



**Address by the President of the Council of
the International Civil Aviation Organization (ICAO), Dr. Assad Kotaite,
to the Eighth Session of the General Assembly of the
Arab Civil Aviation Commission (ACAC)**

(Marrakech, Morocco – 15 to 17 May 2006)

It is an honour and a pleasure for me to attend this Eighth Session of the General Assembly of the Arab Civil Aviation Commission (ACAC).

At the outset, I would like to pay tribute to the memory of my friend the late Mohamed Abdeljouad Daoudi, former Director General of ACAC, who served the Arab civil aviation community with dedication, integrity, and high principles of objectivity. He pledged his life to the development of civil aviation at the regional and global levels. We remember him with great affection and appreciation for his kindness and valuable services to his community. I am sure he would have been proud of the continuing positive developments of the air transport sector in the Arab States.

Over the past decade, scheduled passenger traffic of airlines based in the Middle East Region specifically increased at an average annual rate of 9.1 per cent, substantially higher than the world average of 5.1 per cent. Traffic is expected to grow by 12 per cent in 2006 and 8.8 per cent in 2007, while the average annual growth rate leading to the year 2015 should reach 6.4 per cent, the highest growth among ICAO Regions and certainly higher than the world average of 4.4 per cent.

These impressive statistics, which reflect a robust economic performance, are expected to persist over the medium and long term. They also illustrate the benefits that can be derived from the liberalization of air transport, a process well under way in this part of the world.

Speaking of liberalization, I note that 17 “open skies” agreements among ACAC States have been concluded by Bahrain, Jordan, Lebanon, Morocco, Oman, Qatar, Syria, and the United Arab Emirates. In addition, the United Arab Emirates, including the member sheikhdoms of Abu Dhabi and Dubai, as well as Bahrain and Lebanon, have committed to an “open skies” policy permitting foreign carriers to operate unlimited services into their territories.

The involvement of Morocco in liberalization at the inter-regional level is of particular interest. Under a new set of mandates, the European Commission has negotiated on behalf of all European Union Member States what are known as “horizontal agreements”. One such “horizontal agreement” was initialed with Morocco in August 2005. Additionally, a Euro-Mediterranean Aviation Agreement initialed in December 2005 created an “open/common aviation area” between the Member States of the European Union and Morocco. This is similar to the Open Aviation Area Agreement that the EU is negotiating with the United States and which could have a far-reaching impact on international air transport.

For its part, the airline industry continues to undergo structural changes in a more competitive and liberalized environment, including the joining or formation of alliances. Royal Jordanian, for example, will join Oneworld and become the first carrier from an Arab region to join any of the global airline groupings. Regionally, the Pan-Arab Alliance “Arabesk” was formally launched in February 2006 with founding members EgyptAir, Gulf Air, Middle East Airlines, Royal Jordanian, Saudi Arabian Airlines and Yemen Airways.

ACAC itself has made advances in regional liberalization in recent years, most notably with the conclusion of the Arab Air Transport Liberalization Agreement. I applaud this initiative. At the same time, I would encourage Member States of ACAC to ratify the Liberalization Agreement early, so as to ensure full and effective implementation by November 2006. Experience has shown that there must be sufficient time to adapt to a liberalized regional air transport market in terms of technical and operational challenges.

I would also encourage Arab States to ratify the Agreement on a Mechanism for Arab Collective Negotiations with Regional and Sub-regional Groupings, in order to enable a level playing field for bloc-to-bloc negotiations. Harmonization among Arab States, both in regulation and resources, remains paramount in regional integration to ensure that national interest is protected.

As we can see, liberalization brings with it both benefits as well as many regulatory, marketing and operational challenges. These challenges pose the following questions: How should States create a favourable economic regulatory environment without compromising safety and security? How would regulators respond to the new airline business models such as low cost airlines and e-commerce? How should they address the regulatory issues of cross-border airline mergers, fair competition and sustainable participation? And how can liberalization be harnessed to provide benefits to all stakeholders in air transport?

As always, the best way to resolve these issues is through dialogue and cooperation. That is why ICAO is organizing a global symposium to be held in Dubai on 18 and 19 September 2006. Hosted by the Department of Civil Aviation of Dubai, the meeting will provide a timely forum for States to share their experiences in liberalization, exchange views and information on trends and developments, and examine issues and policy options. Prominent speakers and panelists drawn from a cross section of States and interested parties will lead the discussion on current, topical and practical issues. All ICAO Member States and some 50 international organizations have been invited to participate and share their own experiences.

Earlier this month, I attended a European Aviation Summit in Salzburg, Austria, at which I addressed a number of these major challenges from a global perspective. I emphasized that liberalization is widespread and irreversible. I also reminded the audience of the framework in place for implementing liberalization - the Final Declaration of the fifth ICAO Worldwide Air Transport Conference held in 2003. The Declaration gives States a clear direction and practical guidance for liberalizing their air transport industry, at their own pace, and in accordance with globally endorsed principles and practices, such as those contained in the Chicago Convention. The intention of the Convention is for international air services to be established on the basis of equality of opportunity, and operated soundly and economically.

While recognizing that bringing about improvements is a major concern for many regulators as liberalization and privatization of various components of the air transport system spread around the globe, I also emphasized that two fundamental principles that must absolutely be adhered to are safety and security. There can be no growth in air transport without safety and security, and no viable civil aviation without sound economic policies. However, safety and security must never be compromised by the allure of economic opportunity.

As those of you who attended know, the Conference of Directors General of Civil Aviation of ICAO Member States held in March of this year developed a global strategy for aviation safety in the 21st century. Underpinning the strategy is greater transparency and sharing of information among States and key stakeholders, including the public.

In a landmark decision, Directors General agreed to post results from the Organization's Universal Safety Oversight Audit Programme (USOAP) on the ICAO public website. This initiative should encourage all States to correct safety deficiencies that remain in their aviation systems and, together with other measures adopted by the Conference, foster mutual trust between States, increase public confidence in air travel, and help maintain the integrity of the global air transport system.

When it comes to safety and security in aviation, I have always said that one is not subservient to the other. A flight that is not secure is not safe. Therefore, the implementation and enforcement of all safety- and security-related provisions of the *Convention on International Civil Aviation*, its Annexes, ICAO Assembly Resolutions and Aviation Security Conventions are essential to ensure aviation safety and security. Together, these documents constitute the essential regulatory framework for global air transport and must be fully utilized by all stakeholders, in a cooperative manner, to achieve optimum safety and security. In this respect, I would like to acknowledge with deep appreciation the major importance given by ACAC and its Members, with the cooperation from the Arab Air Carriers Organization (AACO) and the African Airlines Association (AFRAA), to aviation safety and security. ICAO is pleased to cooperate with ACAC and the Arab community to further enhance these two areas and to provide all assistance required.

As for environmental protection, the situation is rather complex. On the one hand, air transport is a critical element of our global society, a catalyst for economic, social and cultural development around the world. On the other hand, air transport is a source of pollution in terms of aircraft noise and engine emissions, the latter contributing to climate change, amongst other adverse effects. The problem is exacerbated by the fact that outstanding advances in fuel efficiency achieved by manufacturers and commercial airlines over the past 40 years have been, and continue to be offset by sustained increases in passenger traffic.

The answer is to continue to pursue work on technological and operational improvements that will bring continuous incremental reductions in noise and emissions. We must also develop policies and practices that reflect the realities of a constantly changing environment. And we must reaffirm our commitment to global cooperation and global consensus, in working through ICAO and its Committee on Aviation Environmental Protection (CAEP) to find the best solutions in addressing environmental protection.

Meeting all of these goals and achieving all of these challenges will require a new level of global cooperation at all levels – sub-regional, regional and international. From having visited all Arab States on a number of occasions over the past half century, I know full well the depth and scope of cooperation that all are capable of. I take this opportunity to commend ACAC and its Members, as well as the international and regional organizations, for their unfailing support of ICAO and I am confident that it will continue to play a key role in ensuring the integrity of the global air transport system in the years to come.

As I am leaving the Presidency of the ICAO Council on 1 August this year, I recall with nostalgia the beginning of my career in 1953 and the different meetings I attended of the Commission of Communications of the League of Arab States in Cairo as Representative of Lebanon. I was personally involved in the drafting of the Constitution of the Arab Council of Civil Aviation which preceded ACAC. After the dissolution of the Council, I was consulted regarding your present constitution and maintained my contacts with the Secretary General of the League of Arab States to accelerate the establishment of ACAC. In paying tribute and thanking all the Arab Delegates with whom I worked at the regional and global levels for their support and cooperation, I am confident that you and your successors will continue to pursue efforts in the 21st century to provide the world with a sustainable, safe and secure air transport system.