

- **Message from the Director General and CEO**
- **EC Airport Charges Directive**
- **Single European Sky**
- **ICAO – Conference on Economics of Airports and Air Navigation Services (CEANS)**
- **EU Rules on Import of Products of Animal Origin**
- **Airport and ATFM slots**
- **Agenda for Freedom**
- **IATA Expands Agreement with CIS to Improve Aviation Safety**
- **Simplifying the Business Update**
- **Biofuels and post Kyoto climate change treaty dominate aviation and environment summit**



Giovanni Bisignani
Director General and CEO, IATA

Fasten Your Seatbelts

The industry is in for a rough ride in 2009.

Demand is down. In March international passenger demand continued its fall to 11.1% below the same month last year. Freight traffic stabilised. But for the fourth straight month, it was down more than 20% compared to the previous year.

The only positive news is fuel. Based on a projected average of US\$50 per barrel (Brent crude), we can expect US\$52 billion in cost savings

compared to last year. But that is not enough to offset the expected \$62 billion drop in industry revenues. The bottom line is the industry is on track for a US\$4.7 billion loss in 2009.

There are three immediate priorities for survival: safety, matching capacity to falling demand and conserving cash.

Safety is our top priority. On April 1 we marked an important milestone. All IATA members are now on the registry of the IATA Operational Safety Audit (IOSA). IATA membership is synonymous with best practice in safety. We should be proud of our achievement but we can't take our eye off the goal – zero accidents and zero fatalities. Safety requires constant vigilance—in good times and in times of crisis.

Our record on matching capacity to demand isn't as impressive. Even the aggressive passenger capacity cut of 4.4% in March could not keep pace with the sharp drop-off in demand. The result is falling load factors and deeper losses. It is too soon to tell if traffic declines have bottomed out let alone started to recover. But it is clear that the challenge of adjusting capacity to meet demand is formidable.

In the meantime, conserving cash is crucial. To help airlines meet the cost cutting challenge, IATA expanded its Simplifying the Business programme. On top of US\$3 billion in cost savings from e-ticketing, it is targeting a potential US\$11 billion in additional savings with e-freight, baggage improvement and fast travel.

Our partners must also be on board—cutting costs and improving efficiency. Two stellar examples of what can be done are Singapore's Changi Airport, which reduced landing and other charges by 25% for 2009, and Kuala Lumpur, which cut its landing charges by 50% for the next two years.

Even in these difficult times we must remind ourselves that air transport is a resilient industry. Progress on safety, efficiency and flexibility will help us to survive this crisis. These are three important pillars of the constant innovation that built our industry. And I am confident that they will define a more sustainable future in the post-crisis world.

Giovanni Bisignani
Director General and CEO

EC Airport Charges Directive

IATA commends the adoption on 19 February 2009 of the European Commission's Airport Charges Directive, which establishes airport pricing laws for the 27 EU states. The requirements for transparency, efficiency and adherence to ICAO principles are particularly welcomed. But much remains to be done at Member State level especially on supervisory activities. IATA will be pressing for a pro-active approach and monitoring developments carefully to ensure earliest possible implementation by each State both of the necessary legislation and the spirit of the Directive in the interim.

Single European Sky

IATA's extensive involvement in drafting and advocating for the SES Package II has been successful. The package previously agreed between the European Commission, Council and European Parliament was formally approved by the European Parliament on 25 March and will enter into force in summer 2009.

The SES package sets a 2012 implementation deadline for the FABs, allow financing of common projects from Community funding sources and forbid cross-subsidisation between en-route and terminal navigation services. It also establishes a target-driven performance improvement scheme, which will include binding national targets – the main focus of IATA's input to the drafting.



ICAO – Conference on Economics of Airports and Air Navigation Services (CEANS)

In November 2008 the ICAO Council approved a series of recommendations by the Conference on the Economics of Airports and Air Navigation Services (CEANS) on economic oversight, performance standards, and charging principles for airports and ANSPs. The recommendations call for Contracting States to enshrine the main principles contained in ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082) in their national legislation, regulations or policies and in all air services agreements between States. Principles include non-discrimination, cost-relatedness, transparency of charges, and consultation with users, and their incorporation will provide a stronger framework for improving cost efficiency.

The Council also approved CEANS recommendations on revisions to Doc 9082, which was published as the Eight Edition in early 2009.

EU Rules on Import of Products of Animal Origin

Effective May 1, a new EC regulation will enter into force requiring all carriers flying to the EU to draw the attention of their customers to the rules concerning the introduction of animal products into the EU (by means of posters, leaflets and video). The new regulation repeals and replaces an existing EU regulation with similar restrictions and obligations (EC 745/2004). For more information: www.ec.europa.eu/food/animal/animalproducts/personal_imports/index_en.htm

Airport and Air Traffic Flow Management (ATFM) slots

IATA Brussels is working closely with member airlines, the Association of European Airlines (AEA) and the Air Transport Association (ATA) to oppose a Eurocontrol proposal aimed at enforcing absolute consistency between flight plans to coordinated airports and allocated airport slots.

The proposal would allow the rejection of flight plans where an operator was unable to use an allocated slot for reasons outside its control, due, for example, to operational or weather delays.

IATA objects to measures that will significantly reduce the needed operational flexibility by disallowing flight plans that do not perfectly match allocated airport slots.

IATA has sent a coordinated industry response and legal assessment to the Commission and the members of the Single Sky Committee, who will ultimately be responsible for implementing the rule.

Agenda For Freedom Website

At a Summit in Istanbul in October last year, IATA launched the Agenda for Freedom initiative, aimed at driving greater liberalisation for the air transport industry. As part of that initiative, we have now launched a dedicated Agenda for Freedom website at www.agenda-for-freedom.aero. The site includes a resource library containing all of the documents related to the Istanbul Summit, information on liberalisation best practices and a number of interesting liberalisation studies.

IATA Expands Agreement with CIS to Improve Aviation Safety - Broad Agenda to Engage Russian Aviation

During the month of April, IATA announced the signing of an agreement with the Interstate Aviation Committee (IAC, also known by its Russian abbreviation, which is MAK) to improve aviation safety throughout the Commonwealth of Independent States (CIS).

The expanded agreement adds specific points to IATA's existing cooperation partnership with the IAC including:

- Promoting IATA Operational Safety Audits (IOSA), IATA's Integrated-Airline Management System (IAMS), IATA Safety Audits for Ground Operations (ISAGO) and other similar initiatives and their realisation in the deployment of professional resources of IAC.
- Development and enhancement of civil aviation infrastructure in the states united by IAC, including implementation of the ICAO standard for Reduced Vertical Separation Minima (RVSM) and Performance-Based Navigation.

The agreement was signed in Moscow by Tatiana Anodina, Chairperson of the IAC and Giovanni Bisignani, "Safety is our top priority, and the performance of the CIS is far below the global average. All IATA airlines, including 15 in the CIS, are on the IOSA Registry. I look forward to working closely with the IAC to help raise the bar on safety in this region by promoting IOSA and other IATA global standards," said Bisignani.

Bisignani was visiting Russia to mark a new phase in IATA's involvement in Russian aviation. "In addition to IOSA, two other IATA programmes have helped transform the landscape of Russian aviation; 100% e-ticketing and the opening of IATA's Billing and Settlement Plan. "This is a solid foundation of success. At this time of crisis - for the global industry as well as the Russian airlines - we have a long list of tough issues to tackle," said Bisignani.

While in Russia Bisignani held a press conference with the Russian media. To read his comments [click here](#).



BCBP deadline nears – the industry is taking action

Airlines and airports around the world are working to eliminate magnetic stripe boarding passes ahead of the end 2010 IATA bar coded boarding pass (BCBP) mandate. In April the industry passed the 50% milestone – meaning that the majority of boarding passes are now 2D barcoded.

More than 1,000 implementation requests have been sent by over 200 airlines and 400 airports in the BCBP Matchmaker, a secure, free web portal that allows airlines and airports to plan the move to BCBP together. Sign up at www.matchmaker.aero/register.

Five carriers have already eliminated expensive magnetic stripe boarding passes completely: LAN Ecuador, Macedonian Airlines, Malmo Aviation, Moldavian Airlines, and Skyways. These carriers are now offering only 2D bar coded boarding passes across their networks, providing passengers with more self-service options and faster, better service.

“Congratulations to these carriers for being the first to meet the deadline, over a year and a half ahead of schedule,” said Eric Léopold, BCBP Project Manager. “As the crisis continues, BCBP is becoming more and more of a priority for the industry. It’s a quick return on investment in a time of crisis, something that’s absolutely essential for airlines, airports and ground handlers right now.” The industry stands to save US\$1.5 billion every year from BCBP.

What you need to know about Fast Travel

IATA’s Fast Travel programme can save up to US\$1.6 billion a year for the industry. And it gives passengers more control over their airport journey by providing them with self-service options. Are you on board?

In 2008, Fast Travel became a reality, with 18 pilot programmes taking place around the world.

The pilots proved the value add of the Fast Travel Programme, identifying areas where IATA can step in and assist the industry – like defining standards and setting recommended practices.

“Fast Travel is the future of travel,” says Paul Behan, Fast Travel Programme Manager. “It offers an opportunity to save money – what we all need right now – and offer better service to the customer, who’s tired of endless queuing.”

In 2009, the IATA Board has defined the following targets for Fast Travel:

- 10 airlines capable in bags ready-to-go (the airlines are able to provide self-tagging for passengers)
- 75 CUSS sites capable in document scanning
- 10 airlines capable in self-boarding
- 10 airlines capable in bag recovery

For more information, visit the Fast Travel website at www.iata.org/fast-travel.



Updated IATA e-freight handbook now available online

The latest edition of the IATA e-freight Handbook, published in March 2009, is now available free of charge on the IATA e-freight website: www.iata.org/e-freight. The handbook provides a comprehensive guide to IATA e-freight. Main topics include:

- Overall vision and strategy
- Benefits airlines, shippers and freight forwarders can expect from IATA e-freight
- A step-by-step guide to adopting IATA e-freight where customs already accept e-freight shipments
- Business process, standards and technology supporting IATA e-freight

New topics available in this edition include:

- The latest updates to the e-freight product
- More focus on helping stakeholders adopt e-freight in live locations
- IATA's methodology for taking the paper out of air cargo
- A self-assessment tool that helps companies figure out if they're e-freight ready

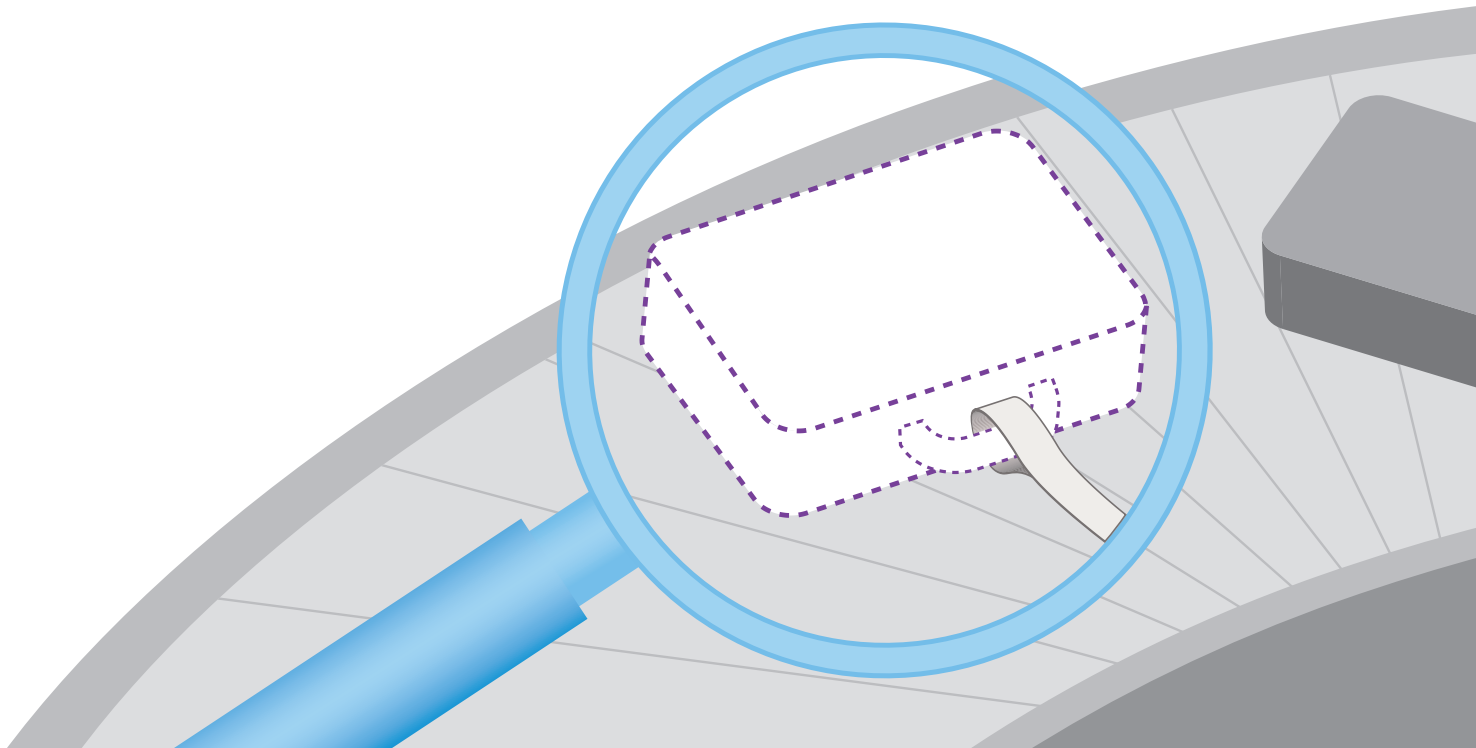
Please feel free to refer your organisation, customers, suppliers and partners to this handbook whenever required. Requests for further information, questions or feedback can be sent to IATAe-freight@iata.org.

Baggage mishandling falls by 20%: SITA 2008 baggage report confirms BIP's value

During the Passenger Terminal Expo held in London earlier this year SITA issued its [2009 Baggage Report](#). It was a silver lining in an otherwise continuous stream of gloomy economic news: for the first time in the history of the report, baggage mishandling decreased. In fact, the number of mishandled bags fell by over a fifth, from 42.4 million in 2007 to 32.8 million in 2008, saving the industry US\$800 million.

But that doesn't mean we no longer have a problem. A success rate of 98.6 percent still equals 90,000 bags mishandled a day, imposing a substantial loss on the industry. "While the reduction in mishandling and the accompanying savings are a boon to an industry in crisis, the reprieve may be short-lived if the industry rests on its laurels," warns Andrew Price, Baggage Improvement Programme (BIP) Manager. "This is the ideal time to re-examine the way airlines and airports process baggage before volumes pick up again and the problem reappears. BIP provides a mechanism for doing just that."

BIP will conduct diagnosis visits at 20 major airports this year. For more information on the programme and to find out how to participate, visit the [BIP website](#) or email bip@iata.org.



Europe

Amsterdam Schiphol honours Rhenus Logistics for e-freight leadership

Rhenus Logistics won Schiphol's Cargo Award due to its "innovative and trendsetting policy in connection with the development of e-freight and its commitment to a paperless supply chain," according to a Schiphol press release issued on March 13.

The awards, presented annually, recognise companies who have made outstanding contributions to passenger or cargo transport over the past year. For the first time in eight years, a freight forwarder was given the Cargo Award.

"IATA e-freight allows us to provide better, faster and more reliable service to our customers," said Ivo Aris, Air Division Director for Rhenus BV. "We also look forward to increasing the number of e-freight shipments to take advantage of the efficiencies offered by this product."

Switzerland goes e-freight live

Switzerland became the 19th live e-freight location in February, joining the global movement to take the paper out of air cargo. The first e-freight compliant transactions in the country were performed on trade lanes between Zurich and Chicago, Hong Kong, Singapore and London.

The introduction of e-freight at Zurich Airport, led by Swiss WorldCargo, was accomplished in a remarkably short time scale and involved the broadest representation of the local air freight community.

Cargo carriers (Singapore Airlines Cargo, Air Canada), freight forwarders (Lamprecht, DB Schenker, DHL Global Forwarding and SPEDLOGSWISS), ground handling agents (Cargologic), the federal office of civil aviation (BAZL) and customs authorities have all been working closely with Swiss WorldCargo and the IATA e-freight team for the successful and timely launch of the initiative.

An important role was also played by the ground handling agents at the destination, namely Lufthansa Cargo in Chicago, Singapore Airport Terminal Services and Swissport in Singapore and London, and AAT in Hong Kong.

"IATA e-freight is an initiative by the supply chain, for the supply chain," said Steve Smith, IATA e-freight Project Director. "The go-live in Switzerland was a great example of the entire supply chain working together to lower costs and increase the reliability and speed of airfreight."



Biofuels and post Kyoto climate change treaty dominate aviation and environment summit

Nearly 400 delegates attended the fourth ATAG (Air Transport Action Group) Aviation & Environment Summit in Geneva in early April. The summit, co-organised by IATA, is now firmly established as the leading industry event on aviation and the environment. Airline CEO speakers included Willie Walsh (BA), Christoph Franz (Swiss) IATA Board of Governors' Chairman Samer Majali (Royal Jordanian) as well as CEOs from other sectors of the industry.

IATA Director General and CEO, Giovanni Bisignani, reiterated IATA's commitment to the environment and focused on the crucial UN Framework Convention on Climate Change (UNFCCC) meeting in December 2009. He called on governments, through ICAO and its 15-nation Group on International Aviation and Climate Change (GIACC), to adopt a sectoral and global approach to aviation emissions rather than the growing patchwork of green taxes, charges and emissions trading proposals springing up around the world. This must provide equal treatment of airlines whilst recognising the UNFCCC principle of 'common but differentiated responsibility' between countries.

The summit assessed progress since last year's Aviation Industry Declaration on Climate Change. There was vigorous debate on how to make further progress in technology and infrastructure and how to accelerate the certification, secure supply and deployment of sustainable biofuels for aviation. Delegates set the industry a target of end 2009 for a set of environmental sustainability standards to ensure aviation biofuels do not compete for land and water with food crops.

Paul Steele, Executive Director ATAG and summit organiser, summarised the event, "The delegates were clear in their message to the governments constituting ICAO. International aviation is ready and willing to be included in the next global climate deal and we need ICAO's leadership to drive the industry forward. Delegates also want to see the commercial use of sustainable biofuels, the introduction of new technologies and the support of governments in pursuing these objectives. 2009 is a critical year for the future direction of aviation environment policy. Governments must take up these challenges."

Two significant announcements were made at the summit that demonstrate how cross-industry collaboration can deliver tangible emissions reductions in the air traffic management arena.

IATA's head of Safety Operations & Infrastructure, Guenther Matschnigg, announced an agreement to introduce continuous descent approaches at 100 airports across Europe by 2013. This will cut CO₂ emissions by half a million tonnes per year. The commitment is enshrined in the European Joint Industry CDA Action Plan co-ordinated by EUROCONTROL with the support of IATA, CANSO and ACI-Europe.

The second announcement was a global agreement on the introduction of performance-based navigation. PBN involves a shift from traditional ground-based navigational aids and procedures to satellite-based navigational aids and procedures. These are more accurate and allow for shorter, more direct routes, as well as more efficient take-offs and landings, cutting CO₂ emissions by 13 million tonnes per year. The PBN declaration was signed by 19 industry partners including IATA and ICAO.

