

History of PI Aviation

..Aviation flourishing in PNG in mid-1920s when little was happening in AUST/NZ

..Flying Boats

..Trans-Pacific Island hopping

..Era of the long-haul Jet

..Development of Tourism

- ..Formation of Political forum for PI Leaders in 1971 in WLG
- ..Maritime & Air Transport high among priorities
- ..Pacific Forum Line
- ..Renaming/Restructuring of Fiji Airways as Air Pacific to be the regional airline of the PI

Failure of the regional airline

- ..Independent PICs establishing their own national airlines
- ..Establishment of Forum Aviation Ministers Meeting in 1974
- ..Formation of ASPA in 1979 at the recommendation of the FAMM
- ..Demise of ASPA in 1981

New ASPA in 1986

- ..Revived in 1986, the revised Constitution
- ..Moved HQ to Nadi Airport with Permanent staff
- ..1991 expanded membership to include Industry Service Providers
- ..Successfully held two General Sessions per year, except during covid-19

Major Achievements

- ..Needs Assessment Survey in 1988
- ..Developed and conducted Regional Airline Training Programme 1989-1991, funded by UNDP US\$1.5m – over 800 staff trained
- ..IATA/ASPA Regional Training Programme 1992-ongoing, jointly funded by the IATF and ASPA – over 4,800 staff trained, approx. 10 courses per annum
- ..Assisted airlines with IOSA training and implementation – Gap analysis, SMS, QMS, RM etc

- ..Represented the airlines' interests to governments and other regional & international organizations
- ..Identifying aviation infrastructure and/or policy deficiencies and bringing them to the attention of relevant authorities
- ..Continue to promote cooperation/collaboration among the airlines to enhance air connectivity and economic sustainability

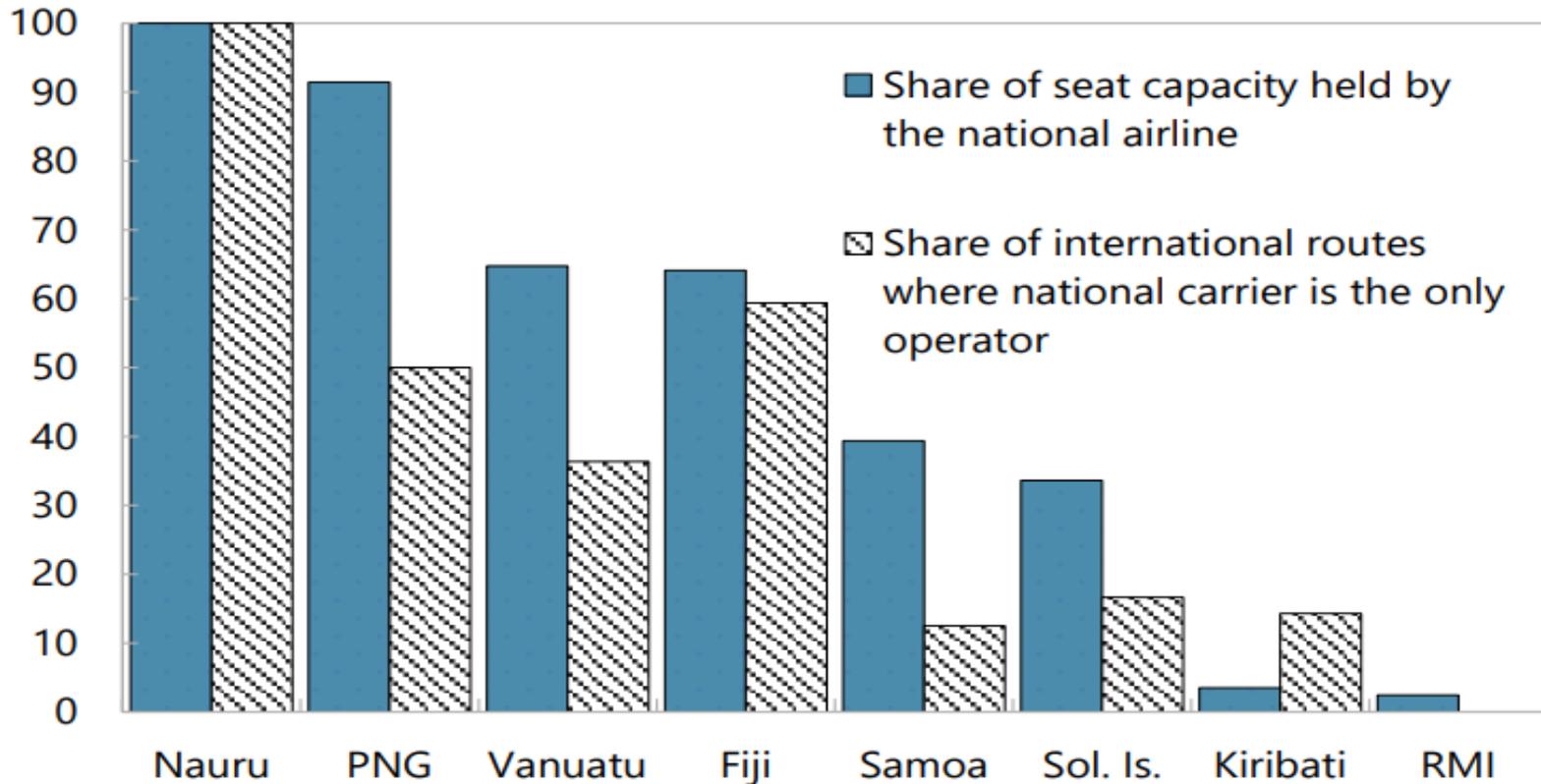
Work closely with Aid Donors for assistance

Aviation in the PICs

COVID 19 is an opportunity to address the underlying drivers of the air connectivity crisis and an opportunity to innovate to tackle legacy issues

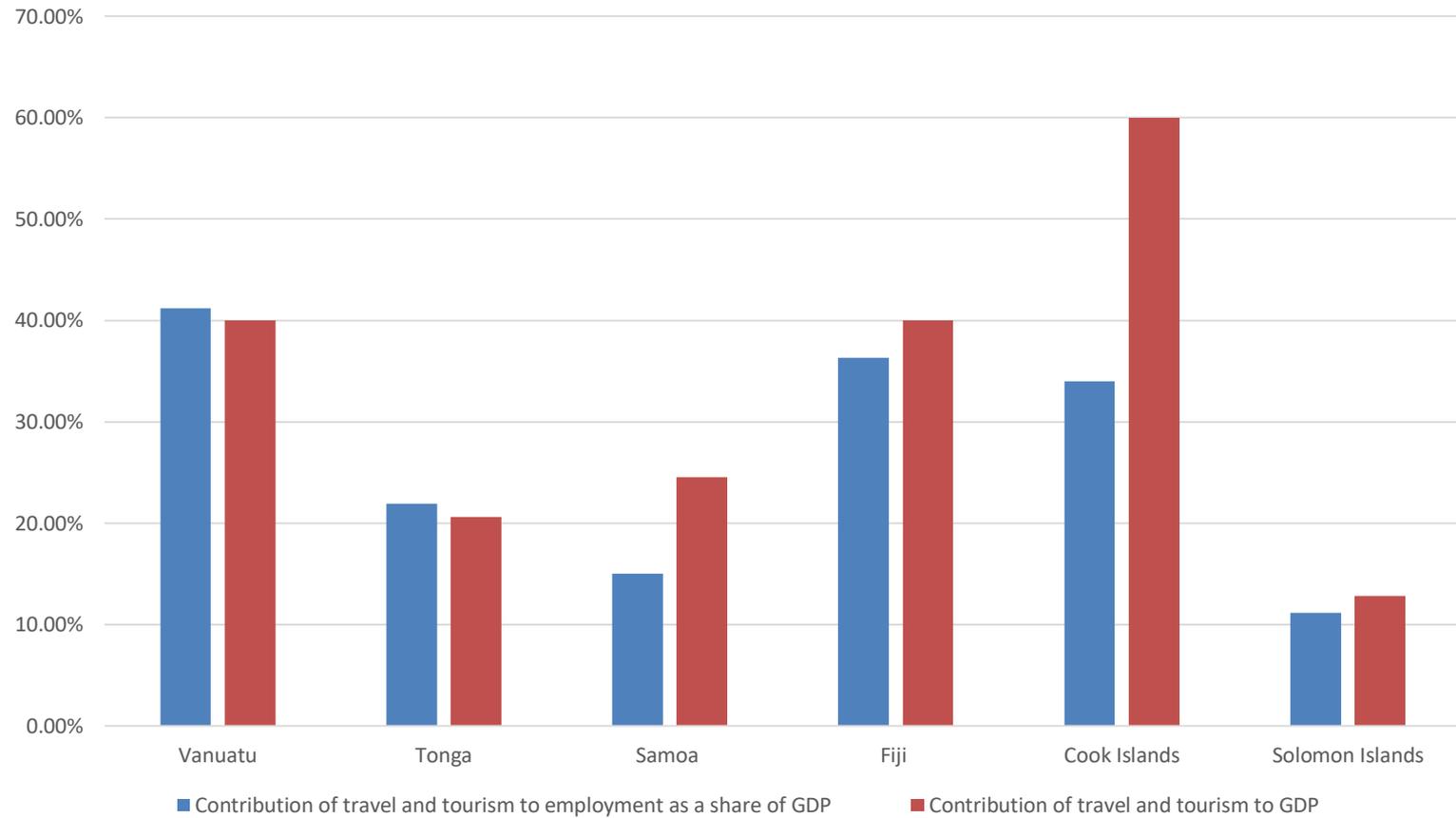
Airline connectivity is critical for geographically remote and dispersed PICs.

Importance of national airlines in PICs



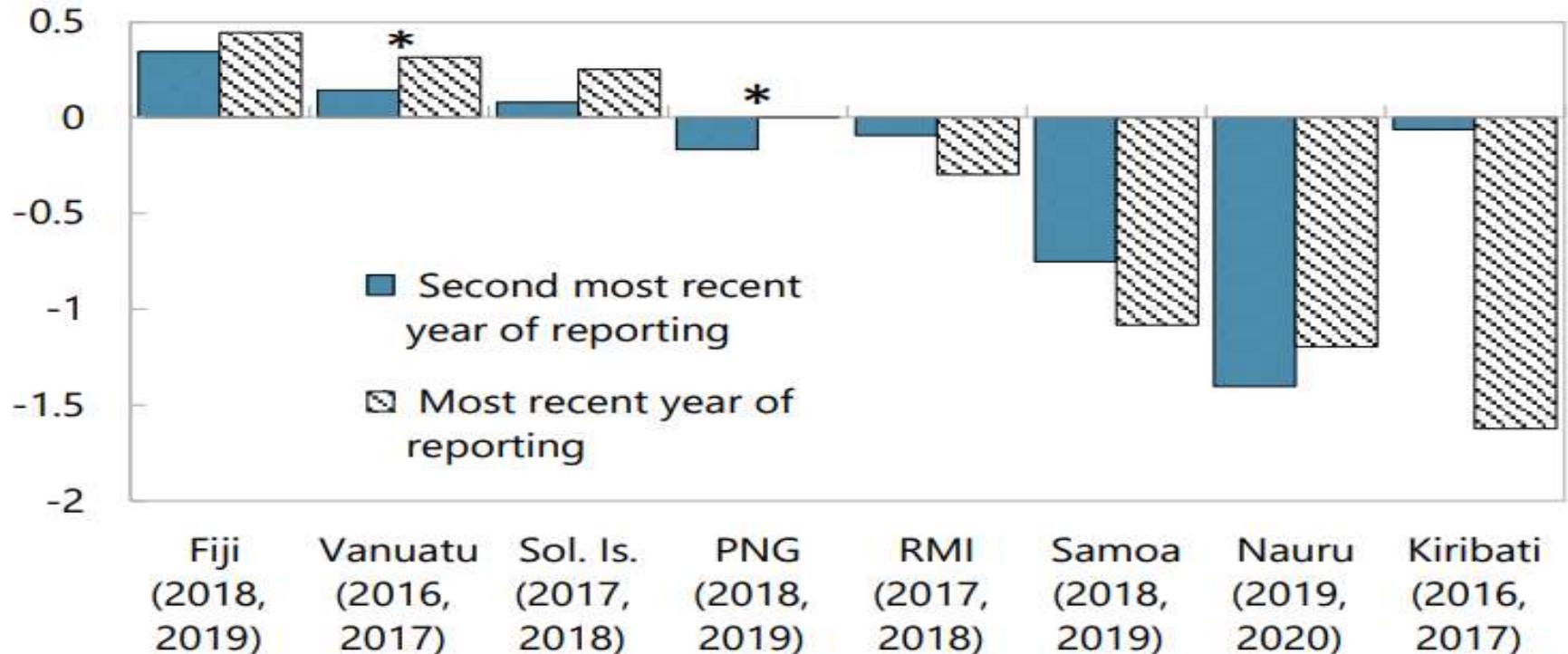
Source: Pacific Regional Infrastructure Facility Post Covid-19

Contribution of travel and tourism



Financial losses and weak profitability have been a long-standing concern for several Pacific airlines

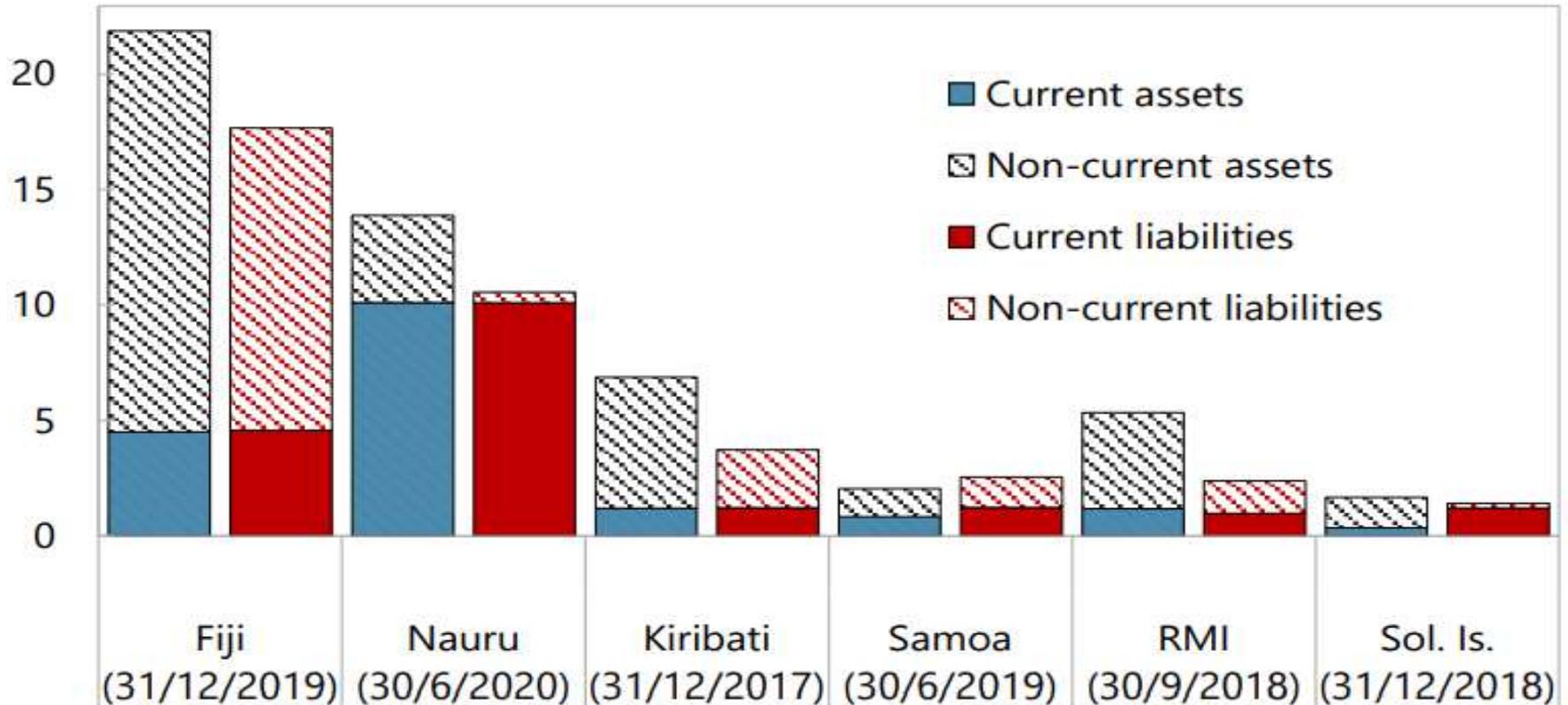
National Airlines Profit and Loss as % of GDP



Sources: Financial statements, IMF WEO April 2021. Asterisk denotes media reports used for Vanuatu and PNG, in absence of recently published financial statements.
Note: Reporting years in brackets. Excludes government subsidy/CSO payments.

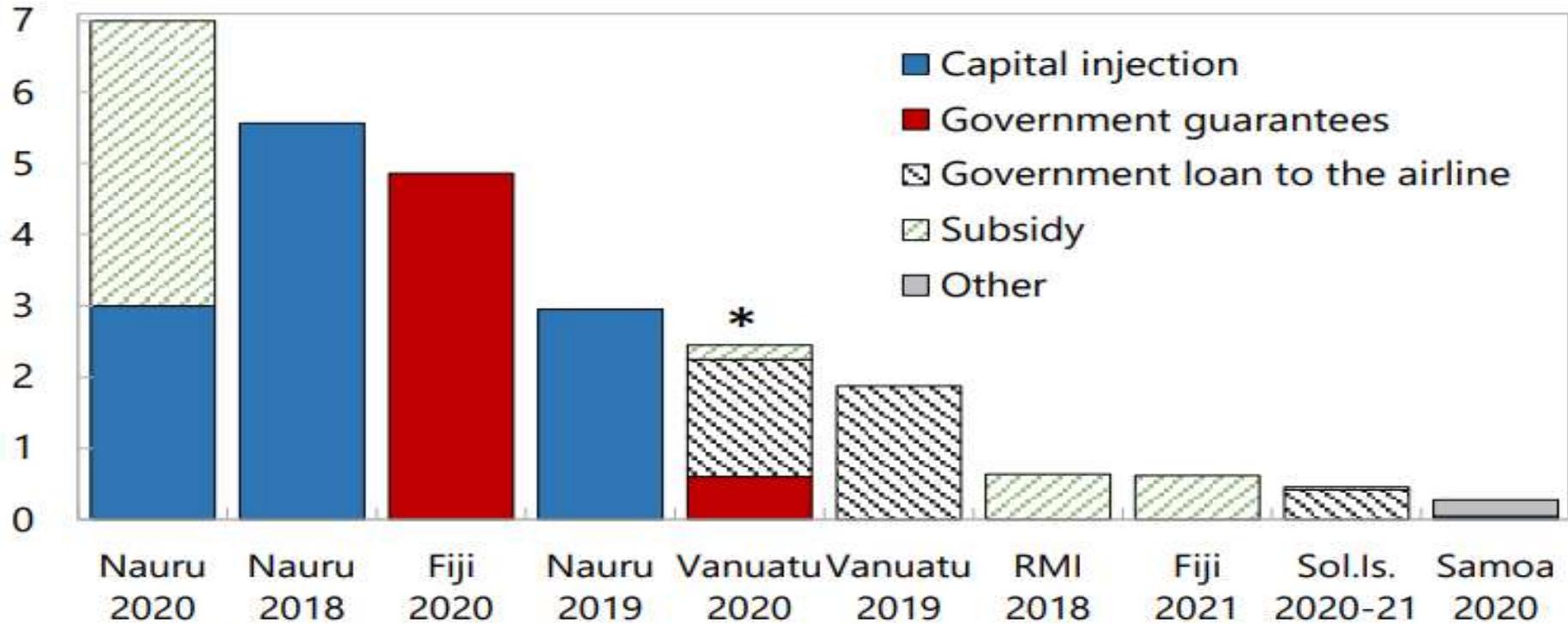
Relative to GDP, the investment required for national airlines in PICs is significant.

National Airlines' Assets and Liabilities



Sources: Airline financial statements, IMF WEO April 2021. Financial statement year end shown in brackets.

The COVID-19 crisis has seen increased levels of government support to national airlines.



Sources: IMF Staff estimates, budget documents, financial statements. Note: Calendar years. Asterisk denotes media reports used for Vanuatu 2020. Some government support may not be fully captured, or may not yet be implemented (Fiji 2021 subsidy). Samoa "other" is compensation part payment for Fagalii airport land use.

Threats

Rising Fuel Prices (57% rise against 2019)

Infrastructure-Airports, runways, nav aids

Human Factors

Airline Debt Recovery

Economic Recession

Finding the right Model

..Covid-19 presented a great opportunity to review the air transport system in the region

..Governments, while recognizing the value of the national airlines, have other pressing financial needs

..Airlines must therefore do all possible to ensure that they find the right model to work together much closer by sharing limited resources making more effective use of aircraft

Regional Air Transport Study

..Working with PRIF during the period of lockdown to determine the financial needs of the airlines

..Continuing with PRIF to explore potential models for further regional cooperation/collaboration in the future.

..The status quo may no longer be a viable option

Opportunities

Ensure appropriate funding available for recovery

Create enabling aviation regional policies for further regional cooperation/collaboration

Ensure stringent & timely safety audits for compliance by airlines, airports, ANS & REG.

..ASPA must continue its advocacy role, and ensure the Secretariat remains relevant to the

The future looks bright

ANY QUESTIONS !