Glossary

**Air service agreement** An agreement, typically negotiated between two national governments, granting specified aviation rights to airlines from the countries involved.

**APEC (Asia Pacific Economic Cooperation)** Member economies: Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Republic of Philippines, Singapore, Chinese Taipei, Thailand, United States.

**Asia and Pacific** A definition of an area used by the International Civil Aviation Organisation and including the East Asian economies, Australia and the Pacific Islands, as well as India and Pakistan. The ICAO definition excludes North America, Latin America and the Caribbean.

**Asia Pacific** A term more commonly used in economic studies of the region that refers to the East Asian economies, Australia and New Zealand, as well as North America and the Pacific coast of Latin America. The area of interest matches the coverage of the APEC process.

**ASEAN (Association of South East Asian Nations)** Member economies: Brunei Darussalam, Indonesia, Laos, Malaysia, Myanmar, Republic of Philippines, Singapore, Thailand, Vietnam.

**Available seat kilometers (ASK), also known as available seat miles.** The number of available seats on a flight, multiplied by the flight distance.

**Aviation rights** (see Figure G.1)

- *First freedom rights* grant a foreign carrier the right to fly over the home country without landing.

- *Second freedom rights* grant a foreign carrier the right to land at specified points in the home country, for purposes of refuelling and maintenance, but not to pick up or disembark traffic (passengers, cargo, or mail).
Figure G.1  Air transport freedom rights

1st Freedom: Right of transit without landing.

2nd Freedom: Right of technical stop (e.g. refuelling).

3rd Freedom: Right to set down traffic from home state.
4th Freedom: Right to pick up traffic bound for home state.

5th Freedom: Right to pick up and put down traffic between two foreign states as an extension of routes to/from home state.

6th Freedom: Unofficial right to pick up and put down traffic between foreign states via home state (by combining 3rd and 4th Freedom rights).

7th Freedom: Right to pick up and put down traffic between two foreign states.

Third freedom rights allow for traffic that was picked up by a foreign carrier outside the home country to be disembarked at specified destinations in the home country.

Fourth freedom rights allow a foreign carrier to pick up originating traffic in the home country, for transport to the foreign country in which the carrier is based.

Fifth freedom rights (also called beyond rights) permit the foreign carrier to pick up or disembark traffic en route.

Sixth freedom rights allow the unofficial right to pick up and put down traffic between foreign states via home state (by combining third and fourth freedom rights).

Seventh freedom rights grant the right to pick up and put down traffic between two foreign states.

Cabotage Flights entirely within another country.

Charter services Flights performed for remuneration on an irregular basis.

Code-sharing An arrangement that allows a carrier to sell tickets under its own name for flights operated by another carrier's aircraft. Code-sharing is often used by airlines as a means of serving domestic markets of the partner carrier that would otherwise remain closed to them.

Double disapproval A system whereby fares proposed by airlines can be rejected if both governments do not approve them.

East Asia An area referred to in this volume as Japan, Korea, China, Taiwan, Hong Kong, the ASEAN economies and Indo-China.

Feeder traffic Small volume, short distance aviation services that serve to connect (or feed) traffic to major (trunk) routes. Feeder services are typically flown by small aircraft and connect city-pairs that are less than 45 minutes' apart, as measured by jet aircraft flying time (see also Trunk traffic).

Frequent flyer programmes Schemes wherein trunk carriers award points toward free travel or service upgrade on their own flights or on flights of affiliated feeder or trunk carriers.
**Hub** A city that serves as a central transfer point for many of a carrier’s flights. End points of a hubbed route are called *spokes*.

**Load factor** The percentage of available seats that are filled with revenue-paying passengers.

**Open skies agreement** An agreement between two or more national governments that leads to freer trade in aviation services, usually by eliminating entry barriers, and prohibiting government regulation of routes and capacity.

**Pacific Asia** An area including East Asia, and also Australia and New Zealand.

**Revenue passenger kilometres (RPKs)** The number of revenue-paying passengers on a flight, multiplied by the flight distance.

**Scheduled services** These include three types of service: (i) flights performed on a regular basis, usually according to a published timetable, (ii) flights performed because of an overflow of traffic from scheduled flights, and (iii) preparatory revenue-earning flights on planned air services.

**Tonne kilometres performed** The total revenue load carried on a flight, multiplied by the total flight distance.

**Traffic** Passengers, cargo, and/or mail carried by airlines.

**Trunk traffic** Typically, high volume, long-haul services between high traffic cities.

**Weight load factor** Total tonne kilometres performed expressed as a percentage of available tonne kilometres.

**Yield** The average revenue received by an airline for flying a revenue-paying passenger kilometre.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>AA</td>
<td>American Airlines (USA)</td>
</tr>
<tr>
<td>AC</td>
<td>Air Canada (Canada)</td>
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<tr>
<td>ACCC</td>
<td>The Australian Competition and Consumer Commission</td>
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<tr>
<td>AFR</td>
<td><em>Australian Financial Review</em></td>
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<tr>
<td>AFTA</td>
<td>ASEAN Free Trade Agreement</td>
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<tr>
<td>ANK</td>
<td>Air Nippon (Japan)</td>
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<tr>
<td>ANA</td>
<td>All Nipon Airways (Japan)</td>
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<tr>
<td>APEC</td>
<td>Asia Pacific Economic Cooperation</td>
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<tr>
<td>ASA</td>
<td>air service agreement</td>
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<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
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<tr>
<td>ATK</td>
<td>available tonne kilometres</td>
</tr>
<tr>
<td>BA</td>
<td>British Airlines (UK)</td>
</tr>
<tr>
<td>BAA</td>
<td>British Airports Authority (UK)</td>
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<tr>
<td>BOT</td>
<td>build, operate and transfer scheme</td>
</tr>
<tr>
<td>CAI</td>
<td>Canadian Airlines International</td>
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<tr>
<td>CAM</td>
<td>Macau Airport Company</td>
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<tr>
<td>CEPT</td>
<td>Common Effective Preferential Tariff</td>
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<tr>
<td>CIS</td>
<td>Commonwealth of Independent States</td>
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<tr>
<td>CLKA</td>
<td>Chek Lap Kok Airport (Hong Kong)</td>
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<tr>
<td>CO</td>
<td>Continental (USA)</td>
</tr>
<tr>
<td>CRS</td>
<td>computer reservations system</td>
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<tr>
<td>EAGA</td>
<td>East ASEAN Growth Area</td>
</tr>
<tr>
<td>EC</td>
<td>European Community</td>
</tr>
<tr>
<td>EJC</td>
<td>European Court of Justice</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>EVA</td>
<td>Evergreen Airlines (Taiwan)</td>
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<tr>
<td>FAA</td>
<td>Federal Aviation Administration (USA)</td>
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<tr>
<td>FTA</td>
<td>free trade agreement</td>
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<tr>
<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
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<tr>
<td>GSD</td>
<td>Guidelines for Supervision and Development of the Multiple National Carriers (Korea)</td>
</tr>
<tr>
<td>IASC</td>
<td>International Air Services Commission (Australia)</td>
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<tr>
<td>IATA</td>
<td>International Air Transport Association (Geneva)</td>
</tr>
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<td>Description</td>
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<td>-----------------------------------------------------------------------------</td>
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<tr>
<td>ICAO</td>
<td>International Civil Aviation Organisation (Montreal)</td>
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<tr>
<td>IPTN</td>
<td>Industry Persawat Terbang Nasional (Indonesia)</td>
</tr>
<tr>
<td>JAA</td>
<td>Japan Asia Airlines</td>
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<tr>
<td>JAC</td>
<td>Japan Air Commuter</td>
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<tr>
<td>JAL</td>
<td>Japan Airlines</td>
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<tr>
<td>JAS</td>
<td>Japan Air System</td>
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<tr>
<td>JDA</td>
<td>Japan Domestic Airways</td>
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<tr>
<td>JTA</td>
<td>Japan Trans-Ocean Airlines</td>
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<tr>
<td>KAA</td>
<td>Korea Airport Authority</td>
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<tr>
<td>KAL</td>
<td>Korean Air</td>
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<tr>
<td>KCAB</td>
<td>Korea Civil Aeronautics Board</td>
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<tr>
<td>KIA</td>
<td>Korean International Airport</td>
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<tr>
<td>KIAC</td>
<td>Kansai International Airport Company (Osaka, Japan)</td>
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<tr>
<td>KLM</td>
<td>Royal Dutch Airlines (Netherlands)</td>
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<tr>
<td>KNA</td>
<td>Korean National Airlines</td>
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<tr>
<td>KOTI</td>
<td>Korea Transport Institute</td>
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<tr>
<td>LH</td>
<td>Lufthansa (Germany)</td>
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<tr>
<td>MAS</td>
<td>Malaysia Airlines</td>
</tr>
<tr>
<td>MIA</td>
<td>Macau International Airport</td>
</tr>
<tr>
<td>MCT</td>
<td>Ministry of Construction and Transportation (Korea)</td>
</tr>
<tr>
<td>MNC</td>
<td>multinational corporation</td>
</tr>
<tr>
<td>MoT</td>
<td>Ministry of Transport (Japan)</td>
</tr>
<tr>
<td>MOU</td>
<td>memorandum of understanding</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<tr>
<td>NCA</td>
<td>Nippon Cargo Airways (Japan)</td>
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<tr>
<td>NIEs</td>
<td>newly industrialising economies</td>
</tr>
<tr>
<td>NKLIA</td>
<td>new Kuala Lumpur International Airport (Malaysia)</td>
</tr>
<tr>
<td>NW</td>
<td>Northwest Airlines (USA)</td>
</tr>
<tr>
<td>NZCC</td>
<td>New Zealand Commerce Commission</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>PAA</td>
<td>Provisional Airport Authority (Hong Kong)</td>
</tr>
<tr>
<td>PADS</td>
<td>Port and Airport Development Authority (Hong Kong)</td>
</tr>
<tr>
<td>PAL</td>
<td>Philippine Airlines</td>
</tr>
<tr>
<td>PECC</td>
<td>Pacific Economic Cooperation Council</td>
</tr>
<tr>
<td>RLCS</td>
<td>Regional and Local Carrier Service (United States–Canada)</td>
</tr>
<tr>
<td>RPK</td>
<td>Revenue passenger kilometres</td>
</tr>
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</table>
SAS  Scandinavian Air (Sweden)
SBIA  second Bangkok International Airport (Thailand)
SIA  Singapore International Airlines
TA  Toa Airways (Japan)
TAT  Transport Aerien Trans-Regional
TDA  Toa Domestic Airways (Japan)
THAI  Thai International
TNT  Thomas Nationwide Transport (Australia)
TPC  Trade Practices Commission (Australia)
UA  United Airlines (USA)
USSR  Union of Soviet Socialist Republics
UTA  Union de Transport Aériens (France)
WTO  World Trade Organization
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