



**CHARTING A NEW FRONTIER:
AVIATION CONSUMER
PROTECTION NEEDS
TODAY AND BEYOND**

INTERNATIONAL WEBINAR

**AGILITY AND PROGRESSIVENESS –
ENSURING CONTINUED GROWTH OF THE
AVIATION SECTOR AND PROTECTION OF
CONSUMERS**

SOUKKHONGTHONG VORAPHET

Outline

- I. Overall Legislation
- II. Consumer Protection Law and Policies
- III. Comparison of legislation among respective countries (Mechanism);
- IV. Air Transport Recovery and Consumer Behavior
- V. Challenges and Opportunities for Agility and Progressiveness
- VI. Conclusion



Consumer Protection Law in Lao PDR

- Article 6 of the Constitution of the Lao PDR (Legitimate Rights and Interests of People)
- Consumer Protection Law in Lao PDR was adopted by the National Assembly No: 59/NA, dated 30 June 2010.
- It defines roles and responsibilities of stakeholders including Consumers, Suppliers/Providers in Goods and Services Provisions.
- Also, covers Institutional Set-Up, Authorities, Associations, Settlement of Disputes.



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ສະພາແຫ່ງຊາດ

ເລກທີ **59** /ສພຊ

ມະຕິຕົກລົງ
ຂອງ

ສະພາແຫ່ງຊາດ ແຫ່ງ

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Consumer Protection in Air Transport

- According to the Air Transport Liberalization in ASEAN, as the ASEAN Single Aviation Market (ASAM) has been implemented since the beginning of 2016, this requires AMS to consider the imposition/issuance of Passenger Rights Protection Policy/Regulations.



PASSENGER'S RIGHT PROTECTION IN AIR TRAVEL

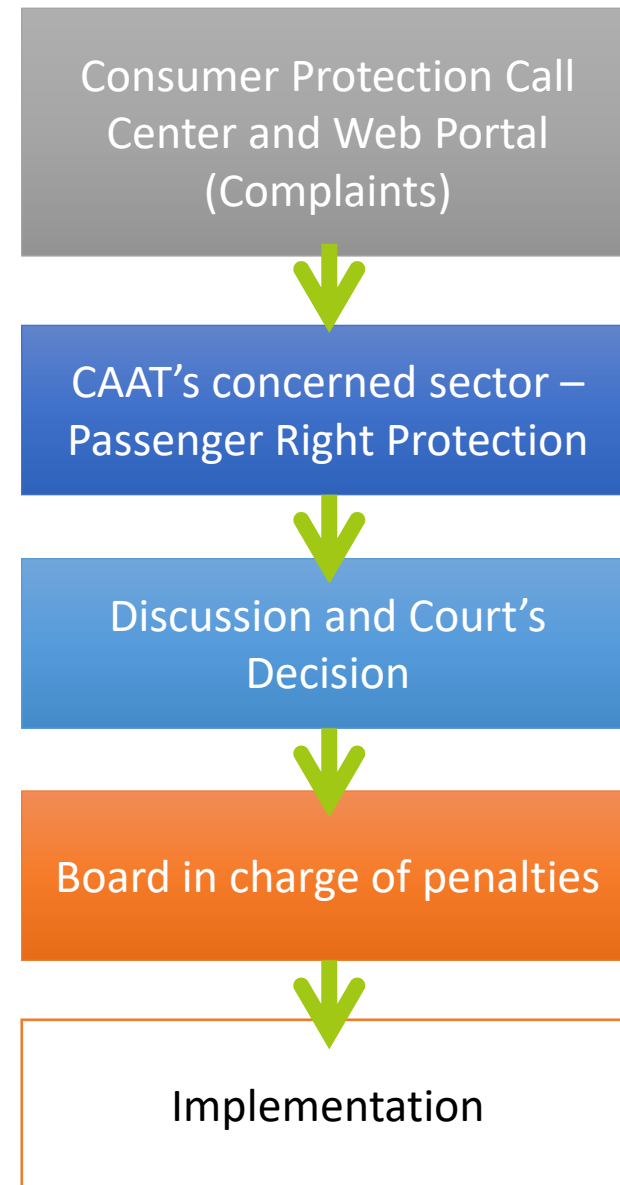
COUNTRY	PASSENGER'S RIGHT REGULATION	DENIED BOARDING	DELAY'S COMPENSATION	CARE FOR TRAVELLER IN NEEDS	FINANCIAL COMPENSATION Refund Mechanisum	BAGGAGE DAMADE
Lao PDR	✗	✗	✗	✗	✗ *	✗ *
THAILAND	✓	✓	✓	✓	✓	✓
VIETNAM	✓	✓	✓	✓	✓ *	✓ *
CAMBODIA	✗	✗	✗	✗	✗ *	✗ *
MYANMAR	✗	✗	✗	✗	✗ *	✗ *

* Conditions apply based on air carriers' policies, relevant regulations mentioned by no specific details;



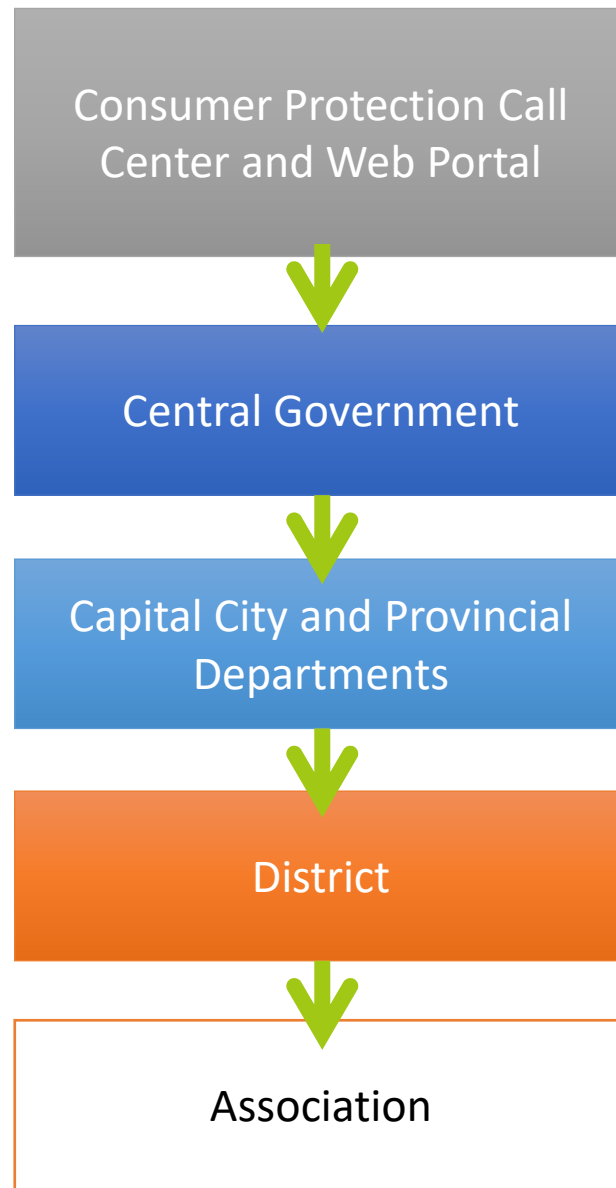
Mechanism in Thailand:

The Board in charge of penalties includes Ministry of Transportation, Public Prosecutor, and CAAT. All penalties shall be made in accordance with compliance and court's decision depending on the case;



Mechanism in Lao PDR:

4 founding ministries: Ministry of Industry and Commerce (MOIC), Ministry of Public Health, Ministry of Agriculture and Forestry, and Ministry of Science and Technology. Have assigned tasks based on top-down management, and bottom – up through call center and National Assembly.



Example Cases in Thailand:

- Food provided for delayed flight's passengers are inappropriate (too small portion);
- Delay but no food provided (more than 2 hours but less than 3 hours);
- Compensation or refund shall be made, but intentionally do not pay, or made a payment after 45 days period.
- Delay more than 6 hours, and no 1,200 Baths compensation was paid at the airport.
- There were 4 cases in 2020 and 3 cases in 2021 respectively and 2 cases in 2022.



Penalty: Financial Fines

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Example Cases in Lao PDR:

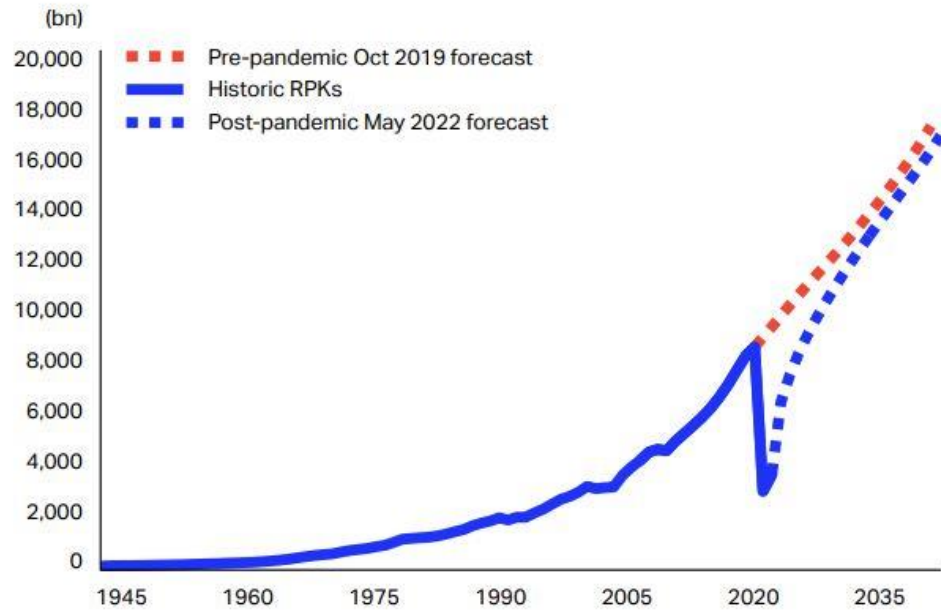
- Fraudulent air tickets or unissued tickets (fake ticket);
- First leg's flight delayed due to document check-up. Result: Passengers were denied boarding due to incomplete check-list;
- Pending cases of refunding tickets;
- High ticket prices, Lao PDR to PR China



Air Transport Forecast

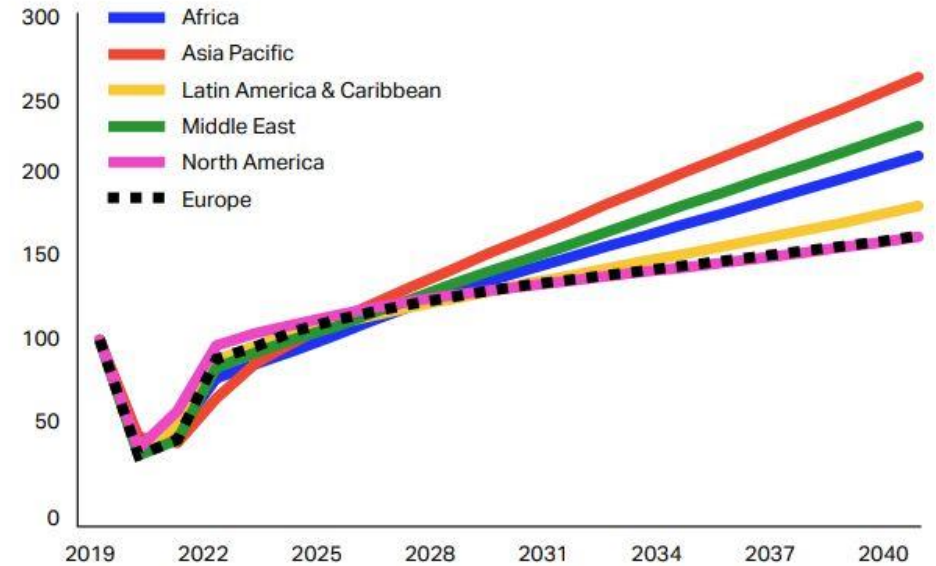
Global passenger number will increase at least 3.3% per annum, and reach 7.8 billion passenger journey per year.

Global air passenger traffic: Historic Revenue Passenger-Kilometers and Forecasts



Source: IATA Economics/Tourism Economics

Passengers per region, 2019 – 2040, indexed 2019=100



Source: IATA Air Passenger Forecast, IATA Economics/Tourism Economics

Asia Pacific expects to increase passenger journey per year around 2.5 billions by 2040 (4.5% annual growth rate).

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Challenges/Limitations

- Increasing number of the passengers also requires regulatory frameworks to protect passenger rights.
- Long queue check-in, waiting time in security and immigration become “New Normal Practices” (Unacceptable);
- A Lack of Human Resources in services (airport, airlines and staffing management).
- Technical and portal systems; information regarding entry requirements vary, although TIMATIC is in place.
- Difference of Refund and Compensation mechanism, Exchange of Monetary Amount. Ex. Coupon, Voucher (Non-negotiable and Non- Refundable);
- More flights, more cases, more inspections and penalties;
- Limitation of Education, Culture and Characteristics of Consumers.
- A lack of social or consumer protection associations to encourage local consumers to be aware of their rights and claim procedures (incentives for interest groups).
- Tools to calculate the economic loss of passengers/consumers caused by delay, cancellation and etc.



Consumer Needs

- Seamless and integrated travel information/system including Digital Vaccination Certificate/Verification; insurance and arrival card, and entry requirements along the journey.
- Expedite/Fast Check-in Times (On-demand) and Fast Baggage Drop-off;
- Pre-COVID-19 Pace for Security and Immigration Check-up;

Government's Initiative

- ▶ Lost revenue in 2020-2021, lockdown measures are lifted, “Full Country Re-open Campaign was launched”;
- ▶ More flights and slots were resumed and reissued;
- ▶ To attract more travelers (air travel and tourism);
- ▶ Rules shall be complied over **“New Normal Practices”**



Airport Handling Capacity

- Airport's terminal capacity including check-in, security, immigration and departure/arrival capacity;
- Air Navigation Services' capacity from pre-COVID-19 and during, now it is increasing dramatically;
- Adoption of technology to facilitate passenger flows;

Airlines

- ▶ Staff competence and service minds;
- ▶ Cost cutting and maintaining service standards;
- ▶ Air ticketing reservation assistance and refund/reroute procedures/platforms (Less process/Efficient)
- ▶ Optimize load factors and cash flows;
- ▶ Seeking for resuming routes and seeking for new markets;



*Thank
You!*

for your attention.



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