IATA Breakfast Workshop:
Air Connectivity - Recent Trends and Implications for Air Transport Policy

Tuesday 3 December

Aqaba, Jordan

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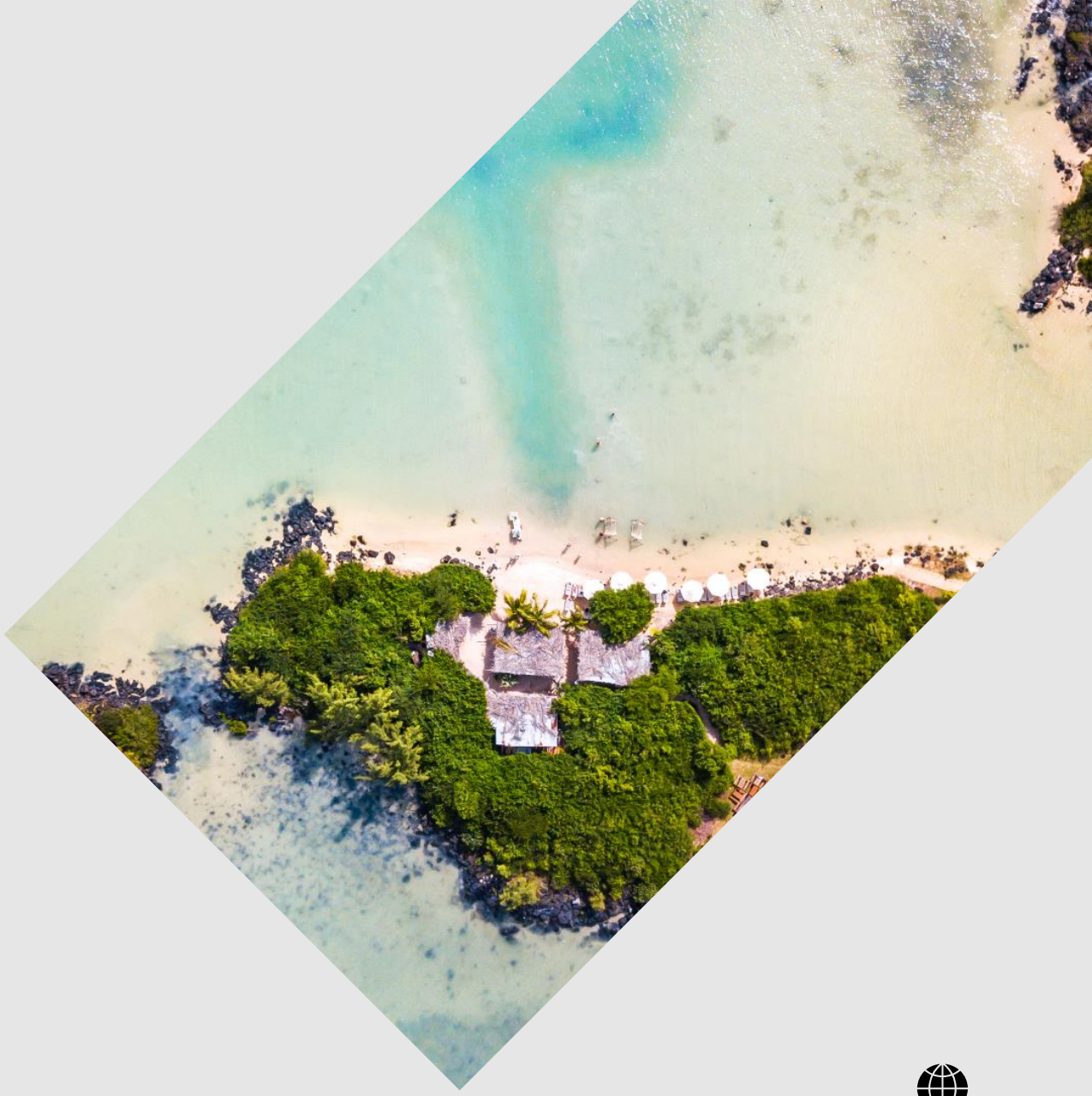


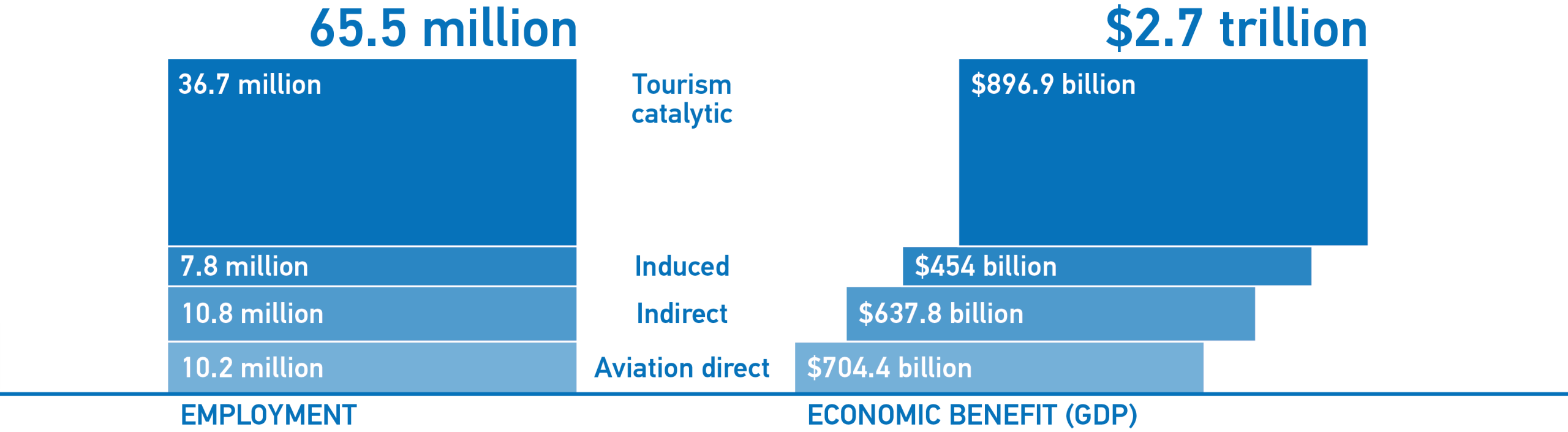
IATA's mission...

"To **represent**, **lead** and **serve** the airline industry"

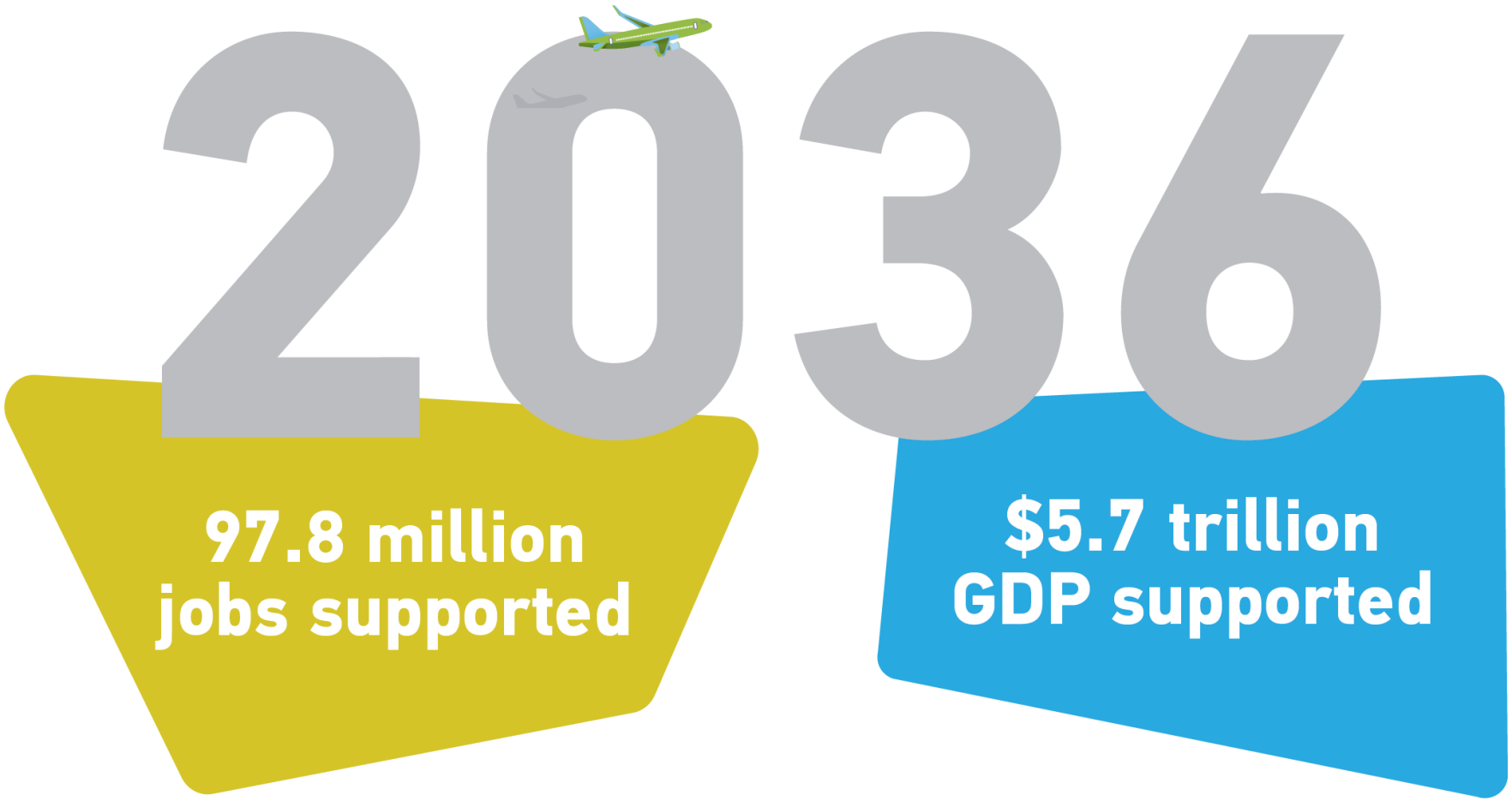
IATA's Vision

"**Working together** to **shape** the future growth of a **safe**, **secure** and **sustainable** air transport industry that connects and enriches our world"

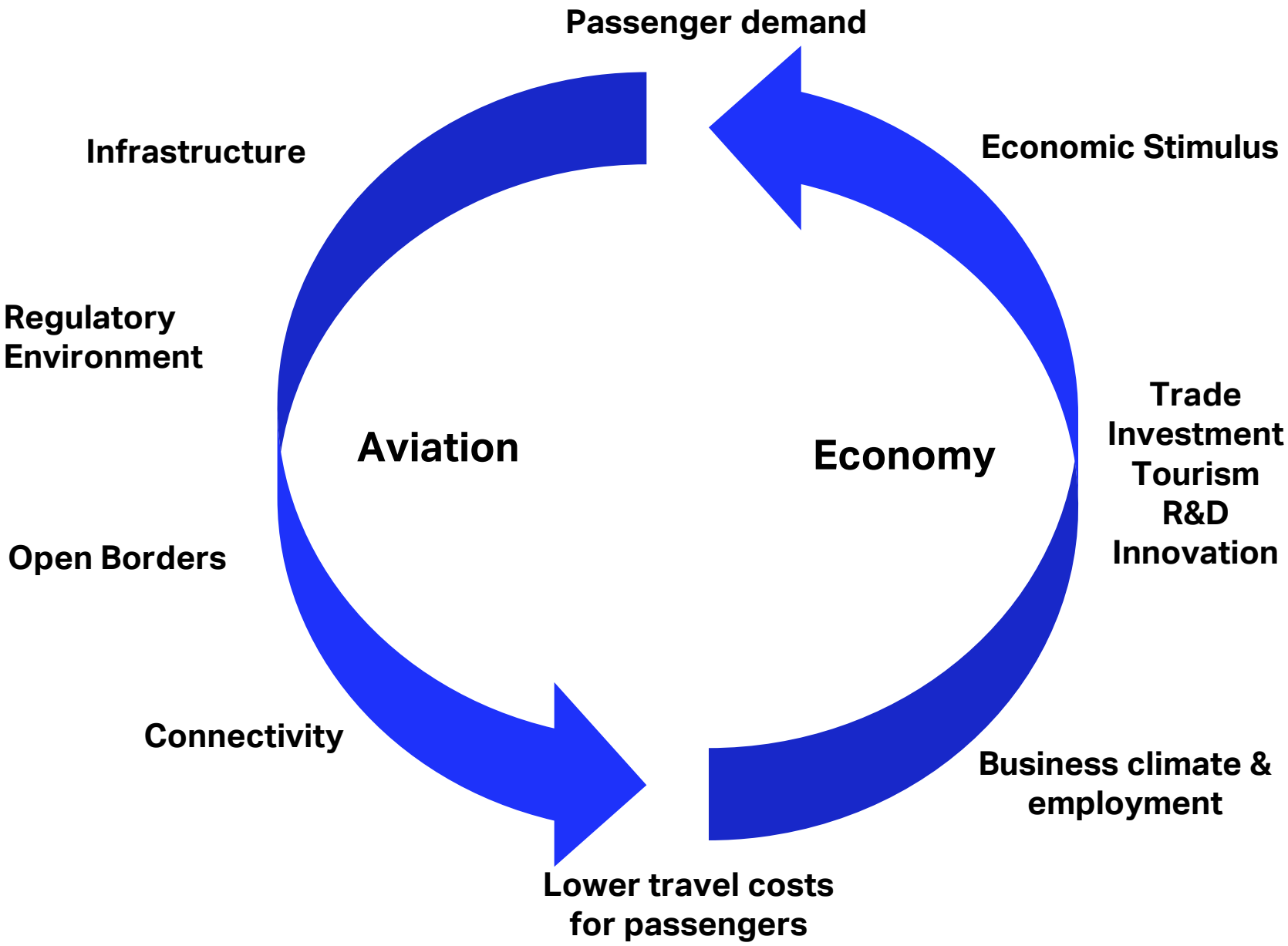
Aviation supports employment and economic activity



Aviation growth creates new opportunities



Virtuous circle of connectivity and economic performance

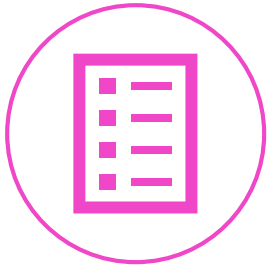


What is air connectivity?

Air connectivity refers to the access available to the global air transport network from a country's major airports.

PASSENGER AND SHIPPER PERSPECTIVE

POLICY MAKER PERSPECTIVE



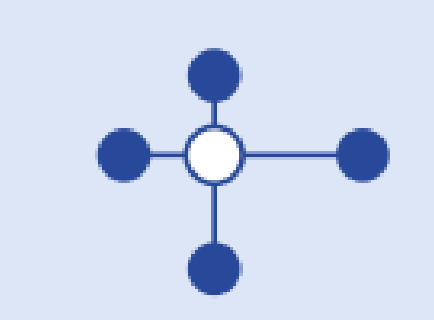
AVIATION INDUSTRY PERSPECTIVE

Ability to seamlessly travel by air from ones' origin to destination in the shortest possible time.

- Degree a city or country is connected to the rest of the world through air travel
- Ability of the aviation network to transport freight particularly in the case of perishable goods and high-tech components; Important for:
  - Citizens' social benefits,
  - Impact on a country's economy

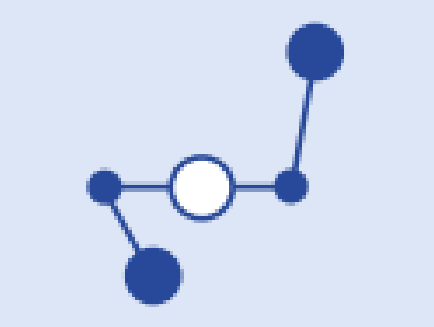
Important input for business planning- supply chains and partnerships building

Types of Connectivity



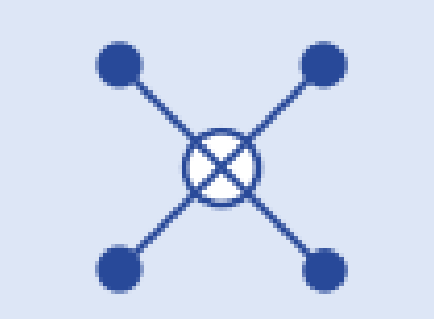
Direct Connectivity

- Reflects direct services available from an airport.
- Measured by the number and/or importance of destinations;
- Can also consider frequency and/or capacity



Indirect Connectivity

- Reflects destinations that can be reached using connecting flights;
- Connections are weighted as a function of quality;
- Key factors: connecting time and diversion factor.



'Hub' Connectivity

- For hub airports, reflects flight pairs that can be connected taking into acccount mínimum and máximum connecting times.
- As with indirect connectivity, connections can be weighted depending on their quality in terms of diversion factor or connecting time.

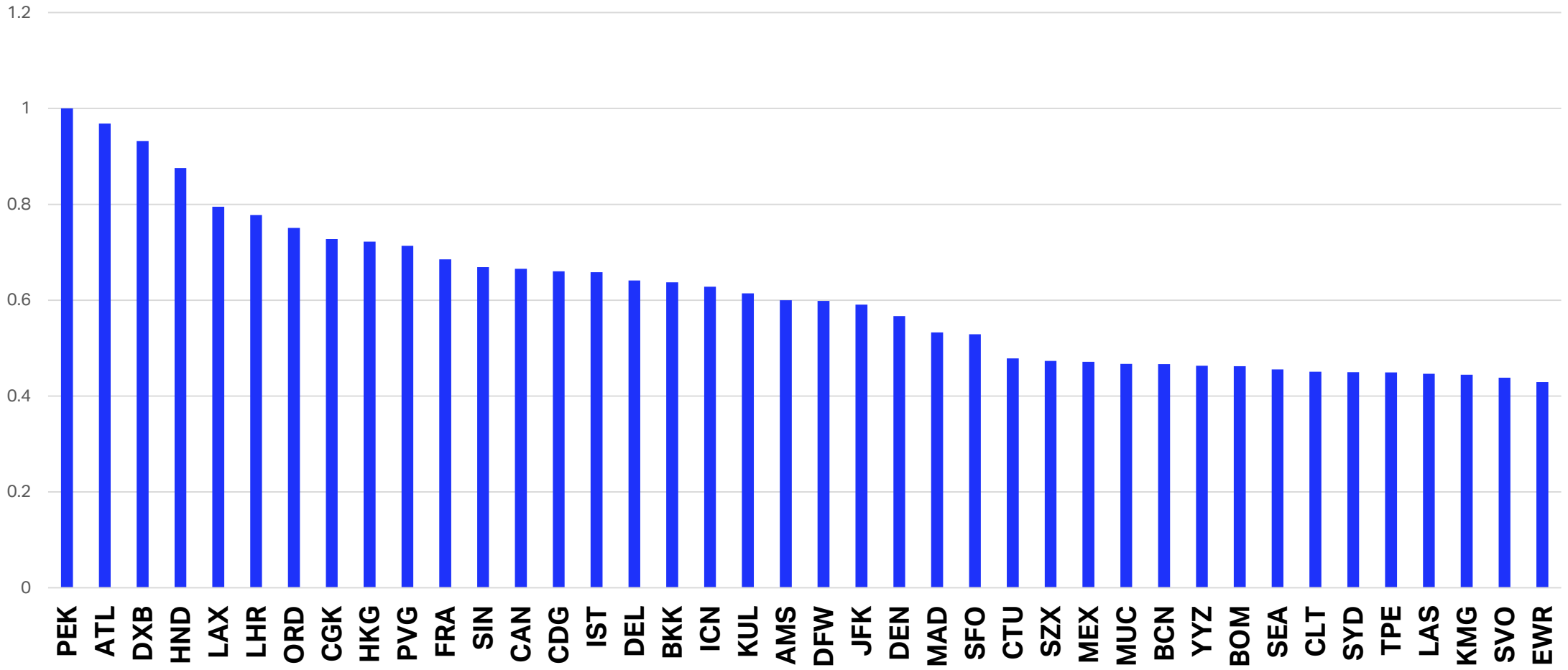
IATA Air Connectivity Index

3 key elements:

- Frequency
- Available Seats per Flight
- Weighting of destination airport

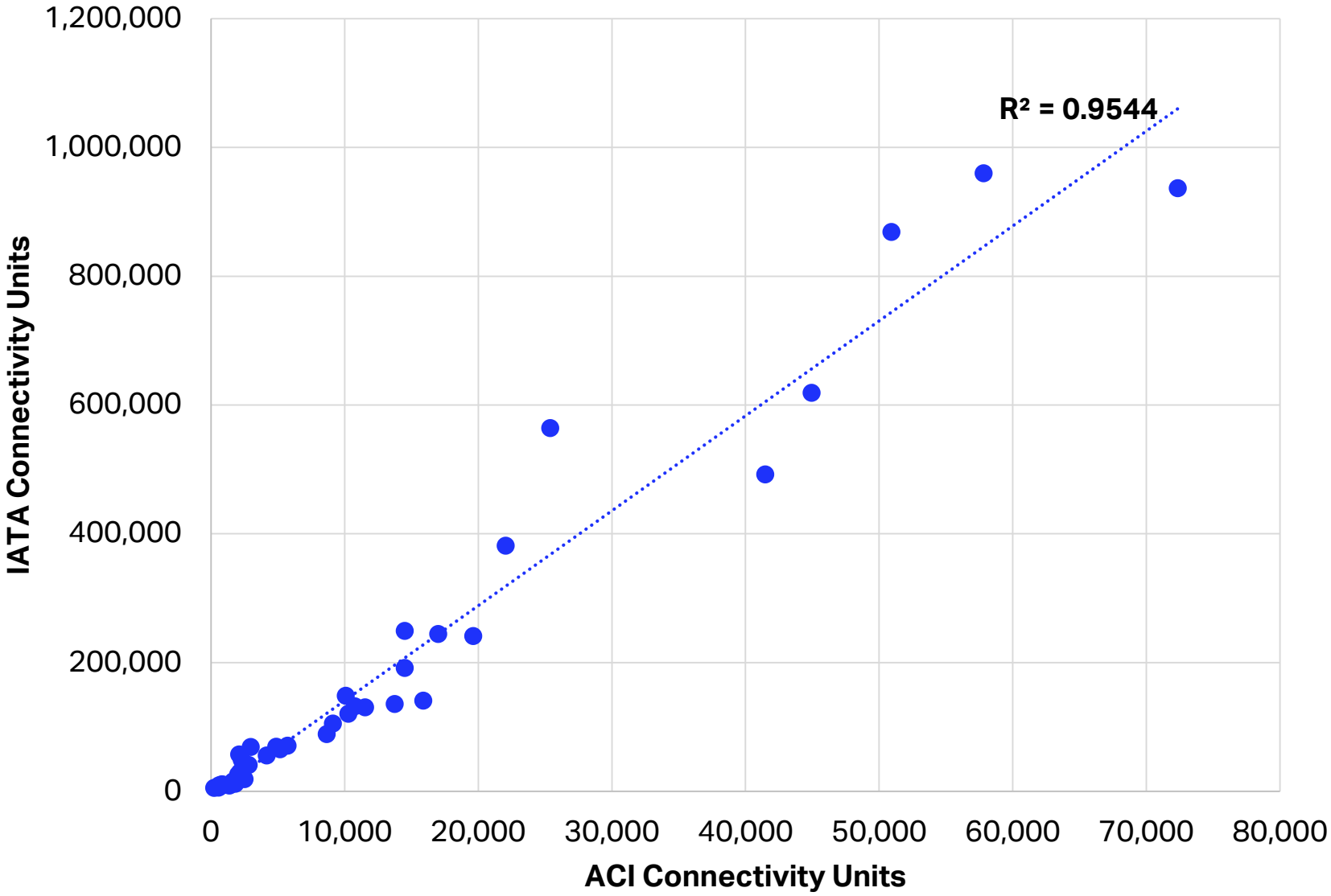
$$\boldsymbol{Air\ Connectivity} = \sum \left(\boldsymbol{Available\ seats} \cdot \boldsymbol{Weight\ of\ destination\ airport} \right)$$

IATA Air Connectivity Index - Destination Weights



Source: IATA Economics

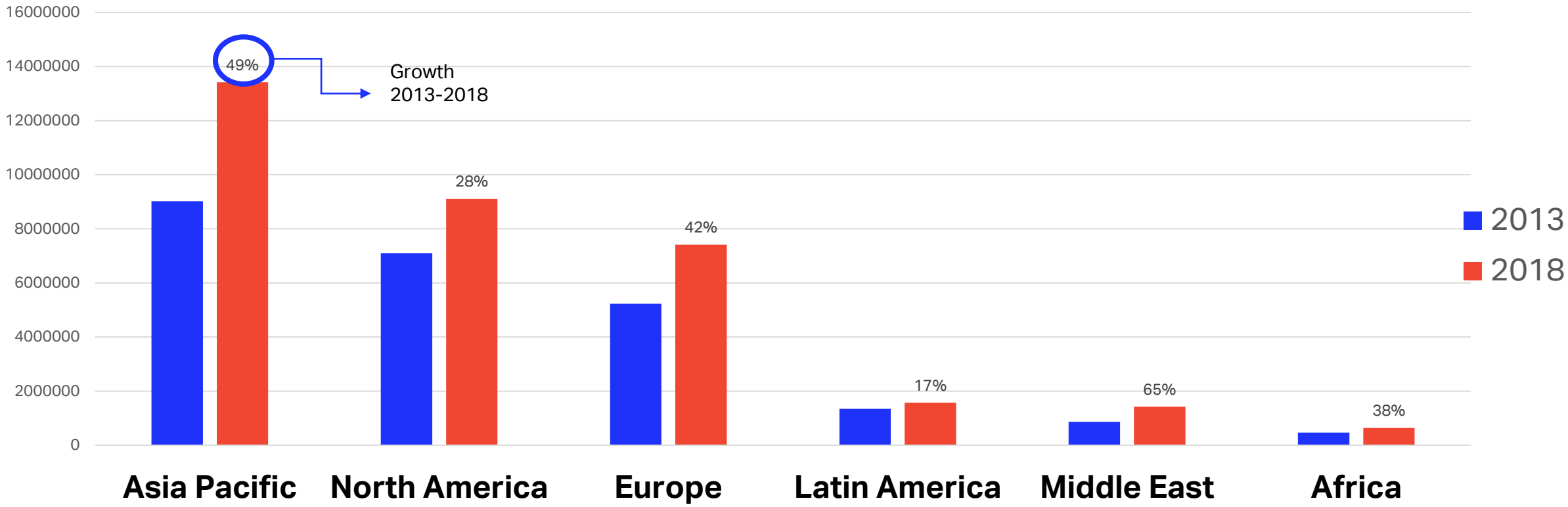
Destination weights as a proxy for indirect connectivity



Source: IATA Economics based on IATA and ACI-Europe

Connectivity varies widely between world regions

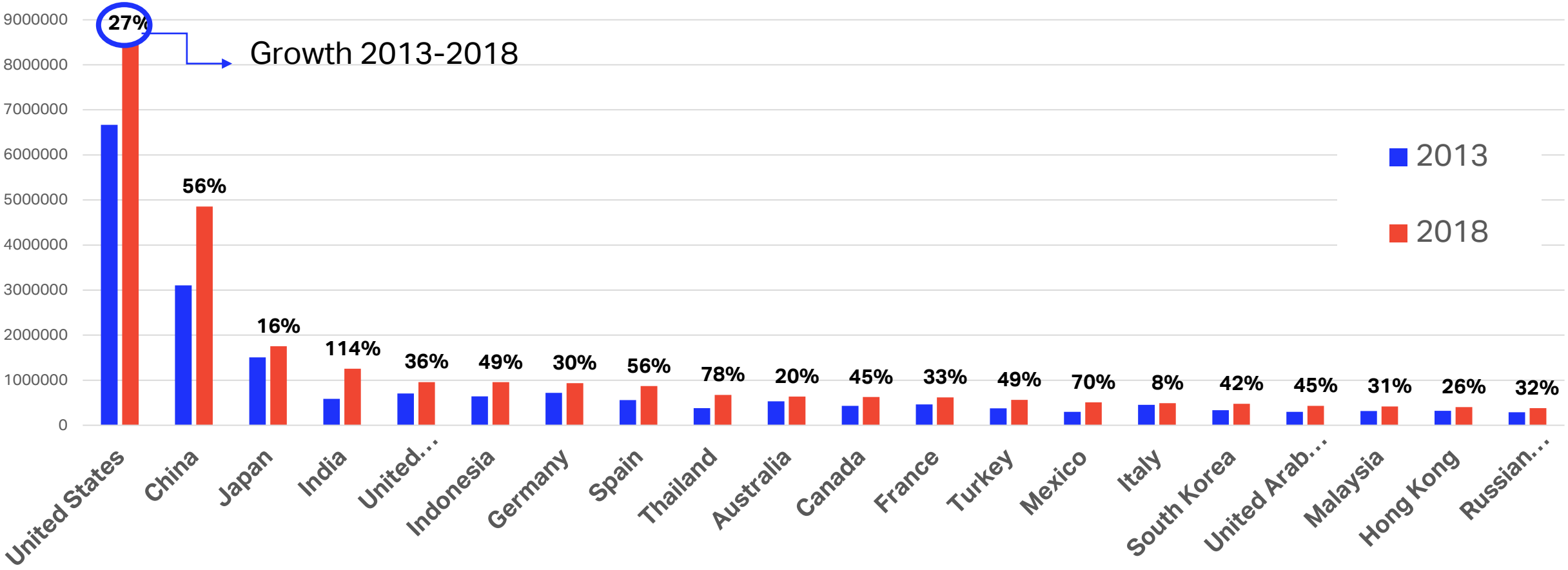
By region- air connectivity (2013 and 2018), and air connectivity growth (2018 vs. 2013)



Source: IATA Economics

Domestic US and China drive high connectivity

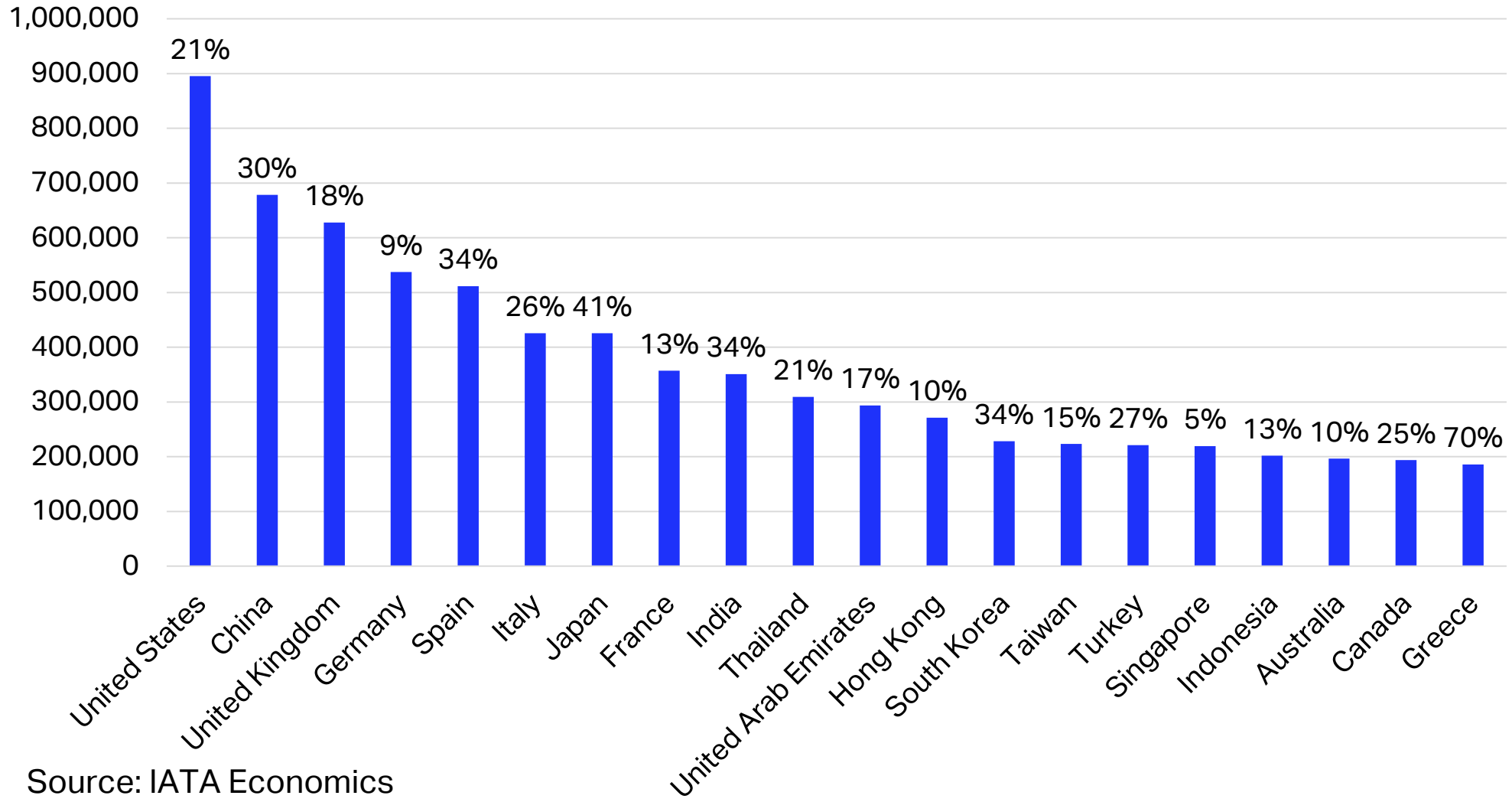
Top 20 most connected countries in the world



Source: IATA Economics

But both also have multiple international gateways

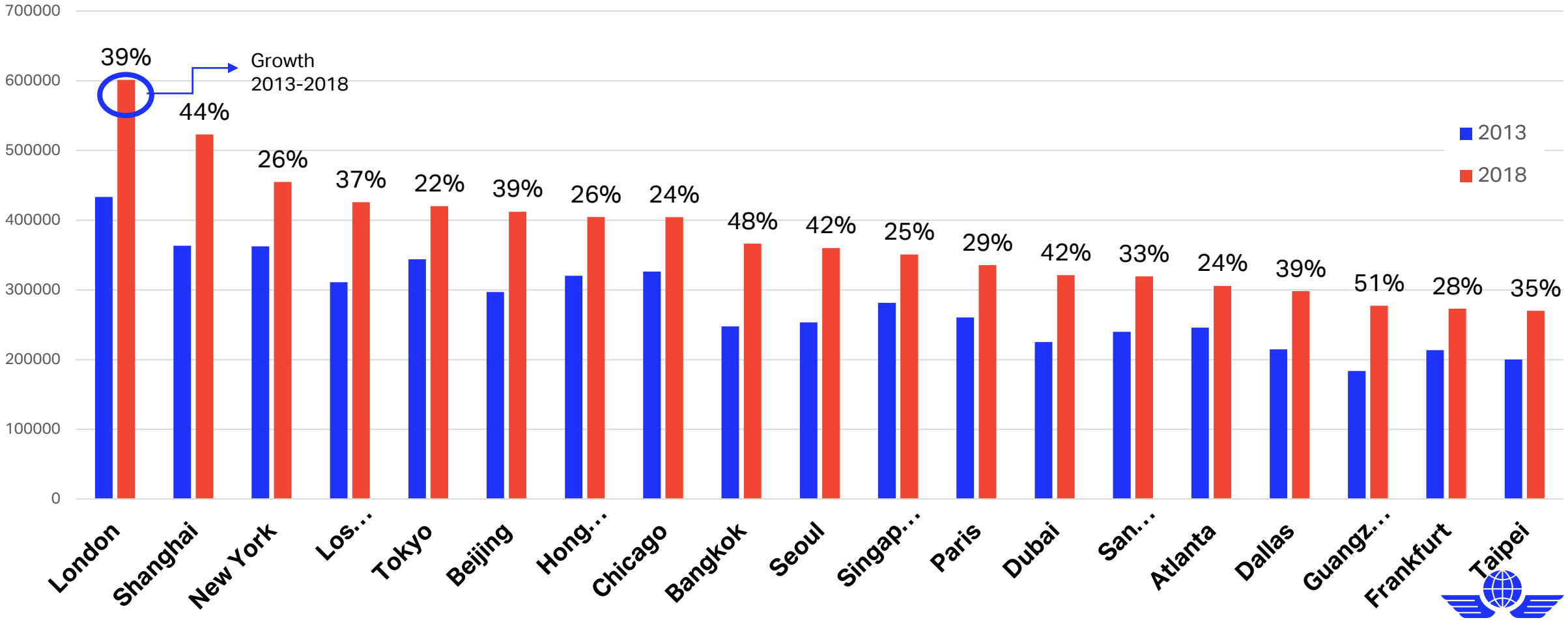
International-only connectivity



Source: IATA Economics

Global cities all have high air connectivity

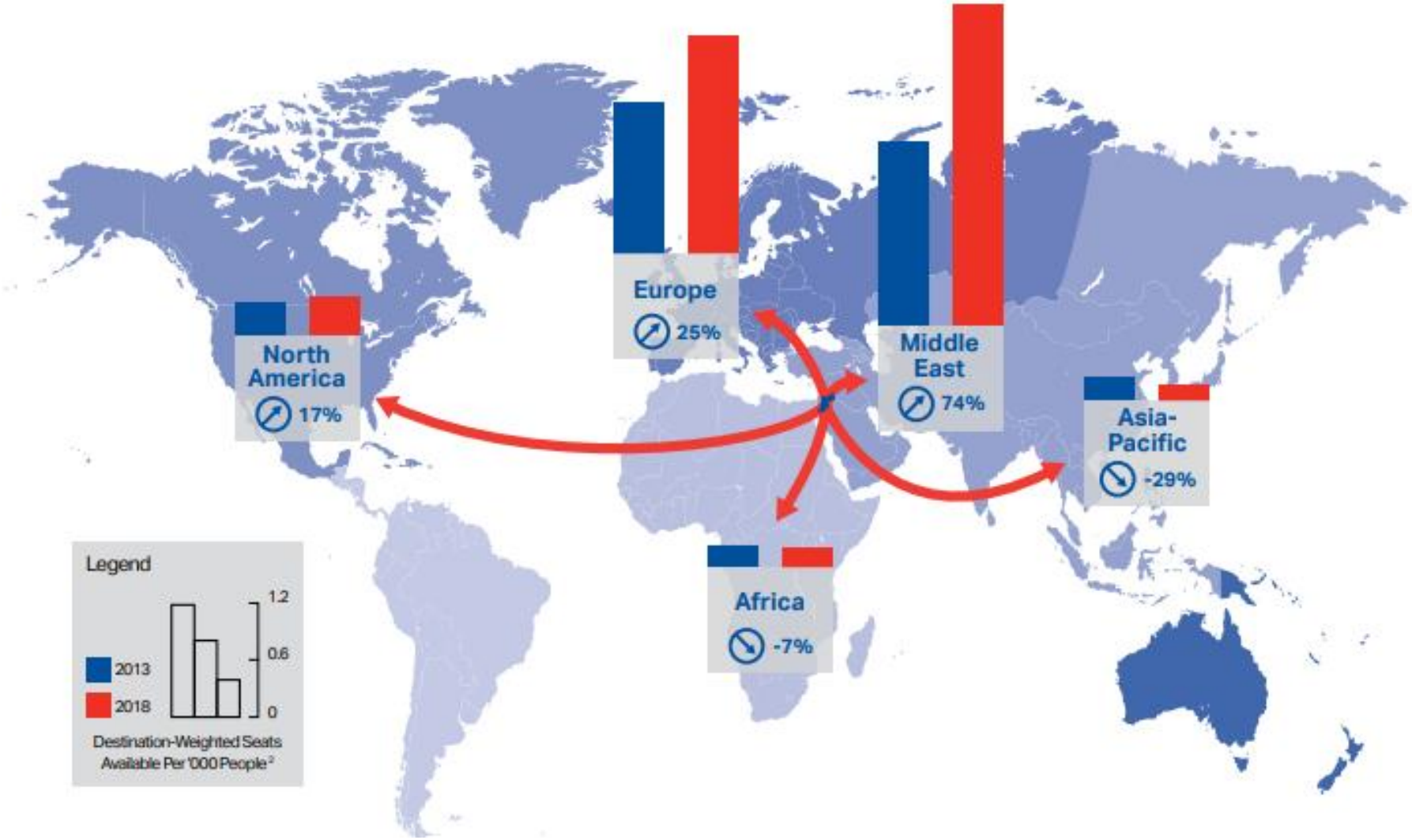
Top 20 most connected cities in the world



Source: IATA Economics

Air transport connects Jordan to the rest of world

Jordan's connectivity at a regional level and how it has evolved



Source: IATA Economics based on SRS Analyzer

Air connectivity and climate change

2%
(global)

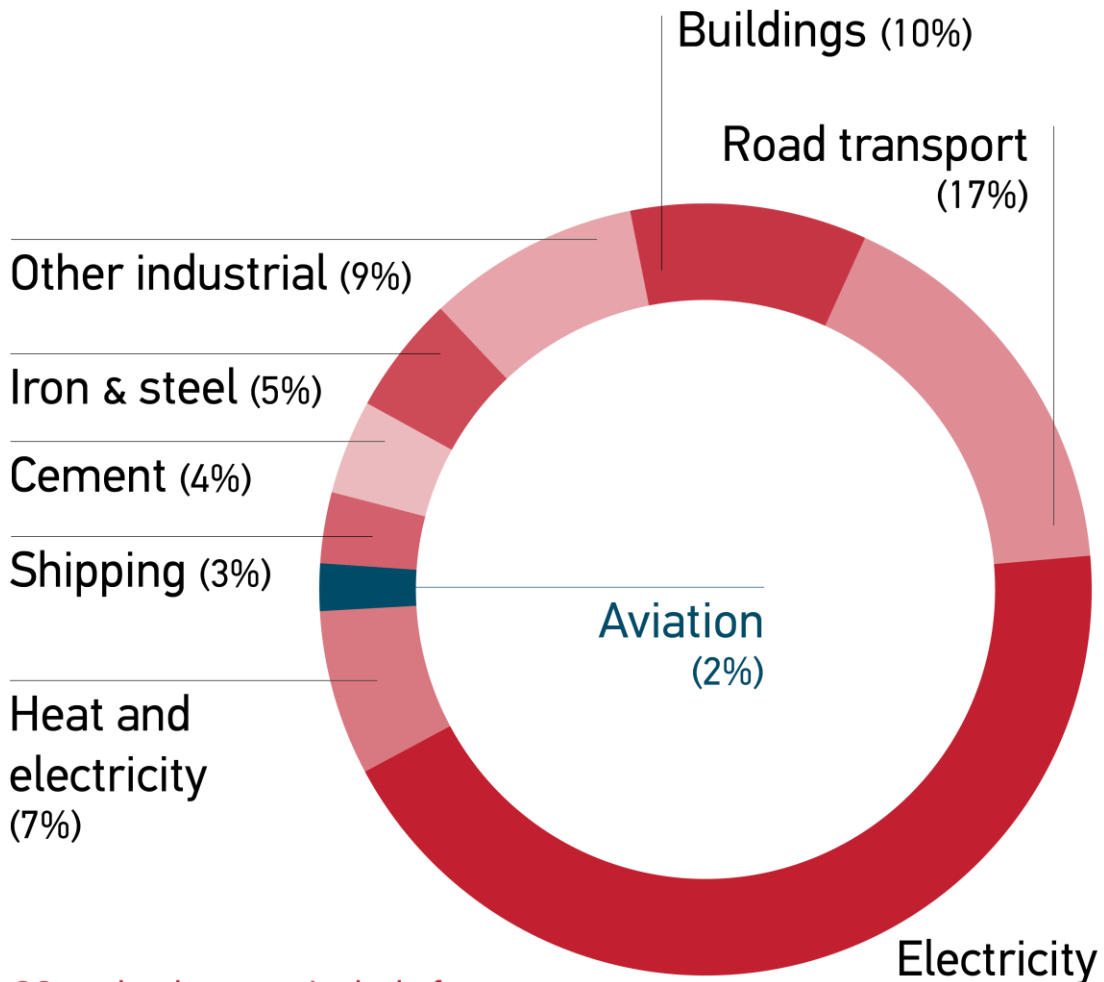
www
(the internet)

(shipping)

1.3%
(international only)

(Indonesia)

(Canada)



CO_2 only, does not include forestry

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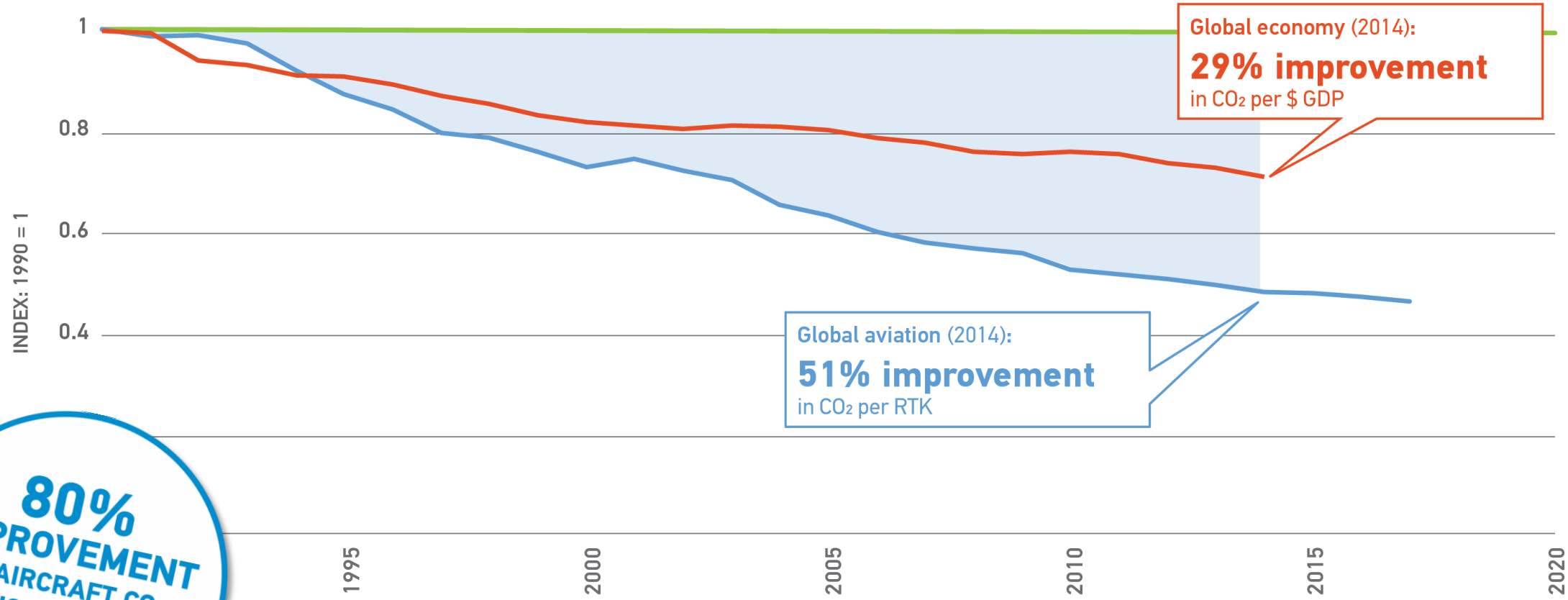
Aviation track record on improving efficiency: about 2x that of overall economy



80% IMPROVEMENT IN AIRCRAFT CO_2 EMISSIONS PER SEAT SINCE 1950s

IATA and World Resources Institute data

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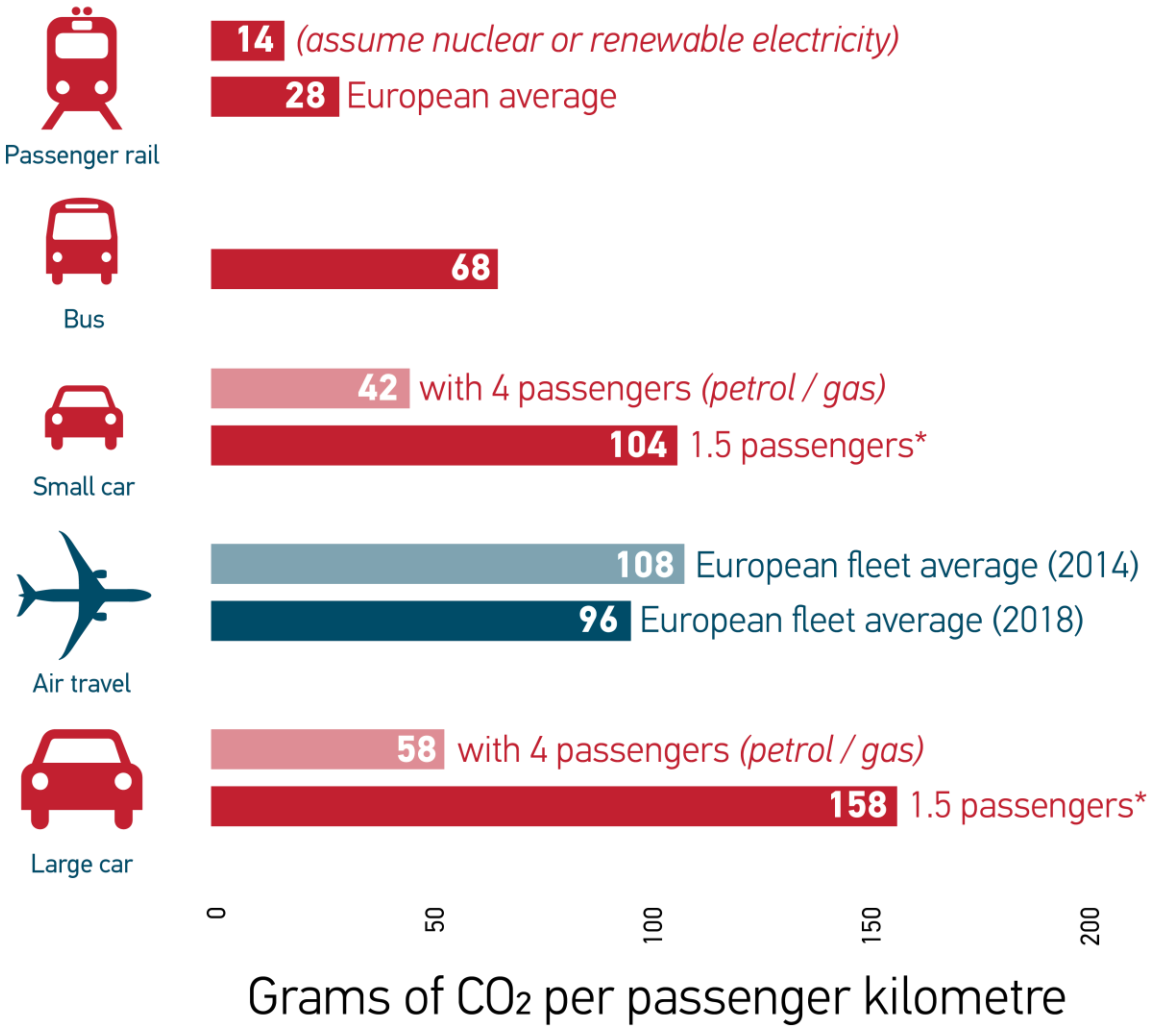
Aviation efficiency in numbers



Current European fleet operates around the same efficiency as a mid-sized car (with average load), but at around 900kph...

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3 strategic goals to address climate impacts

GOAL 1

PRE-2020 AMBITION

1.5% ANNUAL AVERAGE FUEL EFFICIENCY IMPROVEMENT FROM 2009 TO 2020.

T O I

GOAL 2

IN LINE WITH THE NEXT UNFCCC COMMITMENT PERIOD

STABILISE NET AVIATION CO_2 EMISSIONS AT 2020 LEVELS WITH CARBON-NEUTRAL GROWTH.

T O I + M

GOAL 3

ON THE 2°C PATHWAY

REDUCE AVIATION'S NET CO_2 EMISSIONS TO 50% OF WHAT THEY WERE IN 2005, BY 2050.

T O I

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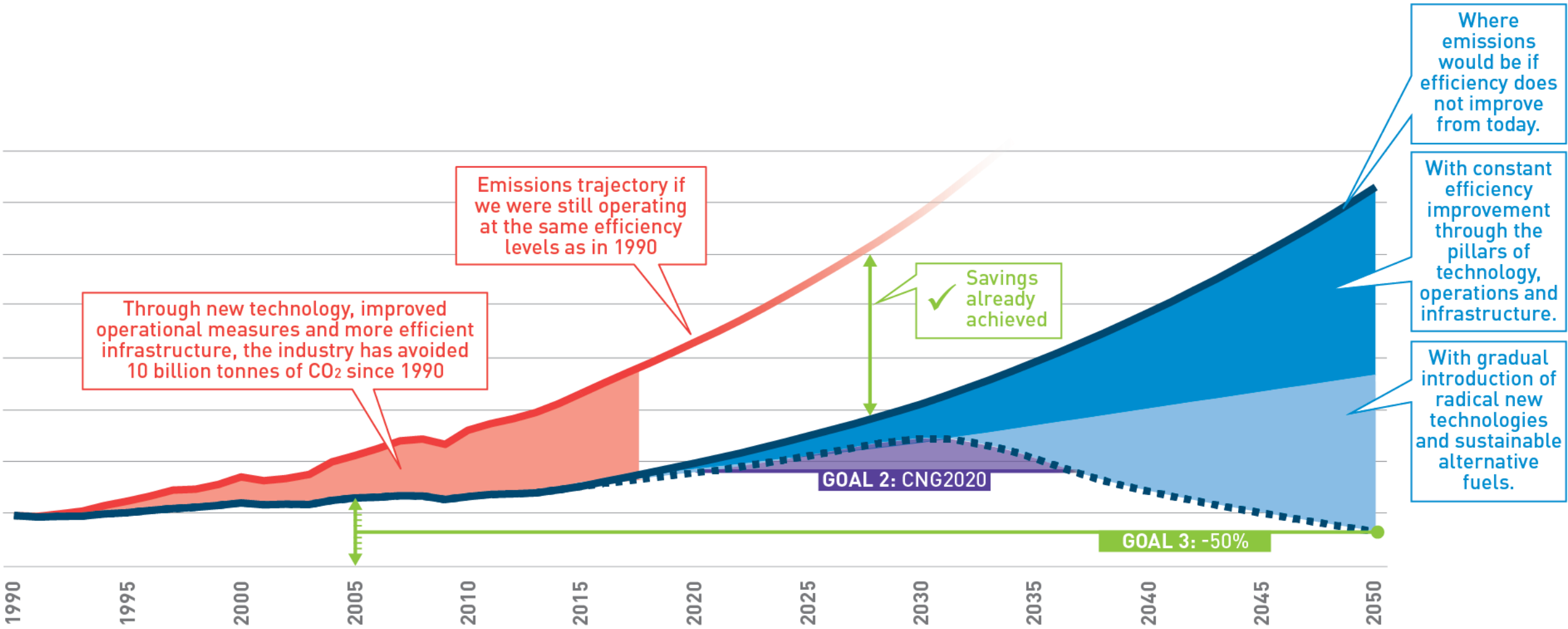
CORSIA is a key part of the answer



Discussion Questions

- What are the major impediments to greater air connectivity?
- What role for policy to influence connectivity outcomes
- What role for global standards, instruments, frameworks?

Thank you!

Adefunke Adeyemi
adeyemia@iata.org

Rima Tayyah
tayyahr@iata.org

James Wiltshire
wiltshirej@iata.org

www.iata.org