

**55TH CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGIONS**

*Denarau Island, Nadi, Fiji
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**AGENDA ITEM 8 TECHNICAL AND REGIONAL
COOPERATION**

TOWARDS ASEAN REGULATORY CONVERGENCE

Presented by the International Air Transport Association

SUMMARY

ASEAN has identified the strengthening of the ASEAN Single Aviation Market for a more competitive and resilient ASEAN as a key strategic goal under the ASEAN Transport Strategic Plan for 2016-2025. While there have been achievements with the adoption of an Air Traffic Management Master Plan and mutual recognition of licensing requirements for flight crew and pilots, greater regulatory convergence is paramount for ASEAN to maximize its air traffic growth potential and achieve its strategic goal of a strong Single Aviation Market. In this Discussion Paper, IATA proposes to collaborate with ASEAN on an initiative to support ASEAN in its pursuit for greater regulatory convergence, so that it would be able to realize the full potential of its Single Aviation Market.

Action by the DGCA Conference is in paragraph 3.

TOWARDS ASEAN REGULATORY CONVERGENCE

1. INTRODUCTION

1.1 The Consulting Company McKinsey forecasted that ASEAN, with its 10 members – Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam – will become the fourth-largest economy in the world by 2050. Home to more than 640 million people or 9% of the world’s population, and with a growing middle class, ASEAN countries have witnessed a strong growth in air travel in the past decade, supported especially through the emergence of Low Cost Carriers, which has made air travel in the region and beyond more affordable and accessible.

1.2 The strong growth is expected to continue, such that by 2030, the aviation market of Asia, of which ASEAN forms a key part, is estimated to be greater than that of Europe and North America combined. The growth will bring about significant benefits for the wider economy of the ASEAN Member States. However, in order to reap the full benefits, ASEAN will need to focus on greater regulatory convergence.

2. DISCUSSION

2.1 As part of the ASEAN Transport Strategic Plan for 2016-2025, ASEAN Member States identified as a key strategic goal the strengthening of the ASEAN Single Aviation Market (ASAM) for a more competitive and resilient ASEAN, by fostering greater connectivity, advancing safer and more secure skies, and enhancing air traffic management efficiency and capacity in the region. The ASEAN Leaders’ Vision Statement issued at the end of the 32nd ASEAN Summit held in Singapore from 25 to 28 April 2018 reaffirmed ASEAN’s commitment towards a Seamless ASEAN Sky and promises to harmonize safety standards and increase air traffic management capacity and efficiency.

2.2 While the adoption of an Air Traffic Management Master Plan and the agreement for mutual recognition of licensing requirements for flight crew and pilots may be lauded as achievements, the differing levels of readiness of aviation systems in the region may impede further harmonization across the region. Many ASEAN Member States face infrastructure inadequacies to cater to the growth in air traffic. Some are also reluctant to further liberalization and harmonization in a bid to defend national interests or to ensure national sovereignty.

2.3 ASEAN also lacks a common regulatory framework to provide universal training and safety standards across the region, impeding efforts to improve the region’s safety reputation and encourage the mobility of skilled labor.

2.4 As the international trade association, IATA represents major airlines in the world, including those based in ASEAN. As such, IATA believes that close collaboration between IATA and ASEAN would help to accelerate ASEAN’s efforts towards greater regulatory convergence, thus improving efficiency across the air transport sector and allowing for seamless operations across the region, while ensuring that a strong framework is in place for safety and security. In this regard, IATA has worked closely with airlines based in ASEAN to identify an initial list of four priority areas for the initiative towards greater regulatory convergence which it hopes to explore together with ASEAN:

- i. Mutual recognition of aviation personnel licenses
- ii. Mutual recognition of ASEAN airlines’ security programs
- iii. ASEAN policy on flexible use of airspace
- iv. Single sky including “Seamless ASEAN Sky”

2.5 The combined efforts of IATA and ASEAN on the initiative towards greater regulatory convergence will benefit both airlines and passengers. The principle of mutual recognition, for example, where an application to one State would hold validity in all ASEAN States, would be a notable step forward and ease compliance issues. Meanwhile, passengers will benefit from closer alignment of security measures and the simplification of visa processes.

2.6 IATA believes that greater regulatory convergence will not only help the region to maximize its air traffic growth potential, but also form a key pillar in support of ASEAN's strategic goal to strengthen the ASAM for a more competitive and resilient ASEAN.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to note and support IATA's proposed plan to work with ASEAN on promoting greater regulatory convergence efforts in the region, and provide views on the priority areas identified in paragraph 2.4. IATA will monitor progress and report at the next 56th DGCA.

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