effectiveness
- Government responsibility to coordinate planning and long term investment required
- Industry ready to play its part



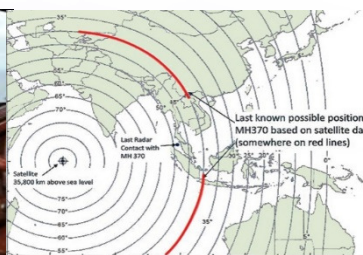
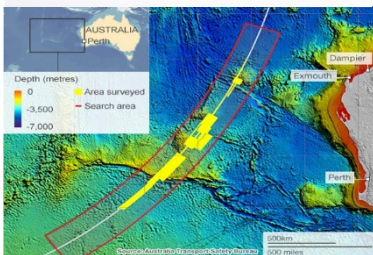
***Infrastructure is critically important  
in sustaining growth***



# **Safety Performance**

# Unprecedented tragedies

- Every loss brings human suffering
- Even though, flying is extraordinarily safe, and getting safer still
- Industry is delivering continuous improvements in aviation safety performance
- Despite heightened anxieties, public confidence about air travel remains positive

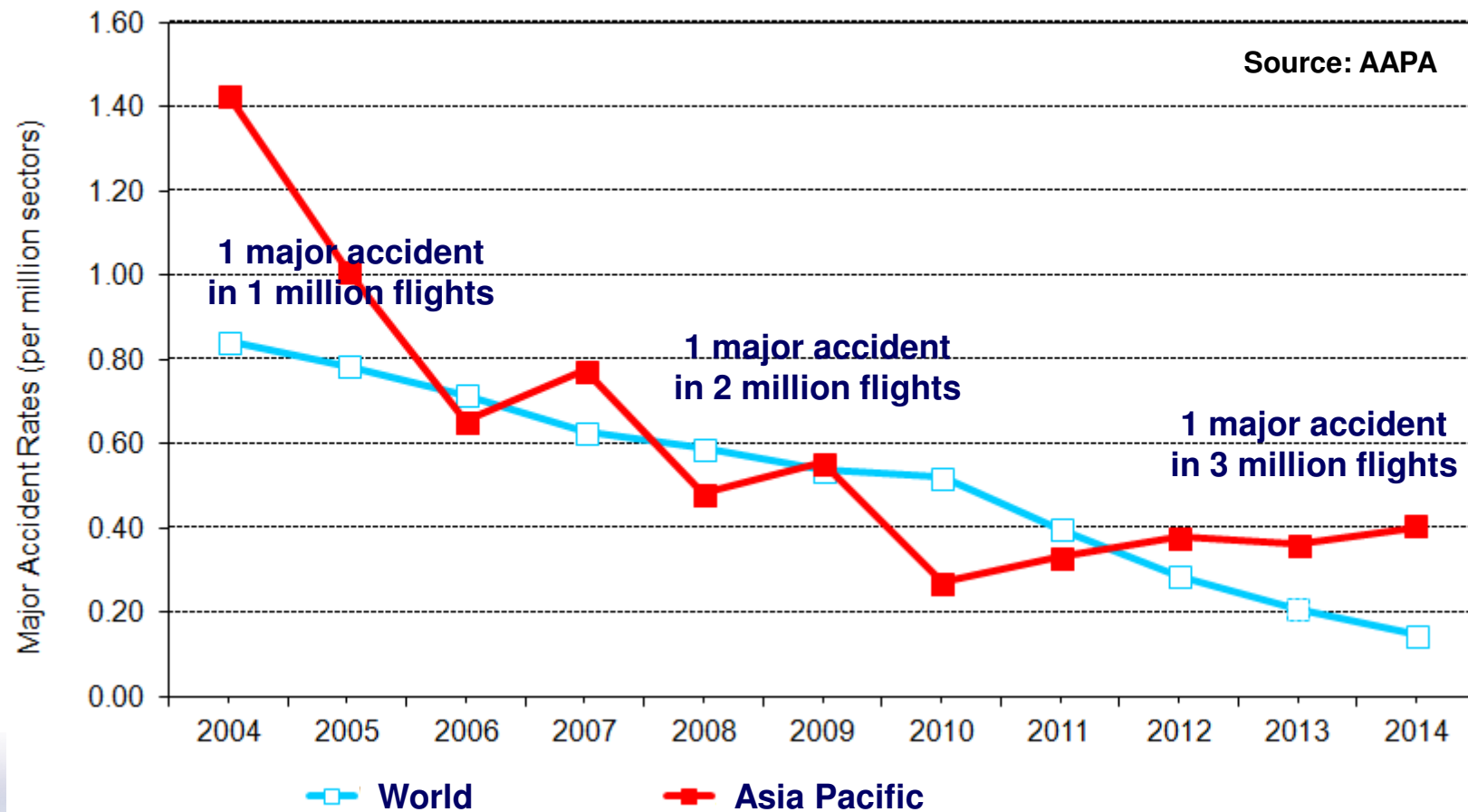


# Safety Performance Trends



## Western-built Jet Aircraft Major Accident Rates

by Operator Region 2004 - 2014  
3-year moving averages

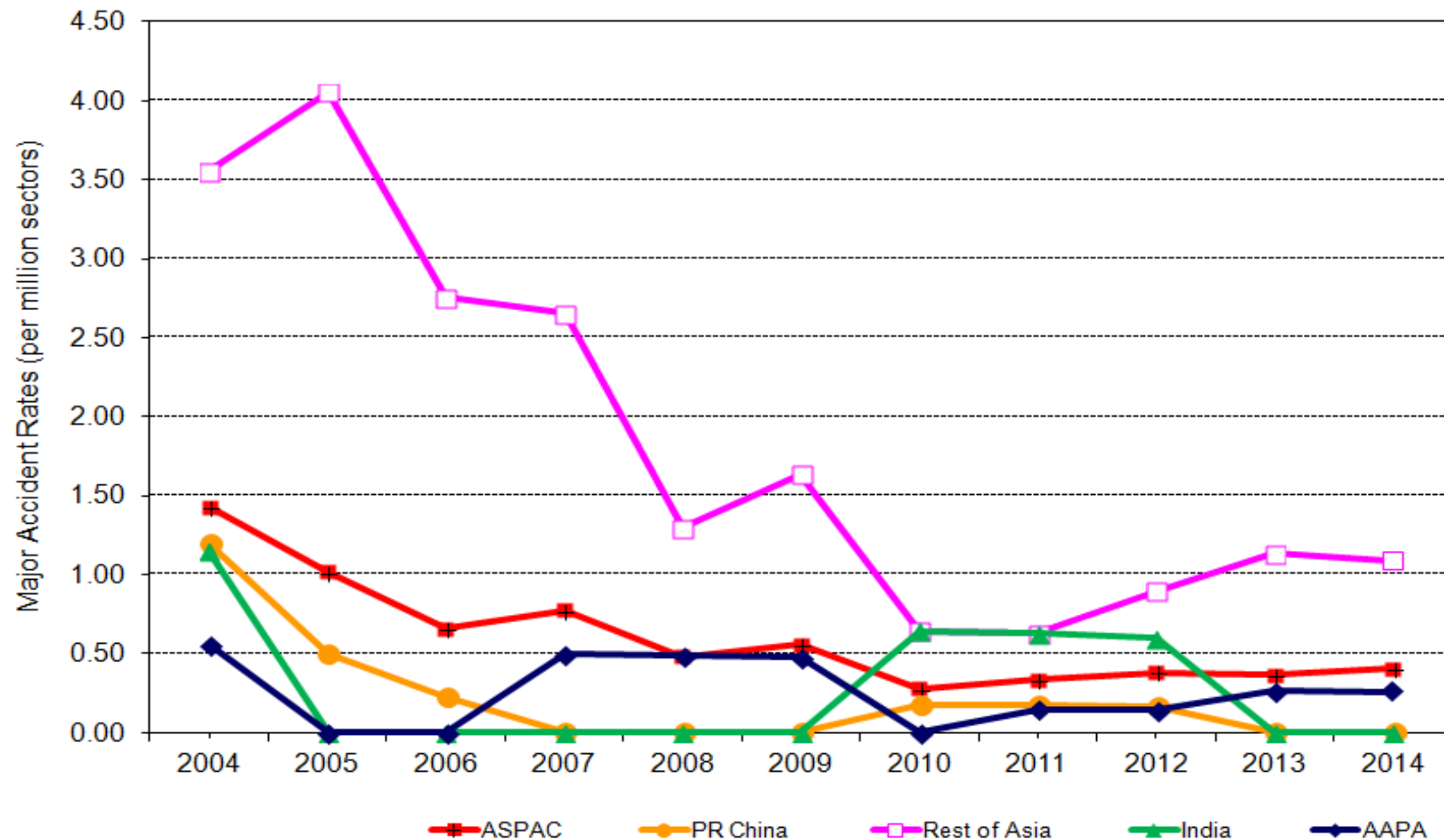


# Asia Safety Performance Trends



## Western-built Jet Aircraft Major Accident Rates

Asia Pacific Regional Breakdown 2004-2014  
3-year moving averages

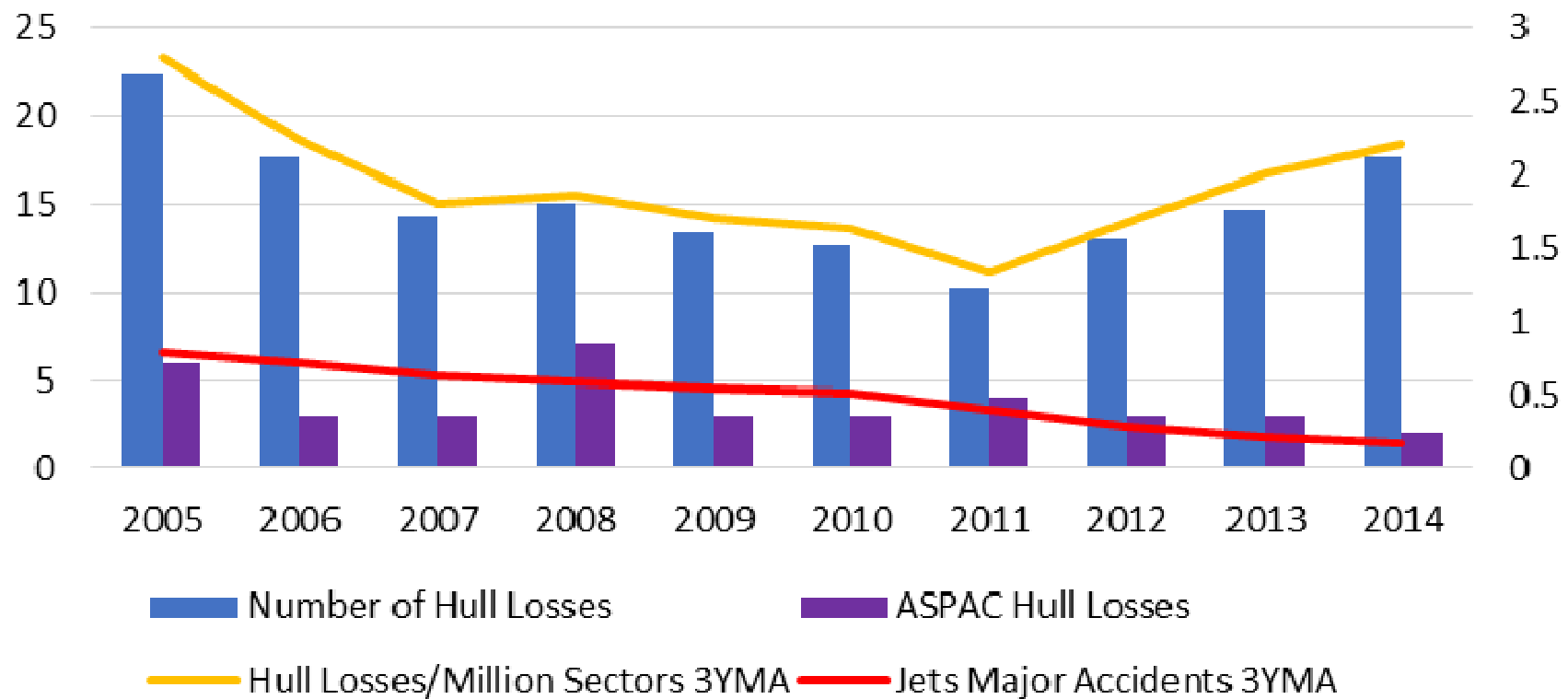




# Safety Performance - Turboprops



Western-built Turboprop Aircraft Hull Losses and  
Accident Rate 3-year Moving Average



Source: AAPA & IATA



# Turboprop Operations

---



- Turboprops optimised to serve short haul routes in markets with limited ground infrastructure
- Turboprop operations represent 20% of industry sectors, but 60% of industry hull losses
- Growing number of short haul turboprop operators in the Asia Pacific region
- Different operating environments and infrastructure challenges

***Turboprop operations require separate focus and attention to prioritise relevant safety initiatives***

# Safety Focus

---



- Airlines operate in a complex and challenging business environment
- Asian airlines are listed among some of the world's leading safe airlines
- Safety requires long term investment and commitment in resources by all stakeholders
- Greater focus on effective regulatory oversight aligned with agreed ICAO standards
- Enhanced safety performance relies on transparency, collaboration and cooperation between regulators and industry



# Current Safety Priorities

---

## Identified Risk Factors:

- **Controlled Flight into Terrain (CFIT)**
- **Approach & Landing**
- **Loss of Control in Flight**
- **Runway Safety (excursions)**
- **Non-Adherence to Standard Operating Procedures**
- **Human Factors**
- **Ground Accidents**

***Focusing on development and implementation of action plans to proactively manage such threats***

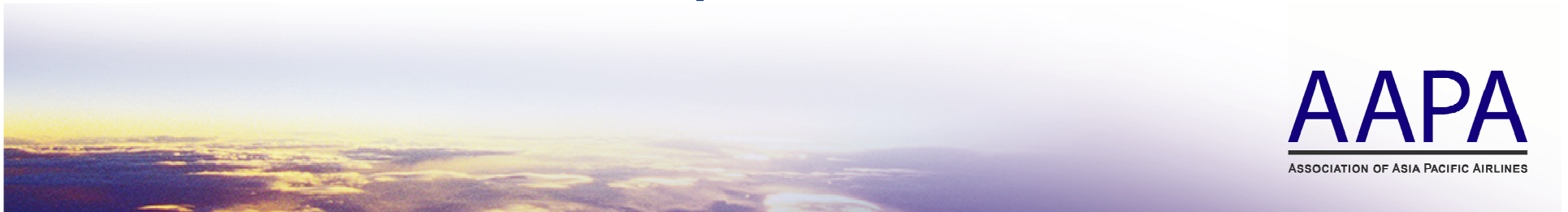
# Latent Safety Conditions

---



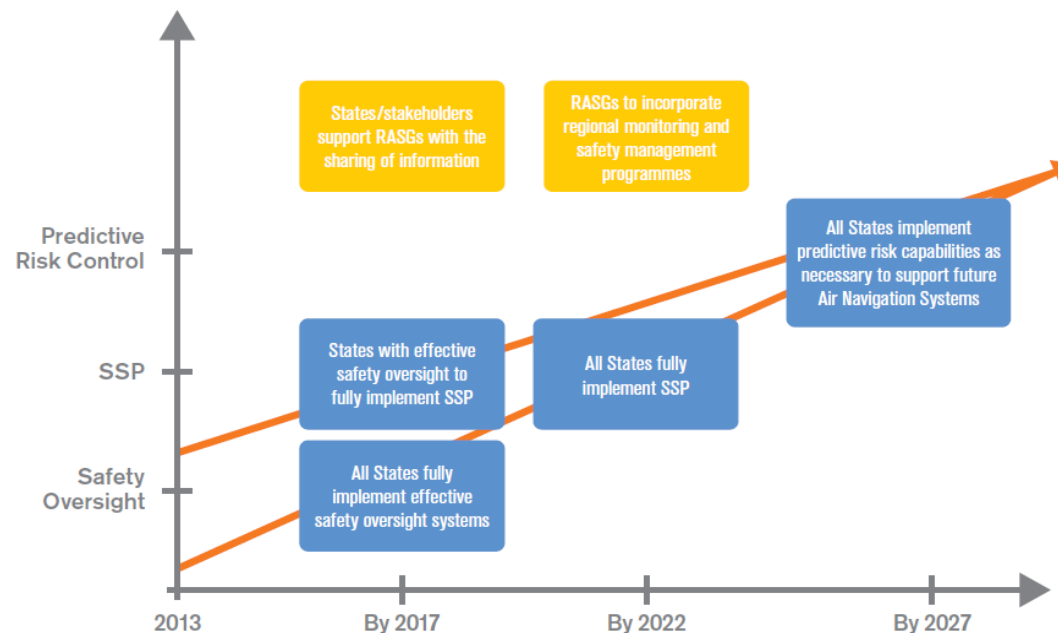
**Identifying underlying deficiencies in:**

- **Regulatory oversight**
- **Safety management**
- **Management systems**
- **Change management**
- **SOP and checking procedures**
- **Training systems**
- **Qualifications and experience levels**



# ICAO: Global Aviation Safety Plan (GASP)

- ICAO sets global safety standards and practices
  - Staged approach: Basics > Extended > Predictive



- ICAO oversight of effective implementation by States through Universal Safety Oversight Audit Programme & Continuous Monitoring Approach (USOAP-CMA)



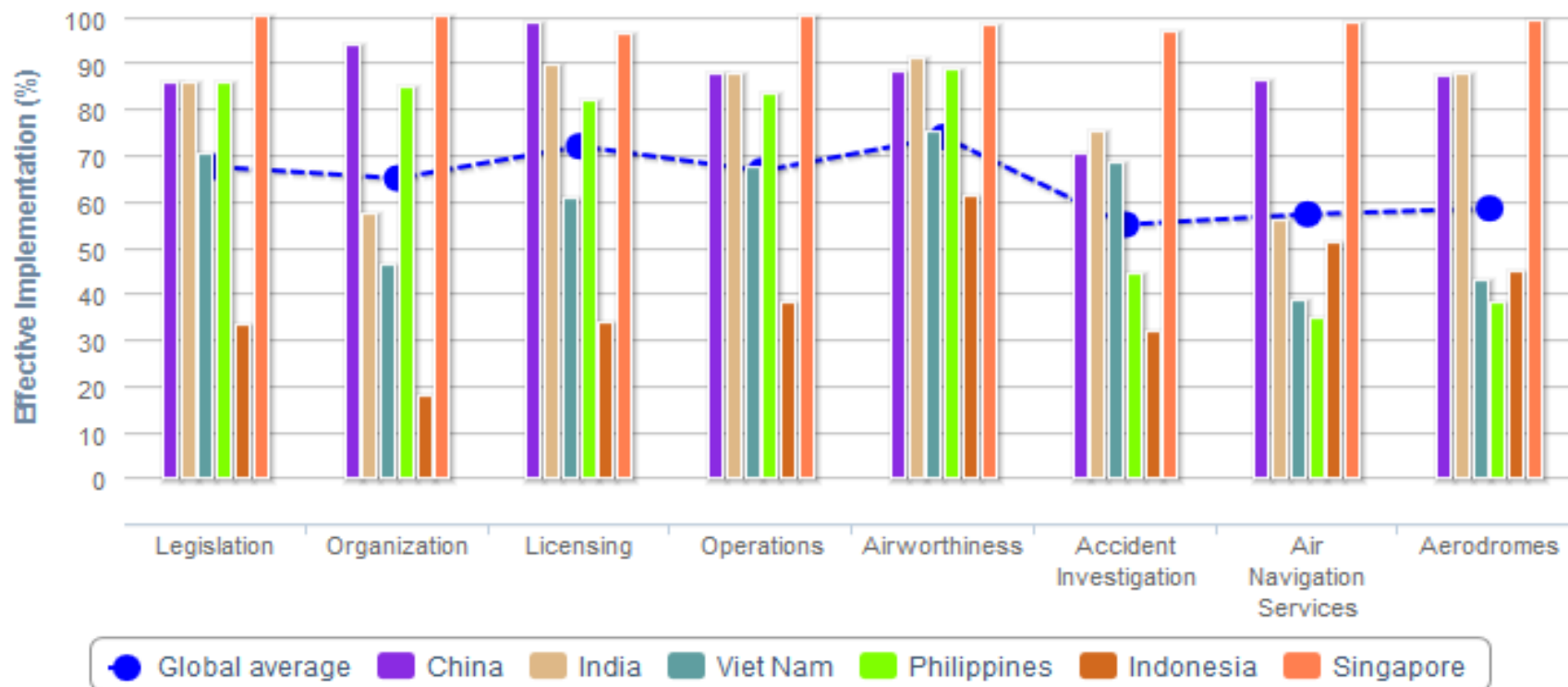
ASSOCIATION OF ASIA PACIFIC AIRLINES



# Regulatory Oversight



## Inconsistent implementation of ICAO standards



***Call for action to address evident weaknesses***  
***“No country left behind”***

**AAPA**  
ASSOCIATION OF ASIA PACIFIC AIRLINES

# US & EU: extra-territorial impact

---

- **US aviation safety oversight led by FAA**
  - Foreign operators must comply with FAR129
  - Categorize countries with operations to the US
  - Cat 2 rating restricts airline operations to the US
- **EU safety oversight led by European Commission, EASA and Eurocontrol**
  - Foreign operators must comply with TCO operations
  - Safety List: imposes operating bans on airlines from countries with inadequate safety oversight
- **State responsibility but sanctions have punitive impact on airlines regardless of airline safety performance**

# Asia Pacific: regulatory perspectives

---

- **Diverse region: multiple governments and regulators with varying levels of capacity and capability**
- **Only 50% of Asian States currently meeting ICAO 2017 implementation goal**
- **Some States at risk of failing USOAP-CMA with findings of Significant Safety Concerns**
- **Several Asian countries already subject to external sanctions including US Cat 2 designation or operating bans per EU safety list**
- **Keeping pace with industry growth brings further challenges**

***Need to strengthen regional collaboration and cooperation to further enhance aviation safety***

# Closing Thoughts

---

- Aviation is at the heart of global economic development
- Asian airlines pressing ahead with both customer service and business model innovation
- Overall prospects for long term growth remain bright but infrastructure planning is a shared challenge
- Flying is extraordinarily safe, but requires effective regulatory oversight, and close collaboration amongst all industry stakeholders
- Committed to continuous improvement

***Keeping air travel safe, secure and convenient***



**[www.aapairlines.org](http://www.aapairlines.org)**

**Association of Asia Pacific Airlines  
Level 27-1, Menara Prestige  
1 Jalan Pinang  
50450 Kuala Lumpur  
MALAYSIA**

**Tel: +60 3 2162 1888**

**Fax: +60 3 2162 6888**



**Follow us on Twitter** [@aapairlines](https://twitter.com/aapairlines)

