

Why academics matter in expansion of Garuda



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Many people doubt the synergy between the academic and professional worlds. When encountering a problem, there is always the possibility that academic research attempting to find a solution will be shut down with the classic remark of “no action, nor proven; theory only”.

Meanwhile, on the opposite side of the spectrum, a trend of instant problem-solving without regard to the existing scientific order has become common.

This premise seems to be applied to many sectors, including the aviation business. It's no wonder that a wide gap has emerged between academics and professionals.

Lately, the national news has been all about Garuda Indonesia. With a significant share of the domestic aviation market, the flag carrier's status quo will potentially put at risk its domestic connectivity expansion.

Soon, Garuda will appoint a new management. However, academics with aviation expertise are potentially off the radar. Is there an urgency in involving them at this stage?

There are some stories of academics who successfully brought their country's aviation indus-

tries forward and positively impacted on both the economic and tourism sectors.

In the 1970s, Henri A. Wassenbergh, who was leading the establishment of the International Institute of Air and Space Law at Leiden University, was appointed senior vice president of KLM for external policy affairs. He was also entrusted as an advisor to the Dutch government in various air service agreement negotiations.

At that time, the concept of open skies was just being introduced. However, Wassenbergh successfully analyzed the positive impact of such a Pandora's Box and took the Netherlands one step further toward seamless connectivity by signing an open skies agreement with the United States in 1992.

As a result, Schiphol Airport became one of the few on mainland Europe with an abundance of passengers from all over the US. In parallel, the KLM fleet was prepared to grab the opportuni-

ties presented by the Dutch-US open skies agreement.

Today, Schiphol's presence as one of the main hubs in Europe is evidence of the success of long-term synergy between academics and professionals.

Imagine how many jobs have been created. Just this year, Amsterdam is fighting back mass tourism over concerns of becoming overcrowded, even as many countries are trying hard to increase tourist arrivals.

Lufthansa was seen following in KLM's footsteps by appointing another professor, Regula Dettling-Ott, to management. She was the vice president for European Union affairs from 2010 to 2016. Her appointment reinforces the premise that the role of academics is to be increasingly taken into account in the aviation business, such as for expansion.

The aviation business is about freedom of the air. Even with the strongest fleet, an airline would

never win in international markets if its country does not have the right bilateral or multilateral air service agreements.

Just this year, Russia finally obtained its fifth Freedom of the Air traffic rights from Japan.

This means all Russian airlines are entitled to transit in Japan before reaching their final destinations. The latter gets an advantage from the increase of competition, preventing price cartels from forming in Japanese airports, which benefits passengers.

From the Middle East, Wizz Air, Eastern Europe's biggest low-cost carrier (LCC), established Wizz Air Abu Dhabi this December. The airline obviously chose the United Arab Emirates (UAE) because of its prominent bilateral and multilateral air service agreements.

This will increase tourist visits to Hungary via the UAE starting 2020 and, in parallel, secure Budapest as the main hub for Eastern Europe. Meanwhile, Abu Dhabi International Airport is seeking an additional 1.4 million passengers by 2021.

Meanwhile, ASEAN-China Open Skies ignited a controversy. Chinese carriers could fly from the mainland to any point in ASEAN but not vice versa.

ASEAN Open Skies does not

grant the seventh Freedom of the Air for the member states' airlines. Consequently, in order to maintain code-share arrangements, Garuda Indonesia can serve Beijing or Shanghai only from Indonesia and cannot establish Bangkok-Beijing or Kuala Lumpur-Shanghai routes without having an Indonesian airport as the starting or end point.

A similar situation happens with the other ASEAN national airlines. From the perspective of aviation law, this is not an equal opportunity for ASEAN airlines. Next, EU-ASEAN Open Skies is on the table.

Speaking of state airport operator Angkasa Pura (AP) II's plan to expand to Malaysia, Thailand, Ghana and Mauritius, it must be safeguarded with the knowledge of these countries' bilateral and multilateral air service agreements.

The Yamoussoukro Decision, which encourages open skies up to the fifth Freedom of the Air in Africa, still faces some obstacles. There is always a chance for reservations, like from Indonesia, which designates only five entry points pertaining to ASEAN Open Skies. API and II should know these matters well before investing.

Aviation law experts and air transportation economists could

provide input to Garuda Indonesia in regards to its European routes.

Hopefully, the chosen slots are not merely for prestige, such as landing at London Heathrow. One should consider the meaning of arriving late at night while other long-haul flights from Indonesia could provide morning arrivals for business. A synergy with code-share arrangements, which means frequency, also speaks to aviation law.

Hopefully, State-Owned Enterprises Minister Erick Thohir views academics with proven track records as important as professionals. It seems unrealistic to expect academics to occupy one director seat.

A special post should be considered to not leave them behind. One of the urgent matters is to conduct continuous in-house training with a national perspective and to take advice from foreign consultants with a grain of salt.

There are various potential opportunities and problems that might only be seen from the perspective of academics, making a synergy between them inevitable.

Their active involvement is necessary for national airlines and airport operators, especially to set up Indonesia as a prominent aviation player in this open skies era.