Asia Pacific Aviation

Making Flying Even Safer

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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

Source: Combined AAPA + non-AAPA airlines GMT+5 to GMT+12
Future Growth
Emerging economies drive growing middle class

Global Middle Class** (Millions of people)

- 2013*: 1,413
- 2013*: 264
- 2013*: 679
- 2020*: 2,782
- 2020*: 261
- 2020*: 697
- 2030*: 4,450
- 2030*: 252
- 2030*: 673

Emerging countries
North America
Europe

World Population
% of world population

- 2013*: 7,200
- 2020*: 7,900
- 2030*: 8,500

- 2013*: 33%
- 2020*: 48%
- 2030*: 63%

Source: Kharas and Gertz, Airbus
* EOY 2013
** Households with daily expenditures between $10 and $100 per person (at PPP)

Source: Airbus
GMF 2014 - 2033
Asia Pacific traffic leading global markets

Source: Airbus GMF 2014 - 2033
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

Source: AAPA

- 1 major accident in 1 million flights
- 1 major accident in 2 million flights
- 1 major accident in 3 million flights

AAPA
ASSOCIATION OF ASIA PACIFIC AIRLINES
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)
ICAO State Safety Oversight System

Inconsistent implementation of ICAO standards
Regulatory Oversight

Inconsistent implementation of ICAO standards

Call for action to address evident weaknesses

“No country left behind”
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

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