

Article 1

Passenger Numbers to Reach 2.75 billion by 2011

IATA released passenger and freight traffic forecasts projecting that in 2011 the air transport industry will handle 2.75 billion passengers (620 million more passengers than in 2006) and 36 million tonnes of international freight (7.5 million tonnes more than in 2006).

International passenger demand is expected to rise from 760 million passengers in 2006 to 980 million in 2011 at an annual average growth rate (AAGR) of 5.1%. This will be lower than the 7.4% AAGR recorded during 2002-2006, largely due to slightly slower global economic growth.

Domestic passenger demand is expected to grow from 1.37 billion passengers in 2006 to 1.77 billion in 2011, an AAGR of 5.3%, fuelled by expansion in the Indian and Chinese domestic markets.

International freight volumes are expected to grow at an AAGR of 4.8% over the forecast period, supported by economic growth, globalisation and trade. Strong price competition from other modes of transport is expected to keep freight demand growth below the 6.2% AAGR recorded for 2002-2006.

“The numbers clearly show that the world wants to fly. And it also needs to fly. Air transport is critical to the fabric of the global economy, playing a critical role in wealth generation and poverty reduction. The livelihoods of 32 million people are tied to aviation, accounting for US\$3.5 trillion in economic activity,” said Giovanni Bisignani, IATA’s Director General and CEO. “A looming infrastructure crisis could put these benefits at risk. And failure to prepare adequately to meet demand will have an environmental cost with inefficient use of airspace and delays. There is no panacea, but the starting point for a sustainable solution is a common vision for efficiency that is acted on by governments and industry. With infrastructure planning timelines measured in decades, there is no time to lose.”

“Parts of the world are effectively managing infrastructure development to anticipate and meet demand—particularly the Middle East and China. But the enormous anticipated expansion in India that has fuelled record aircraft orders could be cut short by insufficient airport and air traffic management capacity. The unprecedented delays nightmare in the US is a clear example of the paralysis that results when we miss the mark on effective planning. This is mirrored in Europe where governments still have not cleaned up the mess in air traffic management with an effective Single European Sky. In total, infrastructure inefficiency—from bottlenecks to inefficient processes—adds 12% to our fuel bill and costs the environment 73 million tonnes of unnecessary CO₂ emissions each year,” said Bisignani.

[More detailed information on Passenger or Freight Traffic forecasts](#)

Article 2

Paper-Free Air Freight Era Begins

IATA working with seven key cargo airlines - Air Canada, British Airways, Cathay Pacific, KLM, Martinair, SAS and Singapore Airlines - freight forwarders (DHL Global Forwarding, Panalpina, Kuehne+Nagel, Schenker, TMI Group-Roadair, Jetspeed) and ground handling agents kick-started the move to a paper-free air cargo environment with the launch of six e-freight pilot projects. Starting today, cargo on key trade routes connecting Canada, Hong Kong, the Netherlands, Singapore, Sweden and the U.K will be processed electronically.

“The paper-free era for air freight begins today,” said Giovanni Bisignani, Director General & CEO of IATA. “This first wave of pilots will pave the way for a global rollout of e-freight that will eliminate the paper that costs this industry \$1.2 billion every year. Combined, these documents could fill 39 B747 cargo freighters each year making e-freight—a win for the business and for the environment.”

[“E-freight is a revolution](#) for an industry that is absolutely critical to modern life. For airlines it is a US\$55 billion business that generates 12% of their revenues. More broadly air cargo transports 35% of the total value of goods traded across borders. The potential impact of greater efficiency in air cargo has very broad implications across the global economy,” said Bisignani.

E-freight pilots will systematically test for the first time common standards, processes, procedures and systems designed to replace paper documents that typically accompany air freight with electronic information. During the initial phase, selected shipments will travel without a number of key documents that make up the majority of the paperwork, including the house and master air waybills. Results from the pilots will be used to expand e-freight to other territories.

IATA e-freight requires that business, technical and legal frameworks are in place to allow airlines, freight forwarders, customs administrations and governments to seamlessly exchange electronic information and e-documents. The six pilot locations were selected based on their ability to meet these criteria along with offering network connectivity and sufficient cargo volumes.

At each location cargo experts from participating airlines, freight forwarders, ground handling agents, local customs administrations and airport authorities worked together closely over the past 10 months to prepare the pilots.

“High oil prices and cumbersome processing requirements are handicapping air transport’s competitiveness with sea shipping,” said Bisignani. “Sea shipping is expected to grow at 6% annually over the next five years, compared to 4.8% for air cargo. E-freight makes a four-decade leap, bringing strengthened competitiveness by cutting costs and improving transparency and consistency throughout the supply chain. This good news for the customer will help shore-up air transport’s competitiveness with sea shipping and other modes of transport.”

E-freight is one of five Simplifying the Business projects being led by IATA to improve service and cut costs. The industry has set a deadline of the end of 2010 for the implementation of e-freight wherever feasible.

Article 3

Aviation Sets a Benchmark on Environmental Performance

IATA challenged governments to put aside politics and join industry in delivering real results to further improve [air transport's good environmental performance](#). The challenge was delivered by IATA's Director General and CEO, Giovanni Bisignani at the World Air Transport Forum in Cannes, which is focused on sustainable development.

"Airlines are leading the debate on environment with a vision to become carbon neutral in the medium-term and zero carbon emissions in the long term. We are setting the benchmark on environmental performance for other industries to follow," said Bisignani.

IATA's 240 member airlines agreed a four-pillar strategy on climate change:

1. Invest in new technology
2. Build and use efficient infrastructure
3. Operate planes effectively and
4. Consider positive economic measures while working with governments to define an emissions trading scheme that is fair, global and voluntary.

"The strategy is not just words. We have delivered real results," said Bisignani. In 2006, IATA's fuel campaign saved six million tonnes of CO₂ by shortening 350 routes; eight million tonnes of CO₂ by working with airlines on best practice in fuel management; and one million tonnes of CO₂ through better operational procedures.

"We cannot do it all on our own - governments must be involved," said Bisignani. All 179 states attending the recent triennial Assembly of the [International Civil Aviation Organization](#) endorsed the IATA four-pillar strategy, including a target to improve fuel efficiency 25% by 2020.

"Our biggest disappointment was with the European States. They are taking a completely political and totally irresponsible approach by unilaterally pursuing emissions trading rather than taking a global approach. This will cause diplomatic trade battles, but will do nothing for the environment," said Bisignani.

Article 4

IATA Slams Dutch Ticket Tax Proposal

IATA condemned the Dutch Government's plans to impose further taxes on air passengers. The government is planning to tax passengers departing the Netherlands by air as much as €45 citing environmental reasons.

"This passenger tax is ineffective, inappropriate and it breaches international obligations. It is a thinly disguised tax grab that does nothing for the environment. If anything, it is counter productive as it limits airlines' ability to buy newer, more fuel-efficient aircraft," said Giovanni Bisignani, IATA Director General and CEO.

"Airlines are making great strides to improve their environmental performance. Last year we saved 6 million tonnes of CO₂ by shortening 350 routes globally. We have improved fuel efficiency 70% over the past 40 years and

forecast a further 25% improvement by 2020. The Dutch Government should be looking at what it can do to help airlines limit emissions. It can start by working with other EU governments to implement a [Single European Sky](#) that would save 12 million tonnes of CO2 each year. It should also look at tax credits as an incentive to improve environmental performance rather than counterproductive taxes," added Bisignani.

The passenger tax also breaches resolutions of the International Civil Organisation (ICAO) and Article 15 of the Chicago Convention on International Civil Aviation. "I am surprised that the Netherlands, as an ICAO Contracting State, chooses to ignore its obligations and trample over international agreements," Bisignani commented.

"We are seeing a worrying trend across Europe with governments cynically taxing air passengers for environmental reasons then failing to use the revenues for environmental purposes. These taxes are blunt instruments that just damage tourism and impact the competitiveness of European businesses. We urge the Dutch Government to rethink this ineffective, inappropriate and misguided proposal," concluded Bisignani.

Article 5

New Director Raises Profile of IATA's Environment Programme

IATA announced the appointment of Paul Steele to direct its environment initiatives effective 1 December 2007. Steele joins IATA from WWF International where he served for six years as the organisation's Chief Operating Officer.

Giovanni Bisignani, Director General and CEO of IATA welcomed the appointment, "Air transport takes its environmental responsibility seriously. Alongside safety and security it is a pillar on which we have built a great global industry. Despite our good track record, air transport's carbon footprint is growing. That is not acceptable. Our vision is for air transport to achieve carbon neutral growth in the medium-term, on the way to a carbon emission free future. I am pleased that this vision has impressed Paul Steele who comes to us with a strong track record and solid environmental credentials gained at WWF and elsewhere. He will lead our team in turning the vision into reality."

Paul Steele said, "Business must be actively engaged in building a sustainable future for our planet. Air transport faces many environmental opportunities. The combination of more effective operations, efficient infrastructure, best practices and investment in new technology can pave the way to a greener future. We can only tackle this global issue by using the effective leadership of an organisation like IATA. I look forward to my new and challenging role."

Article 6

IATA Standard Paves Way for Mobile Phone Check-in

IATA announced a global standard that paves the way for global mobile phone check-in using two-dimensional (2D) bar codes.

Mobile phone check-in enables airlines to send 2D bar codes directly to a passenger's mobile phone, personal digital assistant or smart phone. Passengers simply register their mobile number with their airline at the time of booking to receive a text message with a 2D bar code, or instructions to download it. The bar code becomes the passenger's boarding pass and it is read directly from the screen of the mobile device, eliminating paper completely from the check-in process.

“Passengers want the convenience of self-service options in a paperless environment. This standard is an important step in getting rid of paper that bogs down processes and drives up costs,” said Giovanni Bisignani, IATA’s Director General and CEO.

Historically, airline global applications for mobile phone technology have been restricted due to different regional formats. The IATA standard uses existing codes: Aztec and Datamatrix which are used extensively in Europe and North America; and QR which is widely used in Japan. All three are proven technologies and can be read by a single scanner type that is cost effective and readily available globally.

“The creation of a standard code is only part of the solution,” said Bisignani. “In the next months we will be working with our members to develop standardised processes and guidelines that facilitate global implementation.”

The industry has set a deadline of the end of 2010 to implement 100% [bar coded boarding passes](#) (BCBP). Upon full implementation, BCBP will save the industry over US\$500 million annually. A 2D standard for paper bar coded passes was established in 2005 and is the basis for web check-in. Both standards (mobile and paper based) can be issued and accepted by airlines worldwide.

The global introduction of BCBP to replace magnetic stripe technology is one of five Simplifying the Business (StB) projects launched by IATA in 2004. The StB goal is to use technology to make travel more convenient while saving US\$6.5 billion in costs.

Article 7

Traffic Demand Strong Despite Economic Uncertainty

IATA released traffic results for September 2007. The highlights are:

Passenger Traffic

- International passenger traffic increased 8.2% in September, down slightly from 8.6% in August, but well above the growth of 7.3% for the year-to-date.
- Demand growth was boosted by global economic growth. It also reflects the impact from the security scares that disrupted passenger services and reduced demand during the same period in 2006.
- Average international passenger load factors were 77.4% in September, down from the record levels seen over the past two months but 0.5 percentage points higher than those recorded in September 2006.
- Airlines in the Latin America region saw the strongest growth in demand (24.8%) as they recover from the impact of restructuring during 2006. Demand in Asia Pacific continued its brisk growth of recent months, rising 9.7% in September due to strong economic expansion in the region and fast-developing markets in China and India. African airlines saw the weakest growth in September (3.2%), reflecting strong competition on key routes.

Freight Traffic

- International air freight demand grew 5.0% in September, down from 6.0% in August, but still well above the weak levels of growth seen in the first half of 2007.
- Growth for the year-to-date has improved to 4.0%.
- Asia Pacific (7.0%) continues to drive the global improvement. Demand rose 8.2% in the Middle East after a sharp fall in August (3.5%), although below the double-digit levels seen over the last two years. Africa freight demand contracted by 10.4% continuing a 5-month downturn due to a fall in demand in southern Africa.

“Traffic demand remains strong despite the financial instability seen in recent months,” said Giovanni Bisignani, Director General and CEO of IATA. “But it is still early days. Corporations—particularly the financial service sector—adjusting travel budgets could impact premium traffic. And fuel prices rising to new record levels will add more pressure on efficiency. So there can be no let-up in the imperative to keep costs down and planes full.”

Article 8

Mark your calendar – coming events

- [IATA Commercial Strategy Symposium 2007, November 27-29, 2007 - Athens, Greece](#)
- [IATA Air Transport IT Summit 2007, December 4-5, 2007 - Amsterdam, The Netherlands](#)
- [IATA Air Transport IT Summit 2007, December 4-5, 2007 - Amsterdam - Noordwijk aan Zee, The Netherlands](#)
- [AACO / IATA 2nd Regulatory Affairs Forum - Middle East, December 05, 2007 - Amman, Jordan](#)
- [IATA Legal Symposium 2008, February 10-12, 2008 - Buenos Aires, Argentina](#)