



International Civil Aviation Organization

**WORKING PAPER**

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**Corrigendum No. 2**

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**ASSEMBLY — 37TH SESSION**

**ECONOMIC COMMISSION**

**Agenda Item 53: Economic Analysis**

**ECONOMIC ANALYSIS**

(Presented by the Council of ICAO)

**CORRIGENDUM NO. 2**

Please replace pages 3 and 4 of A37-WP/7 with the attached.

2010 following the meetings of the two respective TFGs. Regional workshops on forecasting and economic planning were held in Nairobi for States in the Eastern and Southern African region and in Mexico for the benefit of States in the Caribbean and South American region.

3.3 Forecasting and economic analysis support continued to be provided to the CAEP, in particular to its Forecast and Economic Analysis Support Group (FESG). During the triennium, this support included leading the development of global traffic and fleet forecasts up to the year 2026 and 2036, preparing a scoping document on alternative forecasting options for CAEP and reviewing the lessons learned from analysis of existing environmental trading systems.

#### **4. ECONOMIC ANALYSIS**

4.1 Conducted on an annual basis, studies on regional differences in international airline operating economics provide a global, unique and impartial source of data and analysis which is used by international government and airline organizations and individual States alike for analyzing airline operating economics and, more generally, for the evaluation of the impact of regulatory change, environmental planning and assessment of effectiveness of measures for the implementation of the ICAO Strategic Objectives. In addition, data from these studies continued to provide the basis for establishing factors to prorate the airline revenue from interline passenger journeys and to calculate the basic air mail conveyance rate. ICAO is generating revenues with these studies from the International Air Transport Association (IATA) Prorate Agency and the Universal Postal Union (UPU).

4.2 The re-engineering of the underlying software systems to conduct the studies started towards the end of this triennium with a view to carrying them out in a more expeditious manner. The re-design of the process has been completed and will be implemented subject to availability of funding.

4.3 Extensive support was provided to GIACC in terms of aviation fuel consumption and traffic data and analysis. These data and analysis provided the basis for the Group's deliberations in order to establish and agree on global short-term, medium-term and long-term aspirational goals on aviation fuel efficiency.

4.4 In support of the transition to the new Communication, Navigation, Surveillance/Air Traffic Management (CNS/ATM) Systems, two workshops on the development of business case for the implementation of CNS/ATM Systems were held in Lima and in Antigua for the benefit of States in the Caribbean and South American region.

4.5 As requested by the ICAO Council, a study was launched in 2008 to assess global and regional licensed personnel requirements as well as the corresponding training capacity. In line with the strong development of air transport between 2004 and 2007, the demand for licensed personnel has dramatically increased and is likely to follow an exponential trend. The study aims at estimating potential shortages over the next twenty years based on 2008 data and projections provided by the Member States on the training capacity of their certified training organizations.

#### **5. REVENUE GENERATING ACTIVITIES (RGA)**

5.1 Results of customer surveys conducted in 2009 (as shown in the Appendix), among both internal and external users of the ICAO Statistics Programme, acknowledged in the "free comment" section that this programme is a unique and trustworthy source of data collection. Since the commercialization of the ISDB by outsourcing sales to third party users, the number of subscribers has

grown, and the sales of ICAO statistics generated miscellaneous income for ICAO in the order of US\$ 400 000 per year.

5.2 Finally, ICAO in collaboration with the Air and Space Law Institute of McGill University is convening a conference, *Air Transport: What Route to Sustainability?*, on 26 and 27 September 2010, which is expected to be attended by about 400 participants.

5.3 Efforts to promote the new products, such as long-term traffic forecasts and licensed aviation personnel requirements, will be intensified to increase extra-budgetary revenues. Organization of air transport commercial events will be planned as ICAO Member States are keenly interested in forecasting activities in these times of challenging economic conditions affecting civil aviation development. In an increasingly commercialized environment, services that are presently provided free-of-charge (such as tailored training courses), could be priced according to the comparative services offered by other civil aviation organizations. Moreover, participation in offering consultancy services for forecasting studies is being proposed.

## 6. FUTURE WORK

6.1 ICAO's statistical databases, its forecasting capabilities and its resources in economic analysis are valuable in supporting the development of results-oriented programmes, through the ability to monitor trends and developments on the basis of independent, accurate and up-to-date quantitative information.

6.2 Support to environmental analysis will continue to be provided by collecting, generating, analyzing, and disseminating accurate aviation-related data, notably fuel consumption. In the context of the support given to CAEP, and in order to ensure harmonization as concluded in the recently held CAEP/8, the CAEP will be requested to review the new ICAO traffic forecasting methodology with the aim of producing and adopting one set of ICAO's long-term traffic forecast.

6.3 In the same context, assistance will continue to be provided to the TFGs in the development of regional forecasts and other planning parameters as requested by the respective PIRGs, by taking into account the need for pooling resources, while maintaining a single harmonized set of ICAO forecasts for both global and regional use. The revision of the *Manual on Air Traffic Forecasting* (Doc 8991) will be required.

6.4 In terms of budgetary implications, and as approved by the Finance Committee (FIC), the cost-benefit analysis conducted showed that the implementation of STA/10 Recommendations will be cost-neutral and will also start to generate net profits in 2013. To this extent, regional training workshops and on-the-job training sessions will need to be planned in order to provide technical assistance to States in the reporting process, while a new edition of the *Manual on the ICAO Statistics Programme* (Doc 9060) is required. Subject to the Air Transport Committee (ATC) approval, the Fifteenth Meeting of the Statistics Panel (STAP/15) will be convened in 2012 to review the implementation status of STA/10 Recommendations.

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