

**ICAO Ground Handling
Webinar for the SAM Region**

ASA

AIRPORT SERVICES ASSOCIATION



21 April 2021



Airport Services Association (ASA)

- Creation: 2011 (succeeding IAHA)
- Purpose: Represent the independent GHSPs worldwide
- Membership: Open to all GHSPs (Full) and GSE Providers (Associate)





What is GH ?

- There are many areas covered by GH, and not all of them are performed, or even can be performed, by all GHSPs. It depends on the type of contracts they are under. Generally, they are divided into :
 - Passenger Services
 - Check-in
 - PRM
 - Lounges, Lost&Found, etc.
 - Ramp Services
 - Baggages
 - Deicing, fueling
 - Moving of aircraft, ground power, cleaning, etc.
 - Cargo & Warehouse



GH Around the World

- Exact Numbers difficult to gather – but it is estimated that between 600 and 700K employees work for GH (2019)
- Back then, GH was estimated to be a business worth around 120bn \$ annually.
- Typically, GH represents between 7 and 9% of airlines' operating costs.
- There are 3 types of GH:
 - Independent
 - Self-handling
 - Airport subsidiaries
- ASA only represent the first type.
- It is estimated that between 60 and 65% (and growing) of the total GH operations worldwide are done by “independent,, GHSPs



State of the Industry

- Up to 55% of the total employees have been or are, in the course of 2020-21, furloughed if not outright laid off
- Around 200bn \$ have been guaranteed (grants, loans) by States to airlines during the pandemic around the world. Less than 2% (est.) was made available to airline contractors
- Job retention schemes were by far the most useful, if not the only, support GHSPs could count on. In many cases though, these schemes have come to an end in 2020
- Bankruptcies aren't on frontpage today, but 2021-2022 will be the most challenging period for GH
- Adverse effects on safety are to be feared!



Major Pain Points

- **Lack of common legislation and/or commonly accepted standards**
 - Despite being recognized as a key aspect of air transport safety, there is no specific Annexes dedicated to GH in the ICAO List of Annexes
 - Competition, not safety, constitutes the only aspect States agree to legislate on (e.g. Dir. 96/67/EC), bar a few exceptions
- **Industry standards exist, but...**
 - Some of these standards are absolute top notch
 - But in the absence of a general legal framework/State regulation, their application may lead to pushback or deviances, which weakens the value of the standar and defeats the initial purpose
- **In extreme times (pandemics, etc.), the absence of binding norms regarding safety may lead to dangerous cross-cuttings**



It's About People...

- GH offers career opportunities for all levels and (at least until Covid) provides an income to hundreds of thousands of people worldwide
- There are few barriers to getting a job in ground handling, yet it is generally not considered as providing a professional career
- Why? Because people's qualifications are not recognized (!), and they can't be in the absence of ad hoc legislation
- As a consequence there is a high turn-over, which in turn leads to high costs of training
- Training people for procedures that differ depending on the country/station/airline is hard. It becomes even harder in case of high turn-over
- And safety concerns may resurface...



... And About Procedures...

- Outsourcing GH helps keeping airlines and airports financially viable
- The current GH system has worked and coped so far (driven by SLAs and airports licenses) – at least until the pandemic. It has shown resilience and has adapted to the growing needs of airlines, airports, and passengers
- In order to do that, many GHSPs have developed quite sophisticated processes of safety and quality controls internally
- But in the absence of binding checks and balances, a grey zone has managed to thrive, not always rewarding those adopting sophisticated control measures and creating
- All the more so in extreme times (such as today), thus questioning the whole sustainability of the sector!



Conclusion

- This sector is too important to be left to the sole device of the market forces.
- We need a regulatory system that tightens things up, where ‘virtuous’ companies are rewarded for their efforts and diligence, in good as well as in crisis times, and where people’s skills are recognized and reusable
- This system should aim at creating a framework in which the sector is incentivized to raise its general standard, thus putting an end to the race to the bottom.
- Forcing the adoption of an SMS on ALL GHSPs is long overdue!