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Asia Pacific Region: Towards a Global Vision of Sustainable Air Transport?

Presented by Arun Mishra, Permanent Representative of India in the Council of ICAO and Coordinator of Asia Pacific States in ICAO, Montreal

- APAC is home to two thirds of the world population. It is distinctly diverse in economic, social and cultural make-ups. Despite the diversity, the Region continues to grow from strength to strength as States foster cooperation, accept compromise and reach consensus.
- Presently APAC accounts for the largest freight traffic and second highest share of international passenger traffic.
- As per ICAO forecasts, APAC region is set to experience above average growth rates of 5.8% and 8% per annum for passenger and cargo traffic respectively in comparison to the global forecast of 4.6% and 6.6% for the same period.
- The APAC region has also overtaken North America in terms of biggest regional market of air services of the total people who flew; over a quarter flew within the Asia Pacific. IATA has predicted APAC market share to grow to almost one third of the total market by 2013. Amongst the world top 30 busiest airports handled by ACI based on passenger traffic, over a third are located in Asia Pacific Region.
- From small island states to some of the world's most populous nations, civil aviation in Asia Pacific remains an essential means of transportation to facilitate commerce and connect people, goods and services not only in the Region but to the rest of the world.
- As the largest air transport market today with tremendous growth potential, the APAC region is ready to further strengthen its crucial role in building the future of aviation.
- Today the airlines are safer, greener and leaner after a decade of continuous change, but profitability is a question mark.
- Today fuel comprises 30% of the operating costs. The airlines were able to deliver profits even when fuel was in \$100 per barrel range, but with the price of fuel touching \$130 per barrel, the profits are *heading south* and majority of the airlines accumulated losses in the last year. The problem of overcapacity created by airlines also needs to be handled as the traffic and infrastructure needs to keep pace with capacity being created.
- But we are very optimistic about the sustainable growth of civil aviation in the Region.
- Recently ICAO has taken a very important step by deciding to set up a ICAO regional sub-office in the APAC region whose objective is to enhance support to states in APAC

region in the areas of improvement in Airspace organisation and maximise Air traffic Management performance across the APAC region which will result in substantial savings in fuel to airlines and contribute towards the sustainable growth apart from significant reduction in Aircraft emissions. The Region needs more such supporting steps from ICAO as well as Aircraft Manufacturing Industry to contribute towards the sustainable growth.

With the leadership from ICAO, the APAC region will continue to work closely with the other members of the global aviation, continuing to address the constantly evolving demands and challenges posed by international civil aviation so as to meet the expectations of the public for a safe, secure and sustainable air transport system.