

CAPA Consulting Appointed for Landmark Project in the ASEAN Region

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CAPA Consulting has been commissioned by the ASEAN Secretariat to undertake the development of a framework for a Single Aviation Market among member states and strategy for establishing air services agreements.

The establishment of an ASEAN Single Aviation Market (ASAM) by 2015 represents a significant milestone in regional economic integration.

CAPA Consulting was selected to conduct the six-month project, funded by AusAID, in a competitive tender process.

The report produced by CAPA Consulting will take ASEAN's deregulation agenda to another level by producing a framework to establish ASAM, coinciding with the emergence of the ASEAN Economic Community.

It will contain a draft ASAM Agreement which brings together recommendations on a "best practice" approach to the main elements of the ASAM such as ownership and control, market access, competition policy, state aid and safety and technical regulation and Air Traffic Management, the environment and social impact issues.

Recommendations also will be made on the most appropriate strategies for ASEAN as a whole to address air services relationships with its Dialogue Partners, including the East Asia Summit States and the European Union, and for individual Member States to capitalise on the liberalised environment.

The project entails a combination of desk-top research and extensive on-ground consultation with each of the Member States on their preferred structure and contents for the ASAM. As well, it reviews the policy implications of the reforms proposed in this report and provides an analysis of the direct and indirect economic impact of the ASAM.

The liberalisation of passenger and cargo air services in the ASEAN region provides an essential component of the transport machinery necessary to facilitate the movement of people and goods between the member states, as well as the medium for the establishment of closer relations with key external partners.

ASEAN is currently pursuing liberalisation through its Roadmap for the Integration of the Air Travel Sector (RIATS) which culminates in 2010 with the move to unlimited 5th freedom rights for passenger services between capital cities