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Agenda Item 6: Economic Development of Air Transport

MANAGING AIR TRANSPORT DURING GLOBAL PANDEMIC: INDONESIA'S AVIATION REVIVING JOURNEY

Presented by Indonesia

INFORMATION PAPER

SUMMARY

This paper shares the experience how to maintain the air connectivity and response the increasing demand of air travel during Eid Al-Fitr (2022) as reviving momentum of Indonesia Aviation.

MANAGING AIR TRANSPORT DURING GLOBAL PANDEMIC: INDONESIA'S AVIATION REVIVING JOURNEY

1. INTRODUCTION

1.1 Indonesia is a large archipelagic country where air connectivity plays an important role for the development of each region. The growth of air transportation shows significant level over the past 2 decades (in 2002) where the government of Indonesia deregulate its regulation on air transportation business. In the period of 2013 to 2019, the air passengers in Indonesia increased around 5.8% while cargo carried increased about 10% per annum. In line with the growth of passenger and cargo, aircraft movement rose around 5.4% per annum. As for the airport services, there are more than 300 airports in Indonesia which operated by government and private company such as Angkasa Pura I and Angkasa Pura II. As for airport slot arrangement, currently Indonesia Airport Slot Management (IASM) has managed total 46 airports.

1.2 The Covid-19 pandemic triggered financial crisis with extensive implications for aviation sectors. The most suffer from this situation was airlines. During the pandemic, airlines were forced to adjust their flight operations due to borders or travel restrictions, lock down or stay-at-home orders, or temporary closure of facilities and services. This has led to the shrinkage demand of air travel, low operational and financial performance which resulted in air connectivity disruption.

1.3 Prior to the Pandemic Covid-19 (2013-2019), around 80% of air transport passengers are domestic flights. This high domestic share due to the size of population and the country itself where the movement was categorized as business, leisure, and homecoming or "Mudik" purposes. The highest movement of domestic passenger is during Mudik period which are typically on Islamic Holiday (Ied Fitr and Ied Adha) and Christmas/New Year holiday, followed with the yearly school break on June/July.

1.4 In 2020 and 2021 Mudik was banned due to precaution measures of COVID-19. With the recent development of lower case of Covid-19 in early 2022, the government released regulations that allowed people to travel to their hometowns (mudik). As the lead sector for Mudik period, the Ministry of Transportation was facing challenges of the high demand from the public while managing the implementation of lower travel restrictions as well as maximizing the infrastructure facilities. For air transport it is about managing the flow movement at the airports and balancing the demand for major destinations with the decrease of air fleet supply.

2. GOVERNMENT ACTIONS TO ANTICIPATE MUDIK PERIOD

2.1 In order to maintain the air connectivity in Indonesia during and after pandemic COVID-19, especially for Mudik period, the government has taken some measures addressed to the main aviation sector (i.e. airport, navigation services, and airlines). The measures were focused to maintain the operational activity, ensure the passenger service, as well as compliance with the safety standards and health protocols.

2.2 For the support to the airlines, they were allowed to submit additional flight during Al-Fitr holiday as long as they comply with safety and security standards and also health protocol. This measure would help airline to optimize their fleets utilization. In addition, in April 2022 due to increasing price of jet fuel, the government gave permission to airlines to add 10% fuel surcharge from their ticket price for 3 months period (April to July 2022).

2.3 In order to anticipate the increased passenger during Mudik period, airport operator and navigation services gradually increase their operational hours towards before the pandemic. In addition, in the field of air navigation sector, DGCA further implement stimulus for flight calibration navigation facility for 143 air navigation facilities in 44 airports and for 100 air navigation facilities. Furthermore, our government has subsidized 168 designated airports in the form of Public Service Obligation (PSO) and financial aid for investment program in the form of state investment through foreign loan and grant, as well as the relaxation of Non-Tax Revenue payment.

2.4 In enforcing the aviation safety, Indonesia were also conducting ramp inspections by putting some flight operation inspectors in 39 major airports across Indonesia and evaluated all of the flight personnel including Pilot, Engineer, Flight Operations Officers, and Flight Attendance in compliance with recurrent training, proficiency, and medical check-up, including ensuring the adherence of airlines to DGCA circular SE 7 year 2021 on Returning to Normal Crew Training, Proficiency and Recency Validity Periods and safety circular SE 8 year 2021 on Managing Risk to Flight Crew Performance.

2.5 The pandemic also has forced the government to speed up the digitalization programs. Currently DGCA Indonesia has implement digital application for permits and other inquiries which emphasize Efficiency, Transparency and Secure services to the aviation stakeholders.

3. KEY SUCCESS

Regardless the aftermath of pandemic, especially to the aviation sector, Indonesia has accomplished its new stepping stone to revive. There were no manual to overcome this new kind of crisis, nevertheless there is always a silver line on a storm. Indonesia fly through the clouds, lurking for airways to reach the destination by optimizing its limited resources, juggling through the spread of virus to came up with such regulations and impose policies to guide the success of Mudik.

Learning from the current 2022 air traveler data during Eid Al-Fitr, the number has reached 2.922 million or 82% of the number of air travelers before the Covid-19 pandemic (2019). The data has shown that during the 2022 Eid Season, the air transport passenger's movement is almost equal to the 2019 condition although the serviceable fleet decrease by 33% compared with the same period in 2019. During mudik period, Indonesia managed to increase the growth of passengers and air traffic movement without compromising the health protocol which support the Government of Republic of Indonesia's effort in reducing the spread of Covid-19 and stabilize the daily cases.

4. ACTION BY THE CONFERENCE

4.1 The Conference is invited to note the information contained in this Paper.

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