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UNITING AVIATION

CAREC Connected Skies Workshop

**Open skies agreements
and connectivity**

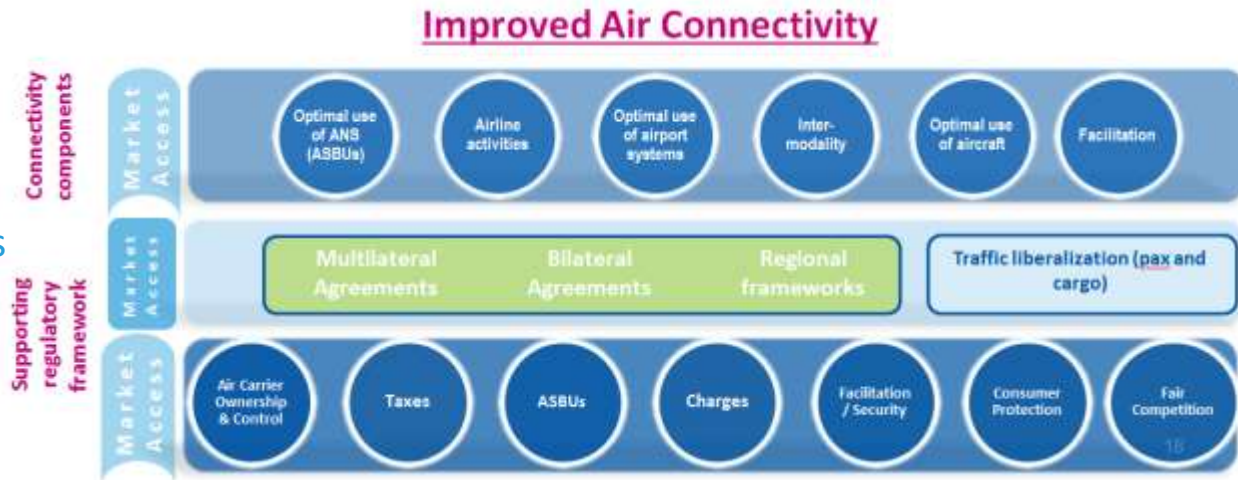
Singapore, 6 April 2017



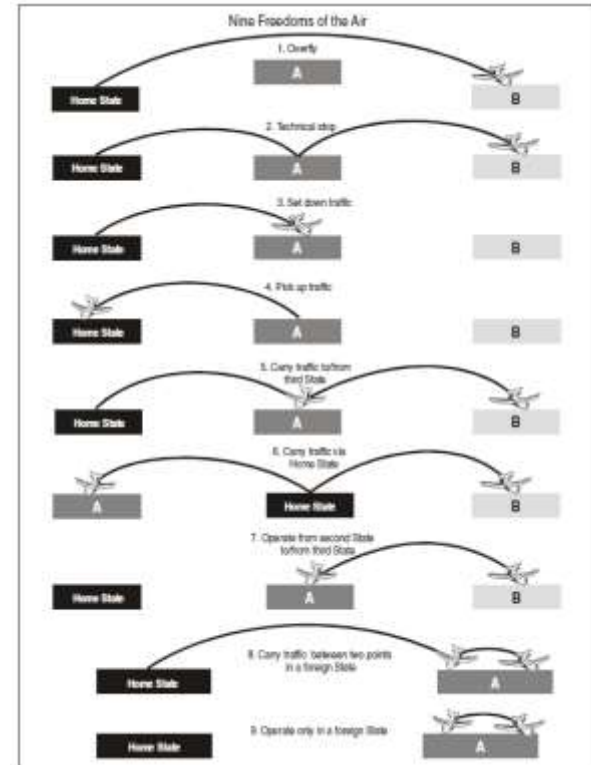
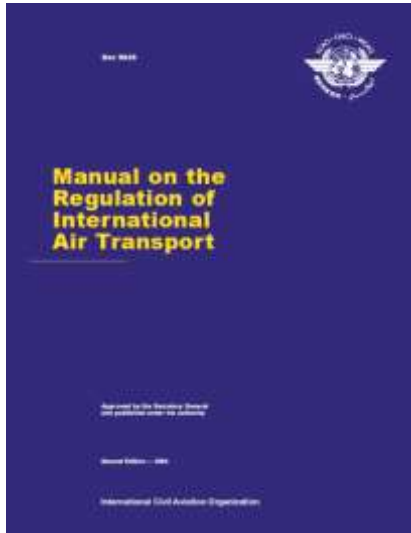


Movement of passengers, mail and cargo involving the **minimum of transit points**

- which makes trip as short as possible
- with optimal user satisfaction
- at the minimum price possible



Freedom of the air and market access





Air Transport Network Characteristics

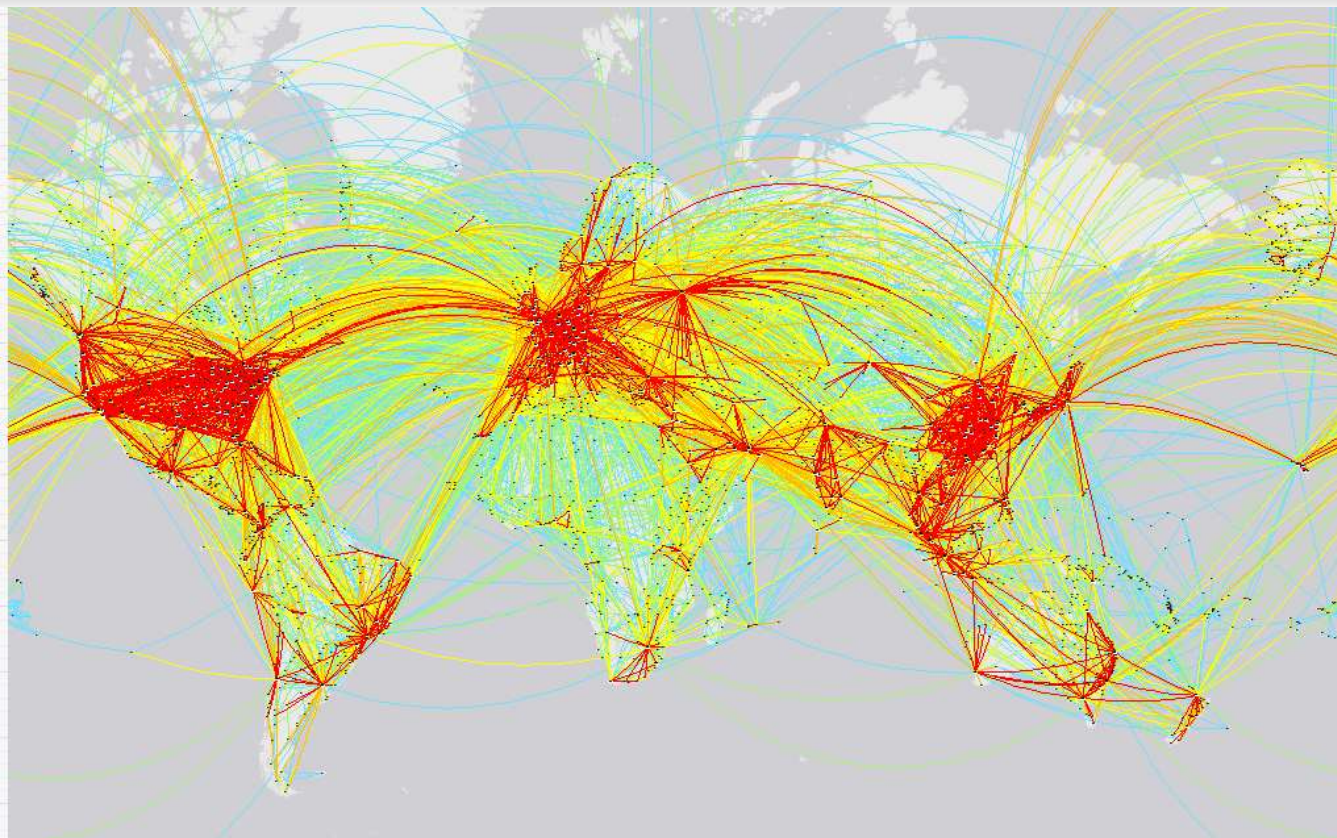
- The global air transport network is characterized by more connectivity options to customers with a variety of competitive network strategies pursued by the major aviation stakeholders.
- Some of these strategies include decisions related to
 - point to point versus hub and spoke systems
 - yield management to respond effectively to demand through pricing and product differentiation and
 - alliances and mergers.
- These strategies are invariably a trade-off between the most economically efficient path to transport passengers through the various nodes available in the network constrained by real time factors that prevent the network from being the most optimized or efficient



Factors Impacting Route Network

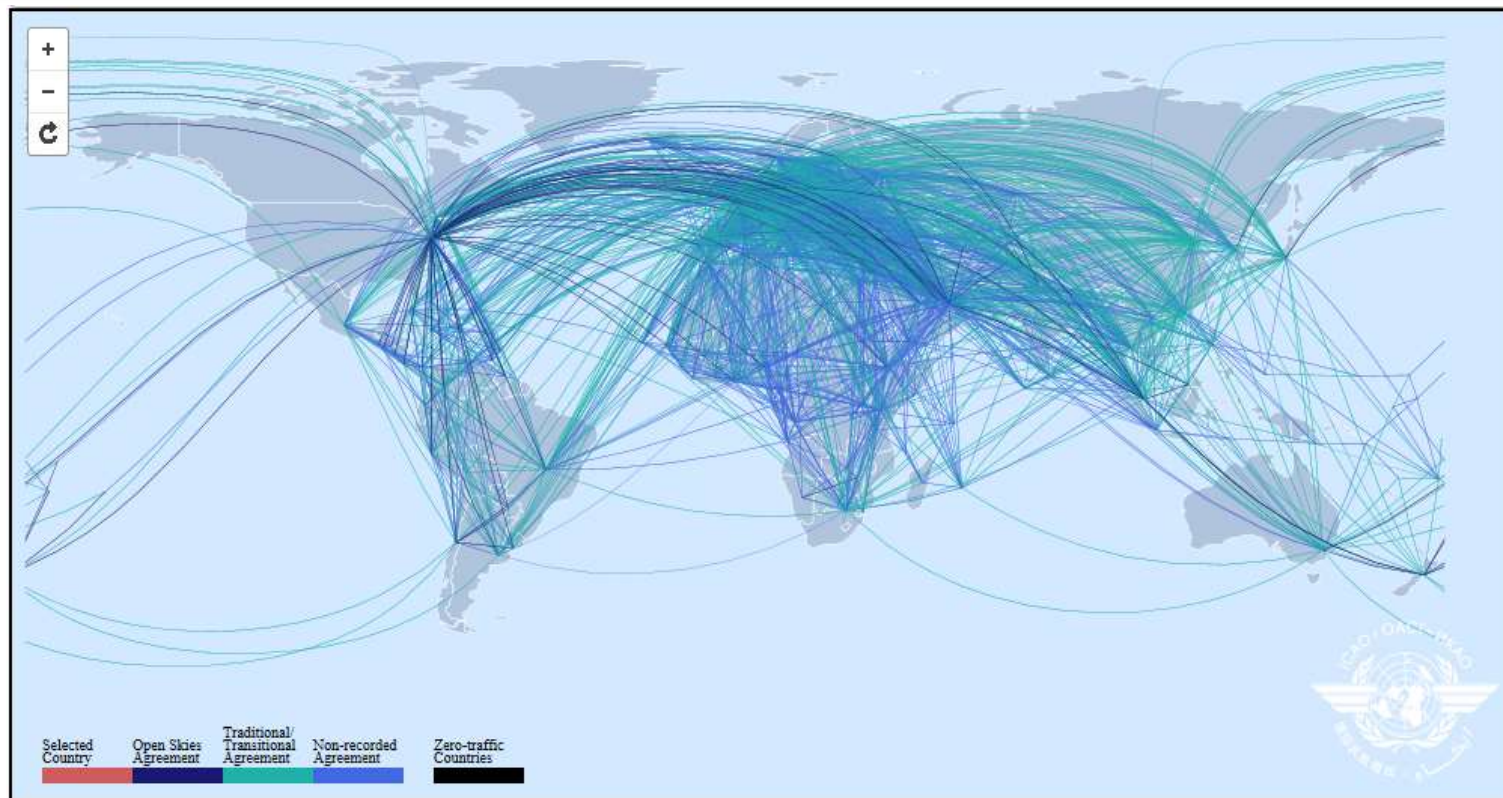
- **Size of the market** (existing demand) and pricing strategies of existing competitors
- **Policy factors** –air carrier ownership and control, liberalization and regulation of traffic rights to fly (market access), cross ownerships of aviation verticals, taxation and charging policies.
- **Slot availability** and other restrictions like lack of **infrastructure**, night and noise curfews
- Presence of **alternative models** on a route i.e. low cost carriers versus legacy carriers

Improving air connectivity is crucial for landlocked States








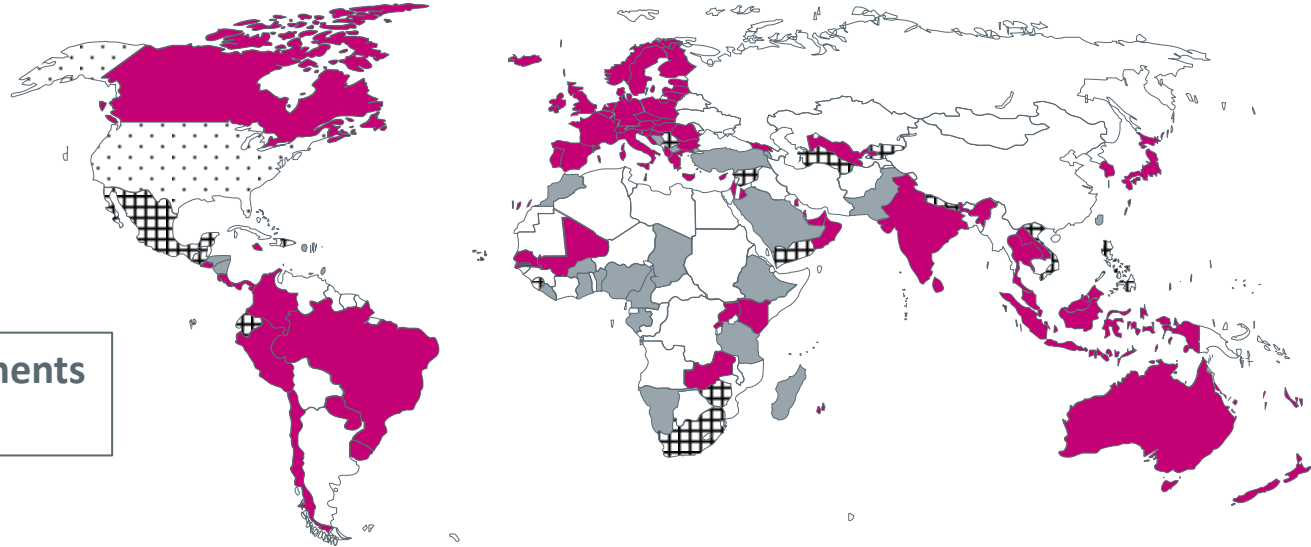
Web of bilateral air services agreements



2015 data



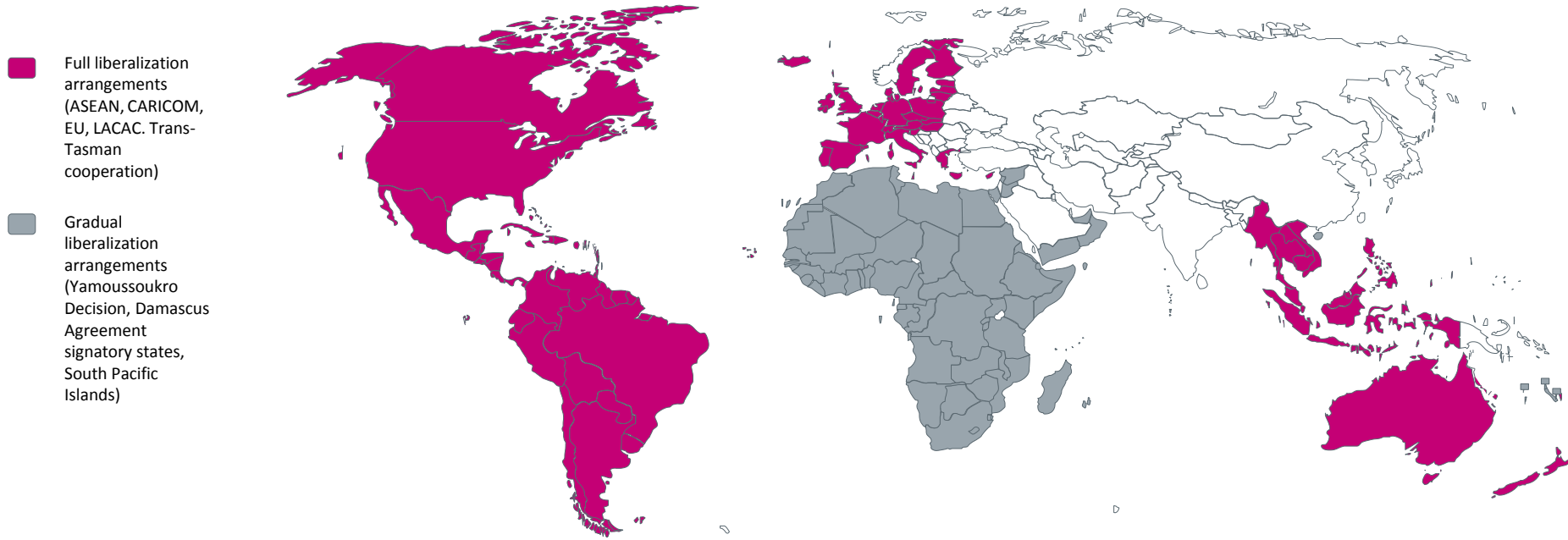
-  States which signed open skies agreements with both the US and third countries
-  States which signed open skies agreements with the US only
-  States which signed open skies agreements with the third countries only



Over 400 Open Skies Agreements involving 146 States



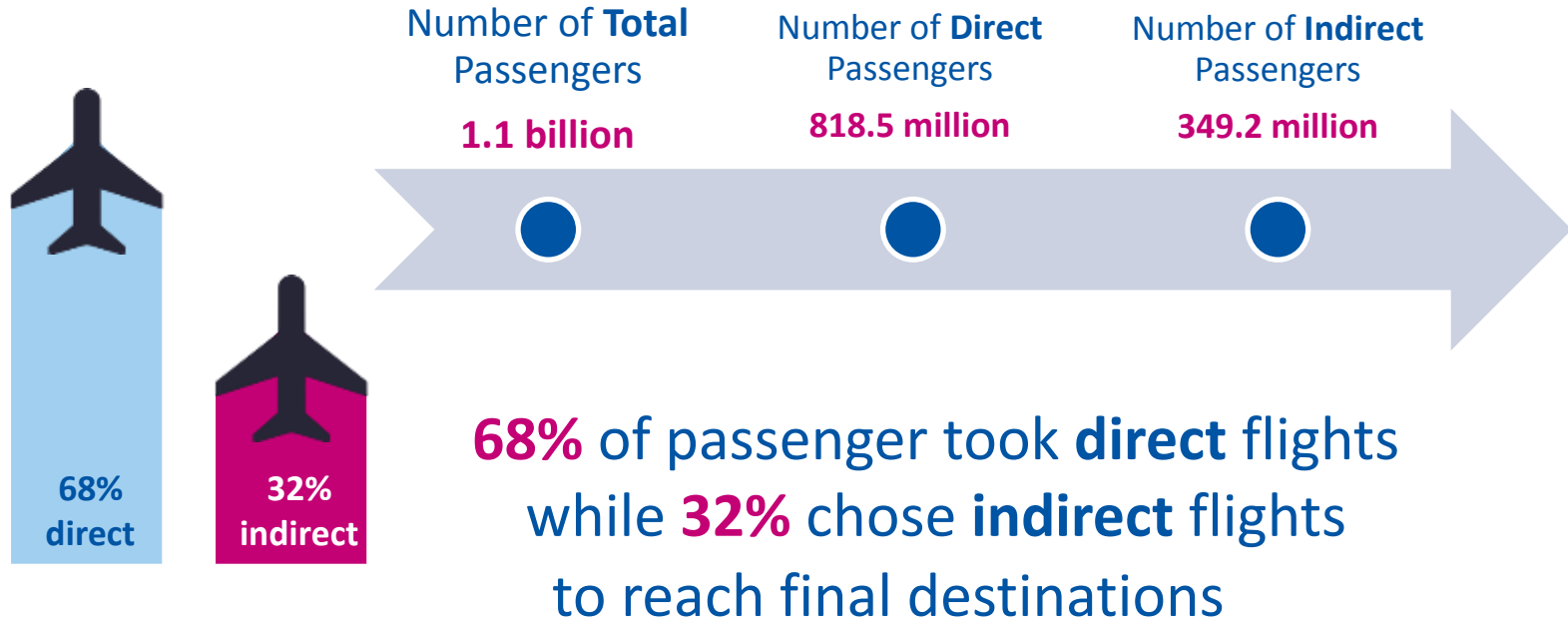
Regional Liberalization: Most world regions have liberalization programs





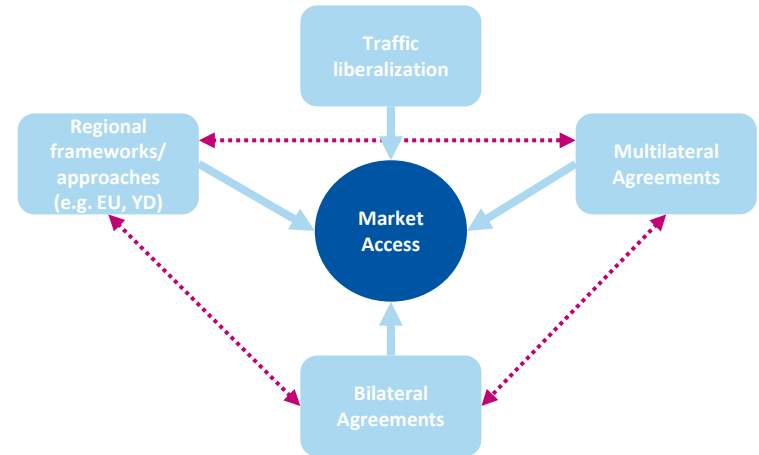
Direct vs indirect flights (Global, 2014)

Worldwide Figures



Overcoming Connectivity Inefficiencies

- **Market Access**
 - Restrictive exchange of **traffic rights** (Bilateral Agreements)
 - **Unsatisfactory implementation** of regional frameworks/multilateral agreements
 - Restrictions through **aircraft ownership and control** clauses
- **Sub-optimal use of**
 - **Air Navigation Services** (incl. ASBUs)
 - **Aircraft Fleets**
 - **Airport Systems**
 - **Facilitation and Security**
- Lack of **Intermodality**
- **Charges and Taxes**
 - Disregard of **key principles**: cost-relatedness, transparency, consultation with users, non-discrimination



YD: Yamoussoukro Decision
EU: European Union



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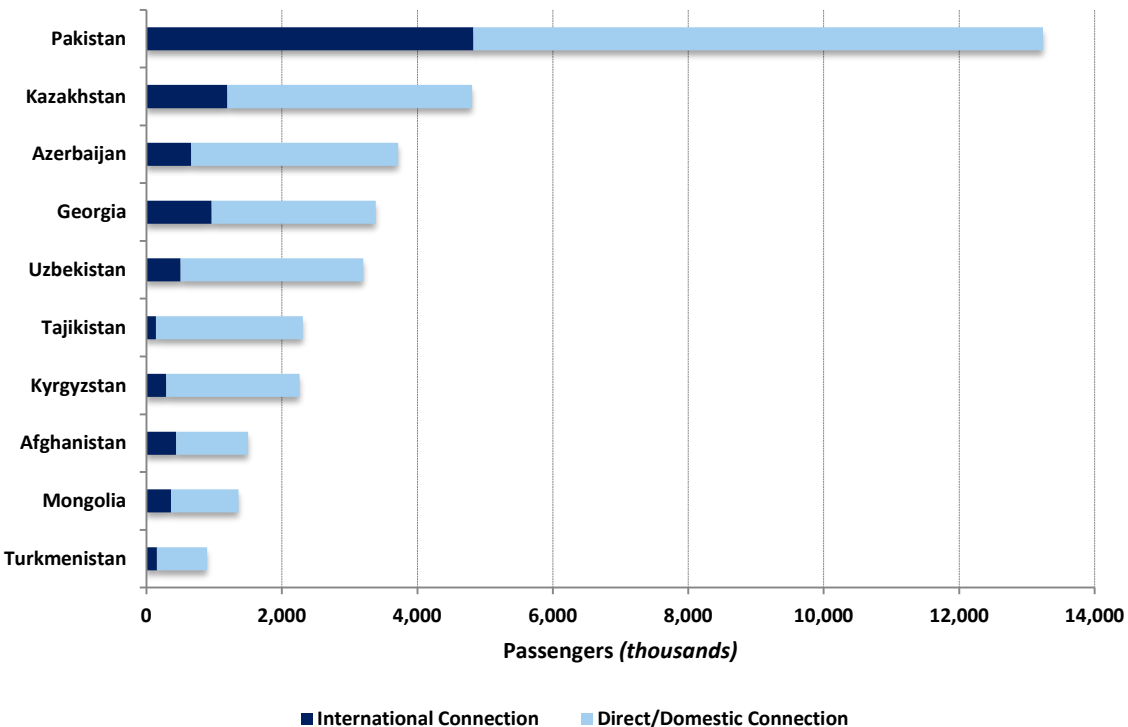
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Air Connectivity

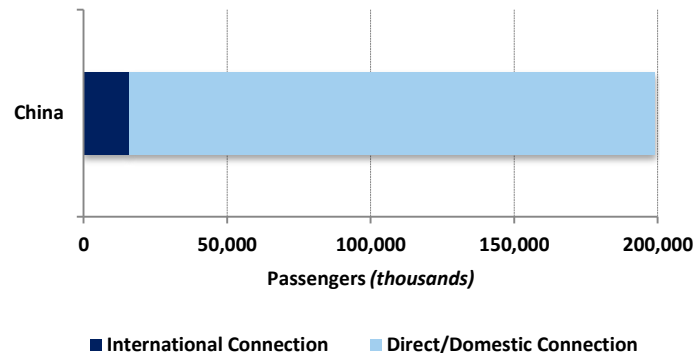
Regional outlook



International Connectivity

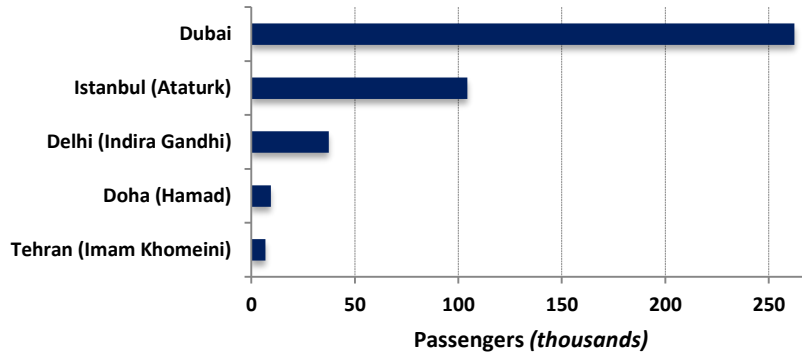


International Connectivity

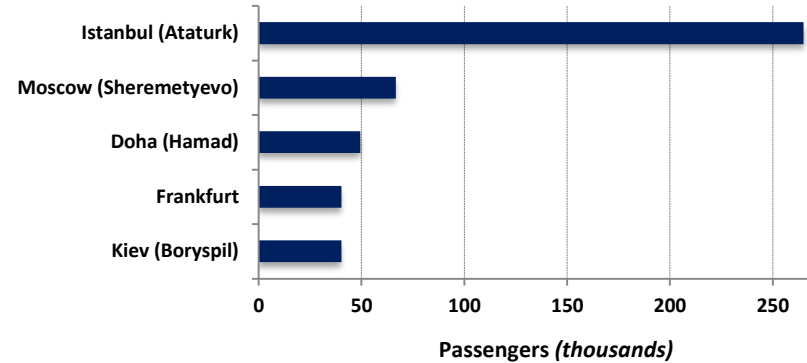


Top 5 hubs to/from CAREC States in 2015 (1/3)

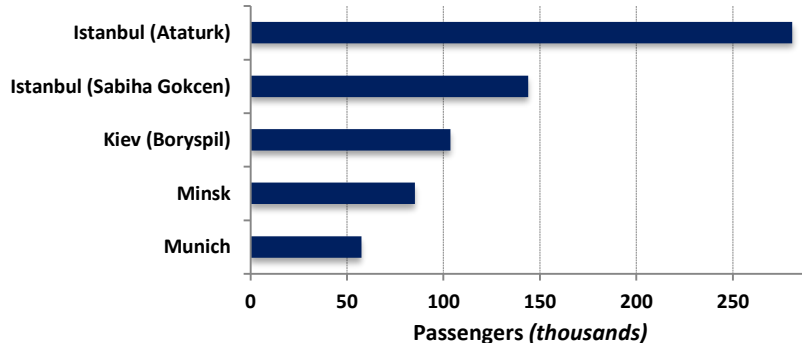
Afghanistan



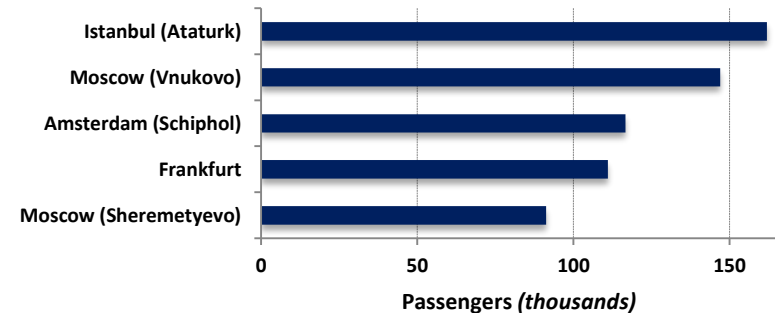
Azerbaijan



Georgia



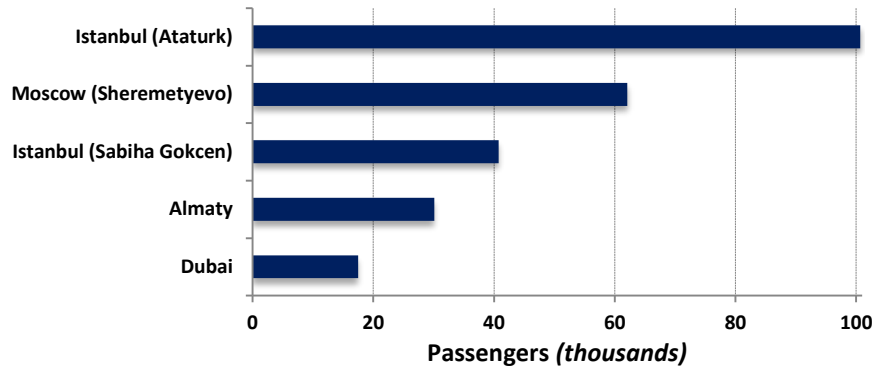
Kazakhstan



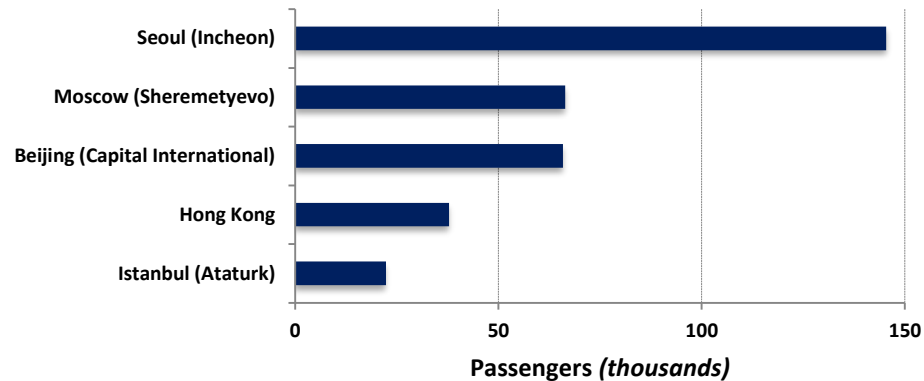


Top 5 hubs to/from CAREC States in 2015 (2/3)

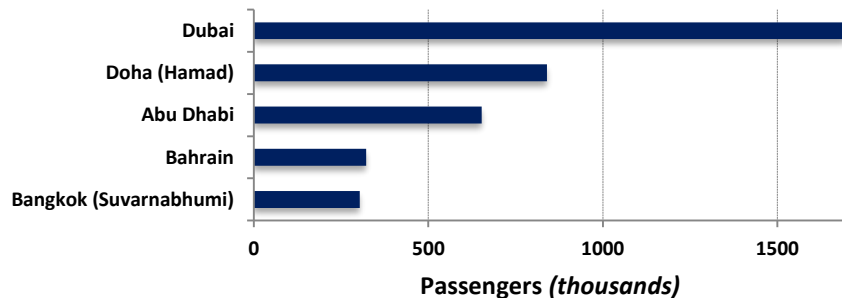
Kyrgyzstan



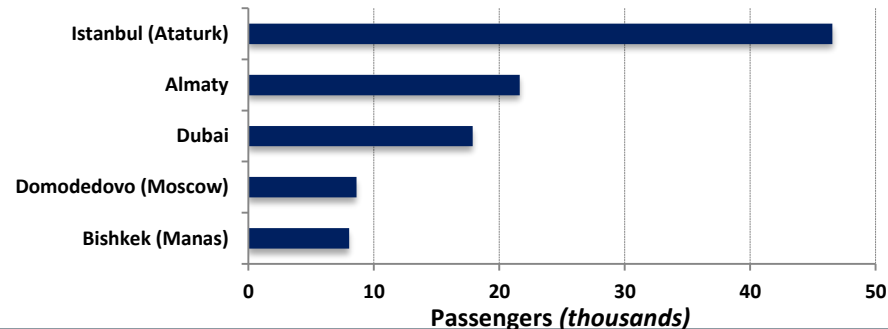
Mongolia



Pakistan

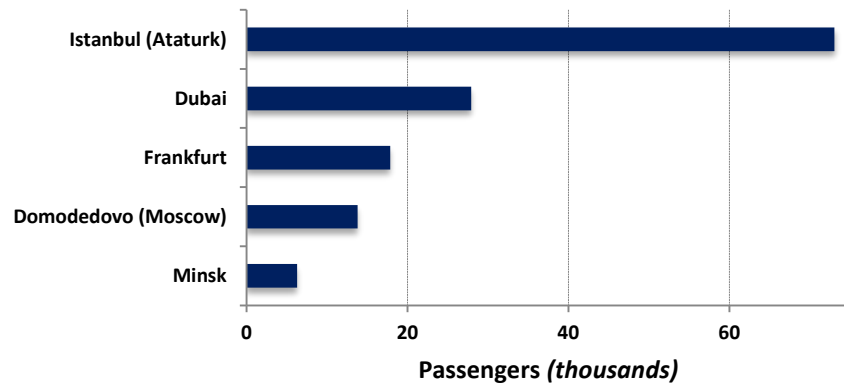


Tajikistan

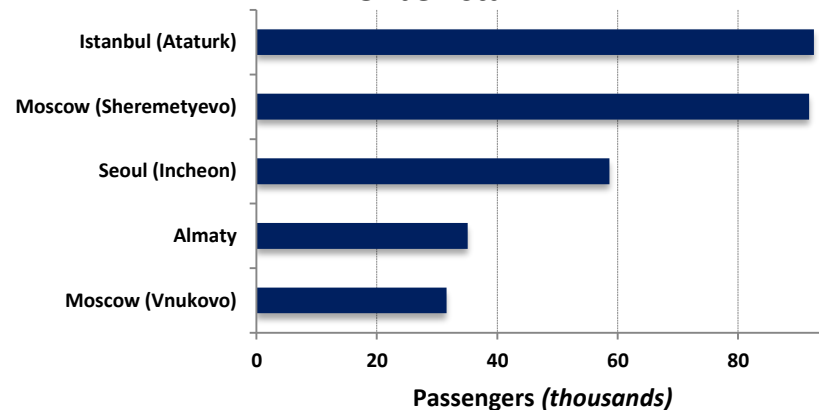


Top 5 hubs to/from CAREC States in 2015 (3/3)

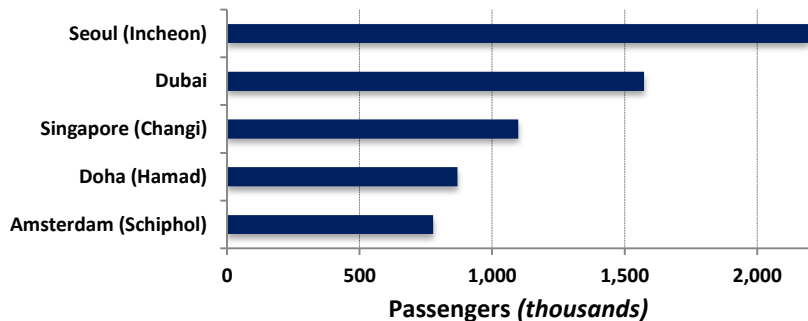
Turkmenistan



Uzbekistan



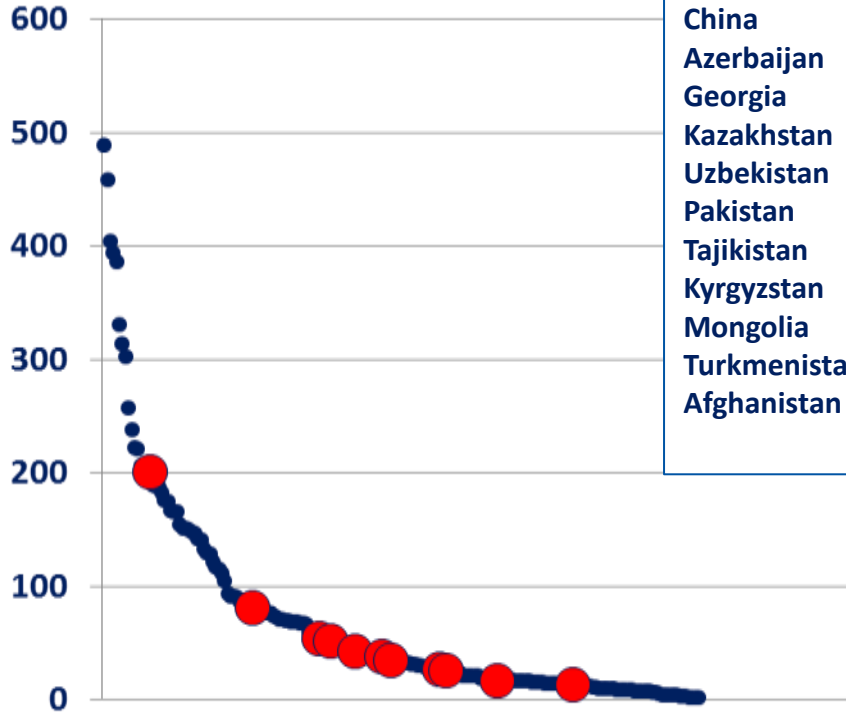
China





Cities served by international flights and ICAO etools

Number of cities served by nonstop international flights



- China
- Azerbaijan
- Georgia
- Kazakhstan
- Uzbekistan
- Pakistan
- Tajikistan
- Kyrgyzstan
- Mongolia
- Turkmenistan
- Afghanistan

Year: 2014
 Minimum number of flights: 0, 100, 1500, 1500
 From: Country Turkey, City Istanbul
 To: Country All, City

Flights out of Istanbul, Turkey in 2014 (Routes with at least 100 flights per year)

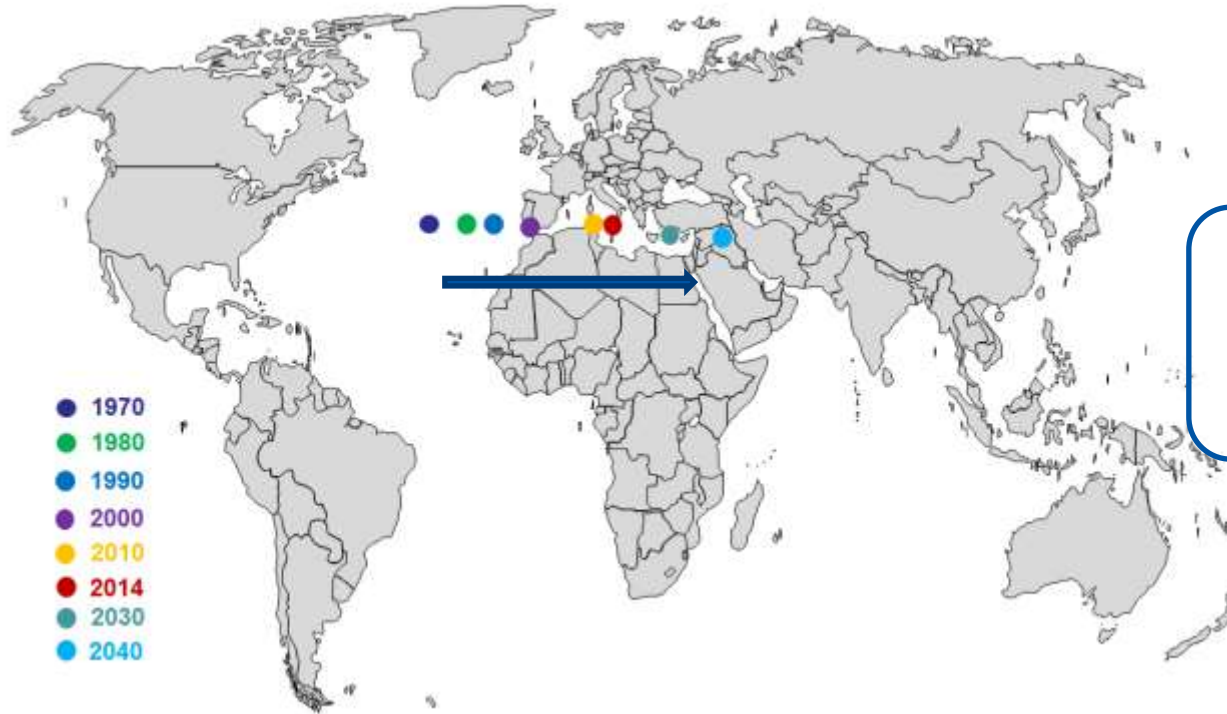


Traffic from Istanbul, Turkey to Moscow, Russian Federation

Flights: 3,485
 Seats: 556,986

Carrier code	Carrier name	Law	Country	Aircraft types	Flights %	Seats %
TK	TURKISH AIRLINES INC.		Turkey	Airbus A318, Airbus A320, Airbus A321, Boeing 737, Airbus A330	42.45	44.33
AF	AEROFLOT-RUSSIAN AIRLINES		Russian Federation	Airbus A320, Airbus A321, Airbus A321XLR, Airbus A321XLR	41.58	40.58
TD	TRANSARCO AIRLINES		Russian Federation	Boeing 737, Boeing 737	10.26	5.88
PQ	PEGASUS AIRLINES		Turkey	Airbus A320, Boeing 737	4.82	5.40
UW	URAL AIRLINES		Russian Federation	Airbus A321	0.01	0.03

Centre of gravity



The **centre of gravity** has been steadily moving from the **middle of North Atlantic** to the **middle of the Mediterranean sea** in the last four decades. It is expected to move further east by 2040.

Geographical centre of gravity of departing/arriving passengers

ICAN benefits

- ICAO Air Services Negotiation Event
- Improve efficiency of negotiations
 - A place to meet for multiple ASA talks
 - A forum to get info, discuss issues
 - A platform for bilateral, multilateral talks

ICAN2017: Colombo, Sri Lanka

- Save time and money for States

Venue Year	Dubai, UAE 2008	Istanbul, Turkey 2009	Kingston, Jamaica 2010	Mumbai, India 2011	Jeddah, Saudi Arabia 2012	Durban, South Africa 2013	Bali, Indonesia 2014	Antalya, Turkey 2015	Nassau, Bahamas 2016
Number of participating States	27	52	39	65	62	73	78	95	67
Number of bilateral meetings held	100	200	200	340	350	485	550	588	430
Number of agreements and arrangements signed	20	60	60	120	130	458	500	550+	400



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South American
(SAM) Office
Lima

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Headquarters
Montréal

Western and
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
(APAC) Sub-office
Beijing

Asia and Pacific
(APAC) Office
Bangkok



THANK YOU