Rejection Reduction Target and Progress

The industry target is 32% reduction of the rejection rate by the year 2020. The rejection rate is calculated as follows:

\[
\text{Rejection Rate} = \frac{\text{Sum of Rejection Memos of Past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\%
\]

The table below shows the decrease in the rejection rate at the end of each year. By Nov 2019, the rejection rate decreased by 28.54% in comparison to the base year 2015.

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Nov-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rejection Rate</td>
<td>9.87%</td>
<td>9.06%</td>
<td>8.38%</td>
<td>7.82%</td>
<td>7.05%</td>
</tr>
<tr>
<td>Percent Decrease</td>
<td>-</td>
<td>8.21%</td>
<td>15.14%</td>
<td>20.72%</td>
<td>28.54%</td>
</tr>
</tbody>
</table>

Average Rejection Counts and Prime Billing Counts per Month

The charts below show the average monthly rejection counts of all three stages and the average monthly prime billing count (2015 – 2019).
Analysis by Stage

The average monthly count of 1\textsuperscript{st} stage rejections has decreased in comparison to the previous years and is now \textbf{14\% lower} than 2015.

The average monthly count of 2\textsuperscript{nd} stage rejections is now \textbf{1\% higher} than 2015.

The average monthly count of 3\textsuperscript{rd} stage rejections is now \textbf{21\% higher} than 2015.

Stage 1 Analysis - Estimated Percentage of Rejected Prime Billings

The chart below illustrates the estimated percentages of rejected prime billings. The percentages are calculated by dividing the sum of 1\textsuperscript{st} stage rejections of the previous 12 months by the sum of prime billings for the same period (formula shown below).

Based on this calculation, approximately \textbf{4.83\%} of the prime billings were rejected in the past 12 months. The proportion of Prime Billings that are being rejected has been decreasing continuously over the past 4 years.

\[ \text{Estimated } \% \text{ of rejected prime billings} = \frac{\text{Sum of Stage 1 RM}s \text{ of past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\% \]
Stage 2 & 3 Analysis - Estimated Percentages of re-rejected Stage 1 and re-rejected Stage 2 Rejections

The percentage of 1<sup>st</sup> stage rejections which are re-rejected is estimated by dividing the sum of 2<sup>nd</sup> stage rejections of the previous 12 months by the sum of 1<sup>st</sup> stage rejections for the same period. The calculated percentages are plotted in the first chart below (left). Approximately **32.13%** of the Stage 1 rejection in the past 1 year were rejected back 2<sup>nd</sup> stage.

The percentage of 2<sup>nd</sup> stage rejections which are rejected back 3<sup>rd</sup> stage is estimated in a similar way (formulas shown below) and plotted in the second chart (right). Approximately **43.68%** of the 2<sup>nd</sup> stage rejections in the past year were rejected back 3<sup>rd</sup> stage.

### Estimated % of re-rejected Stage 1 RMs

\[
\text{Estimated \% of re-rejected Stage 1 RMs} = \frac{\text{Sum of Stage 2 RMs of past 12 months}}{\text{Sum of Stage 1 RMs of past 12 months}} \times 100\%
\]

### Estimated % of re-rejected Stage 2 RMs

\[
\text{Estimated \% of re-rejected Stage 2 RMs} = \frac{\text{Sum of Stage 3 RMs of past 12 months}}{\text{Sum of Stage 2 RMs of past 12 months}} \times 100\%
\]

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**The IATA Rejection Reduction team remains available to support you throughout this initiative!**

We can be contacted at: RejectionReduction@iata.org

Keep updated with this initiative and its resources on our [website](#)

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**Note:**

- All SMI-A (Settlement through ACH using ACH rules) data is excluded from this report.
- All Sampling data is excluded from this report.