PAX Rejection Memo Reduction Industry Initiative
Monthly Report Apr-2019

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 April 2019, the rejection rate decreased by 24.29% in comparison to the base year 2015.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>Apr-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>7.47%</td>
</tr>
<tr>
<td>Percent Decrease</td>
<td>-</td>
<td>8.21%</td>
<td>15.14%</td>
<td>20.72%</td>
<td>24.29%</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 1st stage rejections has decreased in comparison to the previous years and is now 15% lower than 2015.
- The average monthly count of 2nd stage rejections is now 2% higher than 2015.
- The average monthly count of 3rd stage rejections is now 32% 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 1st 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 5.11% of the prime billings were rejected in the past 1 year (May 2018 to Apr 2019). The proportion of Prime Billings that are being rejected has been decreasing continuously over the past 4 years.

Estimated % of rejected prime billings = \( \frac{\text{Sum of Stage 1 RM of past 12 months}}{\text{Sum of Prime Billings of Past 12 months}} \times 100\% \)
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 31.18% of the Stage 1 rejection in the past 1 year were re-rejected back 2<sup>nd</sup> stage.

The percentage of 2<sup>nd</sup> stage rejections which are re-rejected back 3<sup>rd</sup> stage is estimated in a similar way (formulas shown below) and plotted in the second chart (right) with an increasing trend. Approximately 48.71% of the 2<sup>nd</sup> stage rejections in the past year were re-rejected back 3<sup>rd</sup> stage.

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

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