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civil air navigation services organisation

ANS Planning & Provision – A New Normal?

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Air Transport – a driver of economic growth

Enabling trade, tourism and investment flows

The air transport industry supported 65.5 million jobs with an economic impact of USD 2.7 trillion. In the APAC Region, air transport supports 30.2 million jobs and USD 684 billion of economic activity. (ATAG Aviation Benefits Report 2019)

In 2018, airlines worldwide carried about 4.3 billion passengers annually. Every day, more than 100,000 flights transport almost 12 million passengers and around USD 18 billion worth of goods. (ATAG Aviation Benefits Report 2019)

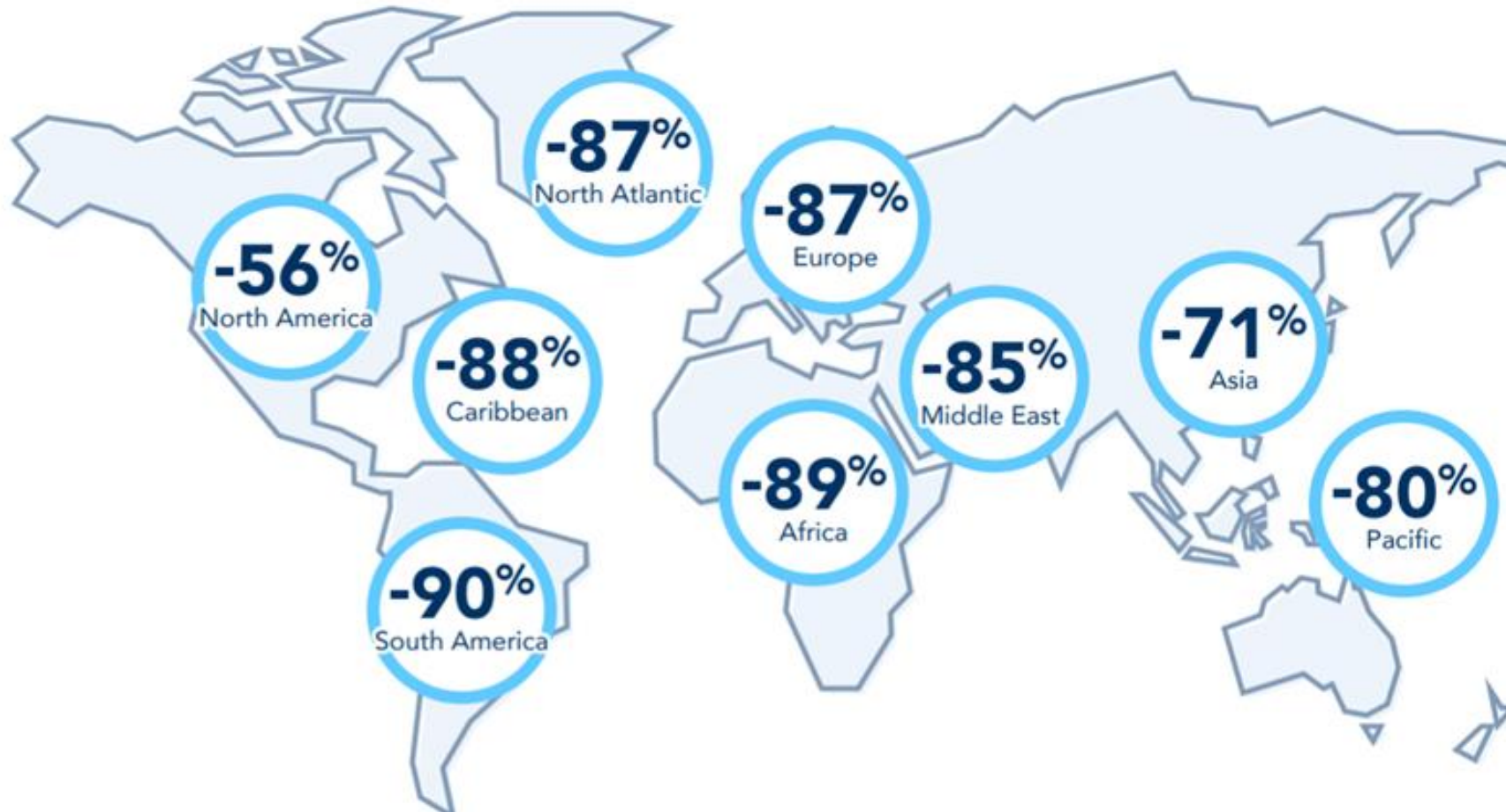


With the onset of Covid-19 traffic plummeted.....

Average global movements



Regional traffic brief



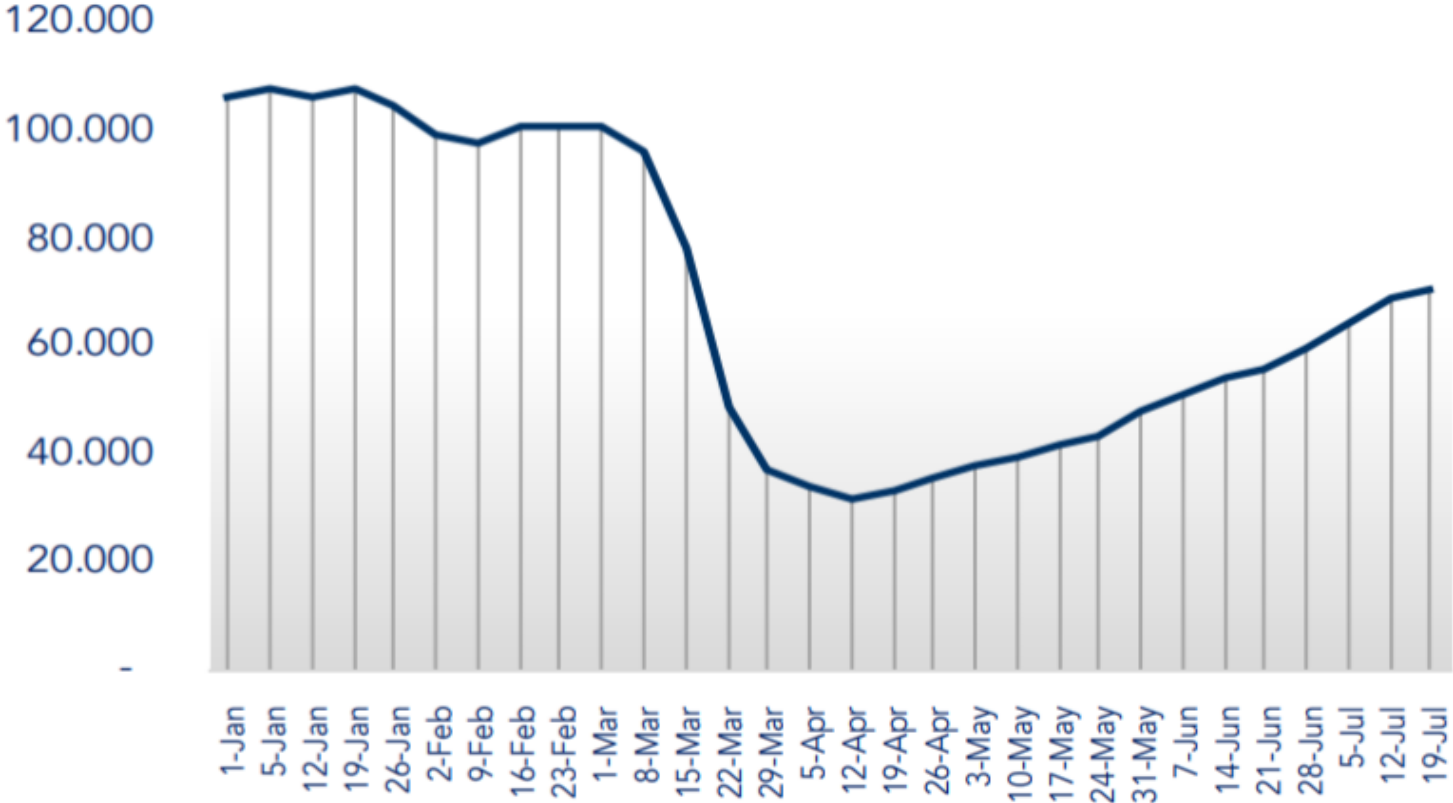
Air Navigation Service Providers are...

Losing revenue with air traffic down by about 70% globally initially

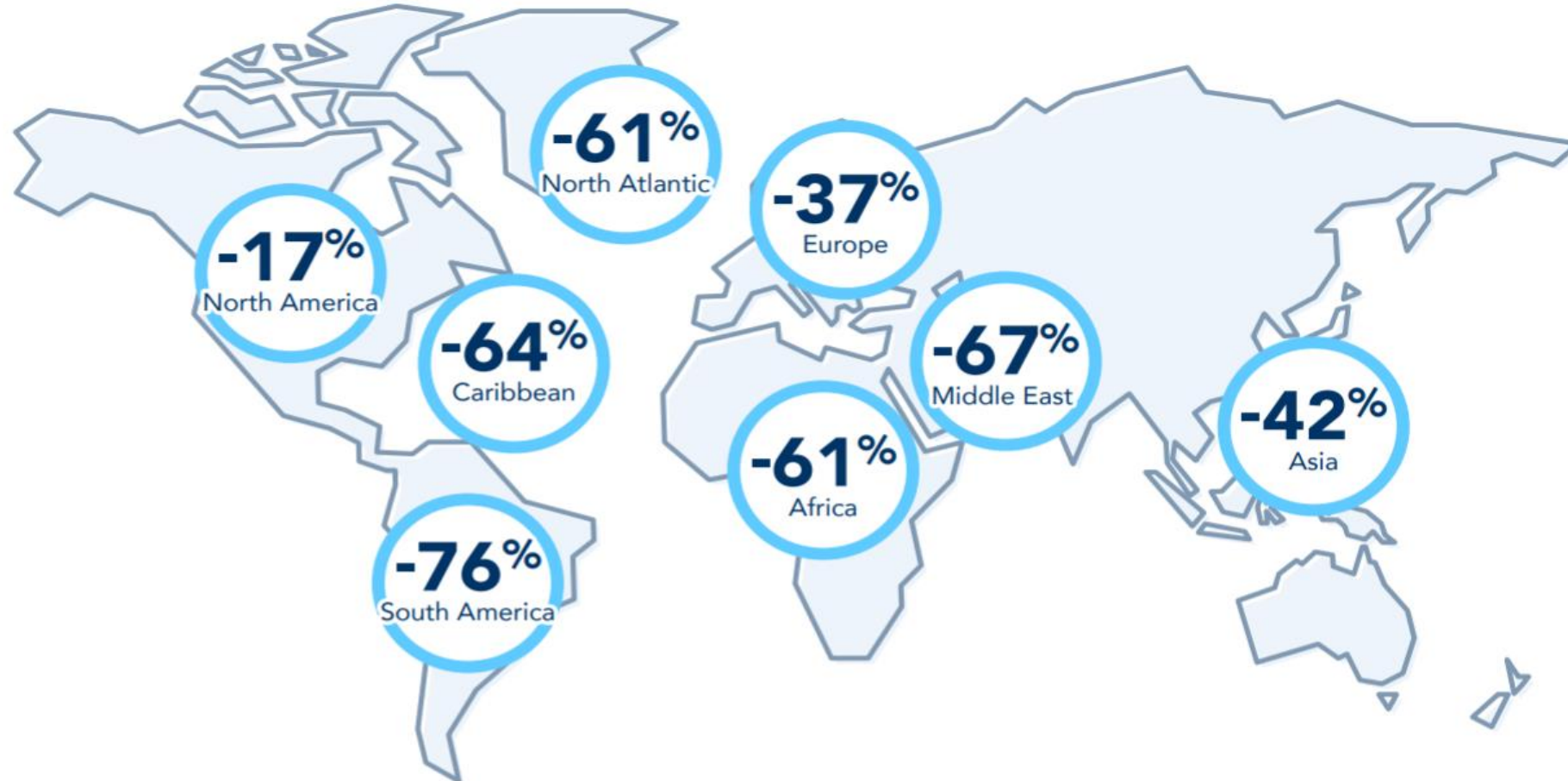
- But they must maintain airspace availability for the aircraft that are still flying
- And must avoid cutting costs that will jeopardize the recovery when it comes, such as laying off essential staff or cancelling essential projects

Some recovery - global traffic exceeds 50% of 2019 volume in July.....

Average global flights



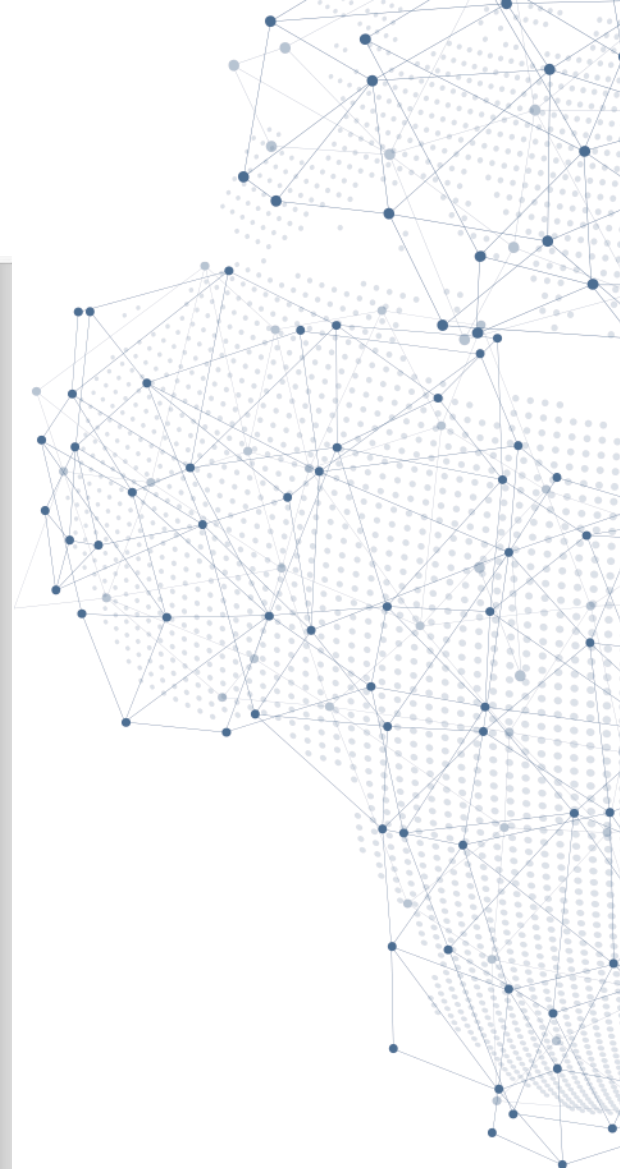
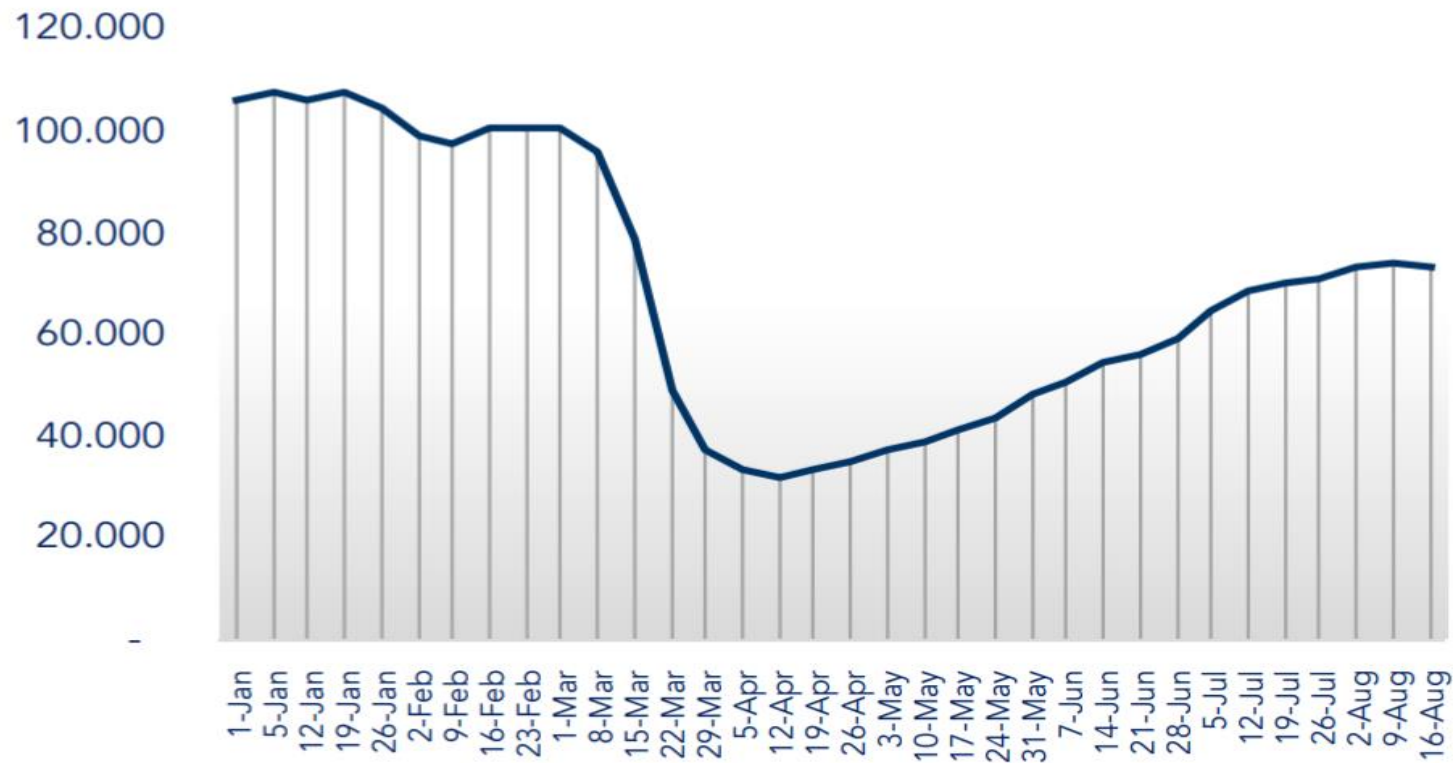
Regional traffic brief



CANSO 30 July Traffic Analysis Report

Growth in global traffic levels off in August

Average global flights



Looking Ahead

- Much uncertainty remains – when and how fast
- Air Traffic operational complexities will vary greatly depending on how long the downturn lasts and how fast traffic resumption occurs
- Shape and pace of recovery may be different in different regions and in different parts of a region



ATM is a critical part of the Aviation System

- Although not normally visible to the public and decision makers, ATM is a critical part of the aviation system, one that is essential for the safety, efficiency and regularity of flights.
- With the severe disruption to aviation caused by the pandemic, it is even more important for ANSPs to ensure that key decision makers in their governments understand the important role of ATM in the aviation value chain.



National Air Navigation Plans

- While recognising differences in national priorities, National Air Navigation Plans in general flow from ICAO Global and Regional AN Plans.
- The Aviation System Block Upgrades in the ICAO GANP and Regional Plans remain relevant in a post-pandemic world as they are the building blocks necessary for the safety, efficiency and sustainability of flights.
- But priorities of ANSPs have been impacted by the crisis. How much of the previous focus on building capacity has now shifted to recovery, and business continuity management? And does the depressed traffic from 2020-2024 (IATA's traffic recovery forecast) warrant a rethink of the implementation timelines?

An opportunity to improve service provision

- The down-turn is a pause in our overall growth. It is important that we look at how best to use that pause to better harmonise our efforts and ensure that benefits are optimised across the region.
- With reduced traffic levels, there are opportunities to review current airspace restrictions and to look for ways to improve service provision and to minimise operational delays and inefficient routings.
- As we look to the future our eye should be on those measures that enhance the resilience and sustainability of ATM operations.




Survey results of ANSPs' priorities



'NEW NORMAL': WHAT ABOUT THE NEW POSSIBLE?

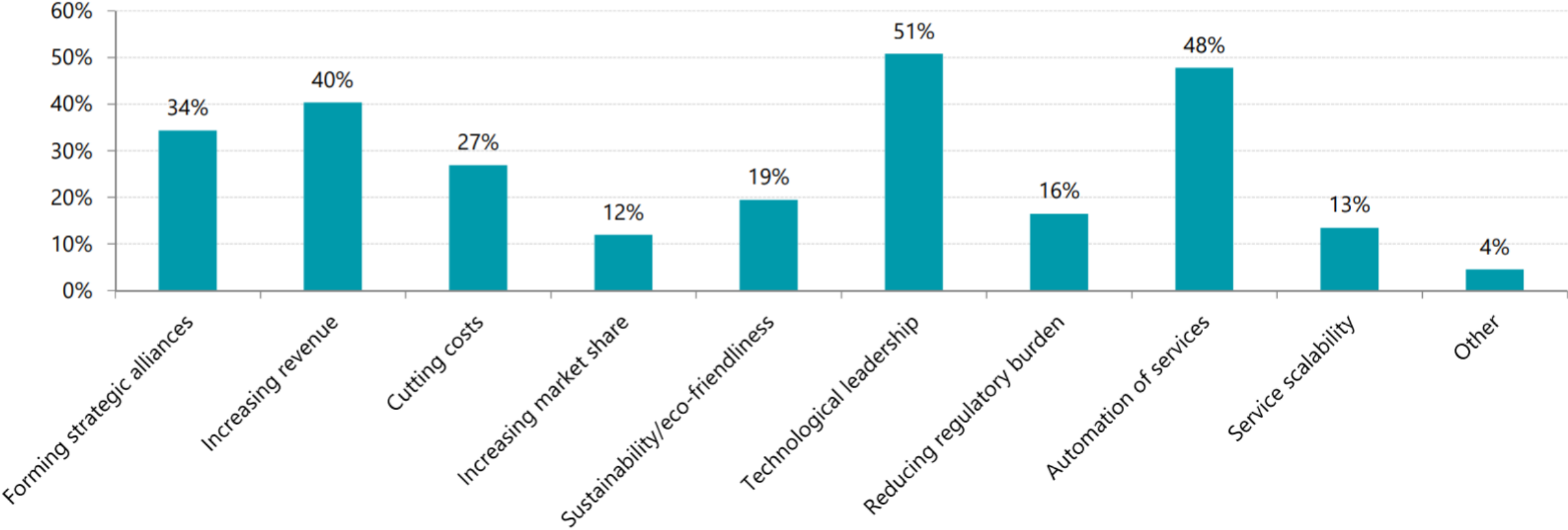
An industry-wide survey of the aviation sector
framing our July 2020 Webinar series
organised with the support of CANSO, ACI, ICAO and IATA



Strategic Priorities of ANSPs – before Covid-19



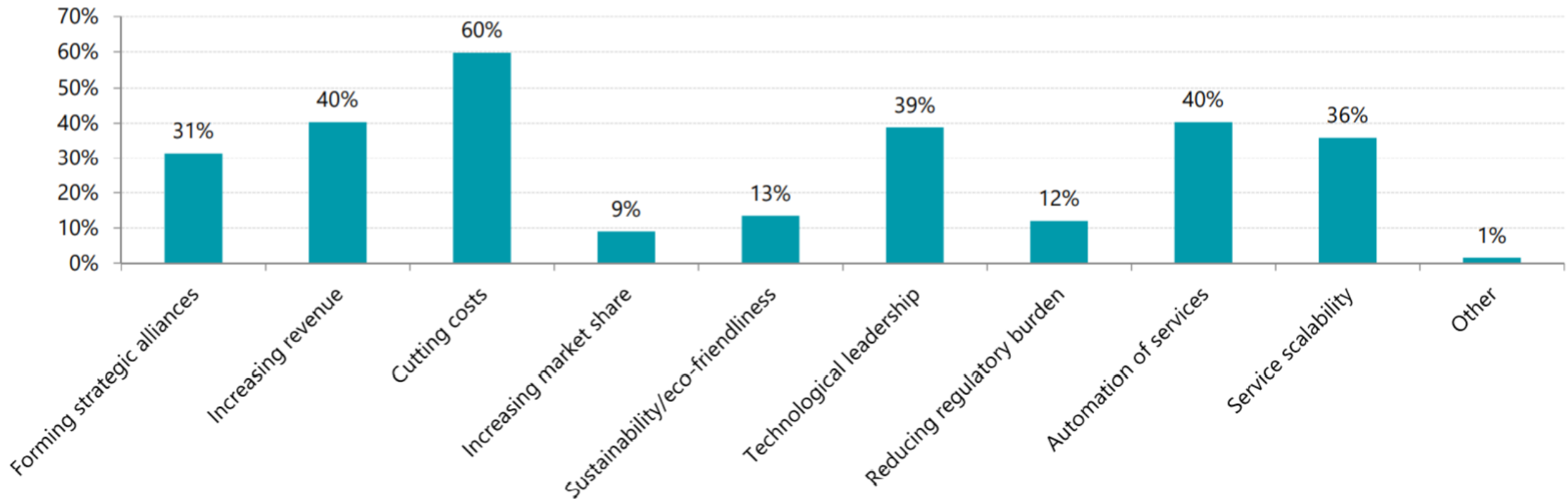
Other than safety, what were your company's highest strategic priorities before the pandemic? (ANSPs)



Strategic Priorities of ANSPs – post Covid-19



Other than safety, what are your company's highest strategic priorities likely to be after the pandemic? (ANSPs)



Most implemented measure to save cost - project postponement or cancellation

Cancellation of some ongoing projects or purchases

Adaptation of staffing schedules/rotations

Govt funded job retention scheme

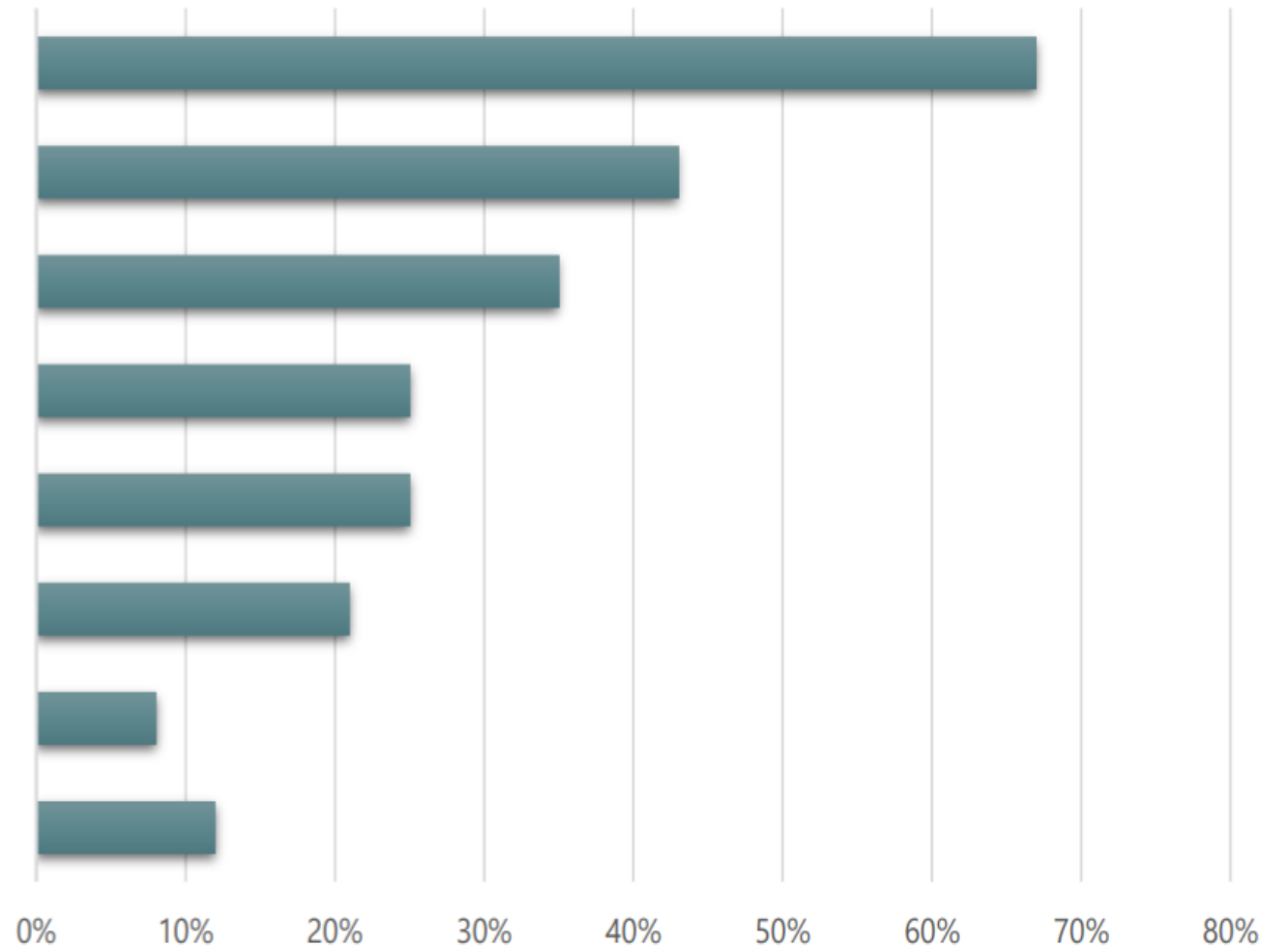
Reduced service

Salary cuts

Job cuts

Unpaid leave

Other



Re-prioritising capital investments

- ANSP priorities are likely to shift to those technologies that offer lower costs and enhanced resilience and scalability. More cloud based, space based technologies, data sharing, regional/sub-regional service provision etc
- As airlines retire off their older aircraft during the downturn ANSPs will likely to be dealing with more modern and better equipped fleet than before.
- This is an opportunity for ANSPs to advance projects such as PBN and ADS-B which require typically relatively lower capital. Such investments will enable a more modernised airspace while potentially reducing ATM costs through the rationalization of nav aids and radars.



A stronger focus on the essentials

- Current reduced traffic demand provides ANSPs with an opportunity to focus on implementing strategic changes and to review what are the really important investments. What will give us the most value?
- Improving resiliency to the aviation industry as a whole, investing in technology that relies less on people (automation) and creating operations to keep people separated when needed (remote ops).



Opportunities for partnerships and collaboration

- New operating models are needed, facilitating greater collaboration with external partners to share risks, and more use of digitalisation and automation for improved efficiency, flexibility, scalability and resilience.
- From regional partnerships on upper airspace to new joint ventures and technological innovations, partnerships will be essential from both a financial point of view, sharing risk and in terms of moving faster.
- An ATM system designed around operational needs rather than tied to specific geographical locations or national borders, and one that can innovate while still providing safe services.



Keeping an eye on the Future

- While Covid-19 has brought respite to the airport and airspace capacity crunch in APAC, it has drastically reduced ANSP revenues.
- Cost-cutting is now the top priority of many ANSPs and this will significantly impact their investment plans. However, in this crisis there are opportunities for ANSPs to “build back better”.
- ANSPs have to keep an eye on the future. In re-prioritising capital investments and undertaking resource planning we should be conscious of the long lead time for technology implementation as well as the recruitment and training of staff.



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