

Qantas, Air NZ quit AAPA

By Tom Ballantyne

Association of Asia Pacific Airlines (AAPA) director general, Andrew Herdman, is convinced the regional airline trade organization has a vital role to play in the industry's future despite the resignation of two of its members, Qantas Airways and Air New Zealand (Air NZ).

He has emphasised the AAPA will continue to strive to attract new members, particularly the major Chinese airlines, as well as low-cost carriers.

The decision of Qantas and Air NZ to pull out of the AAPA, reducing its membership from 17 airlines to 15, came as a shock. Qantas government affairs chief, David Epstein, said it had cancelled its membership because the airline's interests extended beyond those of the association.

"It is now more appropriate for the group to manage more stakeholder relationships in the region directly or in tandem with regional airline partners," he said.

An Air NZ spokeswoman said the carrier had chosen not to renew its membership late last year, but would make no further comment.

Insiders suggest several factors are involved. These include the cost of membership and a belief many of the benefits of AAPA membership can be achieved through the International Air Transport Association (IATA), in which the carriers are also members.

Herdman said all airlines



Air New Zealand: has resigned from the AAPA along with Qantas Airways

are under severe pressure because of the impact of the global recession. "My view is it is probably a reflection of commercial pressures, which are affecting all airlines and competing demands on management time and trying to reconcile competing national, regional and global priorities," he told *Orient Aviation*.

"Nevertheless, the benefits of cooperation and working together on key industry policy issues have never been more evident. Whether it concerns safety, security, government policy, or customer service standards, these are all important to the six million passengers who fly every day."

He said concerns that membership of both IATA and AAPA may amount to a doubling up were valid, but his view was the work of the AAPA supplemented that of the global organization.

"The global association can only work on the basis

of consensus and there are some issues where there are differences within and between regions as to what the right approach should be ... and even if there are agreements on what policy should be, the priorities of which areas should be addressed sometimes vary," he pointed out.

The AAPA works closely with IATA through its regional offices in Singapore and Beijing and with its head offices in Montreal and Geneva.

Herdman said that while major airlines' primary focus of lobbying with their own government can be handled themselves there are issues at a regional level. "Asia is very diverse, much more so than Europe or America. Whilst there are some parallels between what we do and what ATA (the U.S. Air Transport Association) and the AEA (Association of European Airlines) do, ATA is focussed on what happens in Washington and the AEA is focussed on Brussels and the

European Commission. We don't have that same role in Asia because there is no pan-Asian government or pan-Asian regulator," he said.

"On the other hand, international airlines based in the Asia-Pacific are more influenced by Brussels and Washington than you might think for a variety of reasons. At the moment, we are seeing that [with] security and it happens in other areas of the industry."

Ironically, while abandoning the AAPA, both Qantas and Air NZ will continue to benefit from its actions on, for example, technical issues and be able to attend workshops on such issues as safety, security and the environment.

"Our approach is that we are here to serve the industry, not simply the members," said Herdman. "I have made it very clear to airlines within the region that regardless of their business model they are welcome at our events." ■