



## *“Level Playing Field” in Asia/Pacific*

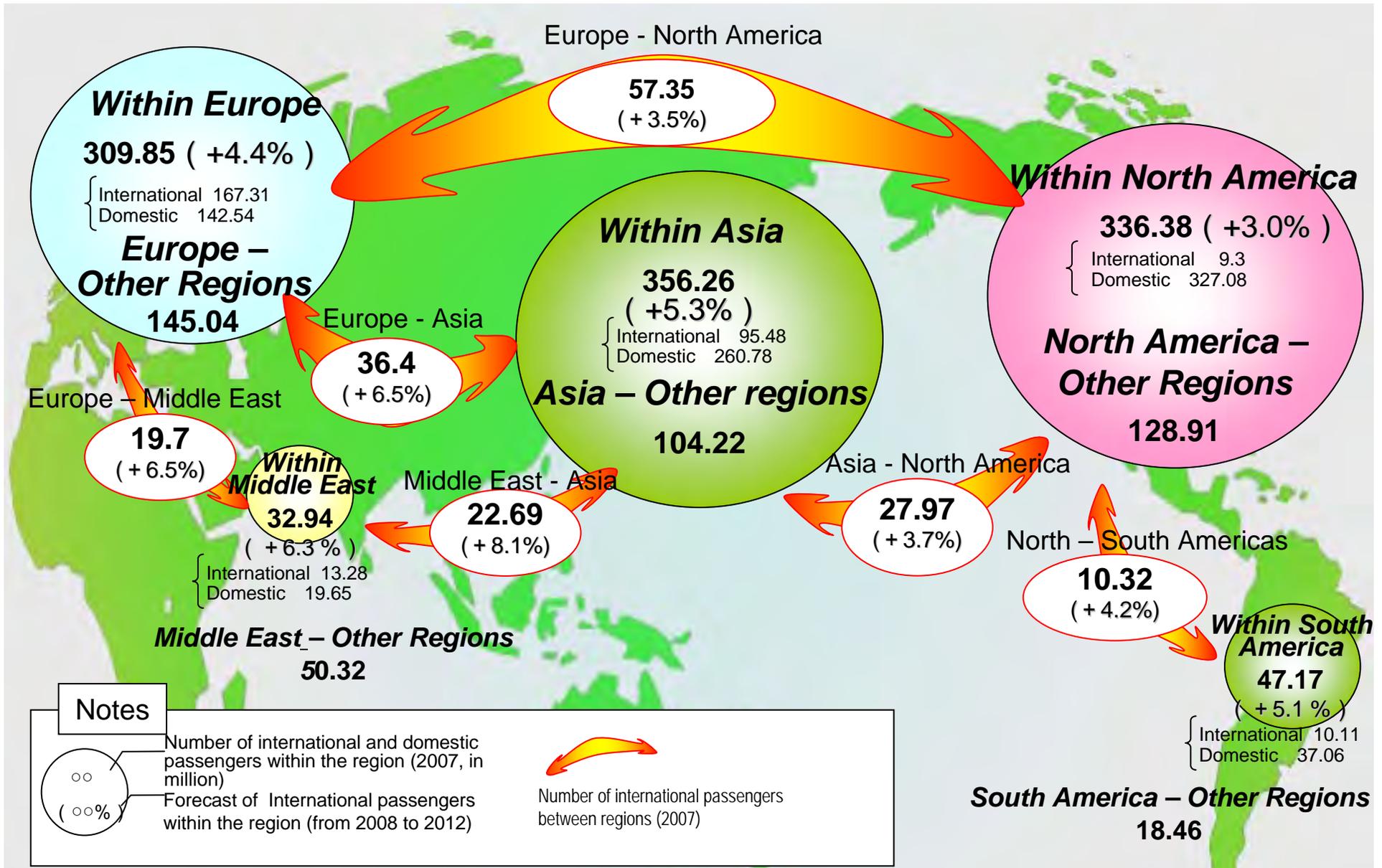
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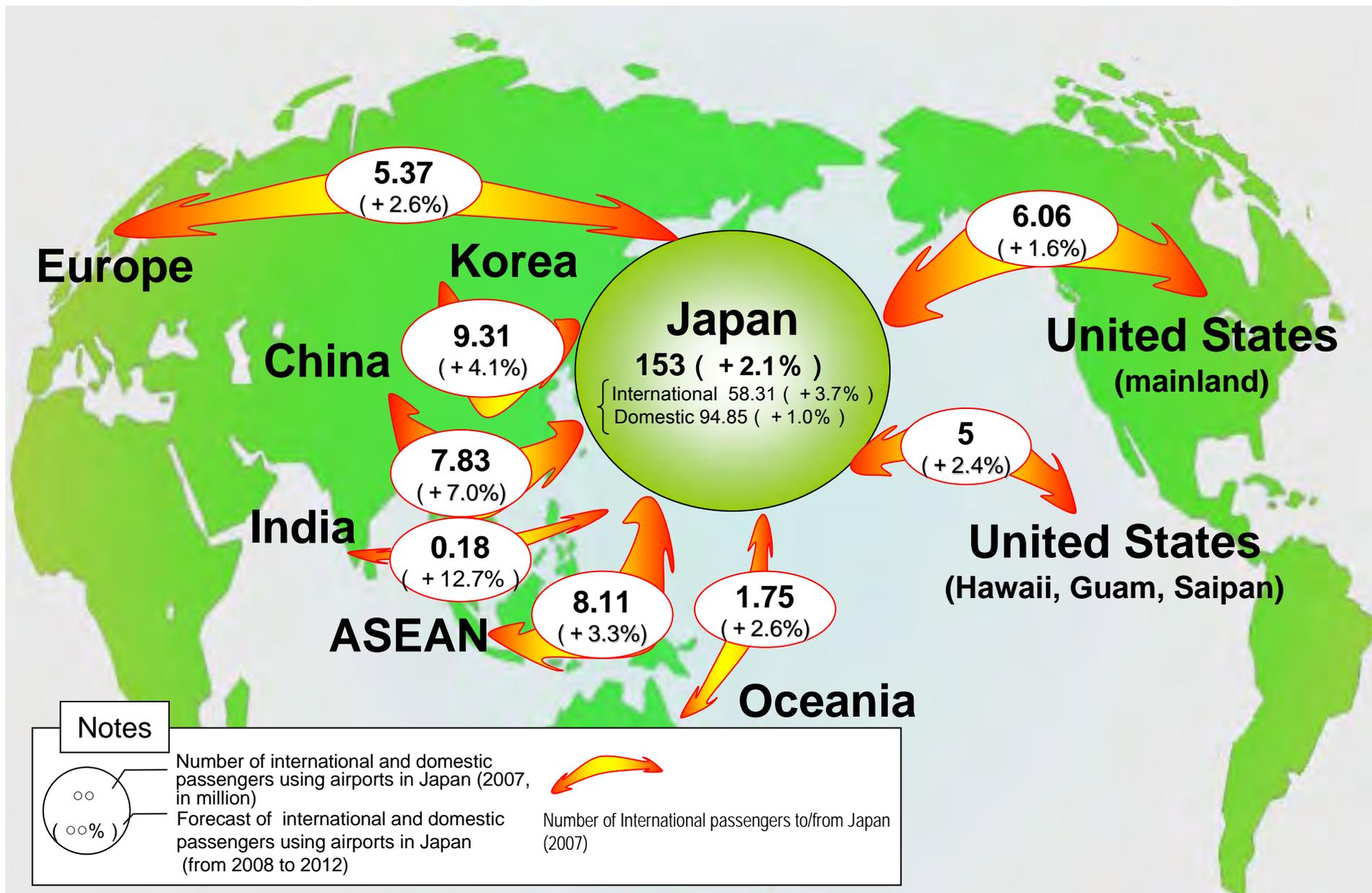
*16 July 2009*

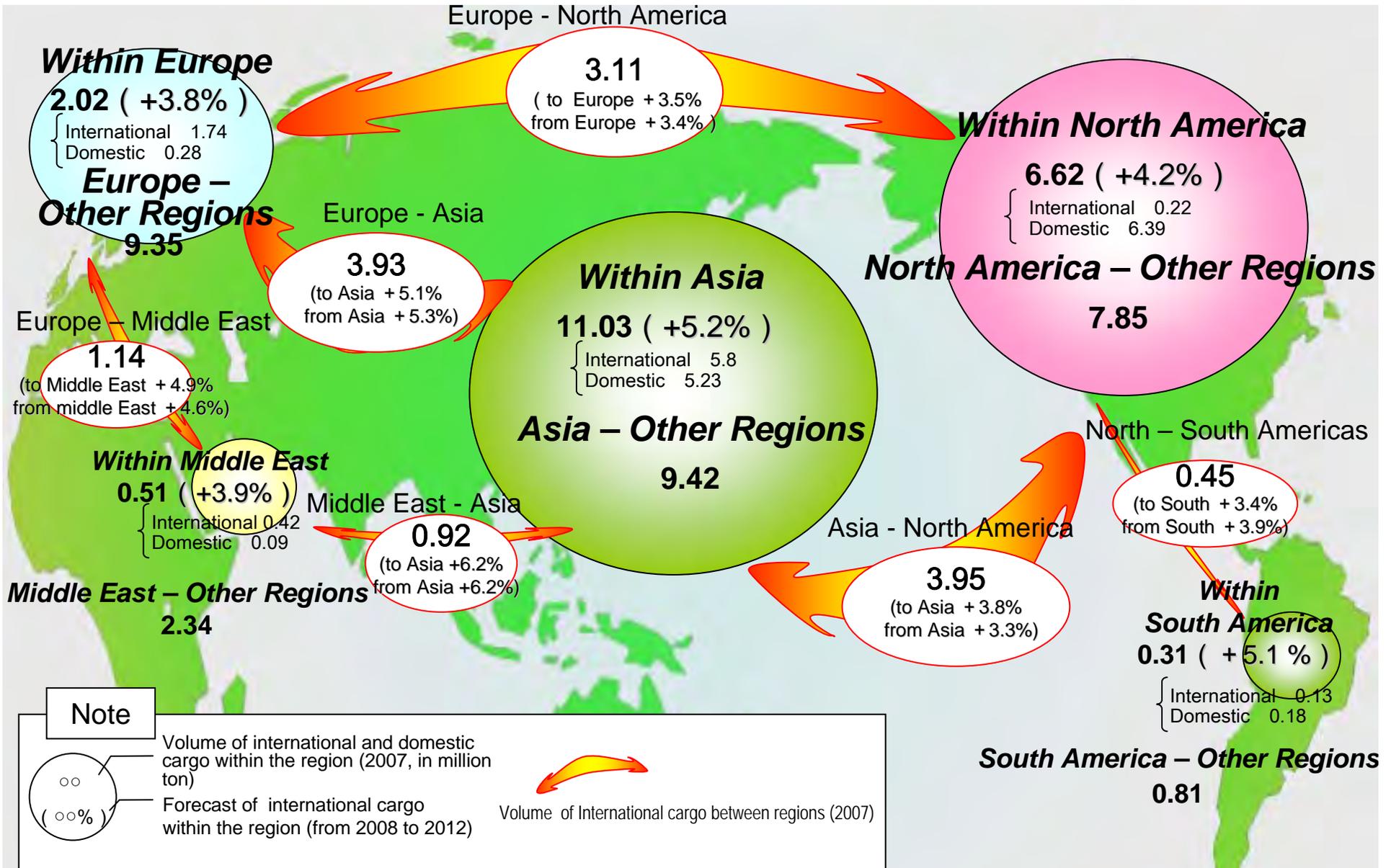
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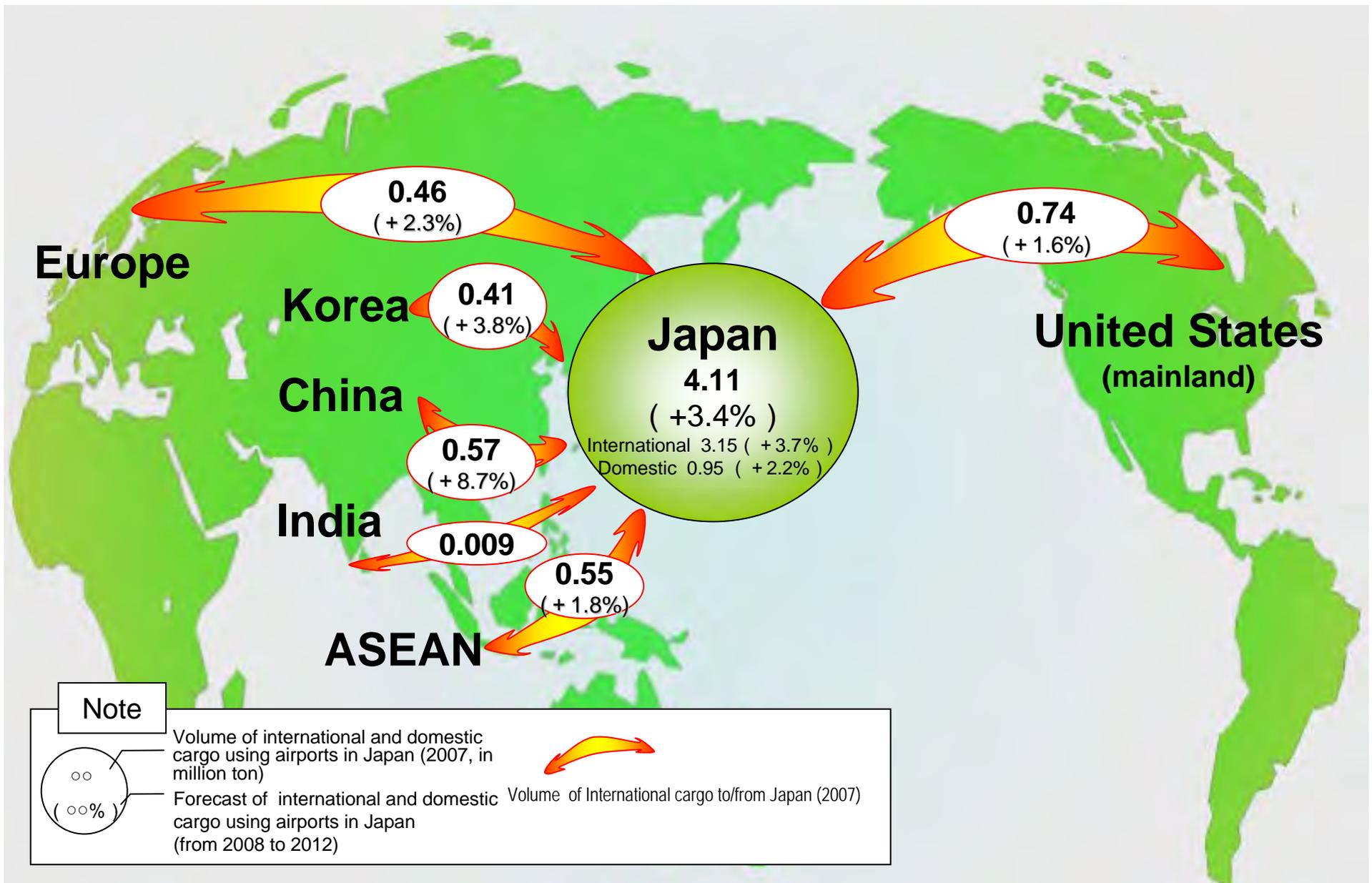
*Civil Aviation Bureau of Japan*







Source : IATA World Air Transport Statistics 52<sup>nd</sup> Edition (2008.6)  
IATA Freight Forecast 2008-2012 (2008.10)



## Background

- In Asia/Pacific Region, establishment of full economic integration such as European Union takes immeasurable time and cost.
- Thus, at first, we should facilitate movement of people, goods and information by active air transport.
- Alliances and business mergers among airlines are getting formed across borders.
- Low-Cost carriers are expanding their business scale remarkably.



## Action Needed by Each Government

1. Promotion of aviation liberalization through bilateral air talks  
= Relaxation of restrictions on points of services, routes and the number of flights
  2. Expansion of congested airport capacity
  3. Improvement of ATM and implementation of safety, security and environmental standards
- +
4. Ensuring **“Level Playing Field”** among airline companies:
    - a) Technical support for capacity building of developing countries;
    - b) Harmonization of policy/standards/ATM; and
    - c) Strengthened representation of the regional interest at ICAO forum

## Remarkable Progress of Asian LCC

### 1. Operations to/from Japan

- (1) Jetstar Airways (Australia)
- (2) Viva Macau (Macau)
- (3) Cebu Pacific (the Philippines)
- (4) Hong Kong Express (Hong Kong)
- (5) Jeju Air (Korea)

### 2. Plan to Start Operations to/from Japan

- (1) Air Asia X (Malaysia)
- (2) Air Busan (Korea)
- (3) Jin Air (Korea)
- (4) Easter Jet (Korea)

### 3. Other Major Low Cost Carriers

- (1) Air Asia (Malaysia)
- (2) Tiger Airways (Singapore)

## Airline Industry Reorganization

### 1. M & A

- (1) Delta (DL) – Northwest (NW) Merger
- (2) Lufthansa (LH) Equity Acquisition of
  - Swiss International Air Lines
  - JetBlue
  - Brussels Airlines
  - BMI
  - Austrian Airlines
- (3) British Airways (BA) talks with
  - Iberia
  - Qantas Airways
- (4) Air France (AF) – KLM Merger and Equity Acquisition of
  - Alitalia

### 2. ATI (Antitrust Immunity)

- (1) Delta(DL) – Air France KLM
- (2) American – British Airways
- (3) United – Continental - Lufthanza

# Trend of Alliance among Airlines

## Star Alliance

- Lufthansa (Germany) \* ( ) scheduled to join
  - Scandinavian Airlines (Sweden)
  - bmi (United Kingdom)
  - Spanair (Spain)
  - Austrian Airlines (Austria)
  - LOT Polish Airlines (Poland)
  - TAP Portugal (Portugal)
  - Swiss International Air Lines
  - Brussels Airlines (Belgium)
  - Turkish Airlines
  - Egypt Air
  - South African Airways
  - United Airlines (United States)
  - Air Canada (Canada)
  - US Airways (United States)
  - Continental Airlines (United States)
  - All Nippon Airways (Japan)
  - Asiana Airlines (Korea)
  - Air China (China)
  - Shanghai Airlines (China)
  - Singapore Airlines (Singapore)
  - Thai Airways International (Thailand)
  - Air India (India)
  - TAM Airlines (Brazil)
  - Air New Zealand (New Zealand)
- 25 carriers**  
(including carriers scheduled to join)

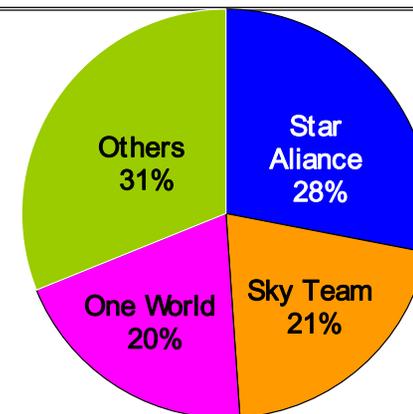
## Oneworld

- British Airways (United Kingdom) \* ( ) scheduled to join
  - Finnair (Finland)
  - Iberia Airlines (Spain)
  - Malev Hungarian Airlines
  - Royal Jordanian Airlines
  - Qantas Airways (Australia)
  - American Airlines (United States)
  - Japan Airlines
  - Cathay Pacific Airways (Hong Kong)
  - Mexican Airlines (Mexico)
  - LanChile Airlines (Chile)
- 11 carriers**  
(including carriers scheduled to join)

## SkyTeam

- Air France (France)
  - KLM Royal Dutch Airlines (The Netherlands)
  - Alitalia (Italy)
  - Czech Airlines (Czech)
  - Aeroflot (Russia)
  - Delta Air Lines (United States)
  - Northwest Airlines (United States)
  - Continental Airlines (United States)
  - Korean Air Lines (Korea) (transfer to Star Alliance planned)
  - China Southern Airlines
  - Aeromexico (Mexico)
- 11 carriers (+three carriers)**  
(It was 10 carriers after Continental Airlines left)
- Associate member (implementation of mutual FFP, though without voting right)
- Air Europe (Spain)
  - Copa Airlines (Panama)
  - Kenya Airways

Share of transportation volume held by each alliance (based on passenger-kilos of international routes in 2007)



\* As of November 2008 for member carriers

\* Source of share of transportation volume data: IATA World Air Transport Statistics 2007

## Asia/Pacific Countries/regions that agreed on the Open Skies with the U.S.



## ASEAN's Multilateral Approach to the Regional Aviation Liberalization

-On November 6, 2008, Transport Ministers of ASEAN countries agreed on two important documents:

a) "Multilateral Agreement on the Full Liberalization of Air Freight Services"

b) "ASEAN Multilateral Agreement on Air Services"

--- Aiming liberalization of the third, fourth, and fifth passenger traffic rights among capitals of the member states by the end of the year 2010.

-Their ultimate goal is full integration of the aviation market of the region by the end of year 2015.



## Liberalization of Air Services with Asian Countries

- Japan is now promoting air services liberalization based on “Asian Gateway Initiative”, adopted in May 2007 to relax restrictions on points and capacity between Japan and the other country, with the exception of those to/from the airports in Tokyo metropolitan area. Japan has agreed on such liberalization with the following 8 countries/regions.
  - Korea (August 2007) , Thailand (November 2007), Macau (January 2008), Hong Kong (January 2008)
  - Viet Nam (May 2008), Malaysia (July 2008), Singapore (September 2008), Canada (April 2009)
- Japan also proposed air services liberalization based on the Initiative to China in June 2007, February and November 2008, April 2009, and will continue to talk on liberalization with China.
- Consultations with other Asian countries will be conducted to promote air services liberalization based on the Initiative.
- Japan would also promote such liberalization with European countries and the US, with which various issues to be addressed such as fair and equal opportunities.

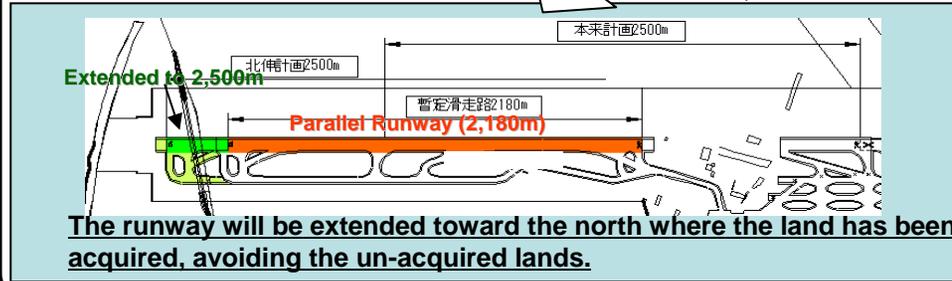
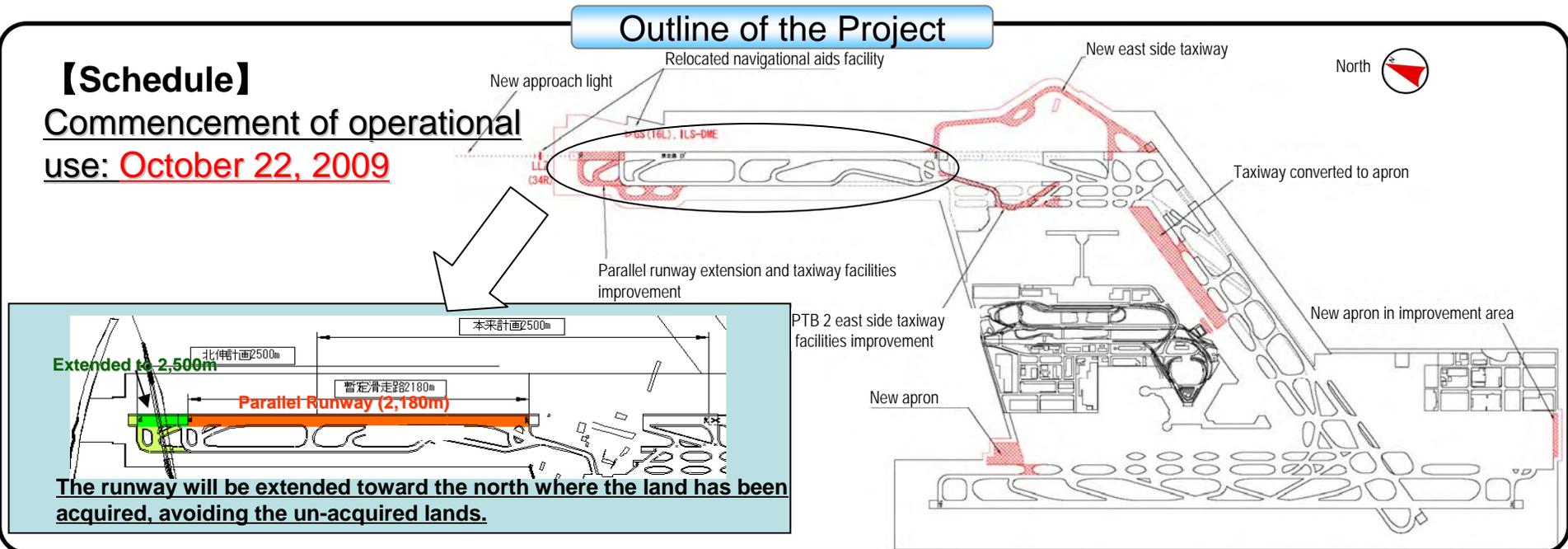
# Airport Expansion Project at Narita

- Parallel runway B' at Narita will be extended (from 2180m to 2500m) on October 22, 2009, in order to meet the growing demand, and to secure the Japan's position as the hub of international air transport.
- The number of slots will be increased to 220,000 from 2010 summer schedule, while the capacity of the apron and the terminal building will be expanded and air cargo facilities will be improved.

## Outline of the Project

### 【Schedule】

**Commencement of operational use: October 22, 2009**



## Outcome of the Project

### 1. Relaxation of the Restriction on Aircraft Type

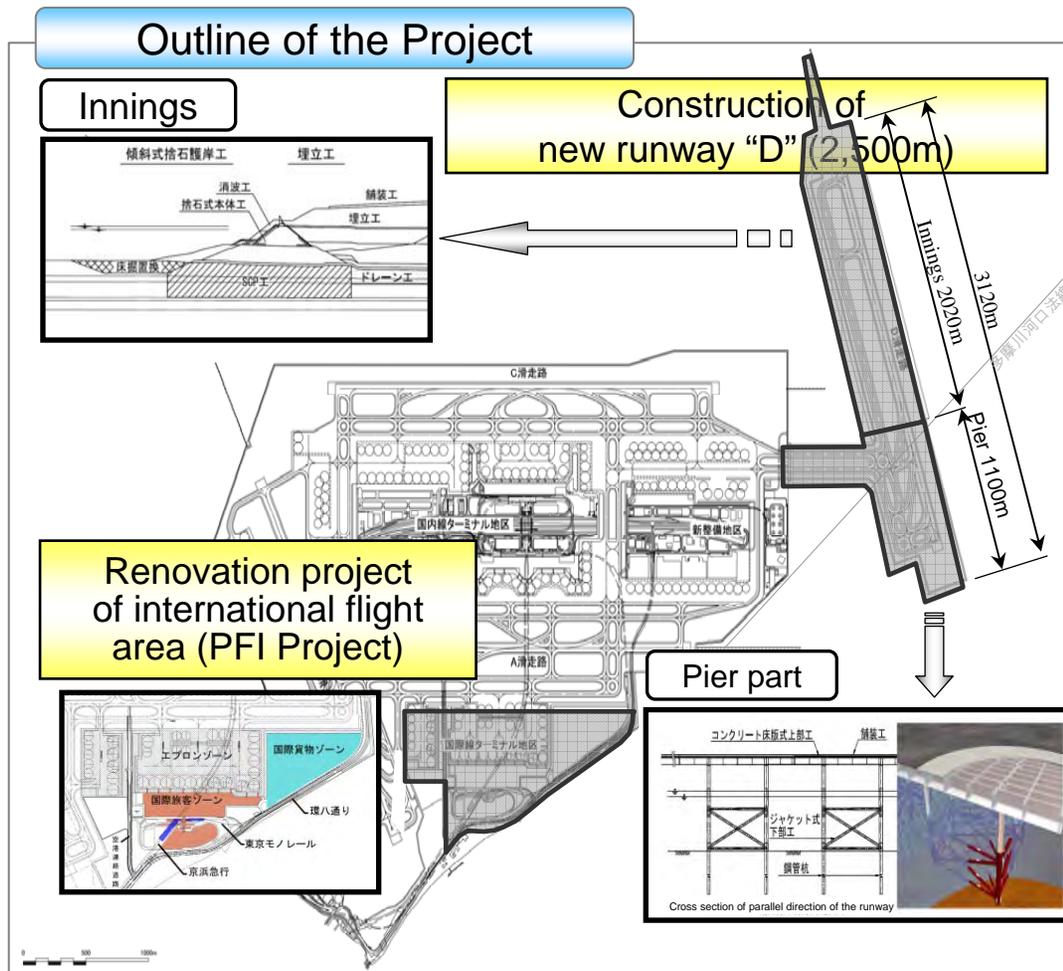
	Current	After completion
Use by B744, B773	Cannot be used	Can be used
Destination range	Up to Southeast Asia	Up to US West Coast

### 2. Increase of Available Slots

	Current	After completion
Available slots	200,000 per year	220,000 per year

# Airport Expansion Project at Haneda

- The fourth runway (2,500m) is now under construction, and commencement of the operational use of the new runway is expected in October 2010.
  - The capacity of takeoff/landing will increase 1.4 times\* as a result of the project, and a part of which will be allocated to international scheduled flights.
- \* (equivalent to the increase by 111,000 times/year (152 flights/day))



**Outcome of the Project**

**1 . Capacity Increase**

	Current	After completion
Available slots	300,300 per year	407,000 per year

*\*The increase of the frequency of takeoff and landing will be implemented gradually while securing the safety of operations..*

**2 . Introduction of International Scheduled Services**

- **Daytime hours: 30,000 slots per year** will be used for short-haul passenger services covering business demand to Asian major cities
- **Late night & early morning hours: 30,000 slots per year** will be used for passenger and/or all-cargo services to worldwide major cities

- Policy to enhance international air services to/from Japan making use of capacity increase of Haneda and Narita in 2010 was decided by the Cabinet in “Economic and Fiscal Reform 2008 (“Basic Policies)”
- MLIT is now conducting air services consultations with bilateral counterparts in accordance with the policy.

## Narita Airport

### Policy on international air services network

- On the occasion of the operational use of the extended parallel “B” runway which is scheduled in March 2010, about 20,000 slots will become available to international scheduled flights.
- In particular, increase in long-haul flights and expansion of networks with Asian countries with increasing demand will be strengthened.

### Result of consultations

Capacity increases at Narita were agreed with Germany, Viet Nam, India, Austria, Qatar, Finland, Scandinavian countries, Singapore, UAE, Thailand, the Netherlands, Hong Kong, Canada, Macau, Turkey, Italy and Switzerland.

## Haneda Airport

### Policy on international air services network

At the commencement of operational use of the fourth runway which is scheduled in October 2010,

- During daytime hours, about 30,000 slots will be used for international scheduled flights for short-haul business routes with Asian countries. Asian major cities such as Seoul, Shanghai, Beijing, Taipei and Hong Kong are expected to be the destinations for the flight from Haneda.
- During late-night and early-morning hours, when Narita is closed due to nighttime curfew, another 30,000 slots will be used for international flights to major cities in the world, including those in Europe

### Result of consultations

#### 1. Daytime hours:

Introduction of international scheduled flights to Haneda has been agreed with Korea and Hong Kong.

#### 2. Late-night and early-morning hours:

Introduction of international scheduled flights to Haneda has been agreed with Malaysia, Korea, Singapore, Thailand, Hong Kong, France, UK, the Netherlands, Germany and Canada.

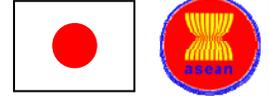
## Technical Support for Capacity Building

### ODA

Various ODA projects have been implemented in several countries.

- ◆ **Infrastructure Development**
  - Suvarnabhumi International Airport
  - Kuala Lumpur International Airport etc.
- ◆ **Capacity Building**
  - Human Resource Development Projects (Philippines and Indonesia)
  - Dispatch of experts from JCAB (Cambodia, Laos and Viet Nam)

### Other Scheme



Under the scheme of ASEAN-Japan Transport Partnership, several cooperative projects have been implemented.

- New Air Navigation System Project
- ASEAN-Japan Aviation Security Project
- ASEAN-Japan Airport Study Project

## Harmonization of Policy/Standards/ATM

### Technical Standard

#### ◆ **Bilateral Aviation Safety Agreement (BASA)**

JCAB has agreed the bilateral agreement with the U.S. FAA to mutually accept the airworthiness approvals for aircrafts and parts that the other country issues.

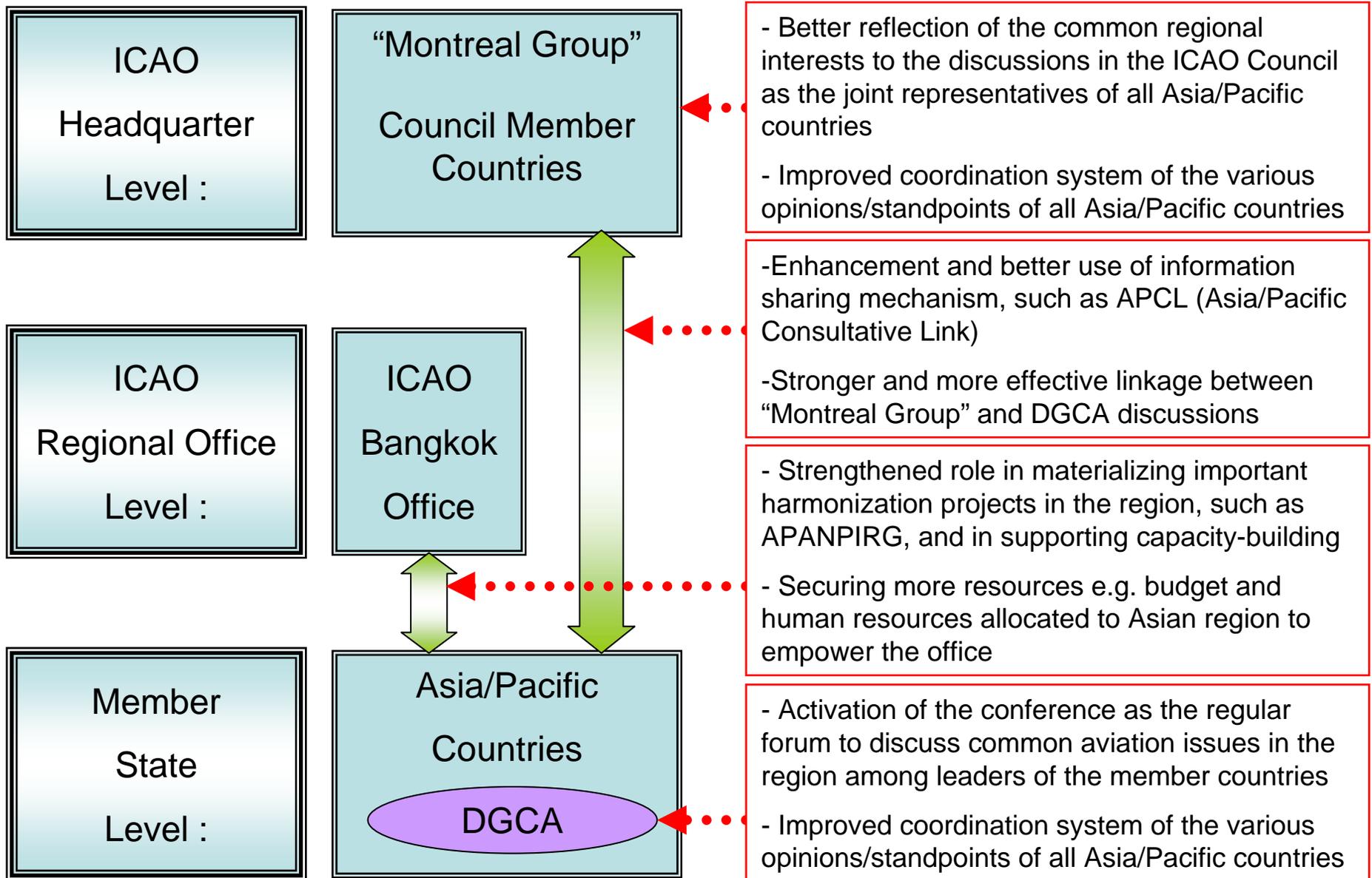
### ATM

#### ◆ **APANPIRG**

**(The Asia/Pacific Air Navigation Planning and Implementation Regional Group)**

JCAB has been participating in APANPIRG and its relevant SGs/TFs meetings in order to contribute to the improvement of Air Transport System in the Asia Pacific Region.

# Improvement of Cooperation Framework In Asia/Pacific Region MLIT



1. It is urgent task to develop **“Level Playing Field”** in such areas as competition policy, safety, security and environment standards, to respond to progress of aviation liberalization, development of cross border alliance and reorganization among airlines.

2. At the same time, it is necessary to reflect **common regional interests** to the discussions in the ICAO Council adequately.

3. In the long term, it is ideal to establish the permanent regional organization, such as ECAC and LACAC.

However, we need to take into account the diverse situation of the region, and to have **more experiences in effective cooperation and coordination**.

4. At least for the present, therefore, it is important to take **“step by step approach”**, by accumulating concrete outcomes through enhancement of existing cooperation mechanism among Asia/Pacific countries.

Japan is **ready and willing to take a leading role** in this approach.

- “Conference of Directors General of Civil Aviation, Asia and Pacific Region” provides an important opportunity for regional consideration and discussion of key aviation issues.
- Estimating participation of 35 States and 6 organization (over 350 people )

## ◆ Date & Venue

- ✓ Date: Oct 12-16, 2009
- ✓ Venue: ANA Gate Tower Hotel  
Rinku Town in OSAKA  
(near Kansai International Airport)



## ◆ Theme Topic

- ✓ **“Seamless Sky”: Bringing Together the Asia/Pacific Region**
  1. ATM (Future ATM System of the Asia Pacific Region)
  2. Safety
  3. Security

Japan proposes to hold the special meeting among heads of delegation of states in Asia/Pacific region, to discuss measures to further improve regional cooperation framework during DGCA conference.

See you in Osaka, Japan!

Thank you for listening!!