



WORKING PAPER

TENTH SESSION OF THE STATISTICS DIVISION

Montréal, 23 to 27 November 2009

Agenda Item 2: Air carrier traffic data and traffic flow statistics

**REVIEW OF ON-FLIGHT ORIGIN AND DESTINATION (OFOD) PUBLICATION RULES
AND DATA**

(Presented by the Secretariat)

SUMMARY

The OFOD data collection is the only statistical series in ICAO subject to publication restrictions, both in content and in terms of when the data can be released. The restrictions on what can be shown have a significant negative impact on the data which are available to Contracting States. The Fourteenth Meeting of the Statistics Panel (STAP/14) noted that these restrictions were only intended to be of a temporary nature. Therefore, STAP/14 recommended the publication restrictions on the selection of city-pairs be removed and the delay of publication be reduced from one year to six-months from the end of the reporting period concerned.

Currently ICAO produces forecasts for scheduled traffic only. Since early 2009 the Organization has started to restructure its forecasting activities leading it to produce forecast covering all traffic (scheduled and non-scheduled) by route group. STAP/14 has recommended that, in order to do this, the current OFOD data collected through Form B should also include international non-scheduled traffic.

Action by the division is in paragraph 6.

1. INTRODUCTION

1.1 The collection of On-Flight Origin and Destination (OFOD) statistics was introduced following Council approval of Recommendation 18 of the Sixth Session of the Statistics Division (STA/6) in 1975. From the very beginning, restrictions were placed on the publication of the data collected on the understanding that such restrictions would be lifted in the light of experience with the programme.

1.2 Despite ongoing recognition of the increased value that the lifting of restrictions would have on the usefulness of the programme and numerous consultations with States on a range of less restrictive publication options, successive panel and Divisional Meetings (the last one being the Ninth Meeting of the Statistics Division (STA/9) in 1997), have been unable to agree to any substantive change in the restrictions.

1.3 The Division may wish to note that OFOD is the only data collection of the ICAO Statistics Programme with restrictions on what data are published and when.

1.4 Also, since 1970, the European Civil Aviation Conference (ECAC) has been collecting on-flight origin and destination data on international non-scheduled services to, from and within Europe, hence complementing the data on international scheduled services collected by ICAO for the European market. However in 1997, the ECAC Directors General decided to cancel the ECAC Programme on Statistics, thus leaving ICAO without additional information related to the European air travel market. It has been estimated that air carriers with their principal place of business in European still represent some 83 per cent to the total international non-scheduled traffic.

2. OFOD DESCRIPTION, COVERAGE, POTENTIAL USES AND LIMITS

2.1 Currently some 86 States, representing about 86 per cent of total international scheduled traffic, submit traffic data on Form B. The traffic figures submitted cover some 17 190 individual city-pairs. However, as a result of one of the restriction rules (cf 3.1 a), only about 36 per cent of these city-pairs can be published for use by Contracting States and third parties.

2.2 It will be noted that OFOD data does not represent true origin and destination data. They only identify the origin and destination of a passenger or shipment (of freight and mail) as is presented in each portion of the travel document. In the case of passengers, it represents the origin and destination associated with each flight coupon present in the ticket. However, it is not possible to link these coupons together to arrive at an itinerary, consequently, as far as the statistics are concerned, each coupon represents a new passenger and the true origin and destination of the journey is lost. Hence the OFOD data represents merely the origin and destination of passengers on direct flights. These data are useful to compare current market shares and operations, but are not helpful to identify potential markets currently only accessible through connecting flights.

2.3 Since the introduction of OFOD data collection, information on scheduled air carrier operations, such as those offered by OAG Aviation Solutions and Innovata on a CD, can easily be analysed with the aid of a personal computer. Though these information only cover operational parameters, they can readily be used to compute market shares based on the number of seats available. Also, as these databases contain information on traffic rights, estimates can be made of the capacity offered on fifth freedom flight sectors.

3. PUBLICATION RULES

3.1 The current publication rules provide:

- a) that no statistics for a city-pair may be published unless reports for at least two airlines from two different States have been received for that city-pair; and

- b) that no data may be published until either:
 - i) the reported data cover 84 per cent of the world's international scheduled traffic for the reporting period concerned, or
 - ii) one year after the end of the quarterly reporting period concerned, whichever is earlier.

3.2 For simplicity, and in order to enable users to have a specific publication timetable, the current publication date has been set at one year after the reporting period concerned has ended (b) ii).

4. **AVAILABILITY OF TRUE ORIGIN AND DESTINATION DATA**

4.1 True origin and destination data can now be purchased from a few sources such as the Market Information Data Tapes (MIDT) available from the Global Distribution Systems (GDS) and the PaxIS passenger traffic information derived by IATA from the accounting data collected through the Bank Settlement Plan (BSP), albeit at a relatively high cost. Consequently the need to restrict the publication to those city pairs for which at least two States have reported because of commercial concerns is somewhat irrelevant as real origin and destination data are available elsewhere.

4.2 In the ICAO air carrier statistics reporting forms, all data corresponds to those of the operating air carrier. This means that due to the extensive use of code sharing, the reported statistics on a number of city pairs already contain partial or full data for two carriers (the operator plus the marketing carrier) from two different States.

4.3 *Recommendation of the Fourteenth Meeting of the Statistics Panel (STAP/14-1).* The panel agreed with the suggestions presented above and, in particular, noted that no restrictions exist with regard to the data which are commercially available. Consequently the panel recommended (i) to remove any restrictions on the selection of city-pairs to be published (paragraph 3.1 a) above) and (ii) to decrease the publication lag time from 12 to 6 months (paragraph 3.1 b) above).

5. **INCLUSION OF NON-SCHEDULED TRAFFIC**

5.1 When the "third package" of liberalization in the European Union (EU) came into effect on 1 January 1993, it effectively ended the distinction between scheduled and non-scheduled services insofar as the operating authority was concerned, and thus the vast bulk of the world's non-scheduled operations are no longer separately distinguished from scheduled operations for regulatory purposes. During STA/9 a few EU States called to remove from the reporting forms this type of distinction since how data are reported for those States is left to the operator. However, States which from a regulatory perspective still held this distinction, insisted that it should be maintained.

5.2 A problem caused by the blurring of definitions for air carriers in a region which traditionally has had the largest share of non-scheduled traffic is that on a few occasions during the last ten years there have been a significant shift of data from non-scheduled operations to scheduled services when some traditionally large non-scheduled operators in the EU decided to report all their operations as scheduled services, thus causing an apparent increase in traffic for these services for the European region.

5.3 Data reported for Form B are used by ICAO to generate traffic forecasts for the world, by region and markets. The potential continuing instability in the traffic figures for Europe caused by the inability to clearly distinguish, for statistical purposes, scheduled from non-scheduled traffic may bias the resulting forecasts.

5.4 One way to remove this potential bias which may have an impact on the forecasts is to collect data through Form B OFOD traffic for non-scheduled operations. In the past, these data for the European region were collected by ECAC. This is no longer the case (see paragraph 1.4 above). Nevertheless most EU States do have these data as they are required to report them to the EU, not necessarily in the same format are requested by ICAO . Other Contracting States may not all compile OFOD data for non-scheduled operations but there will be a sufficient number that do, so that together with the input from the EU, most of the non-scheduled operations would be covered.

5.5 As of today, ICAO only produces forecasts for scheduled traffic. Since early 2009 the Organization has started to restructure its forecasting activities leading it to produce forecast covering all traffic (scheduled and non-scheduled) by route group.

5.6 *Recommendation of the Fourteenth Meeting of the Statistics Panel (STAP/14-1)* — The panel recognized that the inclusion of non-scheduled traffic would provide a valuable tool with which to obtain a global view of the traffic. The panel also agreed that extending this data collection to cover non-scheduled traffic did not impose any additional burden to States. A revised Form B is shown in the Appendix.

6. ACTION BY THE DIVISION

6.1 With regard to the On-flight Origin and Destination (OFOD) data collection, Air Transport Reporting Form B, the meeting is invited to:

- a) remove all publication restrictions in the selection of the city-pairs for this data collection (paragraph. 4.3 (i));
- b) publish all data submitted six months after the end of the quarterly reporting period concerned (paragraph 4.3 (ii)); and
- c) extend this data collection to cover both international scheduled and non-scheduled revenue air traffic (paragraph 5.6).

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