

How has it become possible to buy one single passenger ticket that will enable one to travel anywhere in the world, regardless of the number of airlines involved?

Booking a flight through an IATA accredited travel agent or one of IATA's 225 member carriers gives our customers access to a global, seamless air transport network. A traveller can make one booking covering travel on any number of airlines through any number of destinations, receive a set of tickets which will be honoured by each of the chosen carriers, and can pay in one currency for the whole trip.

At each stage of the transaction, from the initial phone call or visit to the agent or airline through to the final landing and delivery of the luggage to the carousel following the trip, IATA has played a vital role in facilitating almost every aspect of the journey.

But how and when does each individual carrier get paid for their portion of the flight?

Through the IATA Clearing House which has been available to our members since 1947, as well as to non-IATA airlines under certain contractual provisions. Simply put, this is a central agency based in Geneva which settles accounts between the various carriers.

Each month it is notified of the claims a participating airline has against every other such airline, sorted into groups. These claims are processed for clearance and each member is automatically notified by teletype of the balance payable to, or by the Clearing House.

Three days later, the statement of account and supporting documentation must be dispatched to each

participating airline. To balance the sterling and dollar settlements, forward purchase or sale of dollars and sterling, which are our two international currencies, has to be made. Settlement is made one week after clearance is completed.

What kind of amounts can this involve?

Individual transactions have exceeded \$50 million, but normally they are less than \$20 million. In 1993, for example, some \$23.5 billion in total claims was processed, all provided at no cost to members.

Our two-currency system is the real key to the effectiveness of the Clearing House "offset" system. And the importance of this technique is the fact that during the 47 years of its existence, 88% of all the bills processed through it have been settled without the actual transfer of funds, but rather in the form of cheques, bank drafts, letters of credit and the like.

While IATA's Clearing House is obviously working at peak efficiency, the same cannot be said of many major airports in the world, currently suffering from acute congestion. Does IATA have a role to play here?

Unquestionably, this is one of our major concerns and we are extremely active in this regard. All our members want an end to current airport and air traffic control delays. This costs money for airlines, passengers and shippers of goods alike, while having a detrimental effect on the natural environment.

They are also looking for assurance from governments and supranational authorities that the future supply of airport and airspace capacity can accommodate industry

growth, without serious delays. Broadly, that means providing sufficient capacity to accommodate a doubling of demand between 1990 and 2000 and a further 50% increase by the year 2010, or shortly thereafter.

In meetings worldwide with representatives of government, IATA puts forward the interests of its membership in the development of infrastructure to meet the increasing traffic demand forecasts to ensure facilities, both in the air and on the ground, will be in place and that the means of financing this expansion, including the charging policies, are fair and equitable.

As IATA approaches its 50th anniversary year, how does it view the future of air transport worldwide?

IATA is confident that air transport will continue to grow and prosper well into the next century. Our industry is the kingpin of the travel and tourism industry worldwide, moving 11.2 billion passengers in 1993 alone and contributing a trillion dollars and 22 million jobs to the world's economy. By the time the industry reaches 91 years of age in the year 2010, it is forecast the contribution could well be 1.7 trillion and 30 million jobs.

I have heard it said that "the future is not what it used to be", but we in the airline industry are confident that we will be able to have quiet and environmentally friendly aircraft in place to mount the capacity and offer products which will meet the needs and demands of our customers well into the 21st century. Through cooperation at all levels, IATA will strive to continue its role over the last half-century to provide safe and reliable air transport worldwide. ➔