

LIBERALISATION OF AVIATION SERVICES

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SHIFTS IN AVIATION POLICY

- *From highly constrained - 1970s*
- *To very liberal bilateral agreements*
- *Outlook better for Multilateral Agreements*

APEC's Eight Steps

- *1. Air Carrier Ownership and Control*
- *2. Tariffs*
- *3. Doing Business matters*
- *4. Air Freight*
- *5. Multiple airline designation*
- *6. Charter services*
- *7. Airlines' cooperative arrangements*
- *8. Market Access*
- *Also looking more at regional & multilateral liberalisation (MALIAT)*

IMPACT ON ISLAND AVIATION

- *Better 5th freedom access*
- *Inclusion of Trans-Tasman*
- *Better Scope for Code-Share*
- *Better Scope for Alliances*
- *Better Scope for Aircraft Leasing*
- *Removal of Restrictions on Capacity, Routes & Fares*
- *Employment constraints*

FINANCIAL VIABILITY

- *Still fragile economics of airlines*
- *Better business disciplines apply*
- *Less government interference with management but not universally*
- *More customer oriented*
- *Less driven by prestige issues*

COOPERATION

- *Sovereignty casts shadow on the reality of cooperation*
- *Few joint ventures evident*
- *Poor coordination of Schedules for intra-island country travel continues*
- *Hopes for PIASA*
- *Training, Spare Parts, Engineering, Fuel Supplies, Security (PASO)*

PROSPECTS

- *The future is tempered by: -*
 - # the impact of external security requirements*
 - # institutional / organisational inertia*
 - # the politics of ownership of assets & access to traffic rights*
 - # uneven economic development*
 - # alliances*
 - # constraints of geography & technology*