

Article 1

Aviation Industry Needs to Tackle Looming Pilot Shortage

IATA warned the world's airlines of a severe pilot shortage unless industry and government work together to change training and qualification practices.

IATA issued a new estimate that the industry may need 17,000 new pilots annually due to expected industry growth and retirements. "Increasing the retirement age to 65 will help but it can't be the only solution. It's time to ring the warning bell. We must re-think pilot training and qualification to further improve safety and increase training capacity," said Giovanni Bisignani, IATA Director General and CEO. He [told the Federal Aviation Administration \(FAA\) International Safety Forum](#), "the industry is concerned that there are no global standards for training concepts or regulation. Pilot training has not changed in 60 years - we are still ticking boxes with an emphasis on flight hours."

IATA supports the competency-based approach of multi-crew pilot licensing (MPL) training programmes. Unlike traditional pilot training, MPL focuses from the beginning on training for multi-pilot cockpit working conditions. It also makes better use of simulator technology. Europe was among the first regions to adopt MPL and Australia and China are moving ahead with implementation.

IATA launched the IATA Training and Qualification Initiative (ITQI) to support a global approach to MPL implementation. "Our goal is to increase the pool of candidates and training capacity while improving standards," said Bisignani. As part of ITQI, IATA will host a database to track the progress of MPL cadets and allow the industry to make training adjustments, if necessary. IATA also called for greater cooperation with governments. In China, IATA is working with the government to develop the syllabus and incorporate MPL into national regulation.

Bisignani also called on government leaders at the Safety Forum to incorporate the IATA Operational Safety Audit (IOSA) into their own regulations. Most recently, Mexico, Costa Rica and Turkey have committed to make use of IOSA. "The list is growing too slowly," Bisignani said. "There is no cost to government and the results are clear."

Article 2

IATA Calls on US Politicians to Ease Congestion

In a [speech to the Aero Club of Washington](#), IATA Director General and CEO Giovanni Bisignani called for the White House and Congressional politicians in the United States to take more aggressive short-term action to mitigate air traffic congestion and the lingering security hassles.

"President Bush's recent announcement about making limited airspace changes in an attempt to alleviate congestion during the holidays is a political placebo for a serious long-term illness," said Bisignani. He warned that there would likely be more air delays next summer if the Government continues to move too slowly in making capacity and efficiency improvements. "Instead of addressing the problem, DOT wants to change the way people travel by making it more expensive at peak times," Bisignani said.

The White House is considering peak pricing at New York JFK airport as a band-aid for delays, but Bisignani said that “congestion pricing has never worked effectively for air transport anywhere in the world so it is foolhardy to believe that it will work in New York.” Instead, the US Government should implement the IATA Worldwide Scheduling Guidelines and immediately implement operational and infrastructure improvements. “There’s already a list of at least 75 projects that could begin tomorrow and we can’t wait any longer,” Bisignani said.

Article 3

Face the Future

From the December issue of Airlines International

By Giovanni Bisignani

The popularity of air transport is growing. By 2011 passenger numbers will exceed 2.75 billion and the world’s airlines will move 36 million tonnes of air cargo. That’s 620 million more passengers and 7.5 million more tonnes of cargo than the industry handled in 2006. Popularity of this magnitude brings some critical challenges.

The challenge at the top of the political agenda is the environment. Aviation currently contributes 2% of global man-made carbon emissions. In 2050, this is projected to be 3%. A growing carbon footprint is not acceptable for any industry – regardless of the scale of their emissions. As a responsible industry we have defined a medium-term target of carbon-neutral growth leading to a longer-term carbon emission-free future.

[Our four-pillar strategy](#) to achieve this has been adopted by the International Civil Aviation Organization. We must ensure that the words of endorsement are followed up with real actions. Efficient infrastructure is a key element of this strategy. And governments are already behind the curve. Gridlock in the U.S. air traffic management system this summer was a nightmare for travellers, with environmental and economic costs that are yet to be counted. Europe’s failure to implement a Single European Sky inflates our carbon footprint by 12 million tonnes a year through inefficiency. And an Asian crisis is looming if India does not move quickly to build the basic infrastructure needed to accommodate new aircraft heading its way to meet the growing demands of its fast-developing economy.

Governments have not grasped the urgency of the looming capacity crisis. With very rare exceptions, infrastructure planning timelines are now measured in decades. And while many governments in Asia and the Middle East have done their homework, the rest of the world is largely unprepared. Technology can help. On the ground, IATA is now looking at ways to move beyond the success of Simplifying the Business with a strategy for self-service. The goal is to move passengers through terminals faster and more conveniently. To have maximum effect, governments must come to the table with greater harmonisation in processes – starting with security.

In the air, airlines are investing billions in new fuel-efficient aircraft with advanced avionic systems. Unfortunately, we use only a fraction of this capability because many air traffic management systems have not conceptually moved much further beyond the age when pilots flew from beacon fire to beacon fire. And the patchwork of technologies being used around the world necessitates that we fly using the lowest common denominator. Again, harmonisation among governments would deliver enormous efficiency gains to meet future demand and pay environmental dividends.

The economic stakes are high. The livelihoods of 32 million people are tied to aviation, accounting for \$3.5 trillion in economic activity. And this will only grow in the future. Air transport is a crucial thread in the fabric of a globalised world, playing a critical role in wealth generation and poverty reduction. Governments and industry face the future with a common vision that includes a globally harmonised approach to both infrastructure and the environment.

Article 4

Airlines Welcome Heathrow Consultation

The International Air Transport Association (IATA) welcomed the UK Government's announcement of a consultation into the third runway at London Heathrow Airport.

"Heathrow is Europe's busiest international hub and critical to the UK's competitiveness. It is also bursting at the seams. Short-term fixes, including mixed mode are useful. But the only real long-term solution is a third runway," said Giovanni Bisignani, IATA Director General and CEO.

Heathrow airport ranks among the world's most congested airports. The capacity cap is 480,000 slots per year. For the airline schedule commencing next March, 477,000 slots are taken-up. The remaining 3,000 slots are at undesirable off-peak times.

Heathrow operates with dedicated runways for take-offs and landings. Mixed mode operations (allowing the runways to be used flexibly for take-offs and landings) could bring capacity to 550,000 slots per year. A third runway would allow up to 720,000 slots.

"Heathrow has been operating with the same runway capacity for 60 years. On infrastructure, it is the poor cousin among Europe's great airports. Paris operates with four runways, Frankfurt with three and Amsterdam with five. If Heathrow does not catch-up on capacity, the economic benefits of being Europe's premier hub are anything but guaranteed," said Bisignani.

"The consultation committee will be weighing up the costs as well as the benefits for the economy and the environment. Let's get the calculation right. A congested airport with chronic delays has an unnecessary environmental cost. So capacity expansion has an environmental benefit," said Bisignani. "The airline industry's commitment to a 25% improvement in fuel efficiency by 2020 is solid and endorsed by the UK government. The next step is carbon neutral growth while aiming for a carbon-free future. Short-sighted decisions must not saddle UK competitiveness with the long-term burden of second-rate infrastructure."

Article 5

IATA Calls For Transparency In Latin America

IATA called for greater transparency in the Latin American airline industry to form a sounder basis for key policy decisions.

"We must be open and honest about the economic and social benefits that we bring; and about the policy issues that we face. Facts and figures demonstrate policy failures of the past - including failed airport privatisations," said Giovanni Bisignani, CEO and Director General of IATA in a [speech delivered to delegates attending the Latin American Aviation Leadership Summit in Cancun](#), Mexico last month.

IATA partnered with the Latin American Civil Aviation Commission (CLAC) to release a series of new economic studies during the annual general meeting of the Latin American Air Transport Association (ALTA) focused on five countries: Bolivia, Chile, Colombia, Mexico and Panama.

In Latin America, airlines support 2.7 million jobs and US\$157 billion in related business. "By explaining ourselves better we can help governments avoid policy myopia so that together we can build an even stronger base for future growth," said Bisignani.

Bisignani urged attendees to work hard in four important areas:

Safety: "Latin America's accident rate is higher than the global average with one accident for every 550,000 flights. This is a serious problem and it must change," said Bisignani. The [IATA Operational Safety Audit \(IOSA\)](#) is at the forefront of IATA's comprehensive efforts to improve safety. Chile was the first government to incorporate IOSA into its national safety oversight programme. In September, Costa Rica confirmed its use of IOSA and Mexico announced that it would do the same at the ALTA conference. "These moves by governments will help improve

safety in the region. And I encourage all other Latin American governments to quickly follow-up,” said Bisignani. Currently 177 carriers are on the IOSA registry, which is transparent for all to see at www.iata.org/registry.

Infrastructure: Airlines pay at least US\$2.5 billion to airport and air traffic management (ATM) infrastructure providers in Latin America. “In too many places running an airport or ATM monopoly is a license to print money. The biggest problem is the airport concession-fee structure instituted at the time of airport privatisations. It guarantees profits with no incentive to invest in efficiency or better facilities. Governments across Latin America must understand that infrastructure monopolies are not cash cows. To get the greatest economic benefit from aviation we need transparent policies that result in efficient infrastructure,” said Bisignani.

Liberalisation: “Bilateral agreements cannot keep pace with market developments and they prevent the consolidation needed to build strong global competitors. Latin America is just 5% of global traffic divided into 39 markets. Maintaining the status quo is a one-way ticket to remain regional players in a global industry. Governments must move forward with progressive liberalisation so that policy catches-up with business reality,” said Bisignani.

Environment: “In 2006 [IATA's fuel programme](#) saved 6 million tonnes of CO2 by shortening 350 air routes. Latin America has benefited from 7 RNAV (area navigation) routes, which will save 24,000 tonnes of CO2 and US\$6.9 million in fuel costs. A re-design of flight procedures at Mexico City will save nearly 300,000 tonnes of CO2 and US\$53 million annually. This is good news for business and good news for the environment,” said Bisignani. “By being transparent about our achievements and the technical solutions that could improve our performance, Latin America has an opportunity to shape its approach to the environment around practical measures that improve performance.”

Article 6

Airline Passengers Call for More Self-Service

IATA released its annual [Corporate Air Travel Survey](#) of over 10,000 active travellers, which shows that not only are passengers accepting high-tech travel options, but also they are demanding even more opportunities to take control of their travel experience.

Detailed results showed that:

- 89% of responding travellers preferred e-tickets to paper tickets
- 56% had experienced internet check-in and
- 69% had used self-service kiosks

When asked if they wanted more self-service options, 54% said yes with positive results from all regions:

- 64% in Africa and the Middle East
- 57% in the Americas
- 53% in Europe and
- 51% in Asia Pacific

“The consumer has spoken and the message is clear. Self-service is part of full-service expectations. And airlines are responding with technology that gives travellers greater convenience and more options to control their travel experience,” said Giovanni Bisignani, Director General and CEO of IATA.

Respondents ranked the self-service features they plan to use most often in future:

1. Online booking (75%)
2. Online reservation changes (69%)
3. Online check-in (61%)
4. E-mail notification service (60%)
5. Printing boarding passes at home (58%)

6. Common use self service check-in (53%)
7. Re-routing of missed or cancelled flights (41%)
8. Remote baggage drop off service (33%)
9. Post arrival assistance (28%).

Respondents also called for additional self-service options online and at the departure gate:

Online: The list of website services that consumers want was headed by the opportunity to select or change seats (82%). Passengers also want the ability to change reservations (55%), update their frequent flyer information (49%) and purchase or request upgrades (45%) online.

At the Departure Gate: Topping the consumer self-service wish list at the gate is the ability to obtain last minute upgrades (62%), followed by last minute changes to seating (46%) and obtaining transfer information (27%). Adding frequent flyer information (21%) and the ability to check-in additional baggage (19%) rounded out the top five preferences.

"The self-service revolution is underway. It's a win-win situation. Consumers demand the empowerment of new technology and the efficiencies it creates are critical for an industry that needs to reduce costs," said Bisignani.

IATA's [Simplifying the Business](#) programme, started in 2004, is the platform for global standards in technology and process that are improving the travel experience. Global penetration of electronic ticketing, now at 88%, will be 100% by 31 May 2008. Over 90 airlines are using bar coded boarding passes; common-use self-service kiosks are operating at 80 airports; and RFID baggage management is live at four airports.

"Simplifying the Business is only just the beginning. We are now looking to integrate technologies into a seamless process that meets traveller expectations for even greater convenience through self-service," said Bisignani.

Article 7

Weaker Economic Outlook Puts Drag on Cargo Growth

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

Passenger Traffic

- International passenger traffic for October increased 7.7% over the same month in 2006. This is down slightly from the 8.2% growth recorded in September.
- Average international passenger load factors were 76.5% in October, down from the record levels in the summer but 1.2 percentage points higher than in October 2006.
- Passenger traffic growth for airlines in the Middle East (20.9%) continued its 3-year trend of double-digit growth. In Latin America (19%) demand continued to expand following the impact of industry restructuring in 2006. African airlines (10.8%) also enjoyed solid growth as they grabbed a larger share of rising demand in the region.
- For the first 10 months of the year, passenger traffic grew 7.3% indicating that consumer demand for air travel remains robust in most regions even as some parts of the global economy, notably the US, slow. Importantly, the credit crunch has yet to dampen demand.

Freight Traffic

- Economic volatility is having a more immediate effect on international air freight demand. It grew 3.6% in October compared to the same month in 2006. But this is down from the 5.0% year-on-year growth recorded in September, and partly reverses the strong pick up of freight growth seen in mid-2007.
- Year-to-date freight demand has risen 4.0%. Leading air freight indicators such as semi conductor shipments and global manufacturing business confidence levels have slowed in recent months. Demand for air freight is still expected to grow, but at a slower pace for the remainder of the year.
- Middle East carriers saw freight demand improve slightly to 9.0% in October, largely reflecting increased capacity with new route development.

- Asia Pacific airlines saw a fall in growth rates, from 7% in September to 5.8% in October, partly due to slower growth in semi-conductor shipments.
- European carriers grew 2.0% and North America 0.6%. This reflects the strength of competition from other modes of transport and slower US economic growth.

“The numbers show that the fourth quarter will be challenging. With weakening confidence levels in manufacturing businesses and slower semi-conductor shipments we have already seen a slowdown in cargo growth from 5.0% in September to 3.6% in October,” said Giovanni Bisignani. “Air cargo is still expanding, but the industry has shifted gears to a slower pace of growth. Passenger demand remains strong, but this is a cyclical industry. The next months will be critical to see if the impact of the credit crunch spreads from cargo to corporate and leisure travel. In the meantime, with oil prices soaring, belt-tightening in every corner of the business remains critical.”

[View full October traffic results](#)

Article 8

Mark your calendar – coming events

- [IATA Legal Symposium 2008, February 10-12, 2008 - Buenos Aires, Argentina](#)
- [IATA OPS Forum 2008, February 25 - 27, 2008 - Madrid, Spain](#)
- [IATA Crisis Management Conference, February 26 - 27 - 2008 Madrid, Spain](#)
- [IATA World Cargo Symposium 2008, March 3-6 - Rome, Italy](#)