51st Conference of Directors General of Civil Aviation
Asia and Pacific Regions

Economic development of air transport

24-27 November 2014
Boubacar Djibo, Director Air Transport Bureau, ICAO
Preamble

THEREFORE, the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically;
Nine Freedoms of the Air – Doc 9626

1. Operate

2. Technical stop

3. Set down traffic

4. Pick up traffic

5. Carry traffic to/from third State

6. Carry traffic via Home State

7. Operate from second State to/from third State

8. Carry traffic between two points in a foreign State

9. Operate only in a foreign State

Home State

Home State

Home State

Home State

Home State

Home State

Home State

Home State

Home State

Home State
**United Nations:** "Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs."

**Triple Bottom Line:** In business, one approach to sustainability is focusing on the impact of decisions on the environment and the community in addition to profit (traditional single bottom line). The diagram illustrates this idea.

**International Aviation**
- Economic: 5% Contribution to the global economy
- Environment: 2% of emissions
Safety: Enhance global civil aviation safety

Air Navigation Capacity and Efficiency: Increase capacity and improve efficiency of the global civil aviation system

Security & Facilitation: Enhance global civil aviation security and facilitation

Economic Development of Air Transport: Foster the development of a sound and economically-viable civil aviation system

Environmental Protection: Minimize the adverse environmental effects of civil aviation activities
Economic regulation and oversight

Sound and economically-viable air transport system

Funding of air transport infrastructure and operations

Aviation data, forecasting and analysis
Value chain of air transport

STATES
(Regulatory framework)

Airlines

ANSPs

Airports

Ground Handling

Seek services from

MROs

Aircraft manufacturers

Lessors

Freight Forwarders

Fuel suppliers

Travel agents & GDS

Passenger

Freight
The air transport industry is not only

• a **vital engine** of global socio-economic growth

• but is also of vital importance as **a catalyst for economic development**,  
  – creating direct and indirect employment,
  – supporting tourism and local businesses, and
  – stimulating foreign investment and international trade.
Economic benefits of aviation

58.1 million Jobs supported by aviation worldwide

$2.4 trillion Global economic impact*

*including direct, indirect, induced and tourism catalytic

Source: Air Transport Action Group (ATAG), 2014
Air Transport Development

Source: ICAO Annual Reports of the Council

Scheduled commercial traffic
Total (international and domestic) services
The Size of the Industry in 2013

- 3.1 billion passengers
- 49 million tonnes of freight
- 1 000 scheduled airlines
- 26 000 aircraft in service
- More than 4 000 airports
- 170 air navigation centres

Traffic is for scheduled services in 2013
World Air Transport in 2013

3.1 billion
Passengers carried

+4.5%
vs. 2012

32 million
Commercial flights performed

+1.2%
vs. 2012

5.8 trillion
Revenue Passenger-Kilometres

+5.5%
vs. 2012

186 billion
Freight Tonne-Kilometres

+0.4%
vs. 2012

Number of routes increased by 30% in the last decade showing the dramatic growth of new regional hubs.
New Bilateral Air Services Agreement Tool
The Monthly Monitor

- Published every month on ICAO website: http://www.icao.int/sustainability/Pages/AT-MonthlyMonitor.aspx
- Outlook and analysis of passenger and freight traffic
- Top 15 airports and airlines
- Evolution of the capacity by region
Annual analysis on a world and regional level

- 63 pages of comprehensive analysis and key figures of air transport

For each ICAO Statistical Region:
- Passenger and cargo traffic for 2011, 2012 and 2013
- Top 15 States, airlines and airports in 2013
- Evolution of LCC market penetration in the last 10 years
World Top 15 Airlines in 2013

- 5 carriers from North America
- 5 carriers from Asia/Pacific
- 4 carriers from Europe
- 1 carrier from Middle East
- 2 low-cost carriers: Southwest and Ryanair
- Highest growth → Emirates with +15.8%

RPK growth in 2013 vs 2012

Note: scheduled services  Source: ICAO Form A and ICAO estimates

Total (international and domestic) services
World Top 15 Airports in 2013

**Departures (thousand)**

- Atlanta (ATL) -2.1%
- Chicago (ORD) +0.6%
- Dallas/Fort Worth (DFW) +4.3%
- Los Angeles (LAX) +1.6%
- Denver (DEN) -4.9%
- Beijing (PEK) +1.9%
- Charlotte (CLT) +1.1%
- Las Vegas (LAS) -1.3%
- Houston (IAH) -0.8%
- Paris (CDG) -3.9%
- Frankfurt (FRA) -2.0%
- London (LHR) -0.7%
- Amsterdam (AMS) +0.6%
- Phoenix (PHX) -3.2%
- Philadelphia (PHL) -2.0%

**Note:** scheduled and non-scheduled services

Source: ACI

**Total (international and domestic) services**

- 10 airports in **North America**
- 4 airports in **Europe**
- 1 airport in **Asia/Pacific**
Top 15 airlines for carried freight

- 6 carriers from Asia/Pacific
- 5 carriers from Europe
- 2 carriers from North America
- 2 carriers from Middle East

- 2 all freight carriers: Federal Express and UPS
- Highest growth → Cargolux with +18.7% FTK growth

Note: scheduled services
Source: ICAO Form A and ICAO estimates
Top 15 airports by freight tonnes handled

<table>
<thead>
<tr>
<th>Airport</th>
<th>Freight tonnes handled (million)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memphis TN (MEM)</td>
<td>-</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Hong Kong (HKG)</td>
<td>1</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Shanghai (PVG)</td>
<td>2</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Dubai (DXB)</td>
<td>3</td>
<td>+6.8%</td>
</tr>
<tr>
<td>Anchorage AK (ANC)</td>
<td>4</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Incheon (ICN)</td>
<td>5</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Louisville KY (SDF)</td>
<td>1</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Frankfurt (FRA)</td>
<td>2</td>
<td>+1.5%</td>
</tr>
<tr>
<td>Tokyo (NRT)</td>
<td>3</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Miami FL (MIA)</td>
<td>4</td>
<td>+0.6%</td>
</tr>
<tr>
<td>Paris (CDG)</td>
<td>5</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Singapore (SIN)</td>
<td>-</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Beijing (PEK)</td>
<td>1</td>
<td>+2.4%</td>
</tr>
<tr>
<td>Los Angeles CA (LAX)</td>
<td>2</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Taipei (TPE)</td>
<td>3</td>
<td>-0.4%</td>
</tr>
</tbody>
</table>

**Note: scheduled services**

- 7 airports from Asia/Pacific
- 5 airports from North America
- 2 airports from Europe
- 1 airports from Middle East
- 10 out of the Top 15 airports recorded an annual growth
- Highest growth → Dubai Airport with +6.8% tonnes handled growth

Source: ACI
ICAO Statistical Regions

- North America
- Europe
- Middle East
- Africa
- Asia and Pacific
- Latin America and the Caribbean
## World Air Transport in 2013 by Region

### Aircraft departures (million)

<table>
<thead>
<tr>
<th>Region</th>
<th>Departures (million)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>7.9</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Africa</td>
<td>0.9</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Middle East</td>
<td>1.1</td>
<td>+4.9%</td>
</tr>
<tr>
<td>Asia and Pacific</td>
<td>8.6</td>
<td>+6.3%</td>
</tr>
<tr>
<td>North America</td>
<td>11.0</td>
<td>-1.3%</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>2.6</td>
<td>+0.4%</td>
</tr>
</tbody>
</table>

### Passengers carried (million)

<table>
<thead>
<tr>
<th>Region</th>
<th>Carried (million)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>817</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Africa</td>
<td>73</td>
<td>+3.5%</td>
</tr>
<tr>
<td>Middle East</td>
<td>161</td>
<td>+7.8%</td>
</tr>
<tr>
<td>Asia and Pacific</td>
<td>1,008</td>
<td>+8.0%</td>
</tr>
<tr>
<td>North America</td>
<td>815</td>
<td>+0.9%</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>230</td>
<td>+5.7%</td>
</tr>
</tbody>
</table>

### Revenue Passenger-Kilometres (billion)

<table>
<thead>
<tr>
<th>Region</th>
<th>Kilometres (billion)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>1,556</td>
<td>+4.6%</td>
</tr>
<tr>
<td>Africa</td>
<td>134</td>
<td>+4.4%</td>
</tr>
<tr>
<td>Middle East</td>
<td>500</td>
<td>+11.2%</td>
</tr>
<tr>
<td>Asia and Pacific</td>
<td>1,785</td>
<td>+7.7%</td>
</tr>
<tr>
<td>North America</td>
<td>1,505</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>303</td>
<td>+6.7%</td>
</tr>
</tbody>
</table>

### Freight Tonne-Kilometres (billion)

<table>
<thead>
<tr>
<th>Region</th>
<th>Kilometres (billion)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>41.5</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Africa</td>
<td>3.1</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Middle East</td>
<td>22.6</td>
<td>+12.0%</td>
</tr>
<tr>
<td>Asia and Pacific</td>
<td>74.0</td>
<td>+0.2%</td>
</tr>
<tr>
<td>North America</td>
<td>39.1</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>5.3</td>
<td>+2.7%</td>
</tr>
</tbody>
</table>

*Source: ICAO Annual Report of the Council 2013*
Passenger traffic: Worldwide distribution (1/2)

Since 2010:
Asia/Pacific ranks 1st

Since 2012:
Europe ranks 2nd

Middle East has gained market share every year

Analysis

Source: ICAO Annual Reports of the Council
Passenger traffic: Worldwide distribution (2/2)

Distribution in Revenue Passenger-Kilometres

2007

1st: North America
2nd: Asia/Pacific
3rd: Europe

North America: 32%
Asia/Pacific: 29%
Europe: 27%
Middle East: 6%
Latin America/Caribbean: 4%
Africa: 2%
Latin America/Caribbean: 4%
Asia/Pacific: 31%
Europe: 27%
North America: 26%
Middle East: 9%
Latin America/Caribbean: 5%
Africa: 2%

Source: ICAO Annual Reports of the Council
Low Cost Carriers in 2013

- Largest LCC presence: Europe (37%) and Latin America/Caribbean (31%)
- Strongest growth: Asia/Pacific and Middle East (+17 pts in 10 years)
- Smallest LCC presence: Africa

- All States in Middle East have LCC presence in 2013
- 94% of States have LCC traffic in Europe in 2013
- Asia/Pacific: +16 new States served by LCCs

Source: ICAO, OAG
Low Cost Carriers in 2013

Note: distribution in terms of number of seats intra-region

Source: ICAO, OAG
2013 - State of Air Transport

Annual analysis on a world and regional level

- 63 pages of comprehensive analysis and key figures of air transport

For each ICAO Statistical Region:
- Passenger and cargo traffic for 2011, 2012 and 2013
- Top 15 States, airlines and airports in 2013
- Evolution of LCC market penetration in the last 10 years
• Past decade air transport trends

• Demand drivers analysis:
  - Economic growth
  - Liberalization
  - Low Cost Carriers
  - Improving technologies

• Challenges for air traffic development
  - Fuel prices
  - Airport/ANSPs capacity constraints
  - Competition and inter-modality

• Forecasts
  - Structure and methodology
  - Passenger and cargo
  - Results and analysis by route group

Available at: http://store1.icao.int/
An encouraging outlook

World scheduled passenger traffic

Graph showing historical and forecasted revenue passenger-kilometres from 1995 to 2030.
Joint Statement on Aviation and Tourism signed by ICAO & UNWTO Secretaries General at ATConf/6 in March 2013

Objectives:

• Maximize air transport/tourism synergies
• Work together on consumer protection
• Increase connectivity (e.g. visas and travel ID documents; airport passenger flow management; essential service and tourism development route (ESTDR))
• Reduce greenhouse gas emissions
• Alleviate taxes, charges and levies on aviation and tourism
• Cooperate on the implementation of ATConf/6 recommendations
Aviation and tourism: Synergies but need for improvement

Air transport is often perceived as slowing development of travel and tourism

- Higher taxes & charges
- Lack of air connectivity
- Facilitation and border control

How to improve and balance benefits of air transport and tourism policies
World Tourism in 2013

International Tourist Arrivals (million)

Source: World Tourism Organization (UNWTO)
World Inbound Tourism: International Tourist Arrivals, 2013

- Europe: 52%
- Asia / Pacific: 23%
- Americas: 15%
- Africa: 5%
- Middle-East: 5%

Europe represents the largest share of international tourists arrivals with one half of the World total.

Source: World Tourism Organization (UNWTO)
Tourism Australia deepens tourism ties with Singapore Airlines (10 11 2014)

The agreement will see the two parties jointly fund a range of tourism campaigns and promotional activities in seven of Australia's key inbound markets - Singapore, Malaysia, Indonesia, India, UK, Germany and China.

Outside of New-Zealand, Singapore is the most connected city to Australia. In recent years, Singapore has emerged as one of Australia's most important inbound tourism markets. It is currently Australia's fifth largest source market for international tourists with visitors from Singapore generating A$1.1 billion in total expenditure in 2013.

There were 368,400 visitors from Singapore in the 12 month period ending 30 September 2014, an annual increase of 14.4 per cent. The Tourism 2020 strategy estimates that the Singapore market has the potential to grow to between A$2.3 billion and A$2.8 billion in total expenditure by 2020.
Short-term tourist and businesses visas for those traveling from the U.S. to China or vice versa will now be valid for 10 years. (Previously just for 1 year). The new visa policy aims to take advantage of China's status as the fastest-growing tourism market on earth. **100 million Chinese travel abroad each year, but last year only 1.8 million visited the U.S.** The new visa agreement will draw as many as **7.3 million Chinese travels to the U.S. over the next seven years.**

"I've heard from American business leaders about how valuable this step will be. And we've worked hard to achieve this outcome because it clearly serves the mutual interest of both of our countries," Mr. Obama said. "So I'm proud that during my visit to China, we will mark this important breakthrough, which will benefit our economies and bring our people together, and I'm pleased that President Xi has been a partner in getting this done." (10 11 2014)
FROM ASIA/PACIFIC:

- **1st destination in 2013**: to Middle East (+13 pts) → to Middle East was 3rd in 2004
- **Fastest growth** destination: to Middle East and to Africa → few seats to Africa
- **Distribution** of seats offered among regions is relatively **unbalanced**

**Note**: direct and non-direct flight excluding restrictions  -  **Source**: OAG
Asia/Pacific
Top 15 airlines and Top 15 airports

- **Top 3 airlines:** Only Chinese carriers
- Each **airport** of the Top 5 recorded an **increase**
- **Beijing (PEK)** → Largest airport in Asia/Pacific: 40% more departures than the 2nd
  → 2nd largest airport in the world
- Asia/Pacific: +7.7% RPK growth in 2013
**Volume** of world international cargo shipment

- **Aviation**: 0.5%
- **Surface modes**: 99.5%

**Value** of world international cargo shipment

- **Aviation**: $6.4 trillion (34.6%)
- **Surface modes**: $6.4 trillion (65.4%)

*Source: Air Transport Action Group (ATAG), 2014*
Top 15 States in 2013

freight tonne-km (million)

United States: -5%
China*: 2%
United Arab Emirates: 16%
Republic of Korea: -4%
Japan: 6%
Germany: 1%
Singapore: -6%
United Kingdom: -3%
Netherlands: -4%
Luxembourg: 19%
Qatar: 15%
France: -5%
Russian Federation: -20%
Australia: -2%
Thailand: -4%

Rest of the world: 22%
Top 15: 78%

*China includes Hong Kong SAR and Macao SAR

Source: ICAO Annual Reports of the Council

Note: scheduled services, States of AOC holders
**Top 15 airlines for carried freight**

- 6 carriers from **Asia/Pacific**
- 5 carriers from **Europe**
- 2 carriers from **North America**
- 2 carrier from **Middle East**

- 2 all freight carriers: Federal Express and UPS
- Highest growth → Cargolux with +18.7% FTK growth

**FTK (billion)**

- Federal Express: +0.1%
- UPS: +1.6%
- Emirates: +12.2%
- Cathay Pacific: -1.1%
- Korean Air: -5.6%
- Lufthansa: +0.7%
- Singapore Airlines: -5.8%
- KLM: -4.4%
- Cargolux: +18.7%
- Qatar Airways: +15.2%
- China Airlines: +0.5%
- EVA Airways: +2.3%
- British Airways: -4.7%
- Air France: -6.0%
- China Southern Airlines: +1.7%

**Note:** scheduled services  
**Source:** ICAO Form A and ICAO estimates
Top 15 airports by freight tonnes handled

- 7 airports from Asia/Pacific
- 5 airports from North America
- 2 airports from Europe
- 1 airport from Middle East

- 10 out of the Top 15 airports recorded an annual growth
- Highest growth → Dubai Airport with +6.8% tonnes handled growth

**Freight tonnes handled (million)**

- **Memphis TN (MEM)**: +3.0%
- **Hong Kong (HKG)**: +2.5%
- **Shanghai (PVG)**: +0.1%
- **Dubai (DXB)**: +6.8%
- **Anchorage AK (ANC)**: -1.7%
- **Incheon (ICN)**: -0.1%
- **Louisville KY (SDF)**: +2.5%
- **Frankfurt (FRA)**: +1.5%
- **Tokyo (NRT)**: +0.8%
- **Miami FL (MIA)**: +0.6%
- **Paris (CDG)**: -3.8%
- **Singapore (SIN)**: +0.8%
- **Beijing (PEK)**: +2.4%
- **Los Angeles CA (LAX)**: -1.0%
- **Taipei (TPE)**: -0.4%

*Note: scheduled services*

*Source: ACI*
Moving Air Cargo Globally
ICAO-WCO Joint publication on Air cargo Security and Facilitation

Available for download in six languages: Arabic, Chinese, English, French, Russian, Spanish

## World Air Cargo in 2013

**Freight Tonne-Kilometres** (billion)

<table>
<thead>
<tr>
<th>Region</th>
<th>Freight Tonne-Kilometres</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>41.5</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Africa</td>
<td>3.1</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Middle East</td>
<td>22.6</td>
<td>+12.0%</td>
</tr>
<tr>
<td><strong>Asia and Pacific</strong></td>
<td>74.0</td>
<td>+0.2%</td>
</tr>
<tr>
<td>North America</td>
<td>39.1</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>5.3</td>
<td>+2.7%</td>
</tr>
</tbody>
</table>

**Total (international and domestic) services**: +0.4% vs. 2012

*Source: ICAO Annual Report of the Council 2013*
Freight Traffic: Worldwide Distribution

### Distribution in Freight Tonne-Kilometres

#### 2007
- **1st:** Asia/Pacific (42%)
- **2nd:** North America (25%)
- **3rd:** Europe (23%)
- **Middle East:** 6%
- **Latin America/Caribbean:** 3%
- **Africa:** 1%

#### 2013
- **1st:** Asia/Pacific (40%)
- **2nd:** Europe (22%)
- **3rd:** North America (21%)
- **Middle East:** 3%
- **Latin America/Caribbean:** 3%
- **Africa:** 2%
- **North America:** 42%

---

Source: ICAO Annual Reports of the Council
Analysis

in 2013:

→ **Asia/Pacific**’s FTK share is 40%

→ **Europe** ranks clearly 2nd

→ **North America** declined

→ **Asia/Pacific** declined in 2011 and 2012

→ **Middle East** has gained market share every year

*Source: ICAO Annual Reports of the Council*
Long-term Air Traffic Forecasts: “GATO”
Scheduled Freight Traffic

History
5.0%
total traffic 1995–2010 AAGR**

Forecasts
5.3%
total traffic 2011–2030 AAGR**

Source: Cir 333, Global Air Transport Outlook to 2030 - GATO
Development of Air Cargo: drones & Airships
CONNECTIVITY: AN IMPORTANT VALUE CHAIN TO STIMULATE AIR TRANSPORT DEVELOPMENT
Movement of passengers, mail and cargo involving the **minimum of transit points**

- which makes trip as **short** as possible
- with **optimal** user satisfaction
- at the **minimum** price possible
In order to optimize connectivity a strong supporting framework is needed.

This includes:

- market access (e.g. liberalization)
- optimal use of:
  - air navigations services (incl. ASBUs)
  - Aircraft
  - airport systems
  - facilitation and security
- intermodality
- airline activities

*Border control optimization and fastest security clearance
The supporting regulatory framework:

ICAO’s contribution to connectivity
Market Access – Supporting Framework

Traffic liberalization (Pax and cargo)

Regional framework
Regional approaches (e.g. EU, YD)

Multilaterals

Bilaterals

FREEDOMS OF THE AIR

YD = Yamoussoukro Decision
EU = European Union

ICAN
ICAO Air Services Negotiation Event

53
Progress in the Implementation of ATConf/6 recommendations
- Recommendations of ATConf/6 endorsed by the Council
- Council’s action plan to implement the ATConf/6 Recommendations with prioritization, endorsed by 38th Session of the ICAO Assembly
- Assembly Resolution A38-14 Consolidated statement of continuing ICAO policies in the Air Transport Field

**Priority A Tasks:** tasks of major importance that should be initiated without delay

**Priority B Tasks:** tasks having a medium priority with respect to delivery

**Priority C Tasks:** tasks to be undertaken with additional resources provided through voluntary contributions from Member States

*(Ref: A38-WP/56 Appendix C)*
### Implementation of Priority A tasks

#### Foster air transport development

<table>
<thead>
<tr>
<th>ATConf/6 recommended action</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establish a Voluntary Air Transport Fund (TRAF)</td>
<td>- Fund established in 2013</td>
</tr>
<tr>
<td></td>
<td>- limited donations so far</td>
</tr>
<tr>
<td></td>
<td>- A website is under development</td>
</tr>
<tr>
<td>Provide exchange forum to promote more compatible regulatory</td>
<td>- Implemented through ICAN and other ICAO meetings</td>
</tr>
<tr>
<td>approaches</td>
<td>(e.g. dedicated seminar session)</td>
</tr>
<tr>
<td>Enhance ICAN facility</td>
<td>- Being implemented: will have an enhanced/expanded edition for ICAN2014, Bali, Indonesia in coordination with ACI, IATA and UNWTO</td>
</tr>
<tr>
<td></td>
<td>- Consider an exclusive ICAN Cargo event</td>
</tr>
<tr>
<td>ATConf/6 recommended action</td>
<td>Action</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------</td>
</tr>
</tbody>
</table>
| **Develop a long-term vision for international air transport liberalization (Priority A)** | - At the twelfth meeting of Air Transport Regulation Panel (ATRP/12) a text of the vision was agreed to for the consideration by governing bodies  
- States to be consulted on the vision  
- for adoption by Council in 2015 |
| **Develop an international agreement for States to liberalize market access (Priority A)** | - ATRP/12 considered initial proposals; established a Working Group (WG1) to develop draft text of the agreement  
- To be considered by ATRP/13 in April 2015  
- ATRP will present proposal to governing bodies in late 2015 or early 2016 |
<table>
<thead>
<tr>
<th>ATConf/6 recommended action</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Develop an international agreement to liberalize air carrier ownership and control <em>(Priority A)</em></td>
<td>- Task to be undertaken by ATRP/12 Working Group 1 (WG1)</td>
</tr>
<tr>
<td></td>
<td>- To be considered by ATRP/13 in April 2015</td>
</tr>
<tr>
<td></td>
<td>- ATRP will present proposal to governing bodies in late 2015 or early 2016</td>
</tr>
</tbody>
</table>
## Process for developing the agreements

<table>
<thead>
<tr>
<th>ATRP and Secretariat action</th>
<th>Action by governing bodies</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Develop draft text of the Agreements (3rd Q 2015)</td>
<td>- Consider ATRP recommendations re Agreement draft texts (4th Q 2015)</td>
</tr>
<tr>
<td>- Consult Legal Bureau and Legal Committee re draft texts</td>
<td>- Consider results of consultation with LEB and Legal Committee (3rd 2016)</td>
</tr>
<tr>
<td>- States consultation on draft Agreement (1st Q 2016)</td>
<td>- Consider results of consultation with States (2nd 2016)</td>
</tr>
<tr>
<td>- Revised draft texts (3rd Q 2016)</td>
<td>- Determine action for finalization of the agreements (3Q 2016)</td>
</tr>
<tr>
<td>- Finalize Agreements and arrange for signing</td>
<td>- Determine arrangements for signing of agreements</td>
</tr>
<tr>
<td>ATConf/6 recommended action</td>
<td>Action</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>- Develop a compendium of competition policies and practices of States and regional bodies (Priority A)</strong></td>
<td>- Preliminary version prepared in 2013</td>
</tr>
<tr>
<td></td>
<td>- ATRP/12 established a Working Group (WG2) to assist in work on this task</td>
</tr>
<tr>
<td></td>
<td>- Updates of the compendium</td>
</tr>
<tr>
<td><strong>- Develop tools such as an exchange forum to enhance cooperation to promote more compatible regulatory approach towards international air transport (Priority A)</strong></td>
<td>- Seminar on competition policies organized in the context of ICAN</td>
</tr>
<tr>
<td>Competition practices</td>
<td>Competition policies</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td><strong>Practices emanating from Regional competition networks:</strong> European Union (EU); Common Market for Eastern and Southern Africa (COMESA)- East Africa Community (EAC) - Southern African Development Community (SADC), Association of Southeast Asian Nations (ASEAN)</td>
<td>Topics: anticompetitive behaviors; abuse of dominance/monopoly; merger control; State aid</td>
</tr>
<tr>
<td><strong>Practices emanating from International Organizations:</strong> ICAO policy guidance; Organization for Economic Co-operation and Development (OECD); United Nations Conference on Trade and Development (UNCTAD), World Trade Organization (WTO)</td>
<td>Regional Organizations: COMESA-EAC-SADC; ACAC; ASEAN; EU; etc.</td>
</tr>
<tr>
<td>ATConf/6 recommended action</td>
<td>Action</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>--------</td>
</tr>
</tbody>
</table>
| Keep ICAO policy guidance on air transport regulation and liberalization, & fair competition current and responsive to changes & States’ needs; where required, develop further guidance to facilitate liberalization *(Priority A)* | - ATRP/12 WG 2 to assist the Secretariat in this work  
- monitor developments, review and update relevant guidance in accordance with ATRP recommendations |
<table>
<thead>
<tr>
<th>ATConf/6 recommended action</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a set of core principles (Priority A)</td>
<td>- ATRP/12 agreed on a set of core principles</td>
</tr>
<tr>
<td></td>
<td>- Consult States through State letter</td>
</tr>
<tr>
<td></td>
<td>- to be submitted to Council for approval in 2015, as guidance for States and stakeholders</td>
</tr>
<tr>
<td>Monitor related developments and cooperate with other International Organizations (incl. UNWTO) (Priority A)</td>
<td>- Consumer protection database on ICAO website</td>
</tr>
<tr>
<td></td>
<td>- Closely monitor and work with UNWTO: core principles to be communicated to UNWTO after Council approval</td>
</tr>
<tr>
<td>Before the travel</td>
<td>During the travel</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Balance passenger rights/industry competitiveness</td>
<td>• Assistance/compensation, as provided by regulations or contract</td>
</tr>
<tr>
<td>• Pre-travel information, including price transparency</td>
<td>• Coordination between stakeholders to address &quot;massive disruptions&quot;</td>
</tr>
</tbody>
</table>

**Proposed complementing guidance:**
(i) enhanced definition of “massive disruptions”;
(ii) Contingency mechanisms;
(iii) scheduled and non-scheduled traffic.

**Next step:** Submit these core principles for review by the FAL Panel for consideration to be included in Annex 9 - Facilitation.
### ATConf/6 recommended action

**Multi-disciplinary working group (MDWG) to consider the challenges associated with the establishment of operational and economic incentives (Priority A)**

<table>
<thead>
<tr>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDWG - First Aviation System Block Upgrades (ASBU/1) met on February 2014</td>
</tr>
<tr>
<td>• 2 Co-secretaries: 1 ATB + 1 ANB</td>
</tr>
<tr>
<td>• 51 participants: 13 Member States, 12 Organizations</td>
</tr>
<tr>
<td>• List of Tasks to be delivered</td>
</tr>
<tr>
<td>• MDWG-ASBUs/2 in February 2015</td>
</tr>
</tbody>
</table>
MDWG-ASBUs Time-Frame

FEB 2014
MDWG-ASBU/1

MAY 2014
WGs 1,2 and 3
Intermediate Report 1

JULY 2014
WGs 1,2 and 3
Preliminary Report 2

SEPT. 2014
WGs 1,2 and 3
Final Report

9-10 FEB 2015
MDWG-ASBU/2

MAY 2015
AEP-ANSEP & GANP

Working Group Reports to be consolidated

To be ready for the updated GANP for A39
<table>
<thead>
<tr>
<th>ATConf/6 recommended action</th>
<th>Action</th>
</tr>
</thead>
</table>
| Ensure **widespread awareness** and knowledge of its **policies and guidance** and other material related to **funding infrastructure** and ensure that information remains **relevant, current, and responsive** to the changing situation (Priority A) | Speaking in Conferences, Symposia:  
  • **Montevideo** – November 2013: 22nd ACI Assembly for Latin America and the Caribbean  
  • **London** – March 2014: ACI Annual Airport Economics and Finance Conference and Exhibition  
To be discussed during AEP-ANSEP/5 under new Terms of Reference (ToRs), if new polices and guidance are required |

Note: AEP-ANSEP/5 to be held in Montréal, from 20 to 21 May 2015
### ATConf/6 recommended action

<table>
<thead>
<tr>
<th>Sustainable funding of the oversight functions at the State and regional levels (Priority A)</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>To be discussed during AEP-ANSEP/5 under new ToRs</td>
<td></td>
</tr>
<tr>
<td>To take further action as recommended by AEP/ANSEP</td>
<td></td>
</tr>
</tbody>
</table>

Note: AEP-ANSEP/5 to be held in Montréal from 20 to 21 May 2015
Regional level considerations for ATConf/6 Recommendations
<table>
<thead>
<tr>
<th>ICAO Regional Events</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>China LCC event</td>
<td>Nov. 2013</td>
</tr>
<tr>
<td>ICAN 2013, Durban, South Africa</td>
<td>Dec. 2013</td>
</tr>
<tr>
<td>McGill pre-A38 Symposium</td>
<td>Sept. 2013</td>
</tr>
<tr>
<td>ICAO Air Transport Symposium, Canada</td>
<td>May 2014</td>
</tr>
<tr>
<td>Meeting Air Cargo Development Africa, Togo</td>
<td>Aug. 2014</td>
</tr>
<tr>
<td>China Forum Air Cargo, Zhengzhou</td>
<td>Sept. 2014</td>
</tr>
<tr>
<td>Jamaica Air Transport Conference, Montego Bay</td>
<td>Oct. 2014</td>
</tr>
<tr>
<td>China LCC event</td>
<td>Oct. 2014</td>
</tr>
</tbody>
</table>
### ICAN Benefits

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of participating States</td>
<td>27</td>
<td>52</td>
<td>38</td>
<td>64</td>
<td>62</td>
<td>73</td>
<td>78</td>
</tr>
<tr>
<td>Number of bilateral meetings held</td>
<td>100</td>
<td>200</td>
<td>200</td>
<td>370</td>
<td>350</td>
<td>486</td>
<td>550</td>
</tr>
<tr>
<td>Number of agreements (including Open Sky Agreements) and arrangements (MoUs, Agreed Minutes, etc.) signed or initiated</td>
<td>20</td>
<td>60</td>
<td>60</td>
<td>120</td>
<td>130</td>
<td>458</td>
<td>530</td>
</tr>
</tbody>
</table>

- **Improve efficiency of negotiations**
  - A place to meet for multiple ASA talks
  - A forum to get info, discuss issues
  - A platform for bilateral, multilateral talks

- **Save time and money for States**

**ICAN 2015: Turkey**

**ICAN 2016: Latin America**

**ICAN 2017: Asia ???**

*Pre-registered States as of Oct 2014*
ICAN – Asian States

**Total - Number of States attending ICAN**

**Asia - Number of States attending**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Number</th>
<th>Asia Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>27</td>
<td>5</td>
</tr>
<tr>
<td>2009</td>
<td>52</td>
<td>12</td>
</tr>
<tr>
<td>2010</td>
<td>38</td>
<td>5</td>
</tr>
<tr>
<td>2011</td>
<td>64</td>
<td>14</td>
</tr>
<tr>
<td>2012</td>
<td>62</td>
<td>16</td>
</tr>
<tr>
<td>2013</td>
<td>73</td>
<td>13</td>
</tr>
<tr>
<td>2014*</td>
<td>78</td>
<td>16</td>
</tr>
</tbody>
</table>

*Pre-registered States as of Oct 2014*
• ICAN provides a forum, through its symposium, for States to review liberalization trends, and discuss issues and ways to facilitate liberalization (e.g. on market access, air cargo, fair competition)

• ICAN2013 (Durban) and ICAN2014 include seminar sessions on competition policies

• A new feature B to B meeting was added allowing the States, organizations and the industry to meet and discuss matters of common interest

• Planned for 2015: a dedicated ICAO competition seminar to be held (Financing to be determined)

• ICAO will continue to promote and facilitate liberalization through ICAN events

ICAN 2015: Turkey
ICAN 2016: Latin America (Brazil expressed interest)
ICAO/CAAC symposium on LCCs

• 1st China LCC symposium held in Beijing, China, November 2013
  ➢ Presentations and discussion provided insight info to the trends of LCC development, issues facing governments in policy adaptation, industry business development models and strategies
  ➢ Contributed to policy formulation in liberalizing market access, and providing favorable operating environment for the air transport industry
  ➢ ICAO support and assistance to States is highly appreciated by concerned States

• 2nd China LCC symposium held in Kunming, China, on 23-24 October 2014
  ➢ Theme: Fostering common development of LCCs and legacy airlines
  ➢ Addressed issues on how to facilitate the development of both LCCs and traditional airlines at the same time, in terms of policy making and implementation, business models and strategies, and infrastructure requirements
  ➢ Attended by over 230 participants from China and other countries
  ➢ Symposium considered useful by participants
Joint ICAO/CAAC-Zhengzhou, China 2-5 Sept. 2014

Well attended: 344 participants from 21 States; 11 international & regional organizations; 169 private entities

Delegates from 9 Member States, Civil Aviation Administration of China (CAAC), State Post Bureau of P. R. China, provincial and municipal governments, major airlines and airports of Africa, Asia, Europe and North America, international and domestic express operators, freight forwarders, aircraft manufacturers and academic institutes.

Official meetings between ICAO Council President and the Governor of Henan Province, the Mayor of Zhengzhou City and the Deputy Administrator of CAAC respectively.
<table>
<thead>
<tr>
<th>Challenges</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cargo liberalization</td>
<td>Cargo ICAN</td>
</tr>
<tr>
<td></td>
<td>B2B meetings with the industry</td>
</tr>
<tr>
<td>Security concerns</td>
<td>AEO/Regulated Agency Pilot Programme Advanced cargo information Capacity building</td>
</tr>
<tr>
<td>Cargo facilitation</td>
<td>Paperless cargo (E-cargo)</td>
</tr>
<tr>
<td>Logistics connectivity</td>
<td>- To develop globally accepted regulations</td>
</tr>
<tr>
<td></td>
<td>- To share data across industry</td>
</tr>
<tr>
<td>E-commerce</td>
<td>Coordinated development between express industry and civil aviation industry (China concerns)</td>
</tr>
</tbody>
</table>
Challenges:

1. Different forms of organizations that can be used at a national level, be it under government ownership and control, or with private participation involvement.

2. Financing the modernization of the air transport system will impact Airports.
Next Step:

• Examples of **mechanisms for economic oversight** that a State may wish to establish for overseeing the practices of airport operators

• **Various aspects of funding** for States wishing to embark on airport infrastructure projects such as construction of a new airport or the expansion of an existing airport

• Business cases for **ASBUs implementation**
Air traffic will continue to grow
(at 4.6% annual average growth rate to 2030)

International share bigger than domestic
(64% of total traffic in 2030)

Asia/Pacific traffic grow at higher rate
(at 6.2% to 2030 against world average 4.6%)

China =>Major market, huge potentials
Regulatory changes:

- Regulatory regimes become more open and liberalized
- Liberalization progress uneven
- Regulatory/liberalization approaches varied (national, bilateral, regional, multilateral; heavy, light, off-handed)

*ICAO to facilitate and assist* (forum, policies and guidance, multilateral agreements...)
More information available at: www.icao.int

THANK YOU, 谢谢！