## 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.

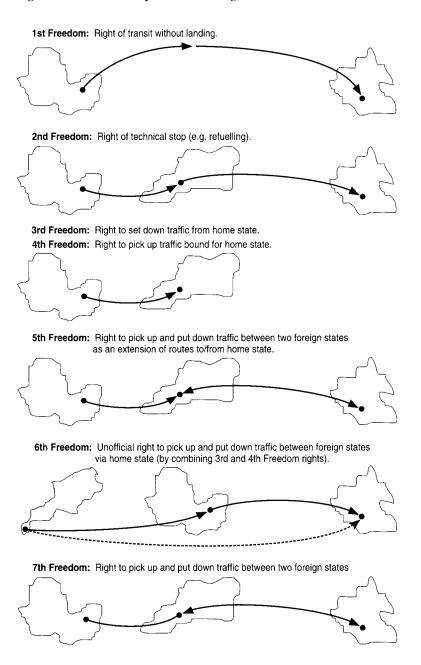
Available seat kilometers (ASK), also known as available seat miles. The number of available seats on a flight, multiplied by the flight distance.

### 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



Source: Derived from data in Doganis (1991). Courtesy of John Bowen.

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.

## Acronyms

AA American Airlines (USA)
AC Air Canada (Canada)

ACCC The Australian Competition and Consumer Commission

AFR Australian Financial Review

AFTA ASEAN Free Trade Agreement

ANK Air Nippon (Japan)

ANA All Nipon Airways (Japan)

APEC Asia Pacific Economic Cooperation

ASA air service agreement

ASEAN Association of Southeast Asian Nations

ATK available tonne kilometres

BA British Airlines (UK)

BAA British Airports Authority (UK)
BOT build, operate and transfer scheme
CAI Canadian Airlines International

CAM Macau Airport Company

CEPT Common Effective Preferential Tariff
CIS Commonwealth of Independent States
CLKA Chek Lap Kok Airport (Hong Kong)

CO Continental (USA)

CRS computer reservations system EAGA East ASEAN Growth Area

EC European Community
EJC European Court of Justice

EU European Union

EVA Evergreen Airlines (Taiwan)

FAA Federal Aviation Administration (USA)

FTA free trade agreement

GATS General Agreement on Trade in Services
GATT General Agreement on Tariffs and Trade

GSD Guidelines for Supervision and Development of the

Multiple National Carriers (Korea)

IASC International Air Services Commission (Australia)
IATA International Air Transport Association (Geneva)

ICAO International Civil Aviation Organisation (Montreal)

IPTN Industry Persawat Terbang Nasional (Indonesia)

JAA Japan Asia Airlines
JAC Japan Air Commuter

JAL Japan Airlines
JAS Japan Air System

JDA Japan Domestic Airways JTA Japan Trans-Ocean Airlines KAA Korea Airport Authority

KAL Korean Air

KCAB Korea Civil Aeronautics Board KIA Korean International Airport

KIAC Kansai International Airport Company (Osaka, Japan)

KLM Royal Dutch Airlines (Netherlands)

KNA Korean National Airlines
KOTI Korea Transport Institute
LH Lufthansa (Germany)
MAS Malaysia Airlines

MIA Macau International Airport

MCT Ministry of Construction and Transportation (Korea)

MNC multinational corporation

MoT Ministry of Transport (Japan)

MOU memorandum of understanding

NAFTA North American Free Trade Agreement

NCA Nippon Cargo Airways (Japan) NIEs newly industrialising economies

NKLIA new Kuala Lumpur International Airport (Malaysia)

NW Northwest Airlines (USA)

NZCC New Zealand Commerce Commission

OECD Organisation for Economic Cooperation and Development

PAA Provisional Airport Authority (Hong Kong)

PADS Port and Airport Development Authority (Hong Kong)

PAL Philippine Airlines

PECC Pacific Economic Cooperation Council

RLCS Regional and Local Carrier Service (United States-Canada)

RPK Revenue passenger kilometres

### Asia Pacific Air Transport: Challenges and Policy Reforms

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 Aeriens (France)

WTO World Trade Organization

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