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| **58th CONFERENCE OF****DIRECTORS GENERAL OF CIVIL AVIATION****ASIA AND PACIFIC REGIONS** |
| *Dhaka, Bangladesh**15 to 19 October 2023* |
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| AGENDA ITEM 6: | economic development of air transport |
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| **promoting the construction of A “****Link the trunk and branch, connect urban and remote” AIR TRANSPORT SYSTEM BY** **ENHANCED informatization and digitalization** |
| (Presented by the People’s Republic of China) |
|  | **SUMMARY** |  |
|  | This Paper identifies the demand for air travel in small and medium-sized cities and remote areas in China, and proposes a domestic Tongcheng flight service model with the characteristics of “payment once, through check-in, security check once, baggage through check-in, and whole journey worry-free” focusing on China’s objectives of air transport network construction and problems in the provision of transfer flight services. Leveraging China’s advantage in the digital industry, the paper further discusses the construction of two digital platforms for transfer flights, which connects various service providers and ensures information sharing, and supports innovation and expansion in aviation services. These two innovative initiatives have played an important role in assisting enterprises in post-pandemic recovery, accelerating the development of the China’s civil aviation brand, and achieving high-quality growth. |  |

# PROMOTING THE CONSTRUCTION OF A “LINK THE TRUNK AND BRANCH, CONNECT URBAN AND REMOTE” AIR TRANSPORT SYSTEM BY ENHANCED INFORMATIZATION AND DIGITALIZATION

# INTRODUCTION

Background

* 1. Since 2019, China has followed a problem-oriented and goal-oriented approach in practice to meet people’s demand for air travel in remote areas, and address issues like inadequate interconnection of route networks, poor connection of transfer services, and insufficient information connectivity. Over the years, China has been working on a wide range of fields like market entity, key components, information assurance, and policy environment by strengthening the top-level design, setting up information platforms for the industry, linking the long-term mechanisms and actual operations. These efforts lead to the formation and implementation of innovative service models of “link the trunk and branch, connect urban and remote” and “Tongcheng flights” throughout the industry.

 Concepts

* 1. Tongcheng flights refer to domestic transfer flights operated within single carrier or between different carriers performed on two digital platforms. They aim to provide passengers with full-process services featuring “payment once, through check-in, security check once, baggage through check-in, and whole journey worry-free”, and accommodations when necessary.
	2. “Link the trunk and branch, connect urban and remote” model is an innovative air transport network model that aims to connect trunk, feeder, general aviation short-distance flights and airports into a whole. This mode relies on Tongcheng flights, and aims to achieve high-efficient and seamless connectivity among the major cities the remote areas, eventually developing a “national flight network” in China.
	3. Two digital platforms for transfer incorporate both the “Domestic Tongcheng Flights Service Management Platform” (hereinafter referred to as Tongcheng Flights Platform) and the “Passenger Transfer Service Platform” (hereinafter referred to as Transfer Flights Platform) to serve the Strategy for Rural Revitalization and meet people’s demand for air travel in remote areas in China, both of which are public platforms and promote coordinated operation, covering all operational and security processes involved in the transfer flights. The Tongcheng Flights Platform focuses on processing the information such as government oversight, and documentation of connecting flights, while the Transfer Flights Platform focuses on the informatization of tickets sale of flights, and the services at airport.

Significance

* 1. With the efforts made in constructing the innovative air transport service model of “link the trunk and branch, connect urban and remote” and providing Tongcheng flight services, China has made progress in clearing the information barriers and regulating service standards among different service providers. These progresses help to develop the aviation businesses into the one featuring informatization, digitalization and smartness, build the “civil aviation +” ecosystem, provide passengers with full-process, diversified, personalized and high-quality air services, which effectively stimulates the potential of the domestic consumer market and contributes to the high-quality development of the industry.

# DISCUSSION

* 1. The promotion of air transport service model of “link the trunk and branch, connect urban and remote”.
	2. All related tasks have achieved positive effects. The Civil Aviation Administration of China has issued and implemented the “Management Measures for Domestic Tongcheng Flights”; pilot projects in Ordos, Yunnan, Chengdu, Tianfu, Lhasa, Xinjiang, etc have been approved; two digital platforms for transfer flights have been built and put into use; and cooperation between airlines and airports are strengthened. Also, there are increasingly abundant “transfer + travel” products.
	3. By the end of August, 2023, the “Tongcheng Flights Platform” had incorporated 35 airlines, 142 airports and 5 online aviation sales platforms on one hand. Following the launch of the “Tongcheng Flights Platform”, 2024 Tongcheng flights were opened and 808 new city pairs were connected, which increased China civil aviation network coverage by 17%. All those achievements were completed on the premise that no fleet, no flight timetable and no route were added. On the other hand, 204 airports had joined in the “Transfer Flights Platform” and 469,000 passengers had registered at mini programs. “Transfer Flights Platform” provided services for 12.89 million transfer passengers.
	4. The practice indicates the initiative of “link the trunk and branch, connect urban and remote” service model is a worldwide innovation of civil aviation commercial operation and management, and possesses economic, social, scientific, technological, and cultural values.

Economic value

* 1. Without improving any input, the “link the trunk and branch, connect urban and remote” service model increases revenue of airports and air carriers. According to statistics, the domestic aviation market has witnessed a volume over 60 million transfer passengers, since the launch of the two digital platforms. According to the estimation of China Academy of Civil Aviation Science and Technology, this initiative has contributed a growth of at least 3 billion RMB to the entire industry based on an estimated fee of 50 RMB per person for transfer consumption. Combined with IATA’s estimation of the air transport industry’s 1:8 multiplier effect on associated sectors, it is projected to stimulate a revenue growth of approximately 24 billion RMB in related industries.

Social value

* 1. The “link the trunk and branch, connect urban and remote” service model has made significant contributions in improving travel conditions for residents in remote areas, addressing information service bottlenecks, and supporting innovative and collaborative development among enterprises. In 2021 alone, new aviation users increased by 35.63 million, with 53% from second-tier, third-tier and fourth-tier cities, thus resulting in remarkable social benefits.

Scientific value

* 1. The “link the trunk and branch, connect urban and remote” service model is also a resource optimization model proposed by combining national conditions and stage characteristics of the industry, and balancing the passenger demands, route capacity resources, infrastructure support capabilities, and other objectives and constraints. It promotes collaborative cooperation and resource sharing among enterprises, which effectively enhances the post-pandemic development momentum of the industry.
	2. Taking Tibet as an example, it is a sparsely populated region with challenging transportation conditions, primarily consisting of high-altitude areas. The issues of high travel costs, long travel time, and low travel efficiency for local residents are prominent. To deal with them, Lhasa International Airport cooperates with Tianfu International Airport to jointly build air transfer express flights for entering and exiting Tibet. They have optimized supporting resources and streamlined the transfer process to establish a smooth and efficient transfer throughway that allows for a transfer within 70 minutes. At present, the daily volume of passengers transferring from and to Tibet through Tianfu International Airport reaches 1,800, with a transfer rate of 54%, achieving positive results.

Technical value

* 1. The “link the trunk and branch, connect urban and remote” service model gives full play to local economic and industrial advantages. Though the integration of digital and informational resources, as well as seamless system integration, new technologies and products can be created and utilized in application scenarios. Relying on the air transport service model, Changsha Huanghua International Airport has launched a new application scenario for digital RMB for transfer passengers. Eligible transfer passengers can obtain a 40 RMB “digital RMB red packet benefit” through the “Digital RMB APP” at any airport nationwide.

Cultural value

* 1. The “link the trunk and branch, connect urban and remote” service model has facilitated travel for remote areas, greatly improved the accessibility of air transportation services, and promoted cultural exchange with foreign countries. It provides valuable insights for the fair and sustainable development of the civil aviation industry in the Asia-Pacific region.
	2. As an example, Su Rina, a Mongolian female student living in Otog Qianqi, Ordos, studies at Fuzhou University over 1500 kilometers away from home. Previously, it would take more than 24 hours for Su Rina to arrive at her destination through various modes of transportation including road, air, railway etc. However, now, it takes her 10 hours to arrive at the destination by Tongcheng flights. During her Tongcheng flight, she can also enjoy services such as payment once, baggage through check-in, and free meals. It can be said that the Tongcheng flights have created a convenient path for Mongol people living in pastoral areas to travel from their region to various parts of the country, hence providing strong support for multi-ethnic exchanges.

# ACTION BY THE CONFERENCE

* 1. The Conference is invited to:
1. With regard to the local practices, encourage countries to learn from China’s experience of the “link the trunk and branch, connect urban and remote” service model, particularly in enhancing air transport connectivity between inland areas, islands, and mountainous regions. Promote best practices that can be adopted locally, and strengthen collaboration and communication to jointly improve the service level of the civil aviation industry, and promote socio-economic development in the Asia-Pacific region;
2. Utilize DGCA mechanisms and professional conferences organized by the Asia-Pacific Regional Office to share the best practices in air transport service mode innovations and digital transformations in various countries, accelerate the transformation and upgrade of traditional air services, and contribute to the comprehensive digital and electronic transformation of civil aviation passenger services in the Asia-Pacific region.

⎯ END ⎯

**Executive Summary for consideration for inclusion in the Conference Report**

PROMOTING THE CONSTRUCTION OF A “LINK THE TRUNK AND BRANCH, CONNECT URBAN AND REMOTE” AIR TRANSPORT SYSTEM BY ENHENCED INFORMATIZATION AND DIGITALIZATION

This paper identifies the demand for air travel in small and medium-sized cities and remote areas in China, and proposes innovative solutions featuring informatization and digitalization with the focus on China’s objectives of air transport network construction and problems in the provision of connecting flight services. The conference is invited to prioritize local needs, particularly in enhancing air transport connectivity for inland areas, islands, and mountainous regions, utilize DGCA mechanisms and professional conferences organized by the Asia-Pacific Regional Office to share the best practices in air transport service model innovations and digital transformations, accelerate the transformation and upgrade of traditional air services, and contribute to the comprehensive digital and electronic transformation of civil aviation passenger services in the Asia-Pacific region. China is willing to share experience and cooperate with other countries to promote the rapid development and economic and social prosperity in the Asia-Pacific region.