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Responding to Crisis



This has been an incredible year. We started in celebration of a profit in 2007. It was our first profit since the tragic events of September 11, it was a significant event.

The celebration did not last long. By mid-year we were in a cost crisis centered on US\$147 oil. As economies faltered, the price of oil has dropped below US\$65. So we are ending the year in the shadow of a looming recession. For the first time since SARS, passenger numbers contracted in September by 2.9% compared to the previous year. The 7.7% tumble in cargo loads tells us that the worst is yet to come.

The outlook is bleak. We expect up to US\$5.2 billion in losses for 2008. And the results for next year are dependant on how deep and long the recession will be.

The only absolute certainty is the need for efficiency everywhere.

Since 2002 airlines have improved fuel efficiency by 19%, dropped non-fuel unit costs by 18% and restructured their businesses to improve productivity by 64%.

The burden of change must be shared.

That is why IATA is engaging airports and air navigation service providers in a campaign for efficiency. So far this year, our efforts have yielded US\$5 billion in fuel savings with a benefit to the environment of over 14 million tonnes of CO₂.

At the same time, we are engaging our partners to pass on efficiency gains to airlines in reduced charges. A re-think of fuel taxes in Brazil will bring US\$411 million in savings over the next 4 years. India's elimination of 5% fuel import duties is a good first step towards addressing the competitive disadvantages that the current tax structure has created.

In these difficult times, we must look above and beyond incremental change. Restrictions on access to markets and to global capital have lost their purpose in today's global world. They have created a super-fragmented industry that is not sustainable in the long-term.

In late October, IATA did something extra-ordinary. We hosted an Agenda for Freedom summit for 14 states and the European Commission. The goal was to modernise the rules of the game. The group found a shared belief that airlines need the same commercial freedoms that other businesses take for granted. This momentum will drive discussions over the next months as we prepare for a follow-up meeting early 2009 to turn discussions into action.

The industry will get through this crisis one way or another. Our goal is to ensure that it emerges stronger and more efficient. Our future depends on it.

Giovanni Bisignani

Director General and CEO

International Air Transport Association (IATA)



New Country Manager For Australia, New Zealand, SWPI



Ian Lorigan joined IATA as Country Manager for Australia, New Zealand & South West Pacific Islands in August 2008. As Country Manager, he will serve as the main point of contact for airlines, travel and cargo agents and industry service providers and relevant government agencies and regulatory authorities on matters related to IATA.

Lorigan's responsibilities will also include overseeing the management of the IATA Airline Agency settlement systems for travel and cargo agents.

Prior to joining IATA, Lorigan worked for Singapore Airlines from 1990 – 2008, holding senior roles in Sales, Distribution and Marketing in Australia, Singapore and most recently, New York, as Vice President Eastern USA and South America.

IATA's Training Team Strengthened in India



Alpana Chaturvedi has been appointed as IATA's Manager, Regional Training Centre Delhi. Chaturvedi has the responsibility of setting up IATA's Regional Training Centre, which is operational since 8 September. For a start, 12 classroom courses are scheduled for 2009. She will also promote the IATA Training and Development Institute (ITDI) learning

products in the South Asian region, and oversee the ITDI network of Authorised Training Centres.

Prior to joining IATA, Chaturvedi was Head of Training & Business Development at the Bird Education Society for Travel & Tourism.

IATA e-freight goes-live in Australia and New Zealand

IATA e-freight is "live" in New Zealand and Australia, the fourth and fifth new locations respectively to deliver paper free cargo in 2008.

The New Zealand e-freight went "live" on 14 October 2008 on 2 trade lanes: New Zealand-Singapore, and New Zealand-Hong Kong. The New Zealand IATA e-freight implementation was led by New Zealand Customs and supported by Singapore Airlines, Cathay Pacific, DHL Global Forwarding, Mainfreight International and MAF Biosecurity of New Zealand.

The Australia e-freight became operational on 22 October 2008 on 3 trade lanes: Australia-Singapore, Australia-New Zealand and Australia-The Netherlands. QANTAS led the Australia IATA e-freight implementation. Also involved in the implementation were Singapore Airlines, Cathay Pacific, British Airways, DHL Global Forwarding, Schenker, Fracht Australia, Australian Customs, the Australian Quarantine and Inspection Service, the Australian Federation of International Forwarders and the Customers Brokers and Forwarders Council of Australia.

