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

ICAO UNITING AVIATION

Chicago Convention


Doc 7300/9

Convention on
International Civil Aviation

Convention relative à
l'aviation civile internationale

Convenio sobre
Aviación Civil Internacional

Конвенция о международной
гражданской авиации

This document supersedes Doc 7300/8
Le présent document annule et remplace le Doc 7300/8
Este documento remplaza el Doc 7300/8
Настоящий документ заменяет Doc 7300/8

Ninth Edition – Neuvième édition – Novena edición – Издание девятое — 2006

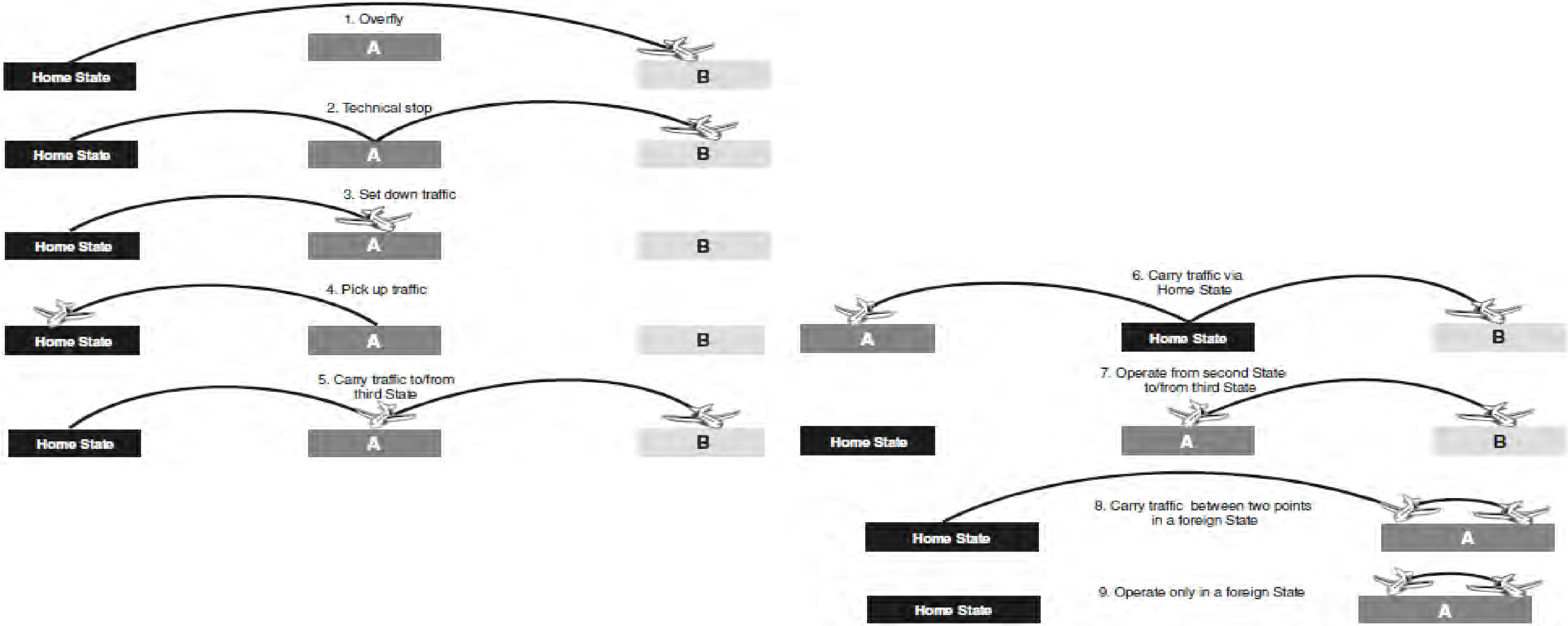
International Civil Aviation Organization
Organisation de l'aviation civile internationale
Organización de Aviación Civil Internacional
Международная организация гражданской авиации

7 December 1944

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 <u>air transport services may be established on the basis of equality of opportunity and operated soundly and economically</u>;

Nine Freedoms of the Air – Doc 9626



The three dimensions of sustainability

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.

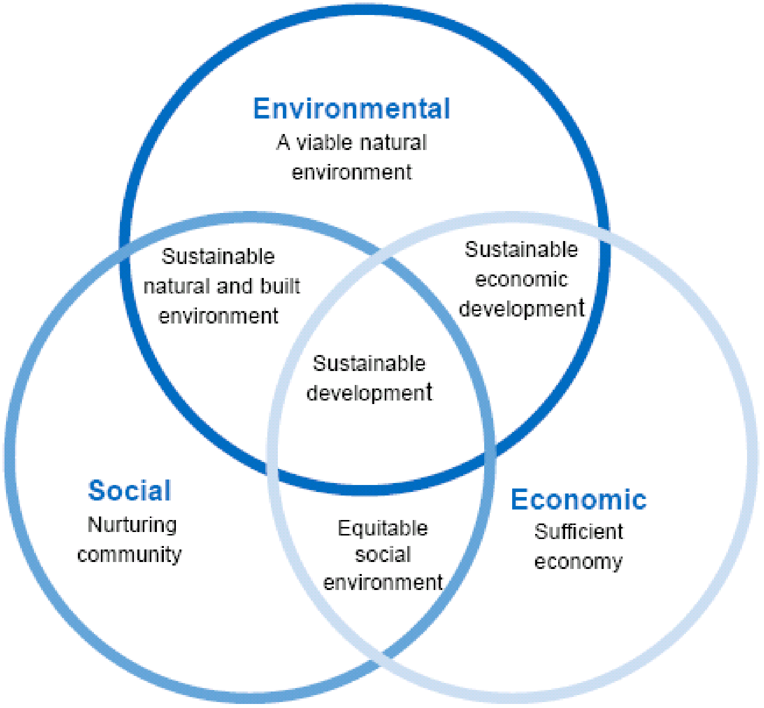
International Aviation

Economic:

5% Contribution to the global economy

Environment:

2% of emissions



ICAO Strategic Objectives 2014-2015-2016

Safety: Enhance global civil aviation safety

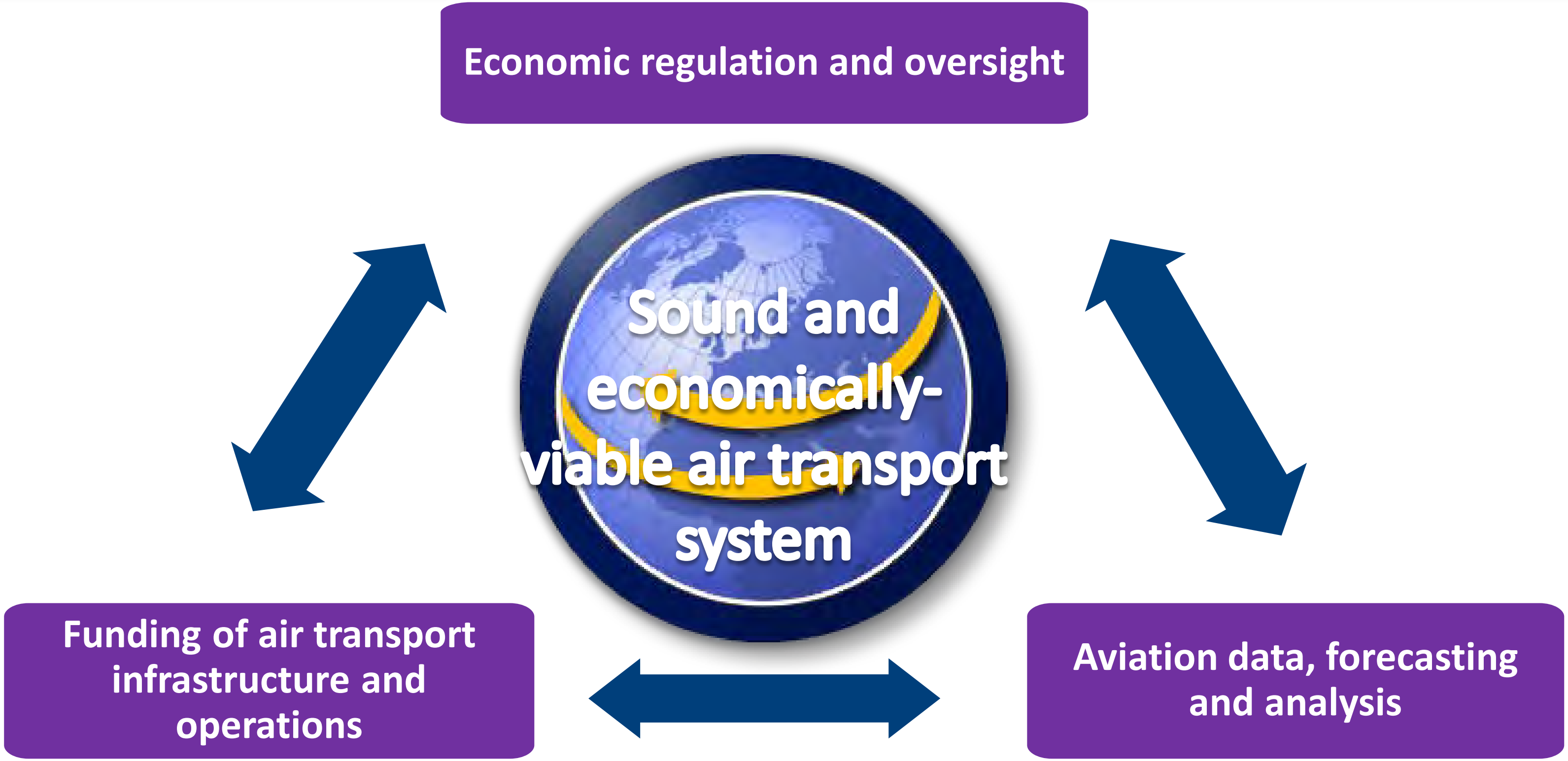
Air Navigation Capacity and Efficiency: Increase capacity and improve efficiency of the global civil aviation system

Security & Facilitation: Enhance global civil aviation security and facilitation

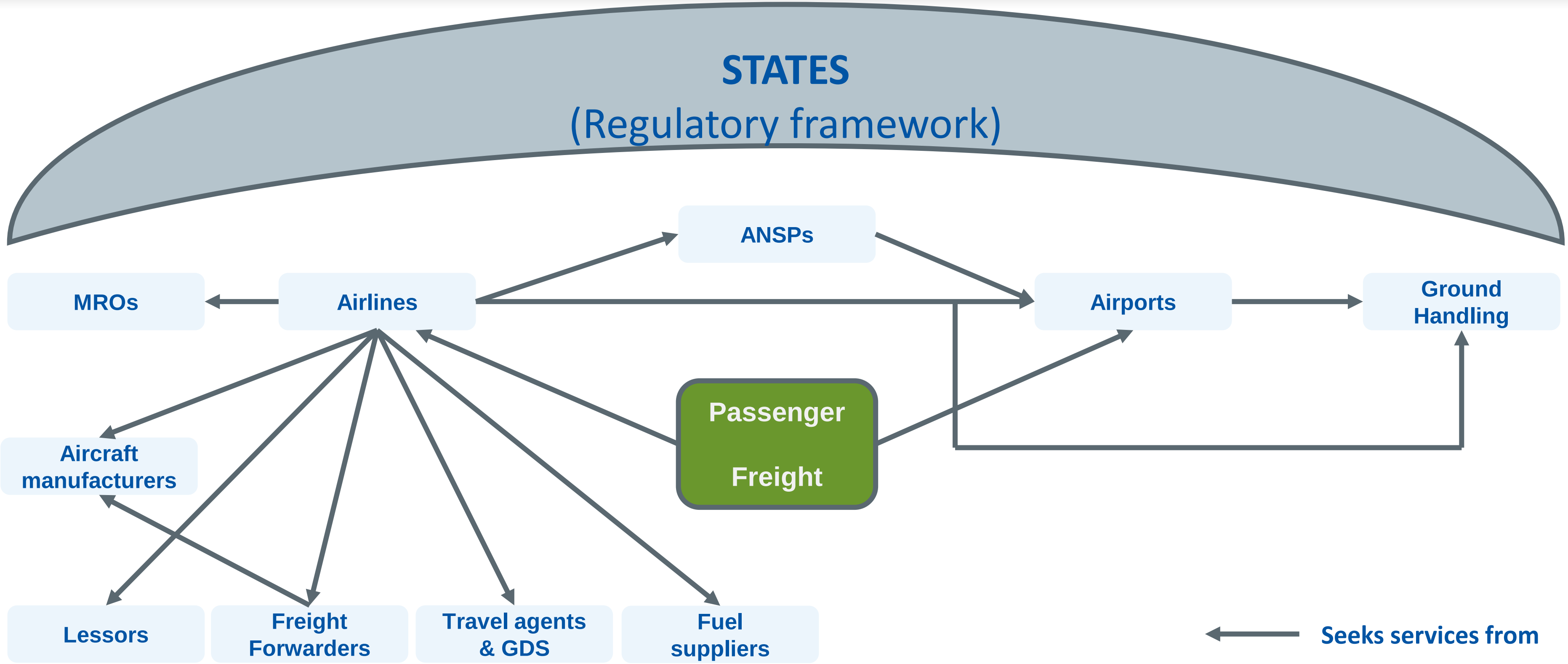
Economic Development of Air Transport: Foster the development of a sound and economically-viable civil aviation system

Environmental Protection: Minimize the adverse environmental effects of civil aviation activities

Economic development of air transport



Value chain of air transport



The air transport industry

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*

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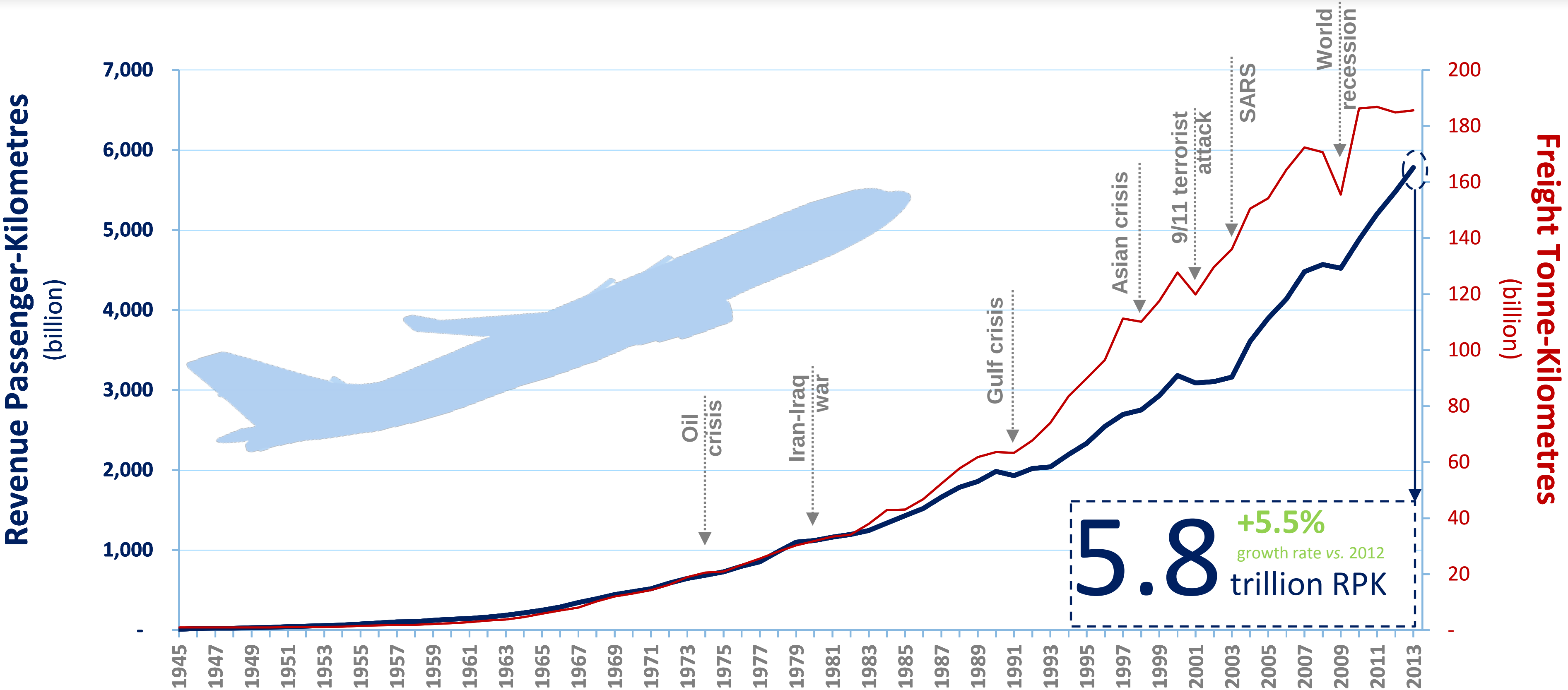
Air Transport Development



Source: ICAO Annual Reports of the Council

Scheduled commercial traffic
Total (international and domestic) services

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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 +4.5% vs. 2012

Passengers carried

32 million +1.2% vs. 2012

Commercial flights performed

5.8 trillion +5.5% vs. 2012

Revenue Passenger-Kilometres

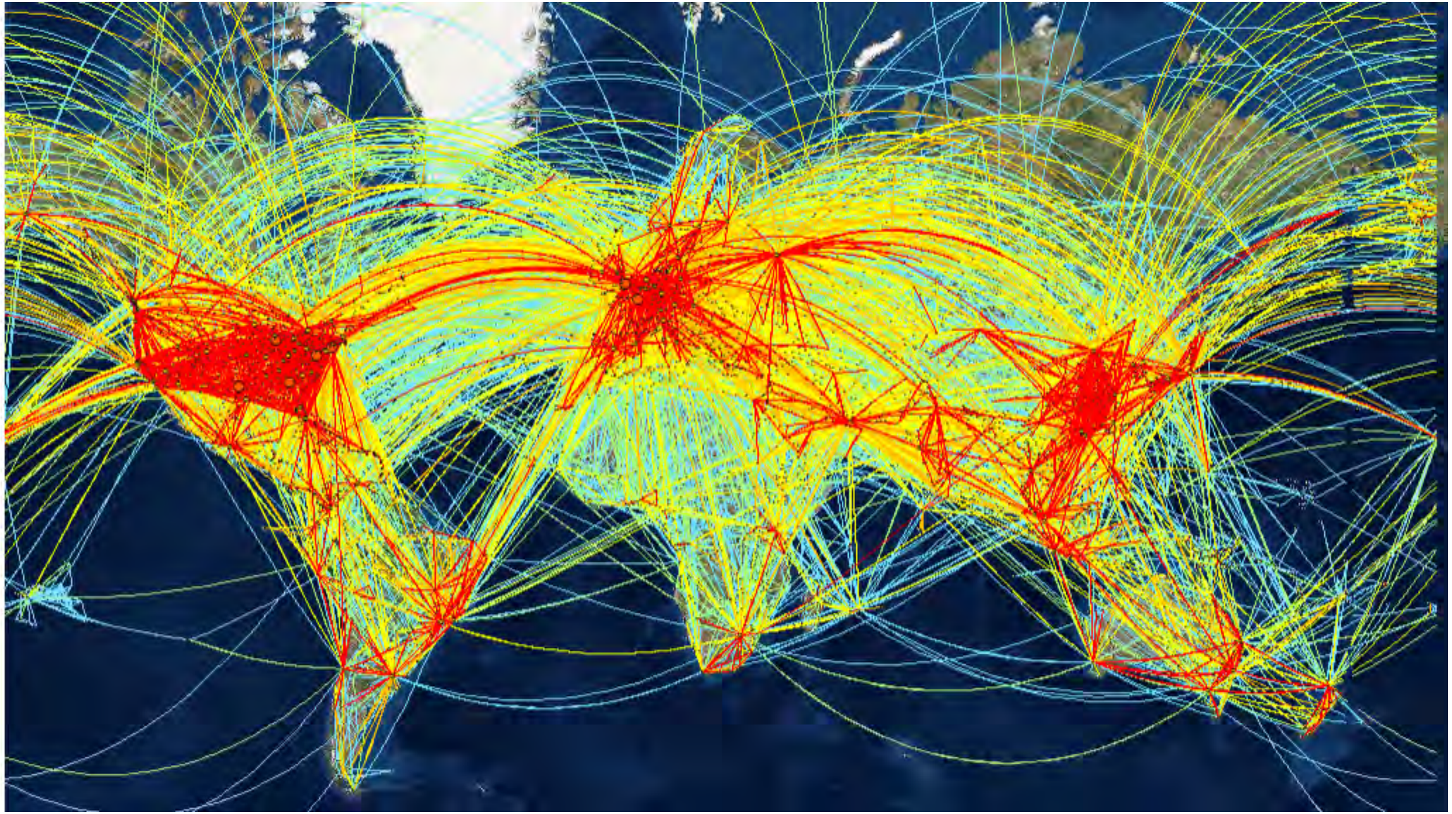
186 billion +0.4% vs. 2012

Freight Tonne-Kilometres

Source: ICAO Annual Report of the Council 2013

Scheduled commercial traffic
Total (international and domestic) services

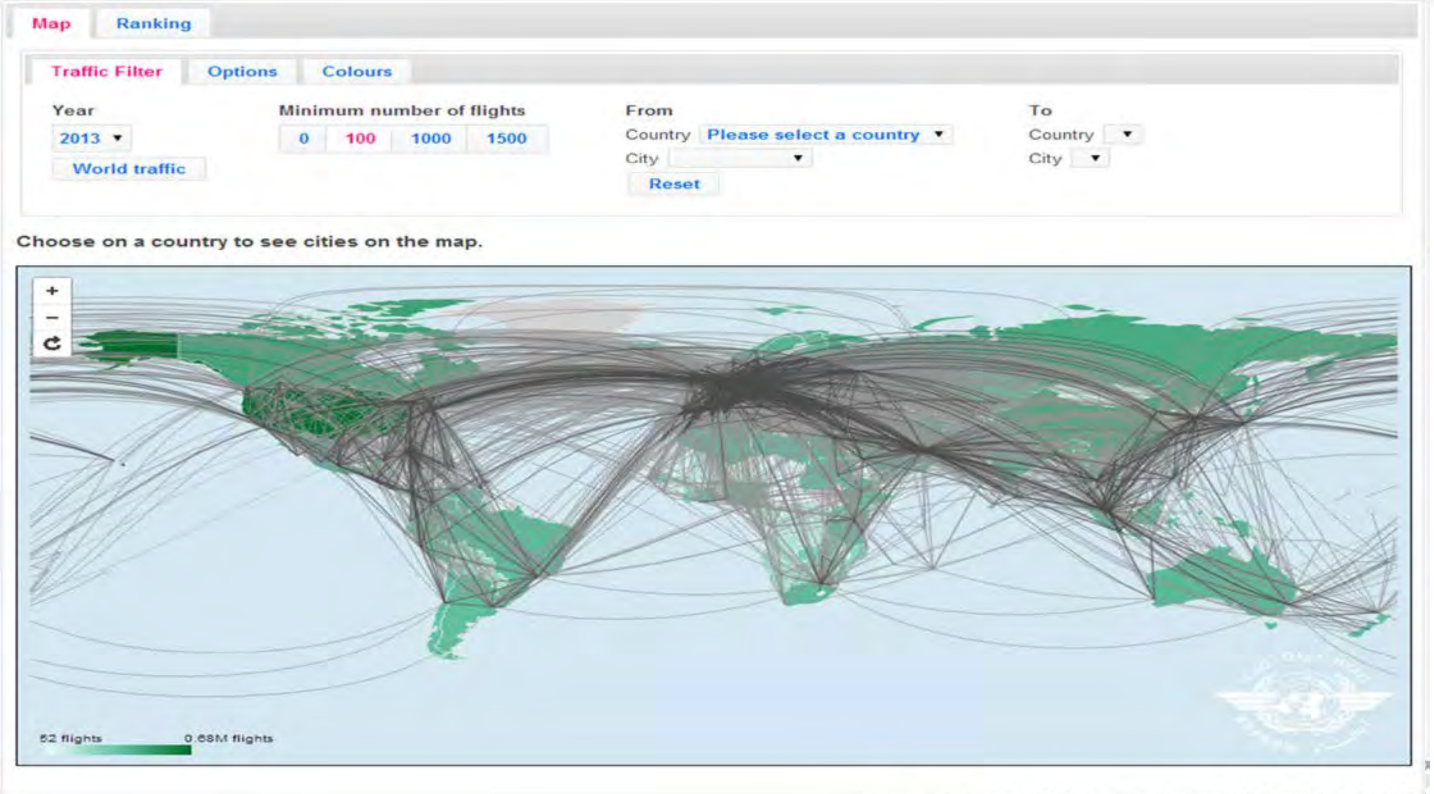
Global traffic flows
Major markets 2012



__Source__: based on OAG

Traffic Networks Development

2003 vs 2013



(International scheduled departures. Source: ISDB Form C, RCA, OAG)

Number of routes increased by 30% in the last decade showing the dramatic growth of new regional hubs

New Bilateral Air Services Agreement Tool

Bilateral agreement and traffic data visualization

Bilateral Agreement | Options | Connections

Country Please select a country

Year 2013

Outbond /Inbond Out

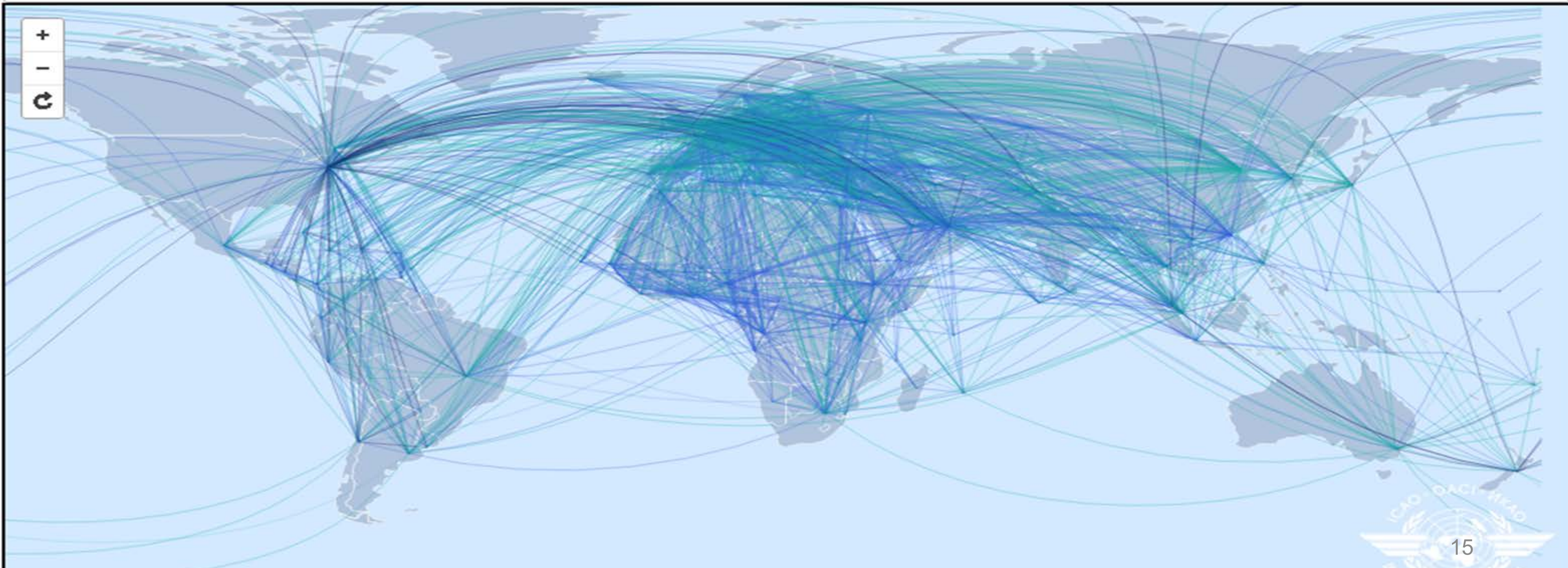
World traffics Draw

Zero traffic Draw

Radius adjust

Animation Off

World Traffics



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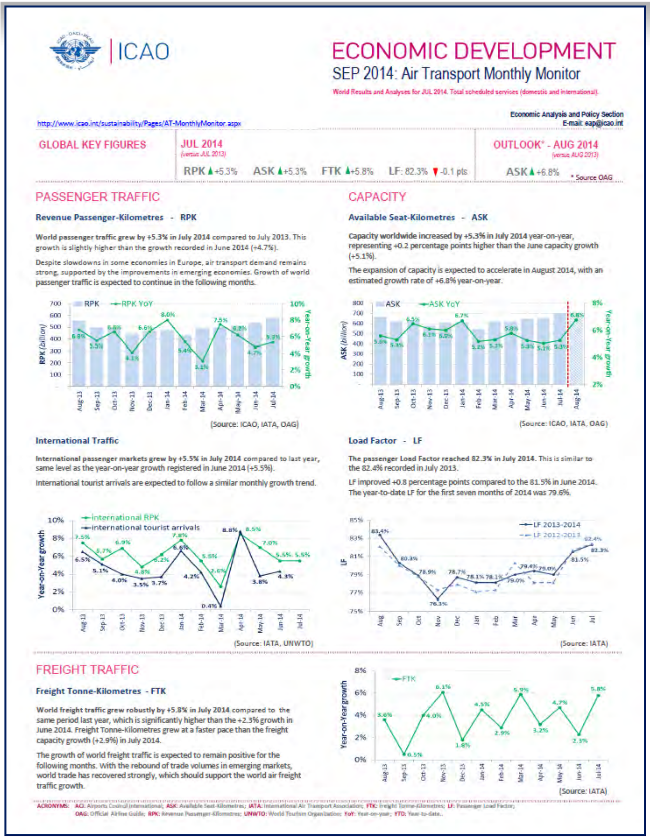
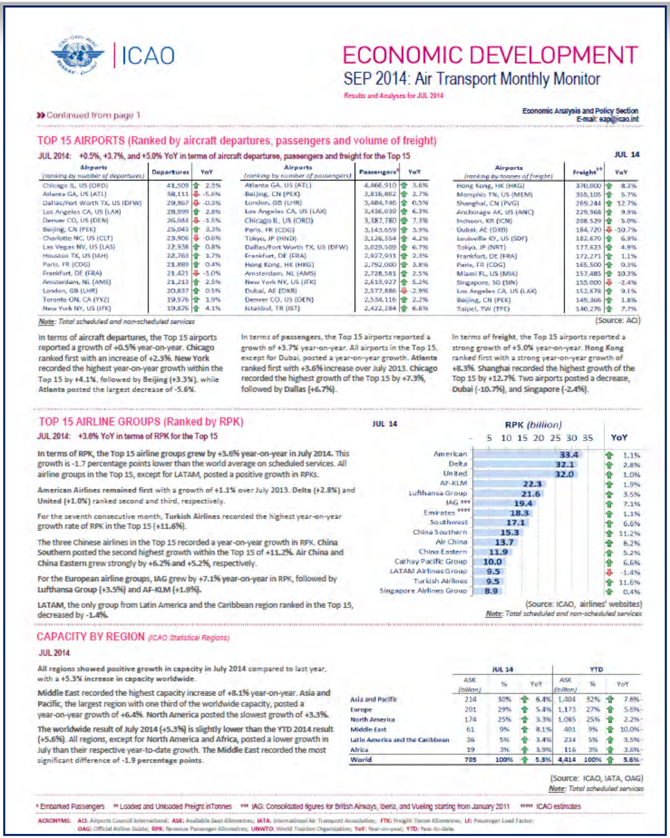
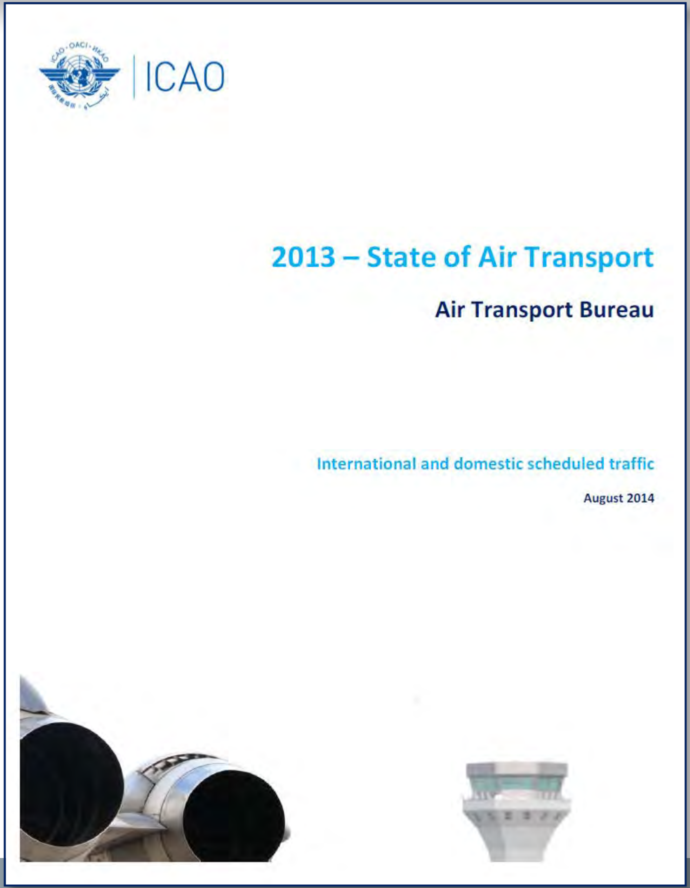
The Monthly Monitor





- 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

2013 - State of Air Transport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2013 – State of Air Transport

Air Transport Bureau

International and domestic scheduled traffic

August 2014

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**

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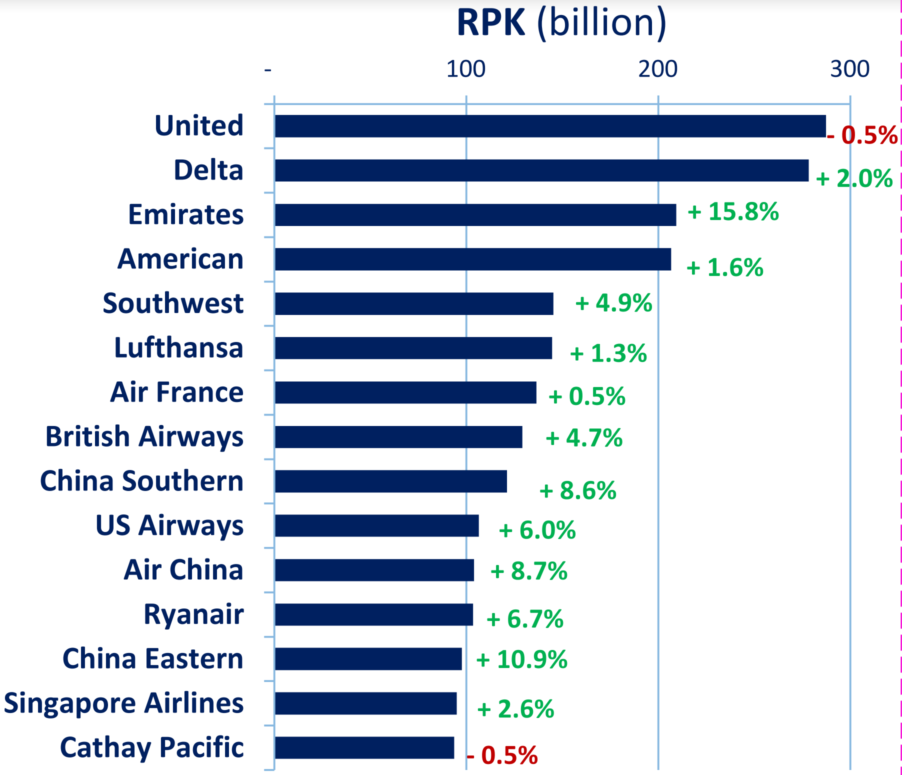
World Top 15 Airlines in 2013



- **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 %**

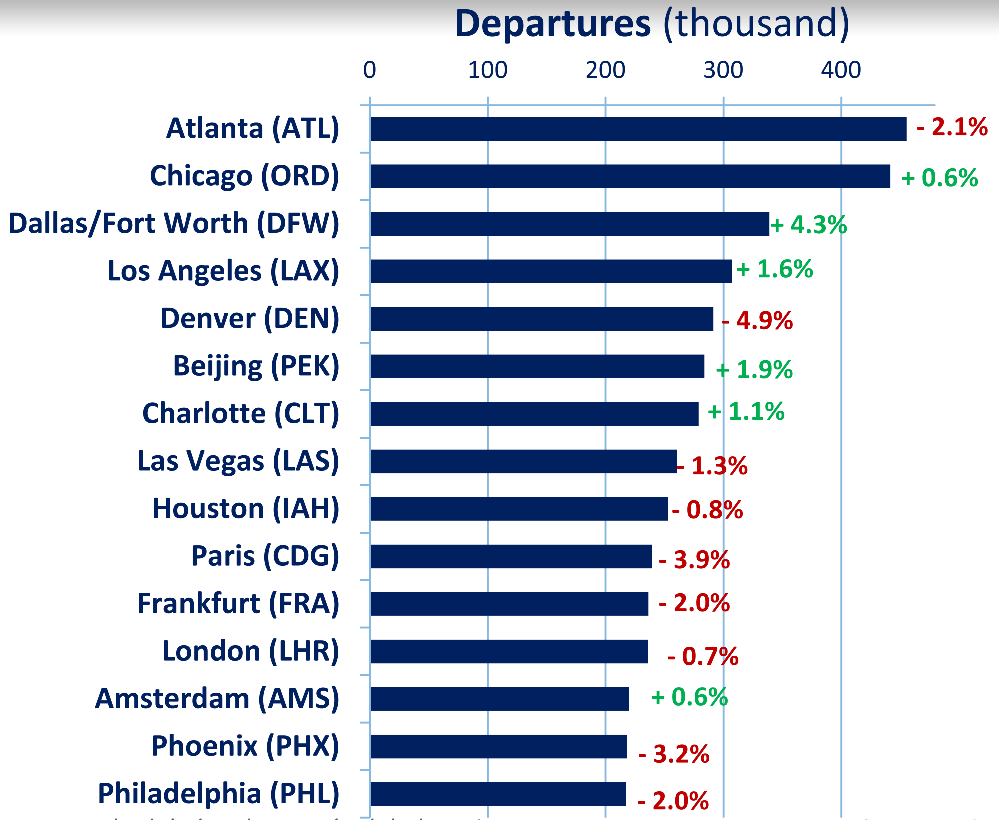
RPK growth in 2013 vs 2012

Note: scheduled services

Source: ICAO Form A and ICAO estimates

Total (international and domestic) services

World Top 15 Airports in 2013



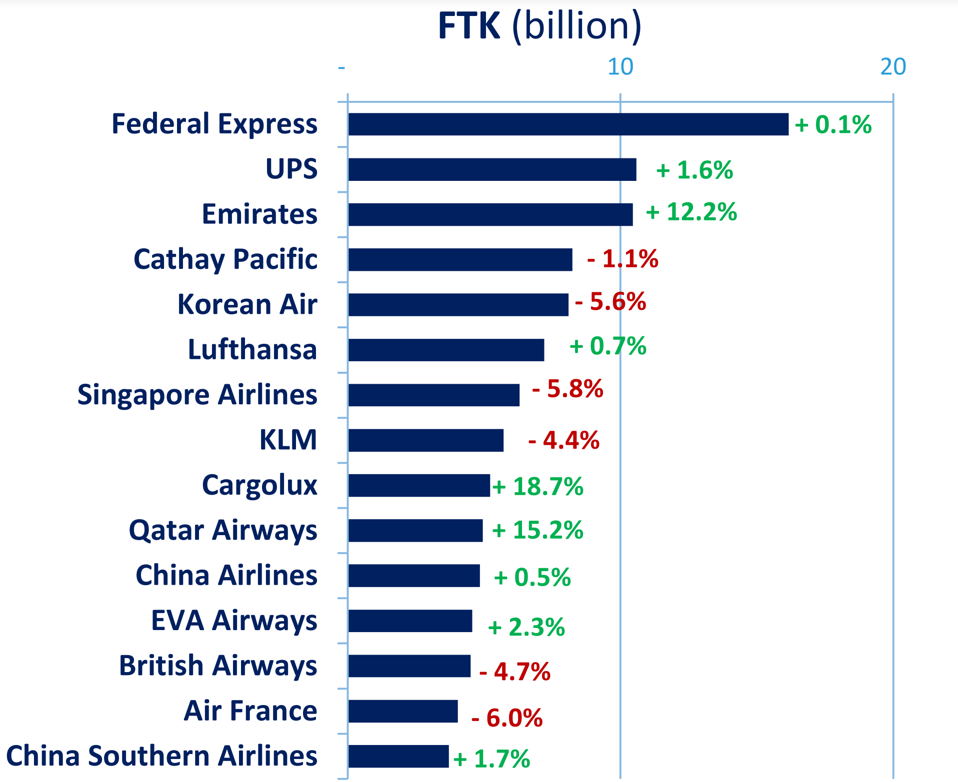
Note: scheduled and non-scheduled services

Source: ACI

- **10** airports in **North America**
- **4** airports in **Europe**
- **1** airport in **Asia/Pacific**

Total (international and domestic) services

Top 15 airlines for carried freight



Note: scheduled services

Source: ICAO Form A and ICAO estimates

- **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

Total (international and domestic) services

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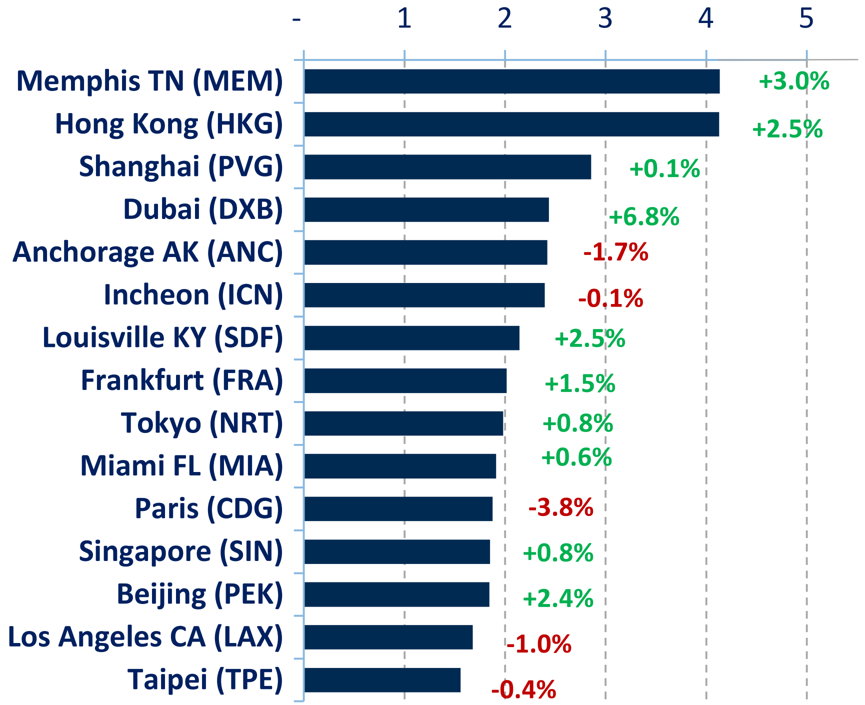
Top 15 airports by freight tonnes handled

Freight tonnes handled (million)



Note: scheduled services

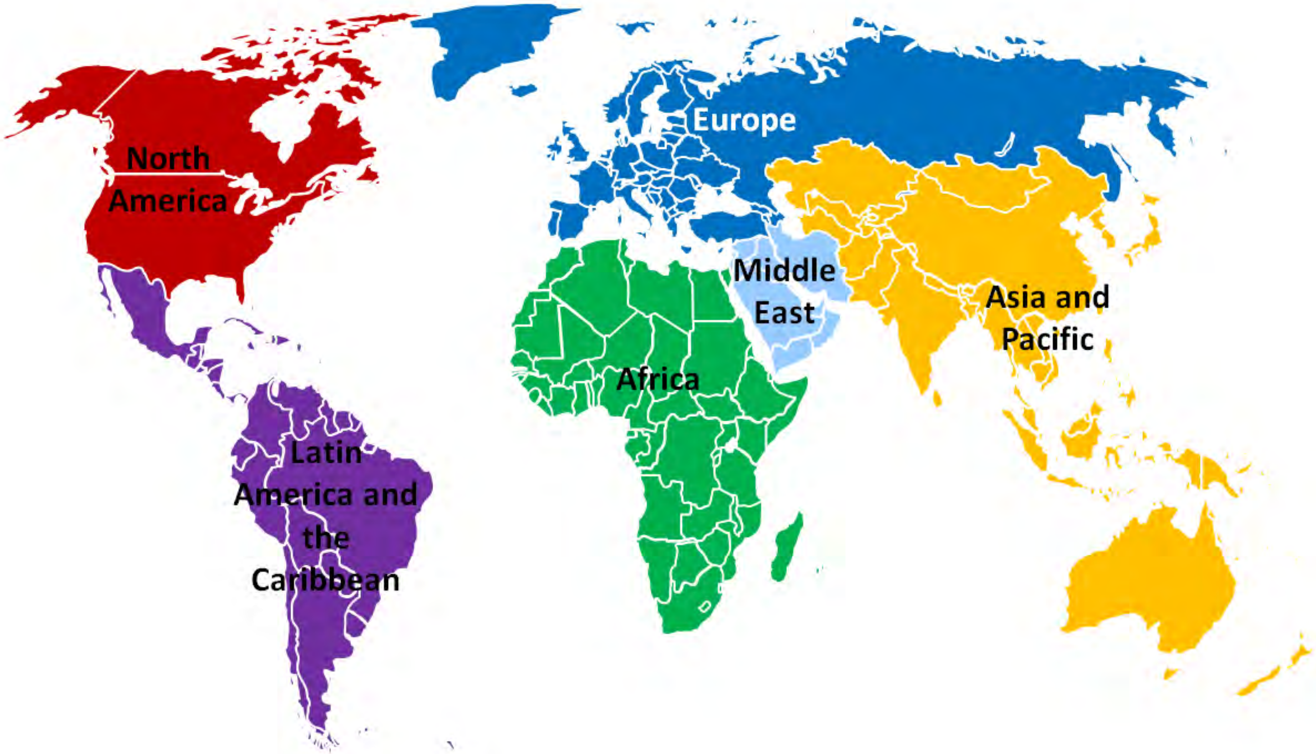
Source: ACI

- **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

Total (international and domestic) services

ICAO Statistical Regions



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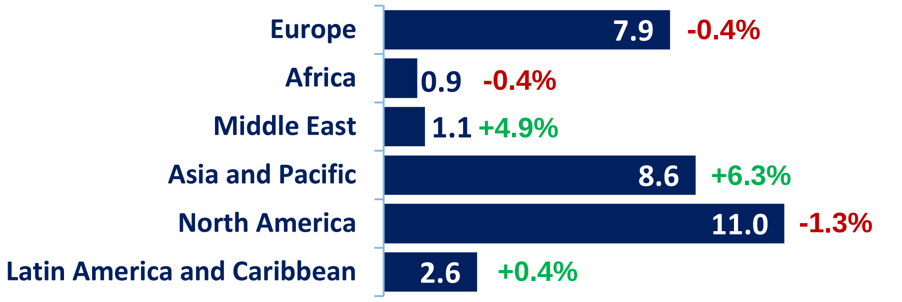
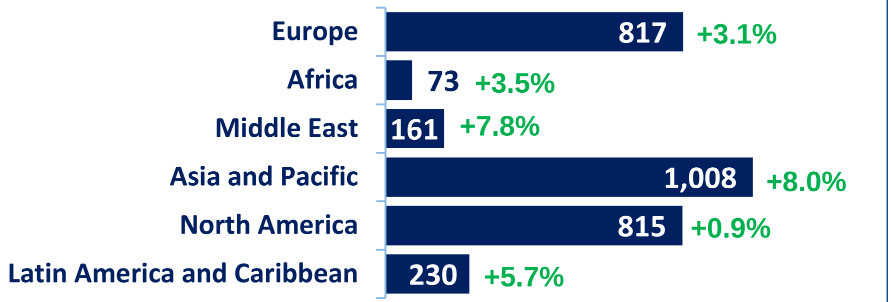
World Air Transport in 2013 by Region

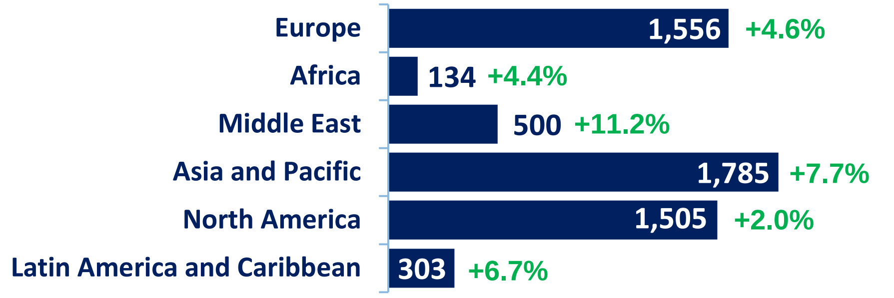
Aircraft departures (million)



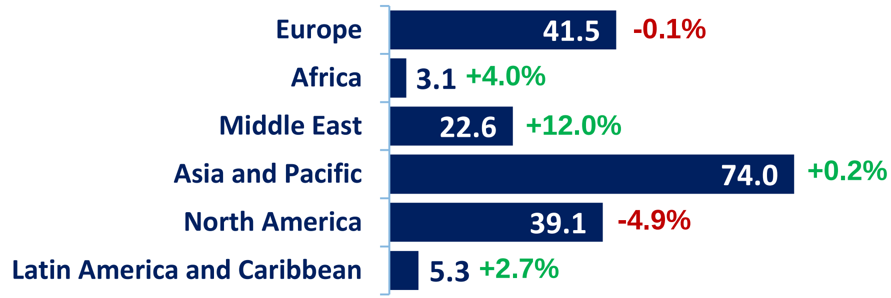
Passengers carried (million)



Revenue Passenger-Kilometres (billion)



Freight Tonne-Kilometres (billion)



<u>Source</u>: ICAO Annual Report of the Council 2013

Scheduled commercial traffic
Total (international and domestic) services

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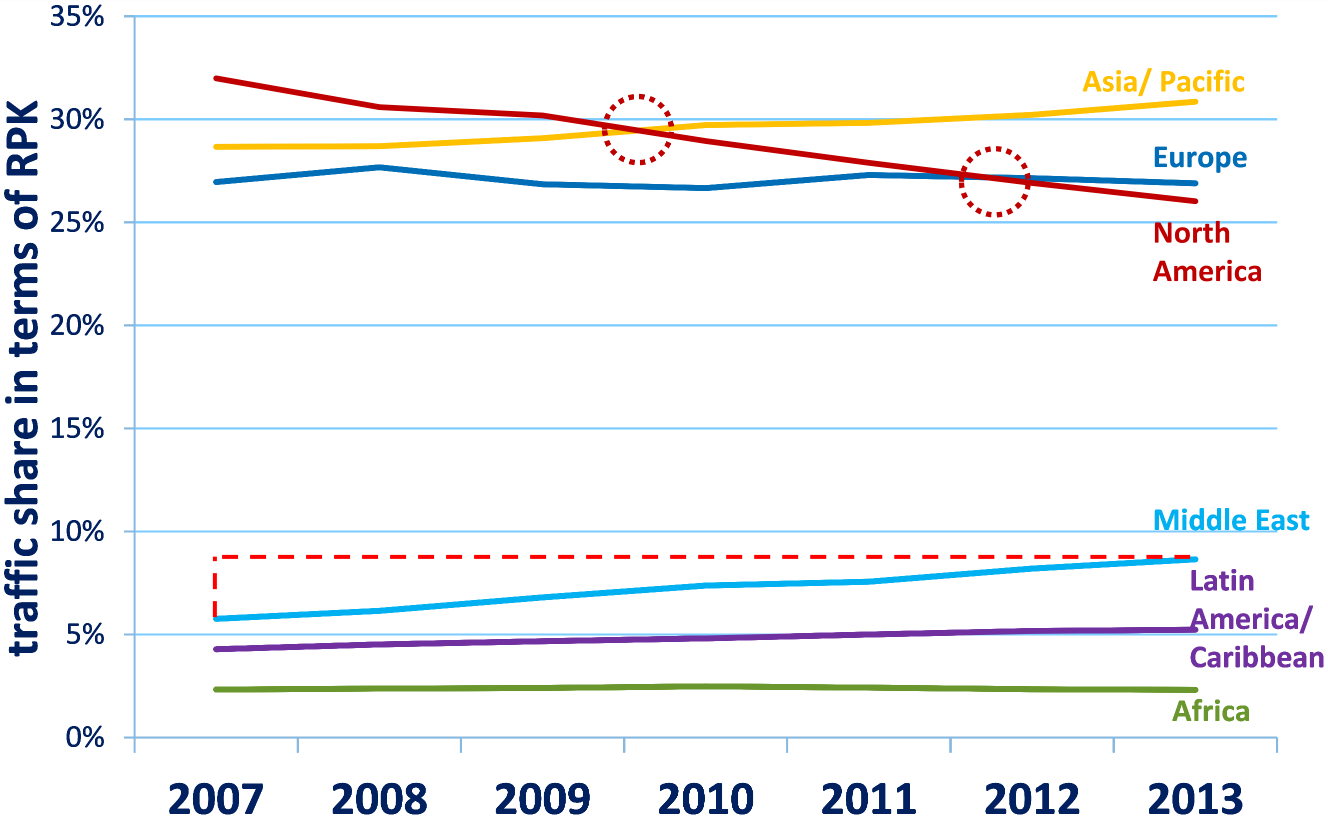
Passenger traffic: Worldwide distribution (1/2)



Analysis

- ➡ Since 2010: **Asia/Pacific ranks 1st**
- ➡ Since 2012: **Europe ranks 2nd**
- ➡ **Middle East** has gained market share every year

Source: ICAO Annual Reports of the Council

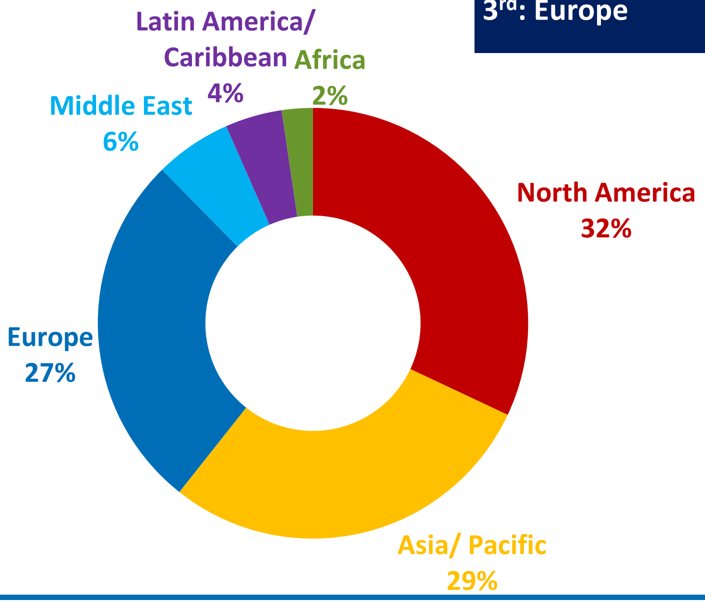
Scheduled commercial traffic
Total (international and domestic) services

Passenger traffic: Worldwide distribution (2/2)

Distribution in Revenue Passenger-Kilometres

2007

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



__Source__: ICAO Annual Reports of the Council

Scheduled commercial traffic
Total (international and domestic) services

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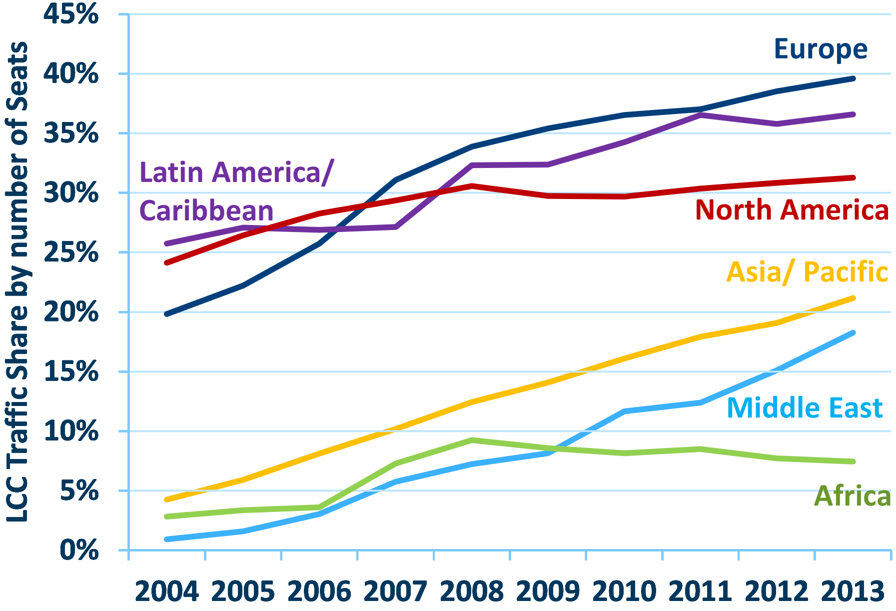
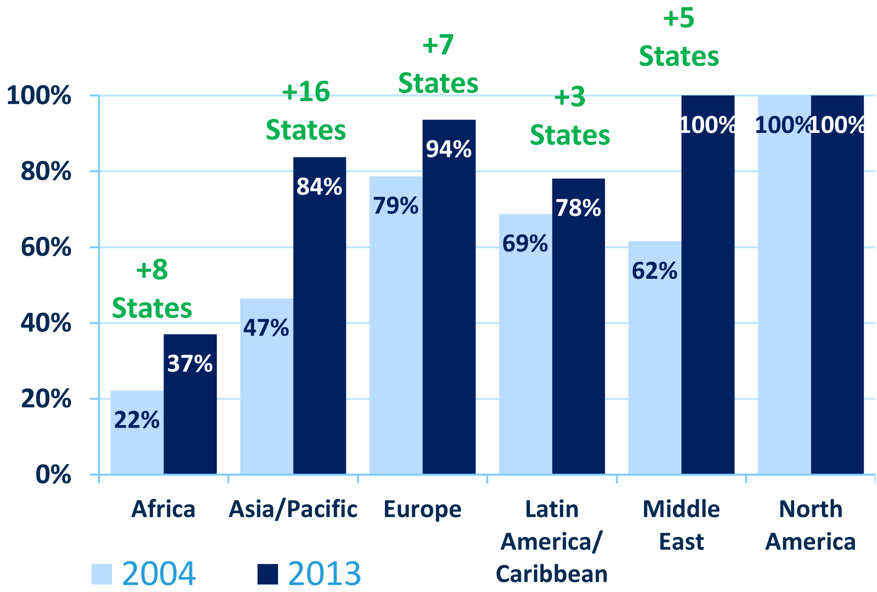
Low Cost Carriers in 2013

LCC Traffic Share by Region (intra-regional traffic)



Percentage of States served by LCC - 2004 vs 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

Scheduled commercial traffic
Total (international and domestic) services

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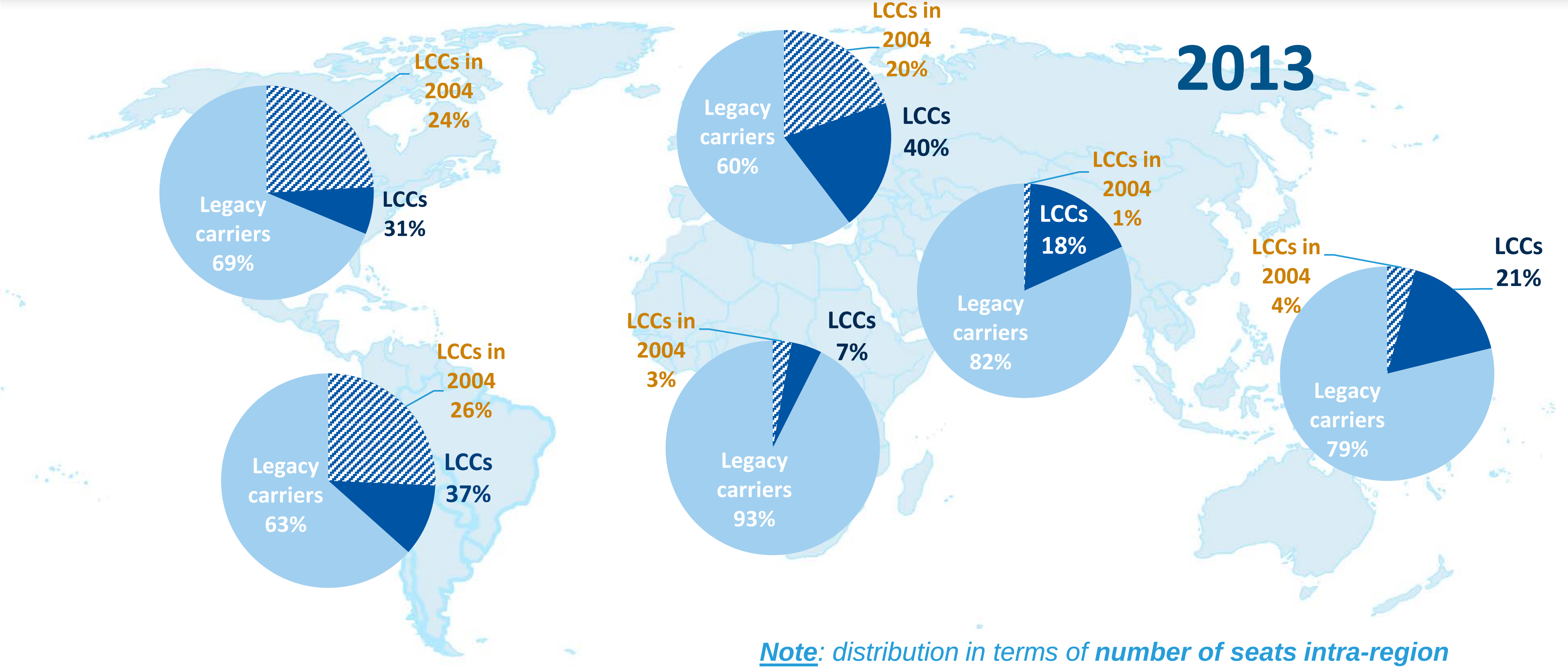
Low Cost Carriers in 2013

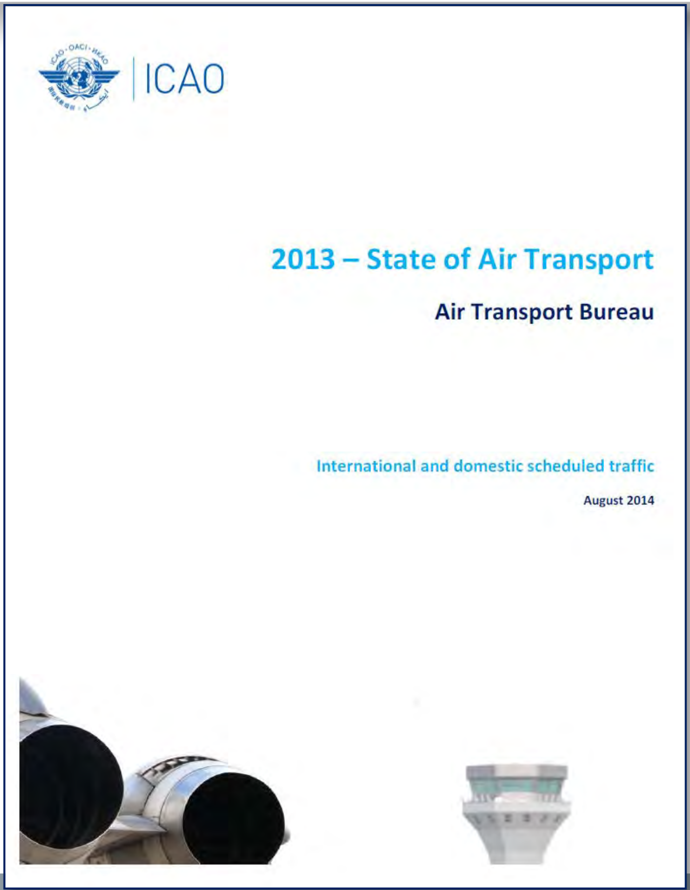


Note**: distribution in terms of **number of seats intra-region

***Source**: ICAO, OAG*

Scheduled commercial traffic
Total (international and domestic) services

2013 - State of Air Transport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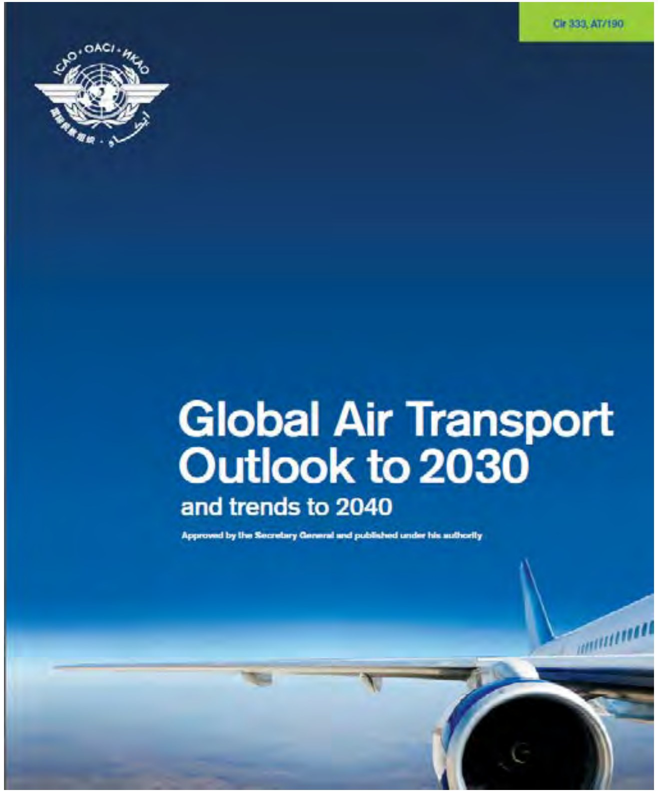
For more analysis and data

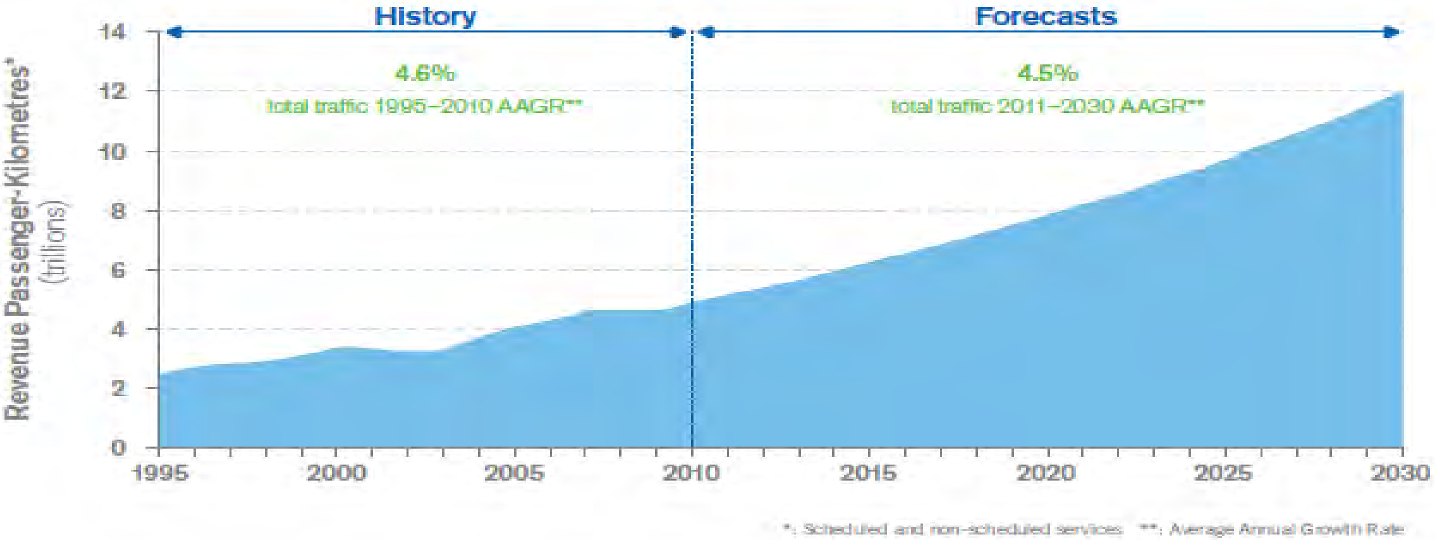


- **Past decade air transport trends**
- **Demand drivers analysis:**
  - *Economic growth*
  - *Liberalization*
  - *Low Cost Carriers*
  - *Improving technologies*
- **Challenges for air traffic development**
  - *Fuel prices*
  - *Airport/ANSPs capacity constraints*
  - *Competition and inter-modality*
- **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



ICAO/UNWTO: Joint Statement

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

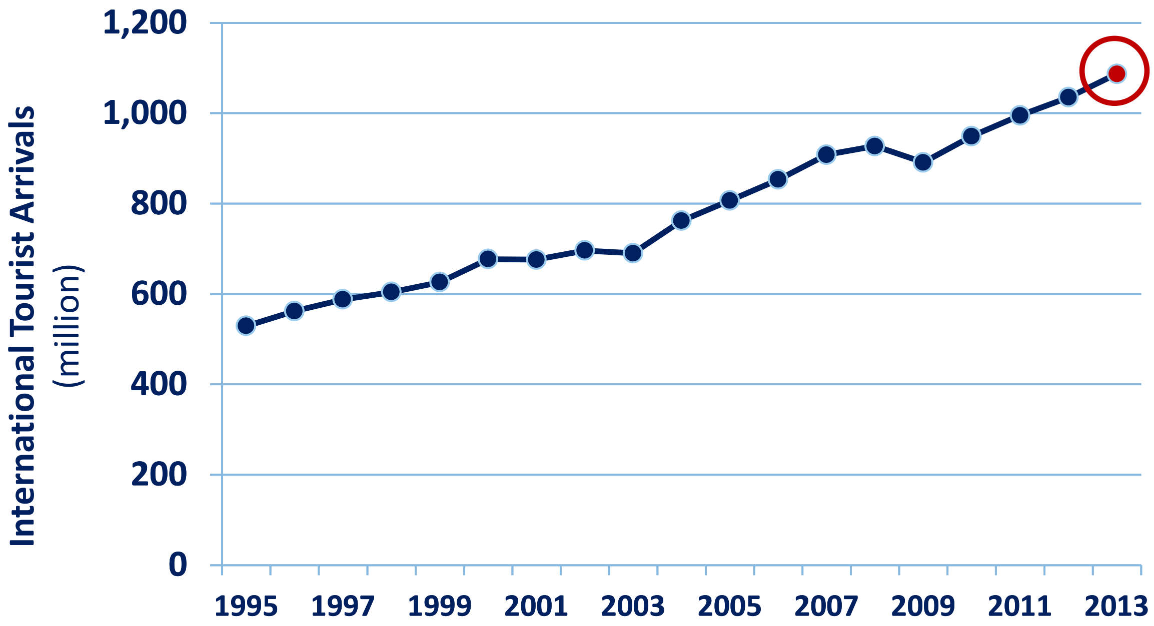
Aviation and tourism: Synergies but need for improvement

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



+52 million

Vs. 2012

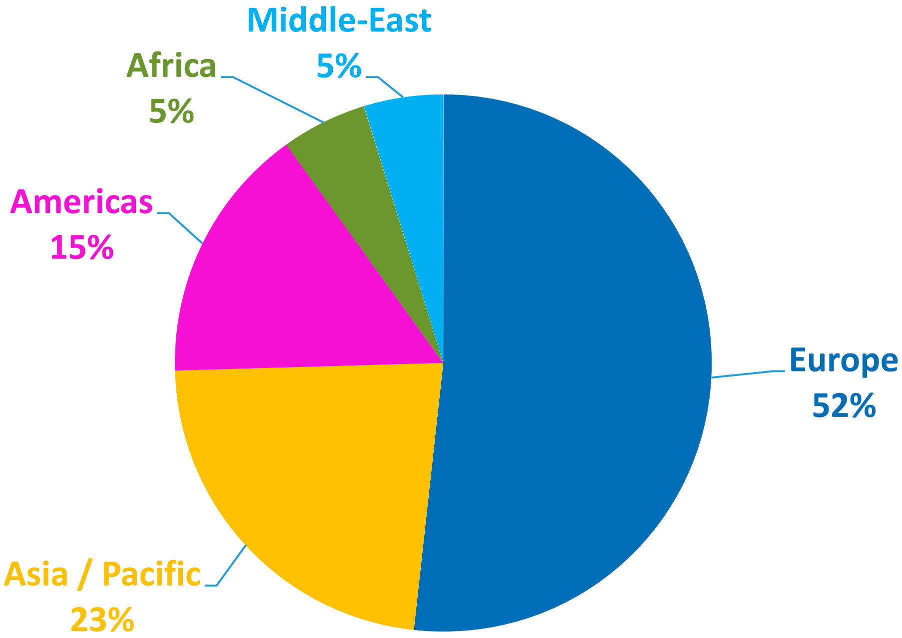
1,087 million

International tourist arrivals

__Source__: World Tourism Organization (UNWTO)

Distribution of International Tourist Arrivals in 2013

World Inbound Tourism:
International Tourist Arrivals, 2013



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

Tourism and Air Transport: a “win-win” approach

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**.

US-China visa deal a ‘game-changer’

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 1year).

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)

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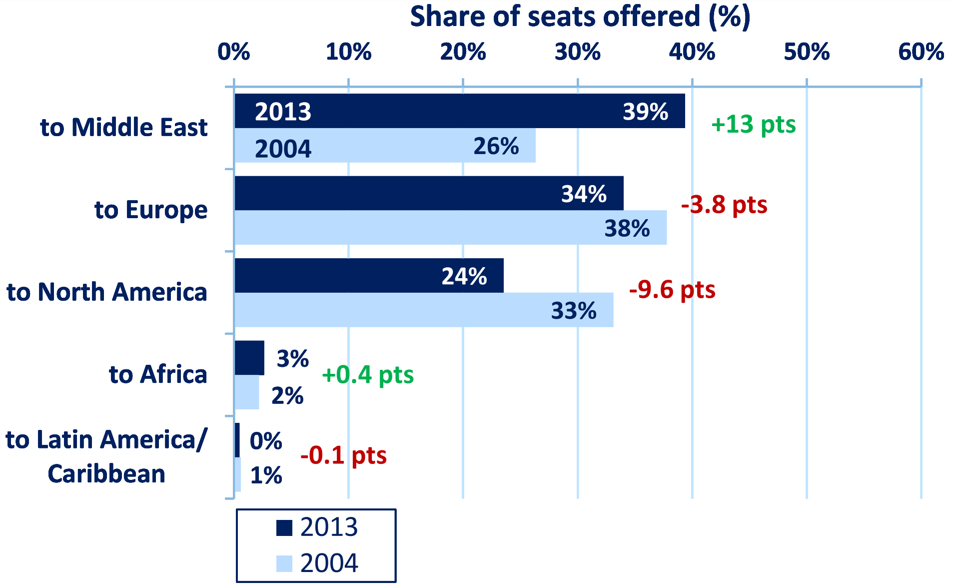
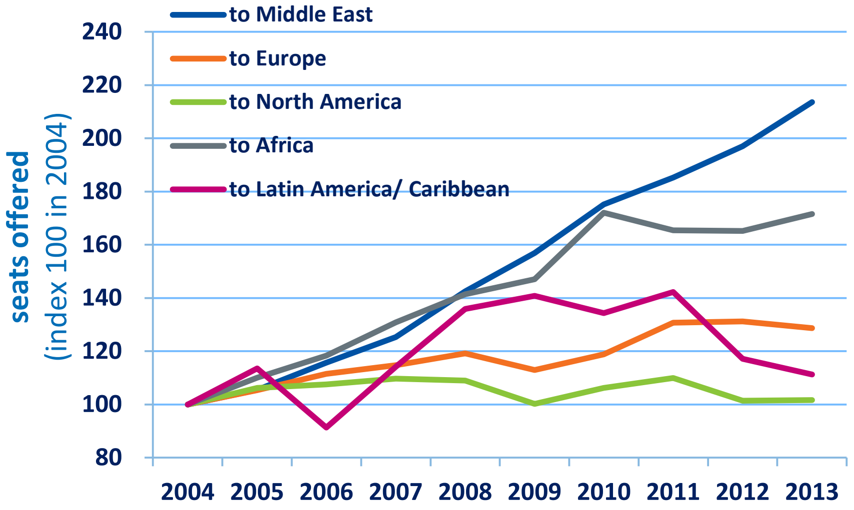
Inter-region capacity offered from Asia/Pacific to the World

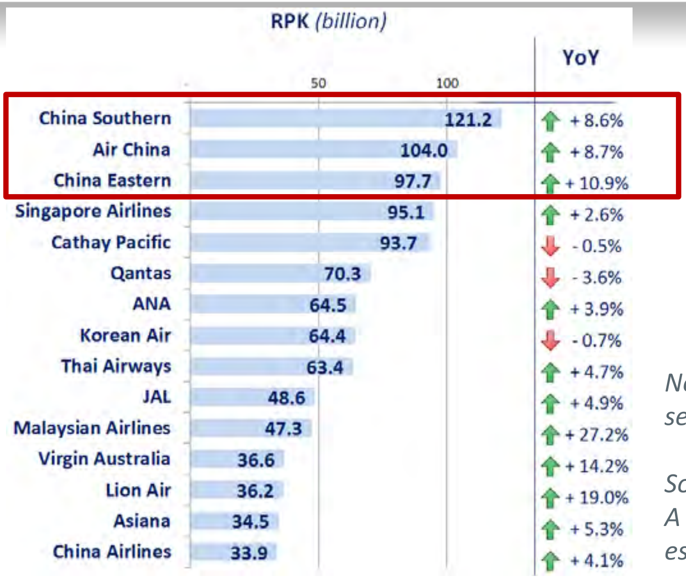




FROM ASIA/PACIFIC:

- **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**

Asia/Pacific
Top 15 airlines and Top 15 airports

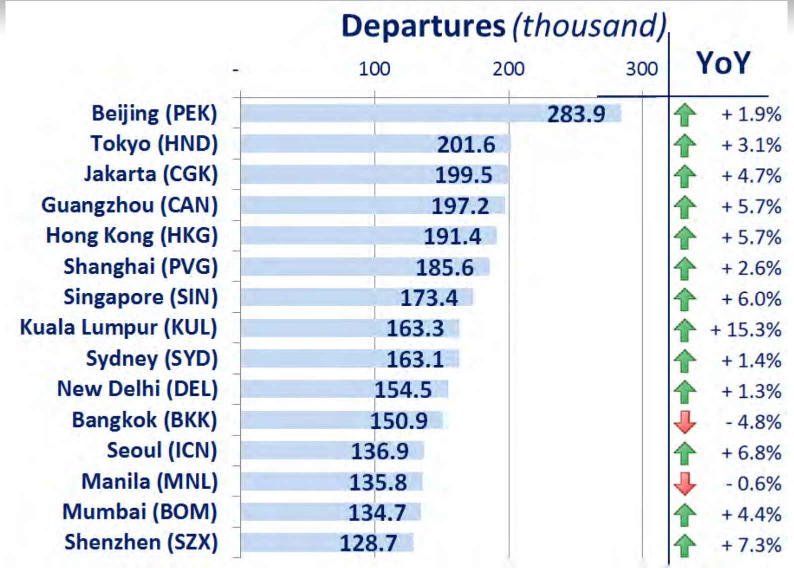


Note: scheduled services

Source: ICAO Form A and ICAO estimates

Note: scheduled and non-scheduled services

Source: ACI



- **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

Total (international and domestic) services

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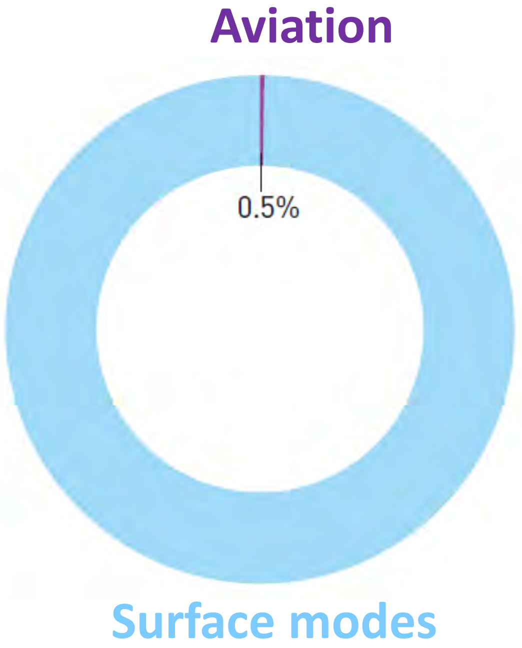
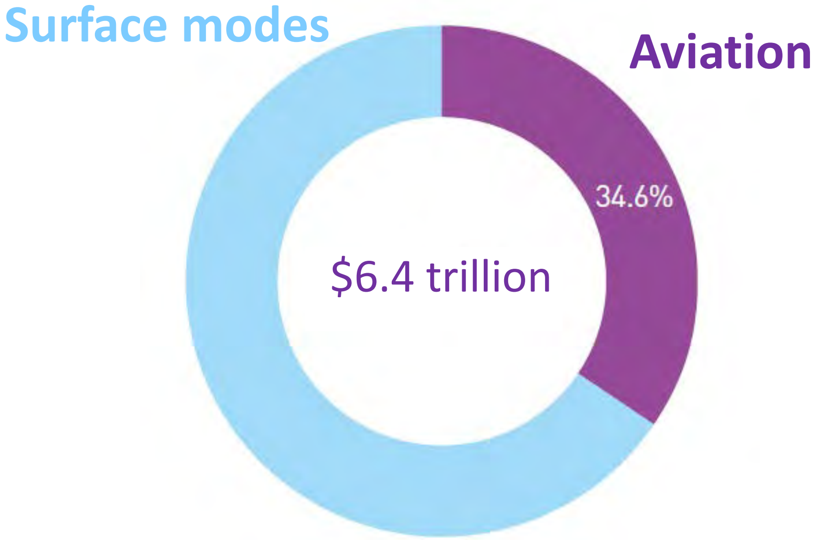
World International Cargo Shipment

Volume of world international cargo shipment

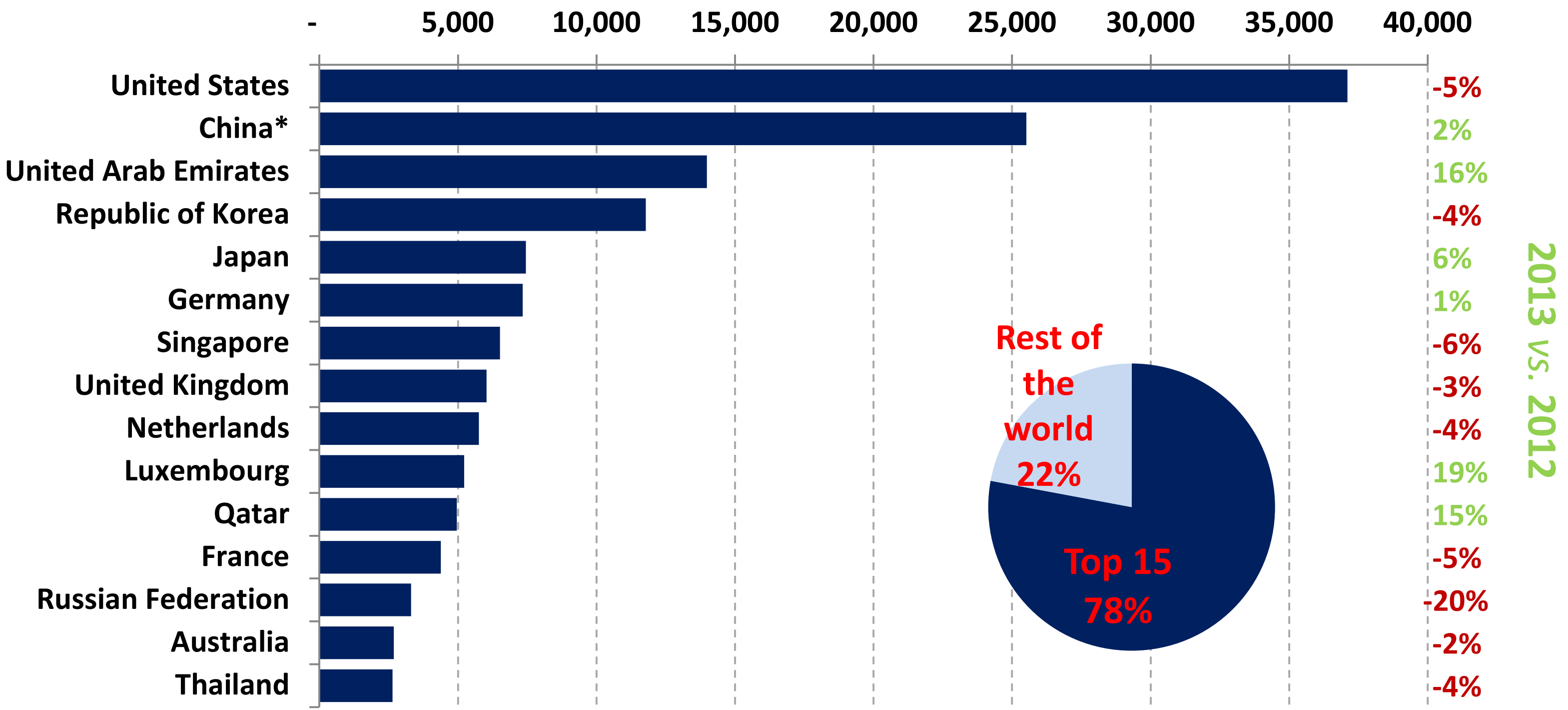


Value of world international cargo shipment



Top 15 States in 2013

freight tonne-km (million)

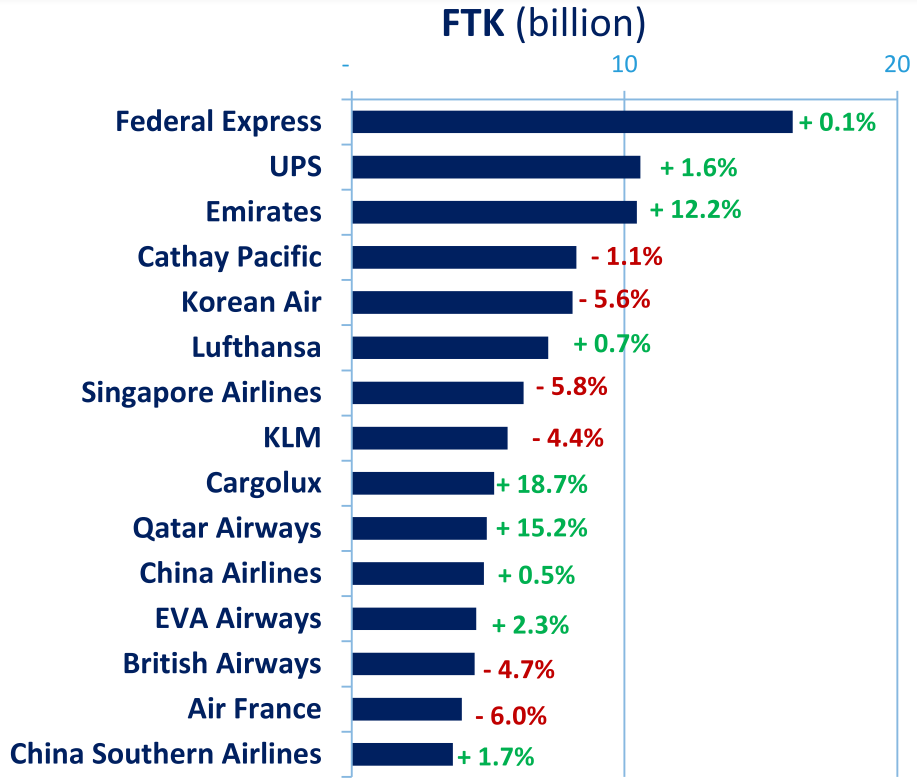


***Note**: scheduled services, States of AOC holders*

**China includes Hong Kong SAR and Macao SAR*

***Source**: ICAO Annual Reports of the Council*

Top 15 airlines for carried freight



Note: scheduled services

Source: ICAO Form A and ICAO estimates

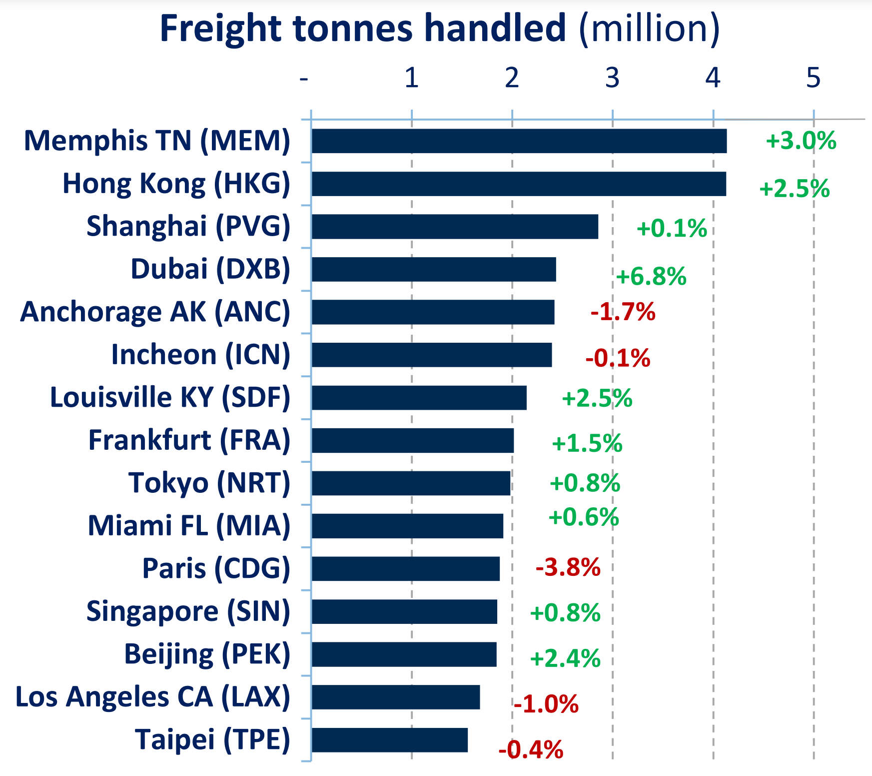
- **6** carriers from **Asia/Pacific**
- **5** carriers from **Europe**
- **2** carriers from **North America**
- **2** carrier from **Middle East**

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

Total (international and domestic) services

ICAO UNITING AVIATION

Top 15 airports by freight tonnes handled



Note: scheduled services

Source: ACI

- **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

Total (international and domestic) services

ICAO's Cooperation on Cargo

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

www.icao.int/Security/aircargo/Pages/Air-Cargo-and-Mail-Security-and-Facilitation.aspx

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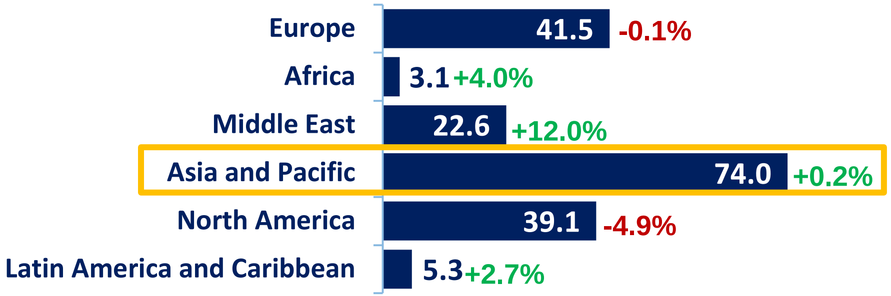
World Air Cargo in 2013

Freight Tonne-Kilometres (billion)



186 billion

+0.4%
vs. 2012

Freight Tonne-Kilometres

***Source**: ICAO Annual Report of the Council 2013*

Scheduled commercial traffic
Total (international and domestic) services

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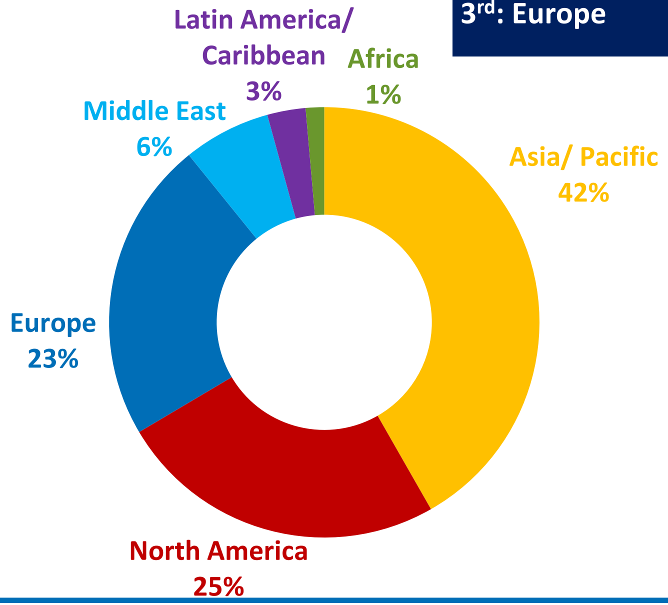
Freight Traffic: Worldwide Distribution

Distribution in Freight Tonne-Kilometres

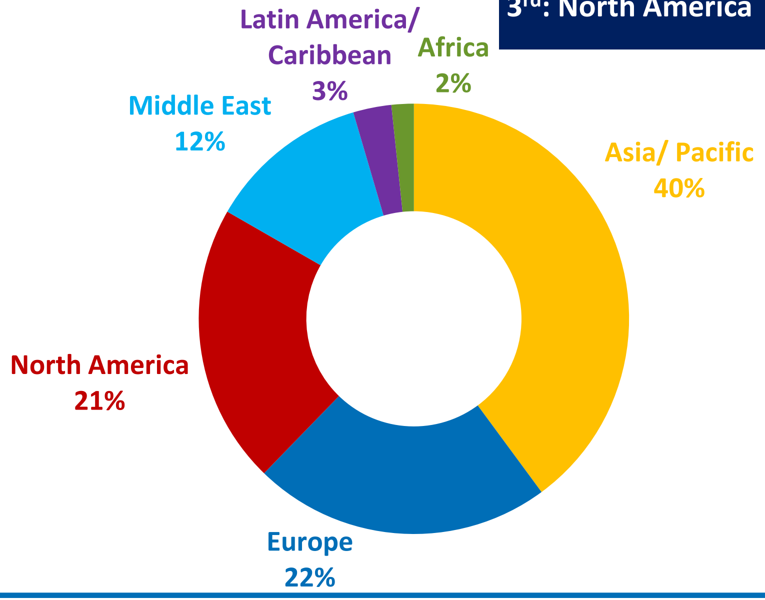
2007

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



2013

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



Source: ICAO Annual Reports of the Council

Scheduled commercial traffic
Total (international and domestic) services

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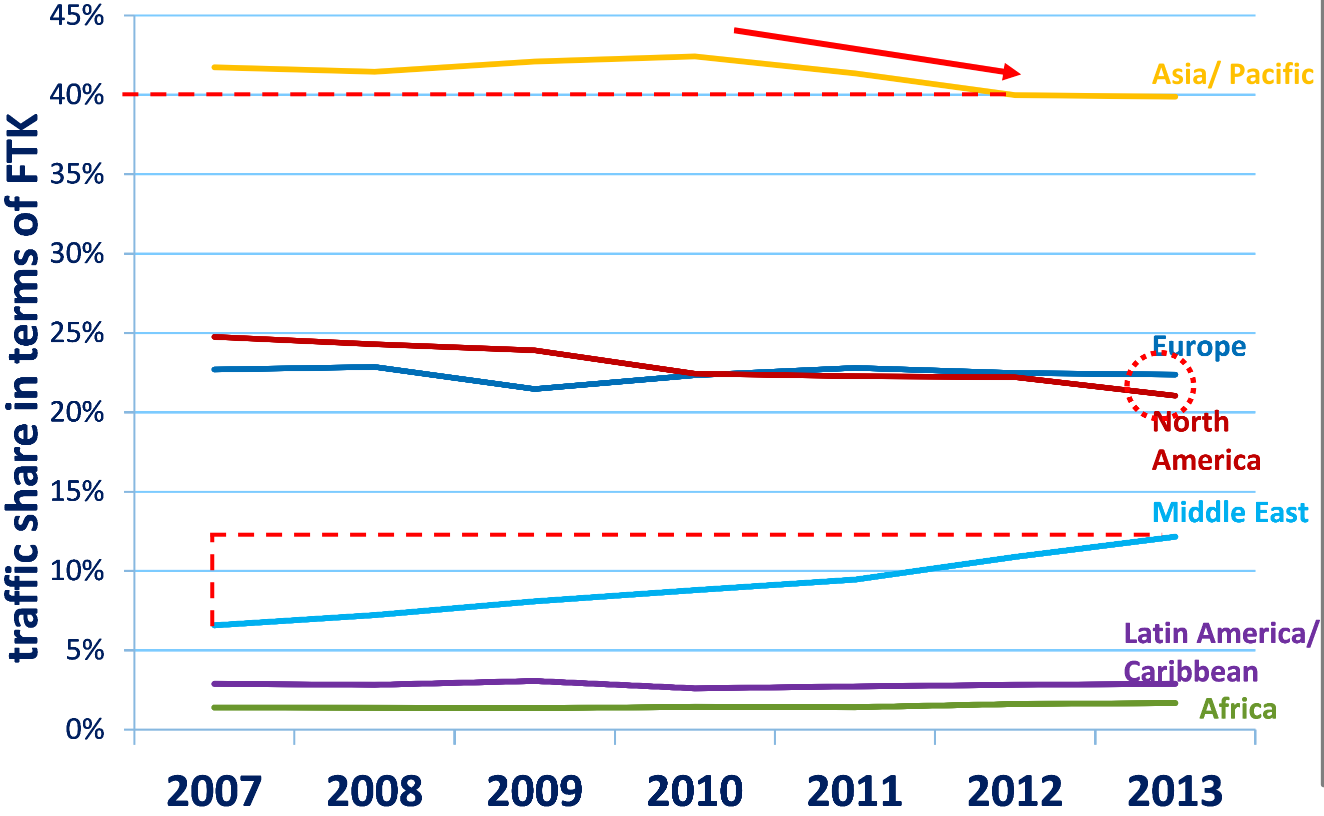
Freight traffic: Worldwide distribution (1/2)



Analysis

in 2013:

➡ **Asia/Pacific**'s FTK share is **40%**

➡ **Europe** ranks clearly **2nd**

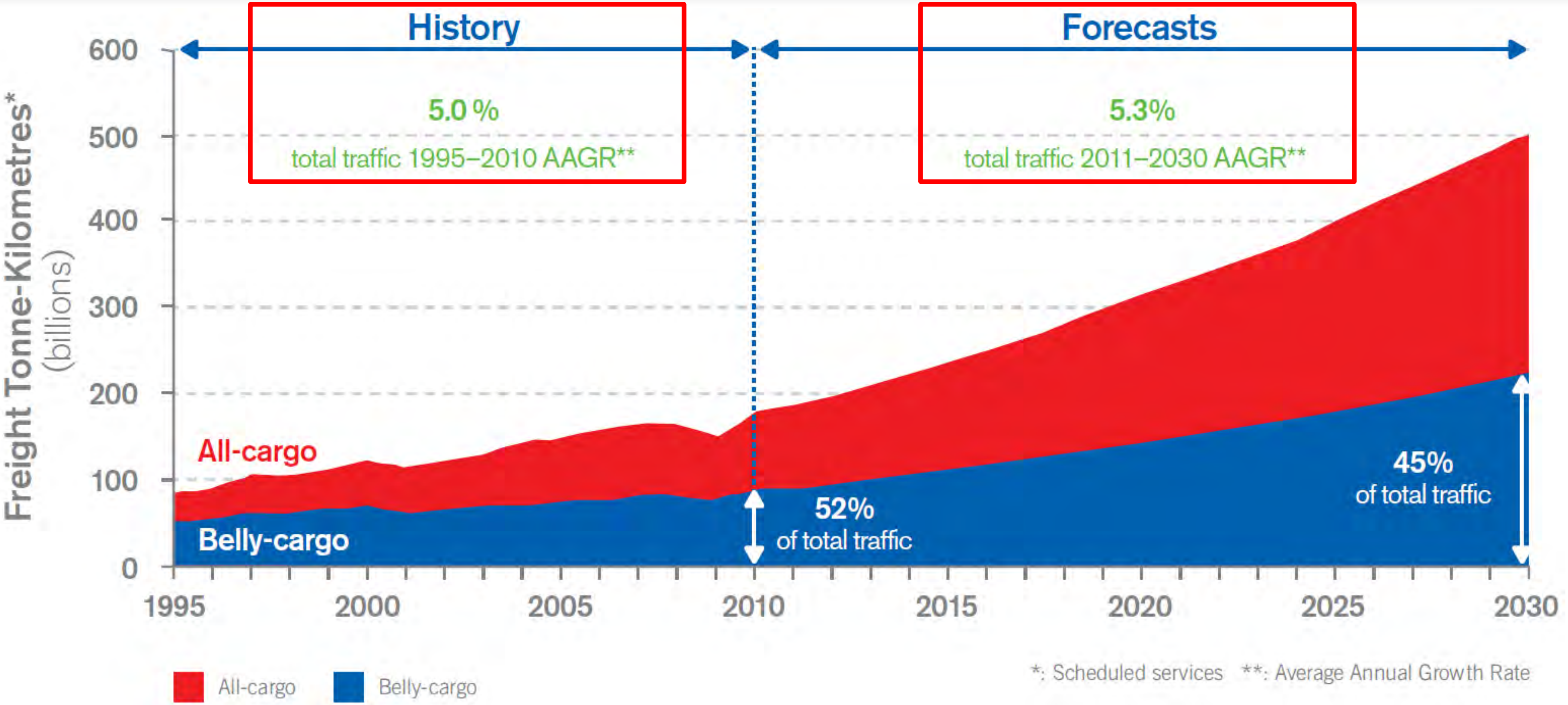
➡ **North America declined**

- - - - - - - - - - - - - - - -

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

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

Long-term Air Traffic Forecasts: "GATO" Scheduled Freight Traffic



__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

Definition of Connectivity in Air Transport

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

Connectivity Components

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

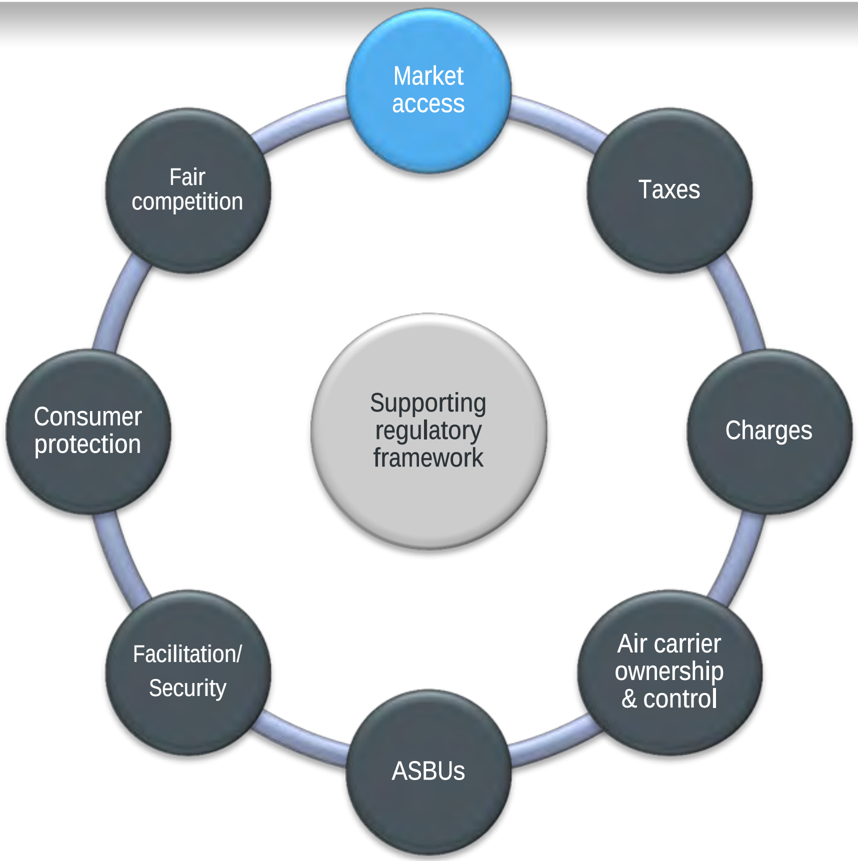
*Border control optimization and fastest security clearance

The Supporting Regulatory Framework: ICAO's Contribution to Connectivity

The supporting regulatory framework:

ICAO's contribution to connectivity

GUIDANCE



POLICIES

Market Access – Supporting Framework

Traffic liberalization (Pax and cargo)

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

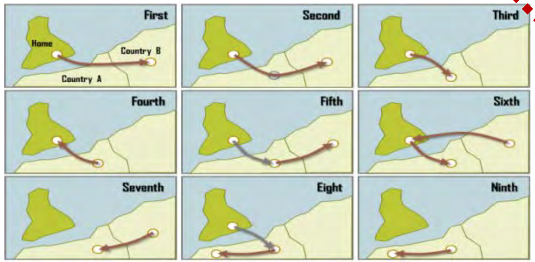
Multilaterals

Market Access

Bilaterals

ICAN
ICAO Air Services Negotiation Event

FREEDOMS OF THE AIR



YD *= Yamoussoukro Decision*
EU *= European Union*

Progress in the Implementation of ATConf/6 recommendations

Mandate for the current work

- 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

ATConf/6 recommended action	Action
Establish a Voluntary Air Transport Fund (TRAF)	- Fund established in 2013 - limited donations so far - A website is under development
Provide exchange forum to promote more compatible regulatory approaches	- Implemented through ICAN and other ICAO meetings (e.g. dedicated seminar session)
Enhance ICAN facility	- Being implemented: will have an enhanced/expanded edition for ICAN2014, Bali, Indonesia in coordination with ACI, IATA and UNWTO - Consider an exclusive ICAN Cargo event

Liberalization of market access

ATConf/6 recommended action	Action
- **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

Other International agreement

ATConf/6 recommended action	Action
- **Develop an international agreement to liberalize air carrier ownership and control** **(Priority A)**	- Task to be undertaken by ATRP/12 Working Group 1 (WG1) - To be considered by ATRP/13 in April 2015 - ATRP will present proposal to governing bodies in late 2015 or early 2016

Process for developing the agreements

ATRP and Secretariat action	Action by governing bodies
- **Develop draft text of the Agreements (3rd Q 2015)** - **Consult Legal Bureau and Legal Committee re draft texts** - **States consultation on draft Agreement (1st Q 2016)** - **Revised draft texts (3rd Q 2016)** - **Finalize Agreements and arrange for signing**	- Consider ATRP recommendations re Agreement draft texts (4th Q 2015) - Consider results of consultation with LEB and Legal Committee (3rd 2016) - Consider results of consultation with States (2nd 2016) - Determine action for finalization of the agreements (3Q 2016) - Determine arrangements for signing of agreements

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Fair competition

ATConf/6 recommended action	Action
- **Develop a compendium of competition policies and practices of States and regional bodies** (Priority A)	- Preliminary version prepared in 2013 - ATRP/12 established a Working Group (WG2) to assist in work on this task - Updates of the compendium
- **Develop tools such as an exchange forum to enhance cooperation to promote more compatible regulatory approach towards international air transport** (Priority A)	- Seminar on competition policies organized in the context of ICAN

Compendium on competition policies

Competition practices	Competition policies
Practices emanating from Regional competition networks: 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)	Topics: anticompetitive behaviors; abuse of dominance/monopoly; merger control; State aid
Practices emanating from International Organizations: ICAO policy guidance; Organization for Economic Co-operation and Development (OECD); United Nations Conference on Trade and Development (UNCTAD), World Trade Organization (WTO)	Regional Organizations: COMESA-EAC-SADC; ACAC; ASEAN; EU; etc.

ICAO policies and guidance

ATConf/6 recommended action	Action
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

Consumer protection

ATConf/6 recommended action	Action
Develop a set of core principles **(Priority A)**	- ATRP/12 agreed on a set of core principles - Consult States through State letter - to be submitted to Council for approval in 2015, as guidance for States and stakeholders
Monitor related developments and cooperate with other International Organizations (incl. UNWTO) **(Priority A)**	- Consumer protection database on ICAO website - Closely monitor and work with UNWTO: core principles to be communicated to UNWTO after Council approval

High level core principles

Messenger Guidance

Before the travel	During the travel	After the travel
• Balance passenger rights/industry competitiveness • Pre-travel information, including price transparency	• Assistance/compensation, as provided by regulations or contract • Coordination between stakeholders to address "massive disruptions"	Efficient complaint handling procedures

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

Air transport system modernization

ATConf/6 recommended action	Action
Multi-disciplinary working group (MDWG) to consider the challenges associated with the establishment of operational and economic incentives **(Priority A)**	MDWG - First Aviation System Block Upgrades (ASBU/1) met on February 2014 • 2 Co-secretaries: 1 ATB + 1 ANB • 51 participants: 13 Member States, 12 Organizations • List of Tasks to be delivered • MDWG-ASBUs/2 in February 2015

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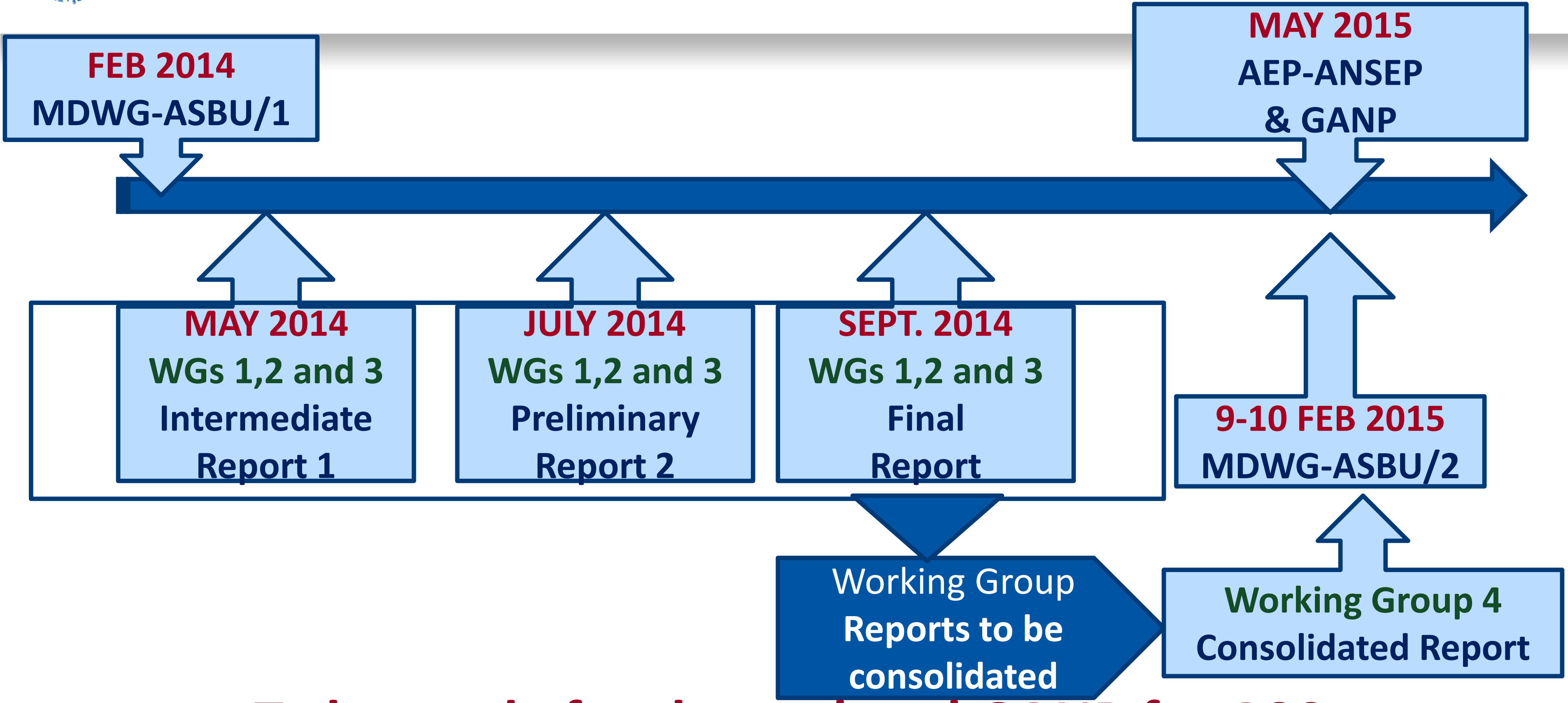
MDWG-ASBUs Time-Frame



To be ready for the updated GANP for A39

Infrastructure funding

ATConf/6 recommended action	Action
Ensure **widespread awareness** and knowledge of its p**olicies 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

Funding of oversight functions

ATConf/6 recommended action	Action
Sustainable funding of the oversight functions at the State and regional levels **(Priority A)**	To be discussed during AEP-ANSEP/5 under new ToRs To take further action as recommended by AEP/ANSEP

Note: AEP-ANSEP/5 to be held in Montréal from 20 to 21 May 2015

Regional level considerations for ATConf/6 Recommendations

ATConf/6 outcome promotion

ICAO Regional Events	Date
China LCC event	Nov. 2013
ICAN 2013, Durban, South Africa	Dec. 2013
Morocco, Economic Forum, Canada	Feb. 2014
McGill pre-A38 Symposium	Sept. 2013
ICAO Air Transport Symposium, Canada	May 2014
Meeting Air Cargo Development Africa, Togo	Aug. 2014
China Forum Air Cargo, Zhengzhou	Sept. 2014
Jamaica Air Transport Conference, Montego Bay	Oct. 2014
China LCC event	Oct. 2014

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ICAN Benefits

Venue/Year	2008 Dubai, UAE	2009 Istanbul, Turkey	2010 Montego Bay, Jamaica	2011 Mumbai, India	2012 Jeddah, Saudi Arabia	2013 Durban, South Africa	2014 Bali, Indonesia
Number of participating States	27	52	38	64	62	73	78
Number of bilateral meetings held	100	200	200	370	350	486	550
Number of agreements (including Open Sky Agreements) and arrangements (MoUs, Agreed Minutes, etc.) signed or initialed	20	60	60	120	130	458	530

- **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

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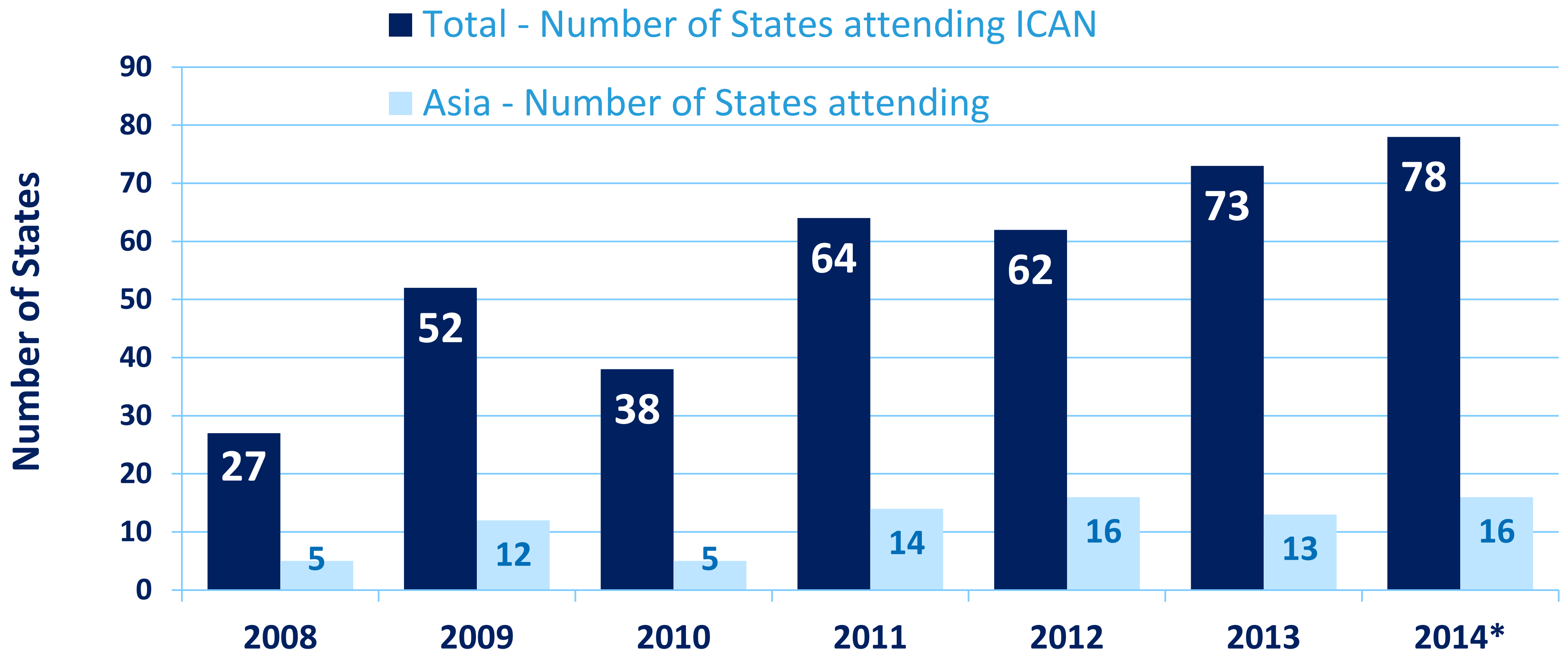
ICAN – Asian States



*Pre-registered States as of Oct 2014

Enhanced ICAN facility & liberalization

- ICAN provides a forum, through its symposium, for States to reviews 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)

Facilitating liberalization at regional level

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

Air Cargo Development Forum China

- 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.

Air Cargo Development Forum China

Challenges	Next Steps
Cargo liberalization	Cargo ICAN B2B meetings with the industry
Security concerns	AEO/Regulated Agency Pilot Programme Advanced cargo information Capacity building
Cargo facilitation	Paperless cargo (E-cargo)
Logistics connectivity	- To develop globally accepted regulations - To share data across industry
E-commerce	Coordinated development between express industry and civil aviation industry (China concerns)

Joint ICAO/ACI Symposium in India – April 2015
Privatization and Funding of Airports

Challenges:

- Different forms of organizations that can be used at a national level, be it under **government ownership and control, or with private participation involvement**
- **Financing the modernization of the air transport system** will impact Airports

Joint ICAO/ACI Symposium in India – April 2015
Privatization and Funding of 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**

Future trends - Summary

- **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！