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ECONOMIC DEVELOPMENT

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# CAREC Aviation Workshop

## Setting the Scene of aviation in Central Asia

Singapore, 6-7 April 2017





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## The International Civil Aviation Organization (ICAO)

- UN specialized agency established by States in 1944 to manage the administration and governance of the Convention on International Civil Aviation (Chicago Convention)
- Works with its 191 Member States and industry groups to reach consensus on international civil aviation Standards and Recommended Practices (SARPs)
- Sets policies in support of a safe, efficient, secure, economically sustainable and environmentally responsible civil aviation sector
- Headquarters in Montréal with Regional Offices in Bangkok, Cairo, Dakar, Lima, Mexico, Nairobi and Paris.



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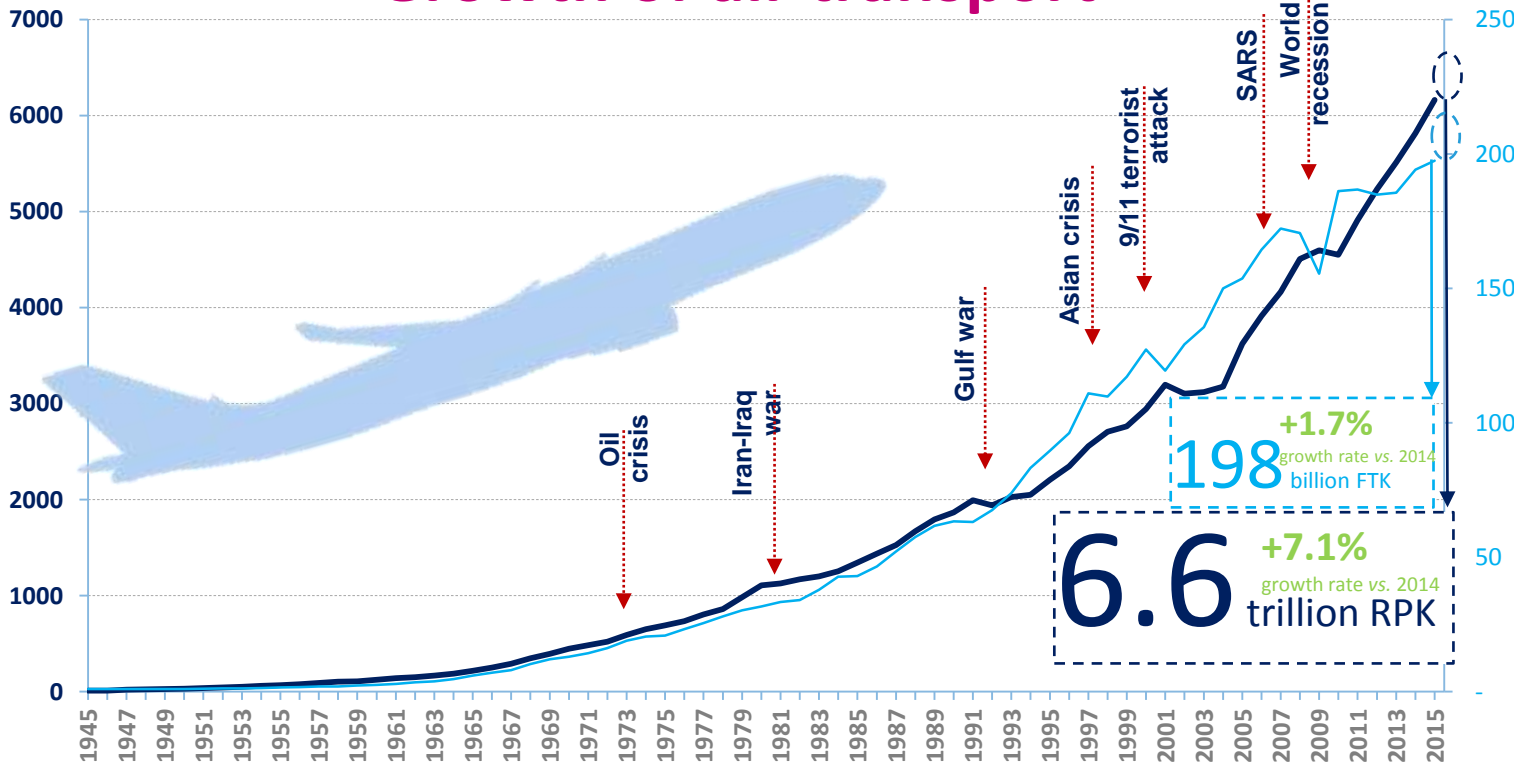
- ✈ **3.5 billion passengers**
- ✈ **34 million aircraft departures**
- ✈ **51 million tonnes of freight**
- ✈ **Over 1 400 scheduled airlines**
- ✈ **More than 27 000 aircraft**
- ✈ **More than 4 130 airports**
- ✈ **173 air navigation centres**





# Growth of air transport

Revenue Passenger-Kilometres (billion)

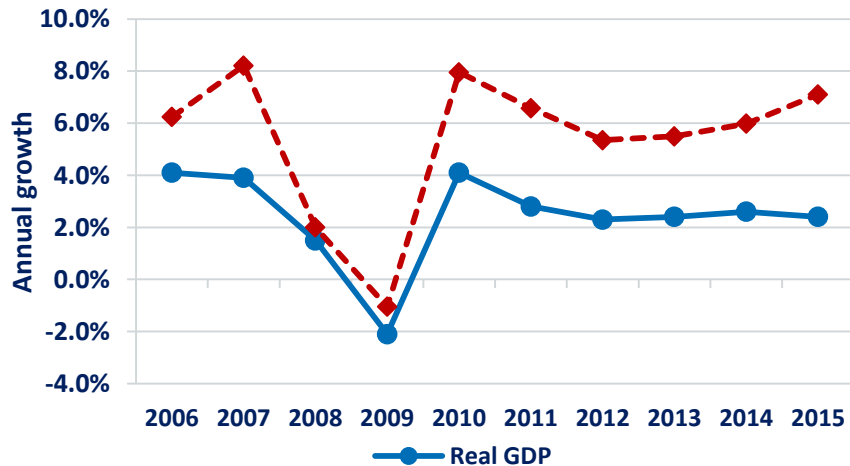


Freight Tonne-Kilometres (billion)



## Growth despite constraining factors

### Real GDP Growth



The world economy recorded a real GDP growth of 2.4% in 2015 and total passenger-kilometres increased by 7.1%

- Brussels airport attacks (security concern)
- Zika outbreak (health concern)

### Global spread of Zika virus 2013-2016



Source: WHO



## Economic benefits of aviation in 2015

Direct economic contribution  
of the aviation sector

10.0 million

**Direct jobs** supported by aviation worldwide

\$718 billion

**Direct** Global **economic impact**

Direct, indirect, induced and  
tourism economic contribution of  
the aviation sector

63.5 million

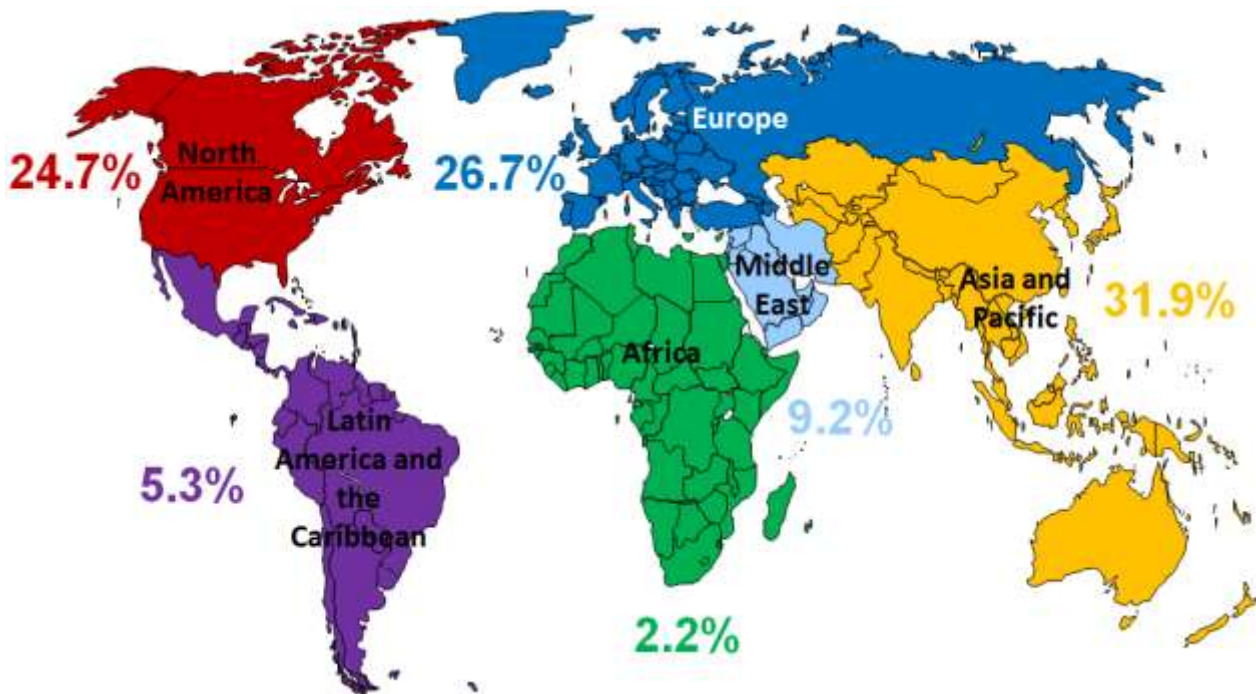
**Jobs** supported by aviation worldwide

\$2.7 trillion

Global **economic impact**

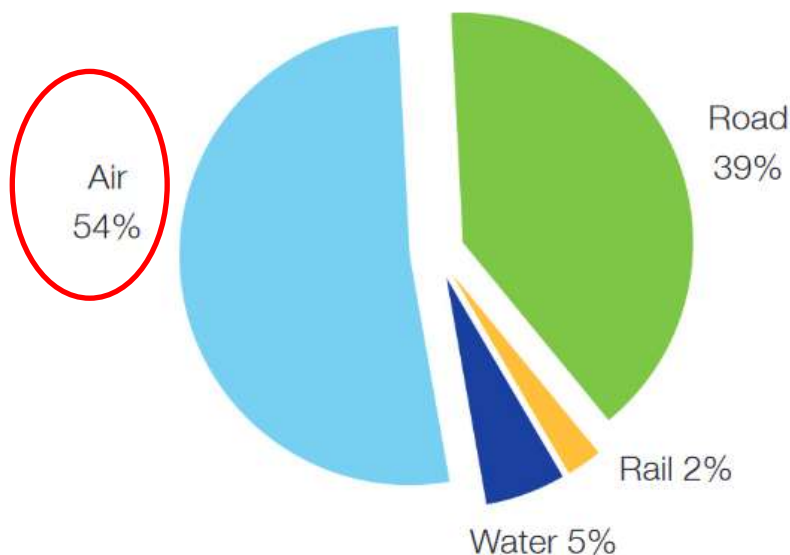


# Share of Revenue Passenger-Kilometres by region in 2015





## More than half of international tourists arrive by air



- Tourism expansion relies heavily on air transport, providing substantial economic benefits for anyone involved in the value chain of tourism
- Separate sectorial policies on air transport and tourism result in a fundamental, and too often even conflicting disconnect which constitutes a severe constraint on the development of travel and tourism

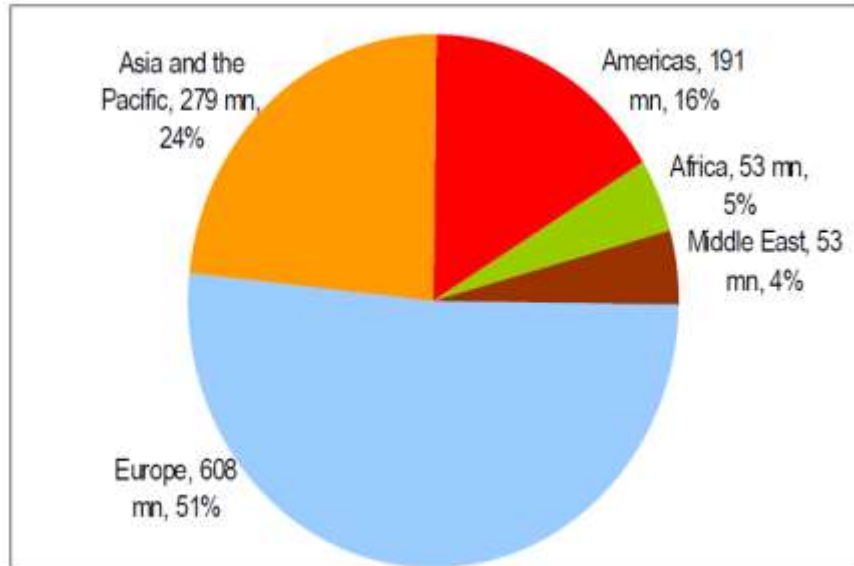
### Inbound tourism by mode of transport in 2014



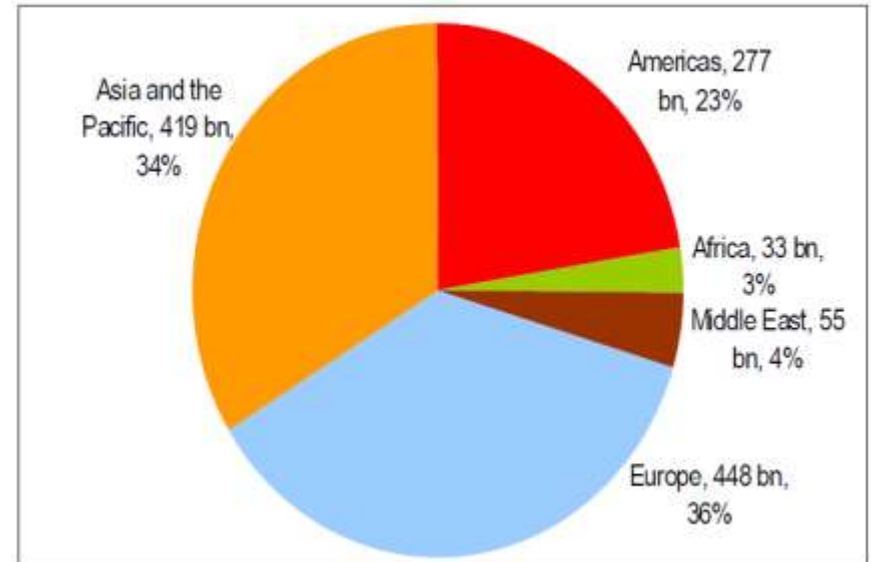


## International tourism

### International tourists arrival - 2015



### International tourism receipts – 2015 (USD)





	International Tourists arrivals (000)	International Tourism Receipts (US\$ million)
Afghanistan	N/A	84
Azerbaijan	2,160	2,432
China	55,622	105,380
Georgia	2,229	1,787
Kazakhstan	4,560	1,467
Kyrgyzstan	2,849	423
Mongolia	393	173
Pakistan	965	283
Tajikistan	213	N/A
Turkmenistan	N/A	N/A
Uzbekistan	N/A	N/A

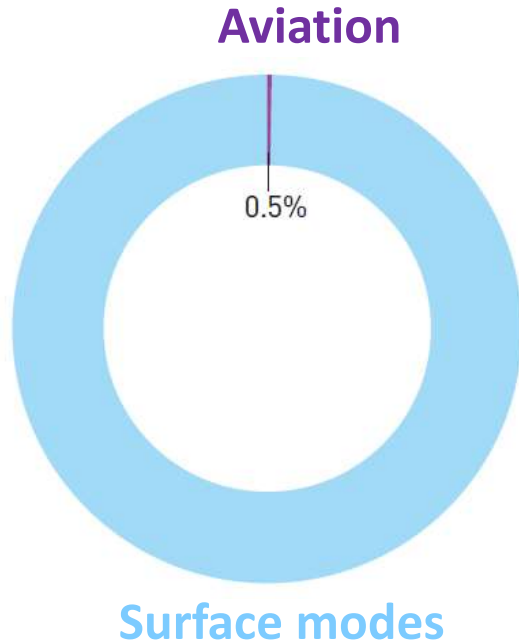
## Economic impact of tourism

**69 million international tourists**

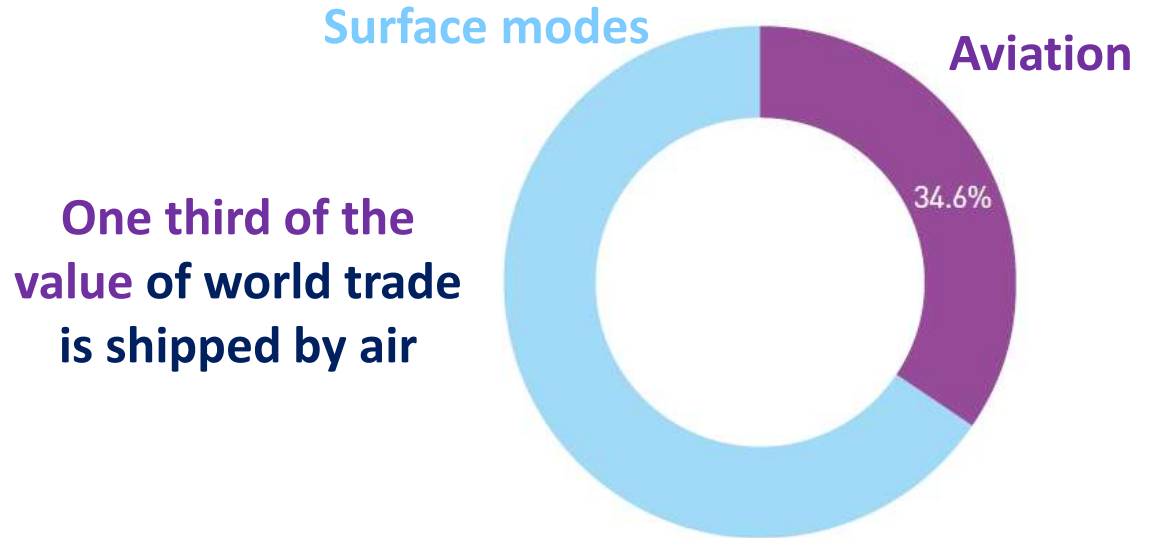
**US\$ 112 billion tourism receipts**



## Volume of world international cargo shipment



## Value of world international cargo shipment





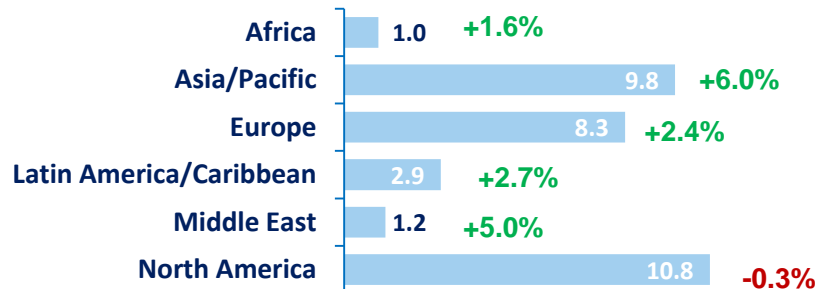
# State of Air Transport in Central Asia

- In 2015, Scheduled Passenger traffic in Central Asia experienced a growth rate of 13.8%, above the world average growth of 7.1%
- The traffic share of Central Asia is 13.4% for passenger traffic
- The passenger and cargo traffic in Central Asia (direct, indirect and induced) generated an estimated 10.1 million jobs and contributed USD 214 billion to Gross Domestic Product (GDP).

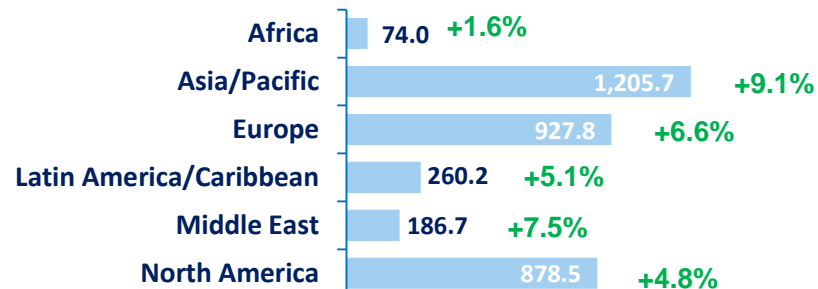


# Air transport by region in 2015

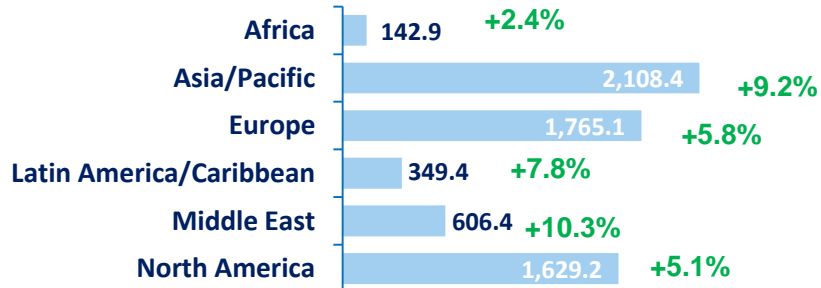
## Aircraft departures (million)



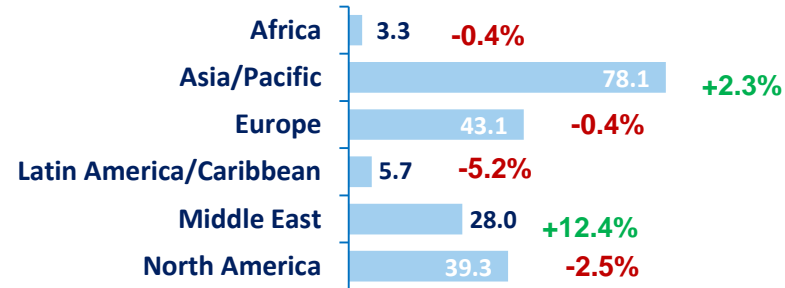
## Passengers carried (million)



## Revenue Passenger-Kilometres (billion)



## Freight Tonne-Kilometres (billion)





# Passenger traffic trends in Central Asia



## Revenue Passenger-Kilometres (RPK)

**Total +13.8 %**  
*International +19.0%*  
*Domestic +10.8%*

## Available Seat-Kilometres (ASK)

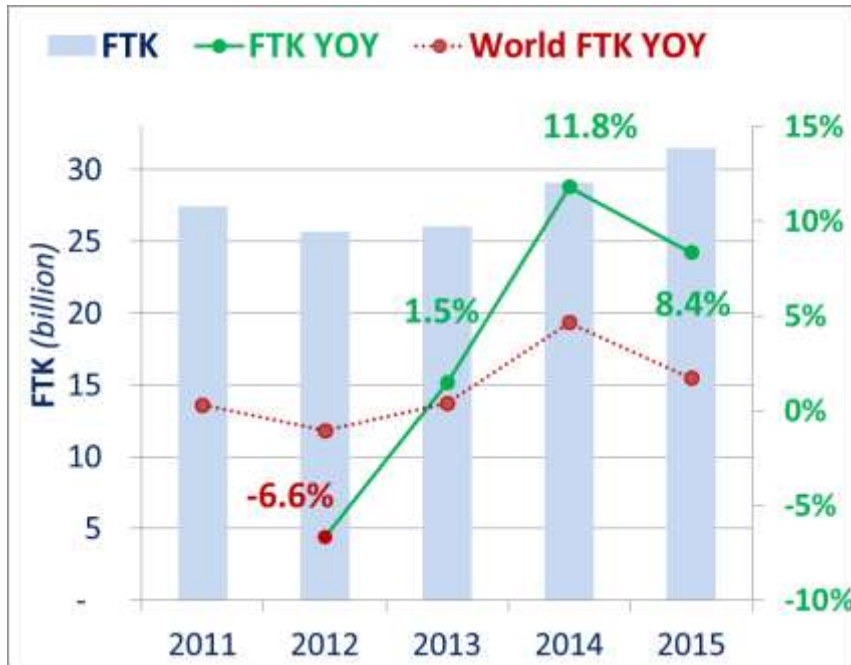
**Total +12.4 %**  
*International +17.6%*  
*Domestic +9.4%*

## Passenger Load Factor (LF)

**Total 81.9% (+1.0 pt)**  
*International 80.3% (+0.9 pts)*  
*Domestic 82.8% (+1.0 pt)*

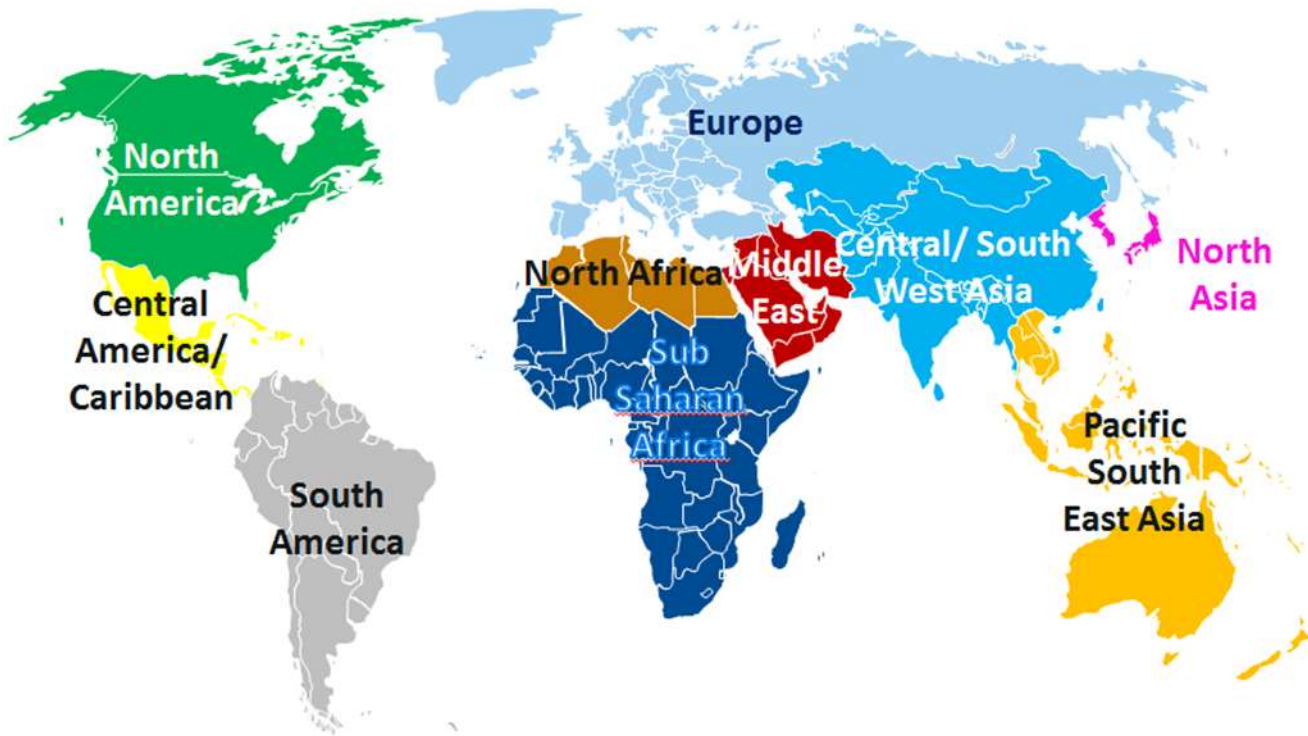


# Cargo traffic trends in 2015 Central Asia



**Freight Tonnes-Kilometres (FTK)**

*Total +8.4 %*  
*International +9.4%*  
*Domestic +4.6%*

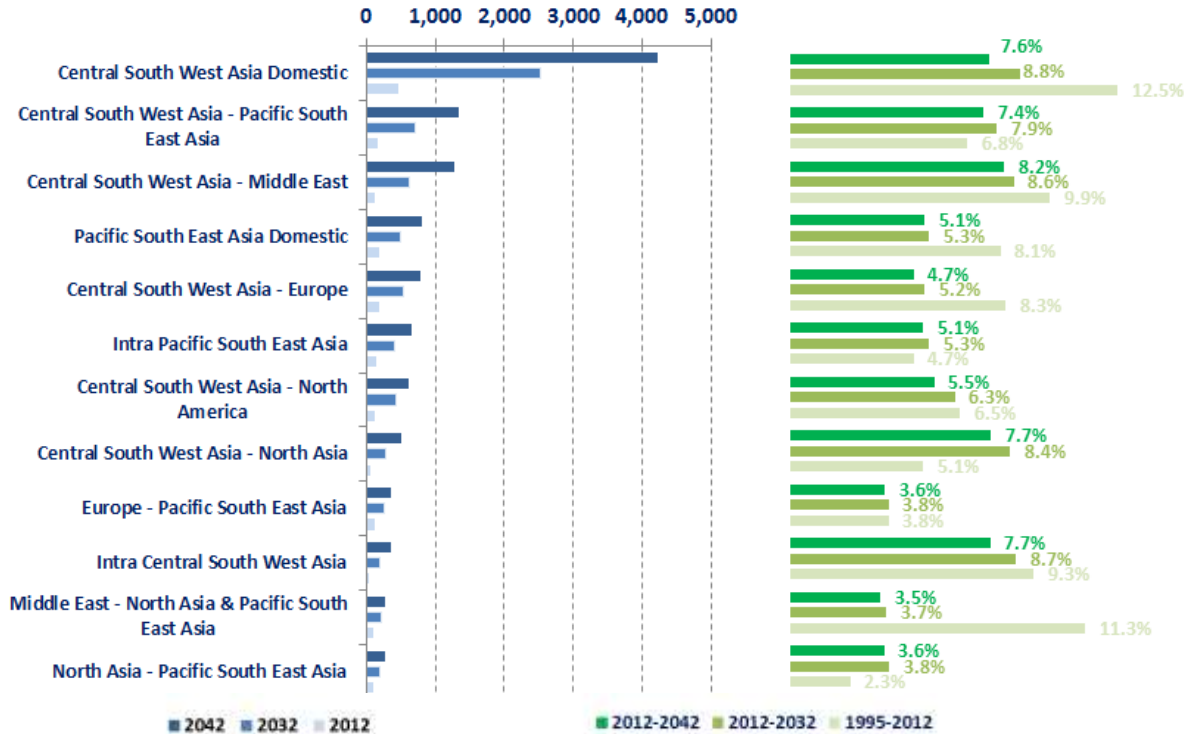






Revenue Passenger-Kilometres (RPK)  
(billion)

CAGR\*



**Top 12 route groups to/from Central/South West Asia (2042 forecasts)**



## Challenges to accommodate the growth of air transport

- Existing aviation Infrastructure should be in line with the ICAO Global Air Navigation Plan (GANP) and policies
- States and aviation Stakeholders should have access to funds and financing aviation infrastructure (runway expansion, telecommunication equipment, etc).
- Shortage of skilled manpower especially pilots, air traffic controllers, engineers and other technical personnel should be addressed
- Level of safety and security regulatory oversight should be enhanced (Financing of Regional Safety Oversight Organization)
- Poor air connectivity and low traffic on some routes to sustain profitable operation



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Central African  
(WACAF) Office  
Dakar

European and  
North Atlantic  
(EUR/NAT) Office  
Paris

Middle East  
(MIDE) Office  
Cairo

Eastern and  
Southern African  
(ESAF) Office  
Nairobi

Asia and Pacific  
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(APAC) Office  
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