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The Power of Flight

Facilitating Cross-Border Movement of People & Trade

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- Today, we will delve into the crucial role of the aviation industry in facilitating cross-border movement of people and trade and the social and economic benefits this brings.
- We'll also examine some challenges this industry faces in moving people and trade and how trade agreements and technological advancements are helping overcome these hurdles.

Aviation is a driver of global social and economic development

Supporting Employment	Adding Value to the Economy	Enabling Trade	Contributing to the UNSDG's
8.7 million jobs across the world	Supports $3.5 trillion (4.1%) of the world's gross domestic product (GDP).	Over a third of world trade by value travels by air.	Aviation contributes to achieving 15 of the 17 UN SDs

▶ **4.4 billion** pax forecast in 2023
58 million tonnes forecast in 2023

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- Aviation is a driver of global social and economic development:

  - **Supporting employment:** Aviation directly creates millions of jobs globally, including those in airlines, airports, and air navigation service providers. Indirect employment is also significant in related sectors like tourism, transportation, and manufacturing. Pre-COVID it supported 8.7 million jobs globally.
  - **Adding value to the economy:** Aviation supports $3.5 trillion (4.1%) of the world's gross domestic product (GDP). (pre-COVID)
  - **Enabling Trade:** Aviation facilitates international trade, particularly for valuable goods and time-sensitive products like perishable items and medical supplies, thus contributing to economic growth. Over a third of world trade by value travels by air.
  - **Contributing to the UNSDGs:** Aviation contributes to achieving 15 of the 17 UNSDS

- In 2023 4.4 billion passengers are forecast to travel and 58 million tones of cargo transported. These numbers underline how aviation has become an integral part of our lives, facilitating not just tourism but also supporting global workforce mobility,

cultural exchange and international trade.

Aviation critical to Turkey–Syria earthquake relief efforts:

- **3,500** tons of aid from over 90 countries

- **350** relief and repatriation flights to affected areas

- **130,000** responders transported from across the world

- While there is no comprehensive tabulation of the support that aviation provided, a limited review of 29 key carriers serving the Türkiye market reveals an impressive relief effort.
- These airlines:
  - Delivered over 3,500 tons of aid from over 90 countries
  - Operated over 350 relief and repatriation flights to affected areas
  - Provided transport for over 130,000 responders from across the world
  - Critical supplies delivered included winter jackets, blankets, toilets, hygiene articles, food, fire guards' equipment, power generators, tents, water distribution ramps, flashlights, sleeping bags, and medical supplies, among other items.

Barriers to efficient movement of passengers and cargo remain

- Despite the economic and social value aviation brings – barriers to the movement of passenger and cargo remain

Operational Trade Barriers

- **Inconsistent regulatory frameworks:** Patchwork regulations and standards between countries create challenges.

- **Customs complexities:** Inefficient or overly bureaucratic customs procedures can cause significant delays and increase the cost of trade.

- **Infrastructure:** Problems with infrastructure, lead to inefficiencies.

Tools exist to overcome custom complexity and inconsistent regulatory frameworks

- The World Trade Organization's Trade Facilitation Agreement
- Revised Kyoto Convention of the World Customs Organization
- WCO SAFE Framework of Standards
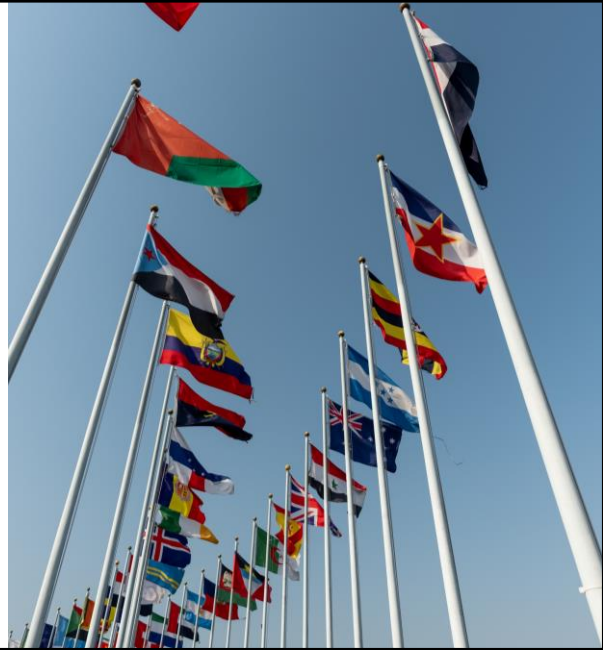
- Tools are in place to overcome customs complexity and inconsistent reg frameworks.
- These are:
    - The World Trade Organization's Trade Facilitation Agreement
    - The Revised Kyoto Convention of the World Customs Organization/WCO.
    - And the WCO SAFE Framework of Standards
- Together, they make trade simpler, cheaper and faster.
- We encourage all governments to adopt them because we all prosper in a more efficient trading regime.

- The TFA covers the release and clearance of goods, including topics such as risk management and authorized operators for customs issues
- It provides guidance on border agencies coordination to facilitate cross border trade
- And aims to simplify formalities such as document requirements and common border procedures
- It is supporting private-public partnerships and provides opportunities for further digitalization
- It has been ratified by 156 countries

- The WCO Revised Kyoto Convention covers the release and clearance of goods and application of IT
- It makes sure that Customs controls are reduced to the necessary minimum and supports efficient risk management and coordinated interventions between customs and other border agencies
- It has been ratified by 133 countries

WCO SAFE Framework of Standards

The **WCO Framework of Standards to Secure and Facilitate Trade** (SAFE) was adopted by the **World Customs Organization** to support the end-to-end management of goods moving across borders, promoting closer partnership between Customs and business.

Ratified by **172 countries**.

- The WCO SAFE Framework of Standards Covers the Customs-to-Business relationship and the Customs-to-other Government Agencies relationship
- This Framework promotes several facilitation tools like authorized operators' programs and risk management based on advance electronic information; it also supports trade continuity and resumption
- It has been ratified by 172 countries

- Despite these tools supporting trade/air cargo, too many countries still apply burdensome procedures, disharmonized customs requirements and outdated processes not leveraging on the latest technology

- The international instruments exist, and they are well alive (this is proved by the fact that they are undergoing a constant review processes)

- Many countries have ratified these instruments. However: there is a wide practical margin between ratification and proper implementation

- We need countries that have not yet ratified these international instruments to do it

- And countries that have ratified these tools should implement them fully.

Trade facilitation

To promote trade by establishing harmonized rules for further expediting the movement, release and clearance of goods.

Digitalization (One Record)

Removing trade friction through digital processes and systems; this also parallels developments in single window, e-government etc .

- In addition to trade facilitation agreements, digitalization plays an important role in trade facilitation as it allows the automation of processes and use of data to accelerate freight and to detect anomalies and risks in the process.
- IATA's One Record supports implementation of the TFA
- And IATA standards (PLACI Manual, Cargo XML messages, IGOM etc) support implementation of advance risk management and expedited clearance promoted by the WCO Revised Kyoto Convention and SAFE Framework.

Passenger Barriers:

- Complex entry requirements / visa regimes
- Process inefficiencies

Solutions:

- Simplifying entry requirements
- Pre-travel verification

- Moving from trade barrier to passenger barriers.
- When it comes to the movement of people, challenges include:
  - **Visa openness:** Two thirds of the world's population need to obtain a traditional visa prior to departure, emerging economies continue to be more open than advanced ones.
  - **Process inefficiencies:** Airport processes are plagued by inefficiency. Many processes are repetitive. There is no justifiable reason for this except the lack of a comprehensive approach
- The solution is:
  - simplifying entry requirements
  - Implementing pre-travel verification

- The benefits of simplifying entry requirements are clear.
- **USA Visa Waiver Program Expansion (2008):**
  - Visa waiver program expanded to include 7 countries Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia, and the Republic of Korea.
  - Collectively arrivals from these countries grew 46% over three years.
- **India Visa on Arrival Program (2010):**
  - India introduced visa on arrival for 11 countries in 2010.
  - In 2010, the combined arrivals from these 11 countries increased by 10.6%,
- **Canada Visa Policy for Czech Republic and Mexico (2007):**
  - Canada lifted visa requirements for Czech Republic in 2007,
  - Arrivals to Canada from the Czech Republic increased a total of 36.5% over 2007 and 2008, of which 20% is estimated to be the result of lifting the visa requirement.
  - Canada renewed the visa requirement for Czech travellers in June of 2009. From 2009 to 2011 arrivals from the Czech Republic declined nearly 70% (an average of 27% per year).
- **Republic of Korea's Visa Policy for China (2006):**
  - Republic of Korea added China to visa waiver program for Jeju Island in 2008.
  - By 2009 Chinese arrivals increased by 64.5% above 2005 levels.
- **Japan liberalized visas for Chinese travelers (2016).**
  - Arrivals from China grew from 2.4 million in 2014 to 5 million in 2015 to 10 million in 2019.
- IATA is advocating for the transition to unlocked visa regimes that allow the free movement of people

13

Pre-Travel Verification

- Efficient use of border control technologies, principles and processes

- Digitalization of travel documents (digital passports and travel authorizations)

- Promote the pre-screening of passengers against entry requirements prior to travel, roll-out of Travel Portals

- Tools and systems to favor direct interactions between travelers and authorities

- Harmonization is key to systems interoperability

- Biometric solutions to enable a seamless and contactless (One ID)

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- The second priority is improving facilitation pre-travel verification, this can be facilitated by:
- **Efficient use of border control technologies, principles and processes:** Adherence to international best practices for using passage data (API/PNR), automation of manual verification processes (ABC), digital credentials, Travel Portals for passengers to provide immigration, security and customs information to authorities in advance of travel
- **Digitalization of travel documents:** Digitalization of passenger airport touchpoints and border processes will be possible when paper documents are replaced with their digital version. This will support biometric recognition solutions.
- **Pre-screening of passengers:** Enabling authorities to run pre-screening process based on advanced data sharing and contributing to a more secure and automated process. Travel Portals, are a single stop for passengers to interact directly with authorities and remove airlines from the role of being data broker.
- **Tools and systems to favor direct interactions:** Control authorities must take the control back of their border control functions.
- **Harmonization:** Standardization of processes and credentials will enable smooth international travel. Consultation and cooperation among private and public stakeholders are key to a truly facilitate movement of people.
- **Biometric solutions:** Know in advance the travellers coming to your borders to enable the use of biometric recognition for a seamless and contactless process. Manual and staff-consuming processes are not sustainable in an environment where staff shortage is the norm and where the work force is not interested in repetitive manual tasks.

- Under the One ID initiative airlines are working with IATA to digitalize the passenger experience at airports with contactless biometric-enabled processes.

- Programs for contactless travel are already underway in various airports enabling travelers to move through airport processes such as boarding without producing paper documentation because their boarding pass is linked to a biometric identifier.

- But in many cases travelers still have to prove their admissibility at a check-in desk or boarding gate with physical checks of paper documentation (passports, visas and health credentials for example).

- The Digitalization of Admissibility standard will advance the realization of One ID with a mechanism for passengers to digitally obtain all necessary pre-travel authorizations directly from governments before their trip. By sharing the "OK to Fly" status with their airline, travelers can avoid all on-airport document checks.
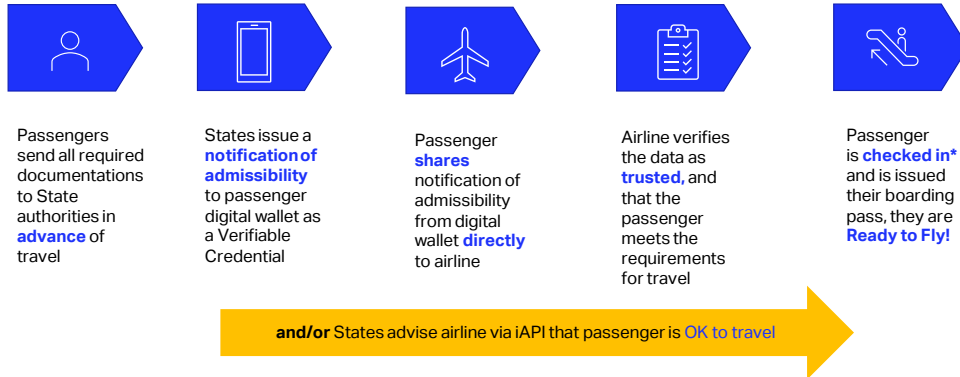
- **This is the future of travel facilitated by One ID.**