



**Aviation Industry will Benefit from NDC – Commentary by Yanik Hoyles;
IATA Director NDC Program
Published on 23 March in the 'International Business Daily' China**

Last year air travelers spent an estimated \$28.5 billion on options such as onboard food and beverages, checked baggage, premium seat assignments, and early boarding, according to research by IdeaWorks Company and CarTrawler. Yet while an estimated 50% of airline tickets are sold via brick and mortar travel agencies and online travel sites, the vast majority of ancillary products and services are sold by airlines on their own websites, where customers are able to view detailed product information that may not always be easily accessible on systems used by agents.

IATA's New Distribution Capability (NDC) is intended to address the current limitations in agency distribution by providing the capability for travel agents to be able to sell these products and services as well. This will equip agents with more tools to better serve their clients, and as a consequence, air travelers finally will have access to full and rich air content and a transparent shopping experience when they shop with a travel agent or online travel site.

Just to be clear, NDC is not a system. It is a travel industry-supported program for the development and voluntary market adoption of a new, XML-based (internet language) data transmission standard for communications between airlines and travel agents – and will be open to any third party, intermediary, IT provider or non-IATA member, to implement and use. As such, it replaces the pre-internet standard common today. Furthermore, it will be an open standard, available for all to use. While some GDSs have already begun to use some XML based communication protocols, they have each developed these using proprietary standards rather than the open global standard offered by NDC.

It's no secret that NDC had a bit of a bumpy start in terms of industry acceptance. But as the benefits of voluntarily adopting a single standard have become clearer, we are seeing the major players climb on board. At the World Passenger Symposium in October 2014, Amadeus, Travelport and Sabre each endorsed NDC and said they would use the NDC standard if their airline partners asked them to. In China, both Hainan and Shandong airlines, in partnership with TravelSky also introduced the NDC Standard. And in December, IATA announced an agreement with a coalition of national travel agent associations to look at options that could benefit travel agents as the industry transitions to NDC.

Of course, airlines and agents will require tools and applications to manage the rich content the NDC standard will enable. While we have every confidence in the abilities of existing players, IATA has also partnered with Travel Capitalist Ventures, a leading travel-focused investment firm, to create the NDC Innovation Fund. This fund will support innovation in airline distribution by investing in small- and medium-sized companies seeking to develop solutions which support airlines and agents as they leverage the enhanced distribution capabilities enabled by the NDC standard.

NDC will enable a new era of air retailing. We're excited about the benefits and opportunities this will bring to our travel agent partners, travelers, and airlines