



STA/10-WP/48
26/11/09

TENTH SESSION OF THE STATISTICS DIVISION (STA/10)

Montréal, 23 to 27 November 2009

DRAFT REPORT ON AGENDA ITEM 15

The Plenary, on 27 November 2009, approved the draft report on Agenda Item 15.

Agenda Item 15: Other matters and administrative issues regarding the ICAO Statistics Programme**Impact of Reporting of Air Carrier Financial Data on Traffic Forecasts — Other Issues (WP/27)****15.1 DOCUMENTATION**

15.1.1 WP/27 addressed the manner in which Frequent Flyer Programmes (FFP) and exchange rate differences were accounted for when reporting air carrier financial data as these might have an impact on the analytical and forecasting activities of ICAO by biasing the price elasticity of air travel demand. This paper also pointed out the lack of quantifiable data for ascertaining their true impact on these activities, by ICAO and other organizations. Hence, STAP/14 agreed to invite ICAO and IATA to assess the impact of frequent flyer programmes and exchange rate differences on the analytical and forecasting activities of the various civil aviation stakeholders, through a survey to be sent to a sample of IATA members.

15.2 DISCUSSION

15.2.1 The Division noted that although ICAO had already sent a draft copy of the survey to IATA, the latter had not yet finalised it for circulation among its members. Consequently, the Division adopted the following Recommendation:

Recommendation 15/1**The Division recommends that:**

ICAO and IATA should continue in their effort to assess the impact of frequent flyer programmes and exchange rate differences on the analytical and forecasting activities of the various civil aviation stakeholders.

Added Value of the New Data Collection in Terms of Revenue Generation (WP/28)**15.3 DOCUMENTATION**

15.3.1 WP/28 presented the revenue generating activities of the Organization. It was informed that Recommendation 19 adopted by the STA/9 had addressed the issue of revenue generation through the sale of statistical publications and the provision and information in response to ad-hoc enquiries on statistical data. Following approval of that Recommendation by Council, ICAO started charging third parties for these services. In 2004, ICAO decided to make 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 was 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 were now deposited into its Ancillary Revenue Generation Fund.

15.4 DISCUSSION

15.4.1 The Division noted that for the budget of the next triennium, the Council had decided on a zero nominal growth. This, coupled with the need to pay for more programmes out of the Regular Programme budget, meant that many of the traditional services offered by ICAO to its Member States ran the risk of stoppage, hence the importance of the RGA. Excess revenues generated this fund could be used to keep some of these activities alive, particularly if they themselves were responsible for generating new income for the Organization.

15.5 CONCLUSION

15.5.1 The division noted WP/29 and recognized the potential added value the new data collections might bring to the revenue generating activities of the Organization.

Other matters and administrative issues regarding the ICAO statistics programme (WP/29)

15.6 DOCUMENTATION

15.6.1 WP/29 indicated that in Recommendation STA/9-2 of the Ninth Meeting of the Statistics Division, it had been recommended that all the changes be reflected in a new edition of the Statistics Manual which had last been updated in 1994. Mainly due to lack of resources, the Manual was not updated. In view of this, the STAP/14 agreed that an update of the Manual would be a timely measure and would lead to better reporting, thus contributing to increasing the revenues generated by the Organization.

15.7 DISCUSSION

15.7.1 Several States indicated the usefulness of the Statistics Manual for their own work and as reference material for air carrier, airports, and air navigation providers. Some States and reporting entities still made use of the old Manual, published in 1994, which contained mainly outdated material. The Division therefore urged the Secretariat to complete this task as soon as practicable given that in order to incorporate the material adopted by the Division at this meeting, the Secretariat would have to wait and see which Recommendations had been approved by Council. In principle, this implied that the Manual might not become available until 2011.

15.7.2 A State also noted that, though not under the purview of the Statistics Programme, another Manual the Secretariat should consider to keep up-to-date was the one on the Economic Regulation of International Air Transport, which also covered many concepts and definitions which were subject to change. In this context a State suggested that in the text of recommendation to be adopted, the Division might wish to add a sentence to the effect that a new edition of the manual should be planned following each Meeting of the Division.

15.7.3 Noting the difficult budgetary situation looming ahead some States also suggested that the Manual should only be developed on accost recovery basis. The Division noted that because of this, while States would continue to receive this publication free of charge, third parties such as air carriers and airports would have to pay for the new manual.

15.7.4 The Observer from ACI indicated that his organization was in the process of producing two Manuals: one on Best Practices in Statistics and a second one on Best Practices in Forecasting, and they were willing to coordinate the content of these documents with ICAO. The two manual would be offered free of charge as ACI considered that improving the timeliness and quality of the data was a sufficient pay-off as greater monetary benefits could be achieved indirectly through higher sales of ACI informational products.

15.7.5 A State suggested that with regard to the content of the new Manual, the Secretariat should consider including the documentation for the validation processes used by ICAO. This would assist States which were in the process of updating their own database system as well as providing an opportunity to States to validate at source the data they intended to submit to ICAO.

15.7.6 In conclusion, the Division noted the paper and concurred with STAP/14 that a new edition of the Manual would lead to better reporting, thus contributing to the increase of revenues generated by the Organization. In addition, on the basis of the discussion reported above, the Division adopted the following Recommendation:

Recommendation 15/2

The Division recommends that:

- a) as a matter of urgency ICAO should issue a new edition of the Statistics Manual incorporating all the changes to the Statistics Programme, and the related definitions and instructions since 1994, as well as those adopted STA/10 and approved by the Council; and
- b) ICAO should implement a comprehensive review process of the Statistics Manual after each meeting of the Statistics Division to ensure that it is kept current and relevant.

The need to obtain information on the *true* origin and destination of traffic (WP/34 presented by Chile)

15.8 DOCUMENTATION

15.8.1 In WP/34, Chiles explained that the On-Flight Origin and Destination (OFOD) data did not represent the true origin and destination of traffic as these were only reported up to the first flight connection during a journey, i.e. until that point in a journey where there was a change of flight number. Knowing the true origin and destination would allow users to asses the real magnitude of the various markets, with consequential benefit to States who could produce better forecast and focus their resources.

15.9 DISCUSSION

15.9.1 The proposed change of the data from the current on-flight O-D reporting format used in Reporting Form B to reflect true Origin-Destination (O-D) data found some support. It was noted that some States would have to change their reporting method in order to comply with the reporting format requested by ICAO. However, several other States pointed to the difficulty involved in accurately monitoring and reporting true O-D traffic and announced that their systems would not be prepared to collect this type of data. The practice of conducting market research at airport with sample surveys among passengers was stated as proving useful and more economical for studying transit passenger traffic patterns. EUROSTAT were presently looking into this issue of true O-D data for European airlines and would report test results by 2012.

15.10 CONCLUSION

15.10.1 In view of the difficulties involved in collecting and reporting true O-D data expressed by a number of States, the Secretariat reminded that the Reporting Form B was presently in place and the majority of States agreed to its continuous utilisation. Perhaps a future Panel meeting in 2012 could look into the feasibility of changing the format and collecting true O-D data.

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