

AAPA 62nd Assembly of Presidents

19 October 2018

Jeju



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

- Mr. Kim Jeong-ryeol, Vice Minister, Ministry of Land, Infrastructure and Transport, Republic of Korea
- Mr. Ahn Dong-Woo, Vice Governor for Political Affairs, Jeju Special Self-Governing Province, Republic of Korea
- Mr Walter Cho, President, Korean Air
- Members of the AAPA Executive Committee and Member Airlines
- Distinguished Guests, Ladies and Gentlemen

Good morning,

It gives me great pleasure to welcome you to AAPA's 62nd Assembly of Presidents here in the charming island of Jeju at the kind invitation of Korean Air, our warm and generous hosts. For me, it was a full 15 years ago when I was last here, attending the Assembly of Presidents also hosted by Korean Air. I am delighted to note that Jeju island has retained some of the same rustic charms all these years. We are meeting in Korea, a G20 country and the world's 11th largest economy, innovative in a diversity of industries and which now finds itself in a position of industry leadership in many sectors, including aviation.

As many of you will know by now, Gimpo-Jeju is the world's busiest air route, with more than 150 flights a day, an indicator of the importance of aviation in Korea today. The air transport sector generates 3.1% to South Korea's GDP, and supports 770,000 jobs in the country.

From humble beginnings, Korean companies have gone out to build a host of global brands with consumer products that are conquering world markets. How many of you in this room are holding a mobile device produced by Samsung- perhaps the best known Korean consumer brand in the world? South Korea exports over US\$700 billion in goods and services annually.

Ladies and Gentleman, we've come a long way since the first flight over one hundred years ago. The world's first scheduled passenger commercial service from St. Petersburg, to Tampa, Florida lasted barely 30 minutes. Just last week, we saw the launch of the world's longest flight, operated by Singapore Airlines from Singapore to Newark, lasting some 18 hours. Passengers today can manage every aspect of their journey via a host of digitized mobile services. New technologies will enable airlines to offer customized services taking into account individual preferences. It is amazing to reflect on how far we have come as an industry.

In, the 15 years since we last assembled here in Jeju, the global aviation market has doubled in size, and the Asian air travel market has tripled in size. We are continuing to see very healthy growth in passenger and air cargo traffic in the region, despite some concern over the potential impact from trade disputes and other political factors. But the long term outlook is bright. IATA has forecast that up to half of the growth in passenger traffic over the next 20 years will be in the Asia Pacific region.

Such growth is very much welcome but also brings challenges. Last year I spoke of the need for better infrastructure planning and capacity building to meet growing demand for air travel. The need is now urgent, particularly in those locations that are experiencing chronic congestion with consequent flight delays and unhappy passengers. We must constantly think of new ways to move people in the most efficient, secure and cost effective manner, whilst smoothing the flow and improving the overall travel experience.

Moving large numbers of people can also mean that when things occasionally go wrong, the consequences can be magnified. This year, we saw a number of occasions where major disruptions to the transportation system were caused by earthquakes, tsunamis, typhoons and other natural disasters in the region. When these events occur, the air transportation system can be severely impacted but needs to be robust enough to sustain such stress, and then focus on recovery efforts so that normal service can be resumed for the tens of thousands of affected passengers. This can only be done through the cooperative efforts of all stakeholders in the sector: government agencies, airports, airlines, and other service providers working together hand-in-hand in the spirit of mutual support.

While we celebrate the growth of air travel as an industry, we also take our environmental responsibilities seriously. In addition to deploying new fuel efficient aircraft and other operational efficiencies, aviation is the first sector to introduce a global market-based measure. The ICAO CORSIA scheme comes into force next year, with statutory reporting of fuel use

and CO₂ emissions for all international flights. We encourage all governments to work closely with ICAO and the industry to ensure that our carbon reduction targets are achieved in support of longer term sustainability.

The growth in air travel will also require significant manpower, particularly skilled aviation personnel including pilots and maintenance staff. As responsible employers, we also need to encourage greater diversity in the workforce. We must mentor the next generation and equip them with the necessary skills to take the industry to greater heights.

Together with other important issues affecting the airline industry, these will be discussed by Asian airline heads at this Assembly.

Before I end, I would like to thank Mr. Kim Jeong-ryeol, Vice Minister, Ministry of Land, Infrastructure and Transport, and Mr. Ahn Dong-Woo, Vice Governor for Political Affairs, Jeju Special Self-Governing Province of the Republic of Korea for officiating at the opening ceremony of this event. Your presence highlights the closely linked relationship between the aviation industry and the tourism sector, and underscores the key contribution of aviation to economic and social development.

Finally, I'd like to extend my sincere gratitude to Mr Walter Cho, President of Korean Air, for his leadership as Chairman of AAPA this past year. Korean Air has been a strong supporter of the Association's activities over the years and we deeply appreciate your efforts. I would also like to thank the Korean Air organising teams for all their hard work and meticulous planning in organising this year's superb event here in Jeju. I would like to express our sincere appreciation to our many sponsors for their generosity and their wider support of the Association's activities.

The mission of AAPA is to serve the wider interests of the community, by articulating the perspectives of Asia Pacific airlines. Our collective solidarity gives our voice weight and influence. With your support, we can engage even more effectively with governments and regulators around the world on issues that affect us all. Asia Pacific airlines are committed to playing an important role in shaping the future of this dynamic global industry. Working together, we can continue to contribute significantly to wider social and economic development, expanding regional and global connectivity.

Once again, a warm welcome to Jeju and I wish you all a memorable and enjoyable Assembly!

Thank you.

Andrew Herdman
Director General
Association of Asia Pacific Airlines

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