



WORKING PAPER

TENTH SESSION OF THE STATISTICS DIVISION

Montréal, 23 to 27 November 2009

Agenda Item 15: Other matters and administrative issues regarding the ICAO Statistics Programme

ADDED VALUE OF THE NEW DATA COLLECTION IN TERMS OF REVENUE GENERATION

(Presented by the Secretariat)

SUMMARY

Recommendation 19 adopted by the Ninth Meeting of the Statistics Division (STA/9) addressed the issue of revenue generation through the sale of statistical publications and the provision and information in response to ad-hoc enquiries for statistical data. Following approval of this Recommendation by Council, ICAO started charging third parties for these services. In 2004, ICAO decided to make these statistical data available to third parties via the Internet. In 2008 ICAO created a Revenue Generating Activities (RGA) office to manage all revenue generating activities of the Organization. ICAO is continuously looking for new opportunities to generate income from the sale of information available within the Organization. Revenues received from the sale of statistical data are now deposited into its Ancillary ICAO Revenue Generation Fund.

Action by the division is in paragraph 4.

1. INTRODUCTION

1.1 Recommendation 19 adopted by the Ninth Meeting of the Statistics Division (STA/9) addressed the issue of revenue generation through the sale of statistical publications and in response to ad-hoc enquiries for statistical data (see STAP/14-WP/2). Following its approval by Council, ICAO started charging third parties for these services. However, the revenues flowing from these activities were relatively modest in part because it only charged customers for the time taken by the Secretariat to prepare the data.

1.2 In February 2004, as Contracting States could now have on-line access to the ICAO statistics through the ICAO Secure Site, the Organization stopped the publication of the Digests of Statistics as a cost saving measure (State letter EC 7/1.4-04/4 dated 27 February 2004). At the same time, and, (in order to continue to make these data available to third parties, ICAO entered into a commercial agreement with Reed Business Information, which was trading as Air Transport Intelligence), for the

development, management, marketing and sale of an ICAO commercial website (<http://www.icaoata.com>). The new site, containing most of the data series collected through the ICAO Statistics Programme, was launched in September 2004. The statistics in ICAO data are refreshed on a weekly basis with the new data received and processed by ICAO.

1.3 In 2005, ICAO signed a data licensing agreement with The Official Airline Flight Schedules and Guides (OAG) for the sale of ICAO statistics through the OAG website which sells data derived from the schedules airlines submit to them. Due to various delays in completing their own product, OAG did not start promoting and selling ICAO data until the second half of 2006.

2. ANCILLARY REVENUE GENERATION FUND (ARGF)

2.1 The ICAO Regular Programme Budget used to be financed entirely from contributions from Contracting States and Miscellaneous Income (MI). The latter represented mainly the income of the Organization from the sale of publication and royalty payments. Also, prior to 2001, the Council had approved the establishment of three separate accounts relating to cost-recovery and revenue-generating activities among which was the Air Transport Cost Recovery Account, where, *inter alia*, the revenues received from the sale of ad-hoc statistical data were deposited.

2.2 In 2001, new financial regulations were introduced to facilitate the establishment of funds or special accounts by the Secretary General for self-financing activities. These Special Accounts were established on the basis of an understanding that the income earned would initially be applied to recover costs and that any surplus realized in the long term would be transferred to MI account. By the end of 2005, five Special Accounts related to cost recovery and revenue generation were in operation.

2.3 In 2006, the Finance Committee proposed the establishment of an Ancillary Revenue Generation Fund (ARGF) to provide greater impetus and sustainability of revenue-generating activities, and to increase transparency and accountability of operations. The ARGF was to include funds obtained from all those activities related to publication sales, royalties in the MI account as well as all the activities which generate income that had been previously initiated through Special Accounts. This proposal was approved by Council in February 2006 and the ARGF is now contributing to the Programme Budget for 2008-2010.

2.4 Under the new system, the surplus from the operations of the ARGF is available to be transferred, at the discretion of the Council and the Assembly, to fund part of the Regular Programme Budget. In addition, if the surplus in the ARGF exceeds the amount already earmarked for transfer to the Regular Programme Budget, then the Council, at its discretion, can approve the use of the surplus for activities that complement the regular work programme, but for which no resources have been provided in the budget. Funds may also be used to finance projects on a cost-recovery or for-profit basis.

2.5 In order to manage the various revenue generating activities within the Organization, the Secretary General established a Revenue Generating Activities (RGA) Office which is now within the new Coordination, Revenue and Communication (CRC) Office. Within the RGA Office there is a Marketing and Sales Unit (MSU) that, *inter-alia*, is responsible to manage the various commercial agreements for sales of ICAO statistics to third parties as well as ensuring the right support in order to increase the turnover generated from the sale of statistics. The MSU is also continuously looking for new commercial opportunities to leverage ICAO's intellectual property, and to package the information available in the Organization for sales to third parties without breaking any applicable confidentiality restrictions. In the year 2008, sales of ICAO statistics through these commercial activities generated some U.S.\$ 300 000 of additional income for the Organization.

3. VALUE OF PROPOSED CHANGES

3.1 While changes and additions to the ICAO Statistics Programme are aimed at improving the quality of the data collected and to satisfy the data requirements of the Organization and Contracting States, they will also assist the Organization in improving its revenue generating activities.

3.2 A recent survey conducted among third party users has indicated satisfaction with the data collected by ICAO. However, it is known that users would prefer to have data available sooner and without some of the gaps in the data stream which occur because of late or non-reporting entities. Both of these issues are beyond the control of the Secretariat. Nevertheless, new initiatives to improve data collection on both fronts will be discussed during the meeting of the division. In the survey, customers also indicated some other areas of interest some of which coincide with the new needs of the Organization. These areas are being proposed to the Division.

3.3 The consolidation of various stand-alone databases within the Integrated Statistical Database – ISDB framework¹ will create new revenue generating opportunities for ICAO. Similarly, any new non-confidential data agreed by the Division, which can be made available to the public, will be evaluated for their commercial potential and may become part of the information that are made available to third parties for a fee.

3.4 New commercial initiatives are currently being explored with other potential partners to continue to leverage these as well as other data which the Organization collects and processes, as part of its regular programme activities. Under the new financial realities of the Organization, these commercial activities are very necessary and important as they can provide some of the funds needed to finance new developments in statistics and forecasting presented to the division for its consideration.

3.5 *Conclusion of the Fourteenth Meeting of the Statistics Panel (STAP/14)*. The Panel recognized the potential added value that the new data collections may bring to the revenue generating activities of the Organization. During the discussion, the Panel also raised the issue of the update of the ICAO Statistics Manual. It agreed that a new edition of the Manual would be a timely measure, especially in view of new data collections, and would lead to better reporting, thus contributing to increase of revenues generated by the Organization².

4. ACTION BY THE DIVISION

4.1 The division is invited to:

- a) note this paper; and
- b) recognize the potential added value the new data collections may bring to the revenue generating activities of the Organization.

— END —

¹ for more information on the consolidation of ICAO databases see STA/10-IP/1

² The update of the Statistics Manual is the subject of STA/10 -WP/29.