



INTERNATIONAL CIVIL AVIATION ORGANIZATION

A United Nations Specialized Agency

50th Conference of Directors General of Civil Aviation Asia and Pacific Regions

Agenda Item 4: Economic development of air transport

Outcome of the Sixth Worldwide Air Transport Conference (ATConf/6)

2 July 2013

Boubacar Djibo, Director, Air Transport Bureau (ATB)

New ICAO Strategic Objective



Economic Development of Air Transport

- To foster the development of a sound and economically viable air transport system
- New SO reflects the needs for ICAO's leadership in developing and harmonizing the global regulatory framework
- Helps focus ICAO's work to meet the need of Member States and aviation stakeholders

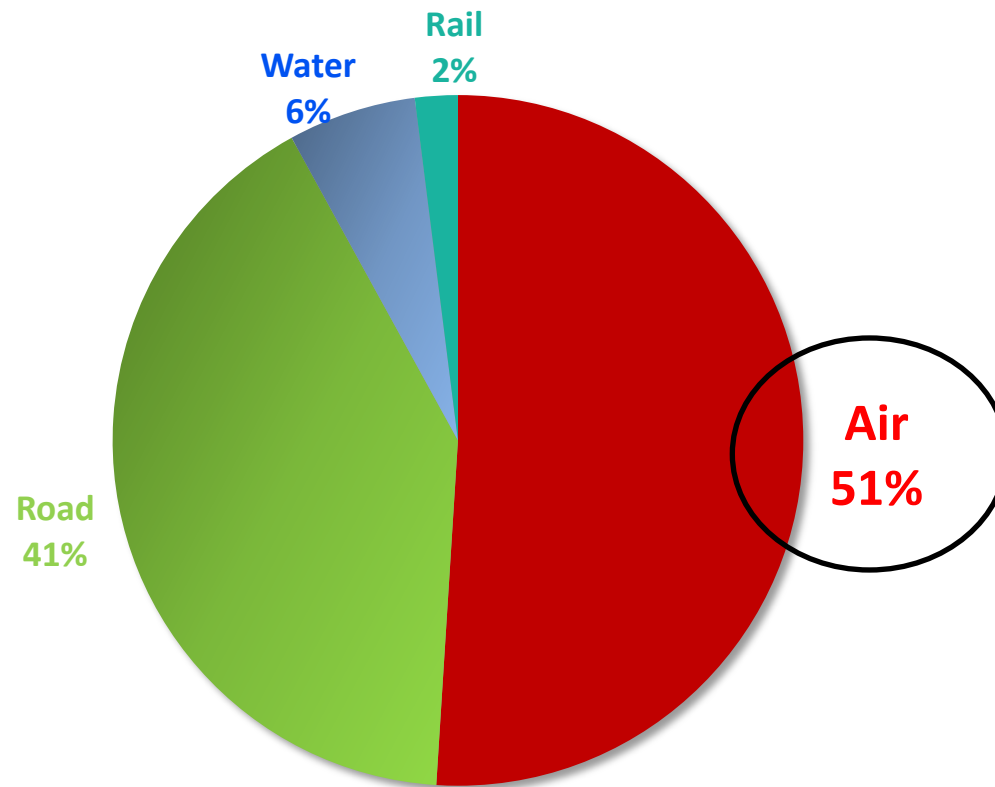


- Tourism directly represents 5 % of global GDP
 - In some developing countries, tourism can account for over 25% of GDP
 - 1.2 trillion receipts generated by international tourism
 - 235 million jobs
- Aviation contributes to tourism
 - 762 billion contribution to global GDP of air transport related tourism
 - 34.5 million jobs in tourism supported by air transport

Air travellers represent 51% of international tourists



Inbound travellers by mode of transport



Source: UNWTO

Note: 2010 figures for international tourists

Close link between tourism and air transport: A “win-win” approach



Example of MoC signed by SIA with Changi Airport and

South African Tourism to promote travel to South Africa.

- A trade-driven MoC which includes consumer activities promoting travel to South Africa
- Promote tourist traffic to South Africa through SIA's services to Cape Town (4 flights a week) and Johannesburg (daily flight) via Singapore's Changi Airport.
- South Africa is an important tourism market for key Asia Pacific markets such as China, Singapore and Australia
- Australasia: a fast-growing emitting market (25.1%) for South Africa attracting 541,253 tourists in 2012
- Changi Airport is an extremely important hub in the Australasia region and will help in stimulating tourism growth to South Africa thanks to its dense connectivity to China and Australia

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

Proposed joint work programme with UNWTO : 3 priorities



- T20 recognized synergies between air transport and tourism development
- ICAO and UNWTO to cooperate on matters of mutual interest:
 - Facilitation (Visa & border control)
 - Minimum standards
 - Consumer protection
 - Aviation and tourism sustainability

Avoid duplication in efforts and create a greater synergy in both organizations

ICAO/UNWTO – Joint Statement



Joint Statement on Aviation and Tourism signed by ICAO & UNWTO Secretaries General at ATConf/6

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

Value of air cargo for trade and economy



- Maintain stability of supply chain
- Support economic growth
- Enable sustainable development of air transport
- Maintain security and flight safety

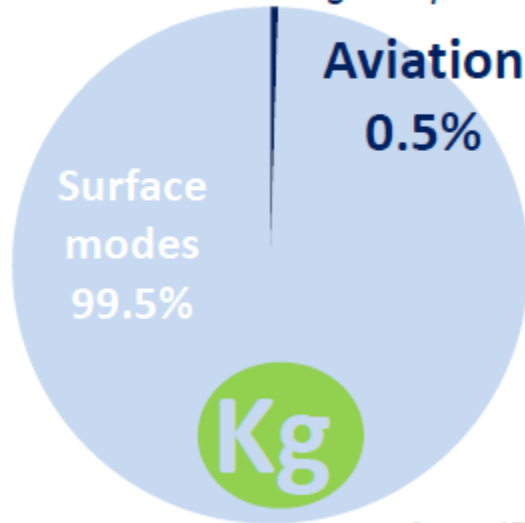
Facilitation of air cargo is essential

Initiatives by ICAO and WCO

World international cargo shipment

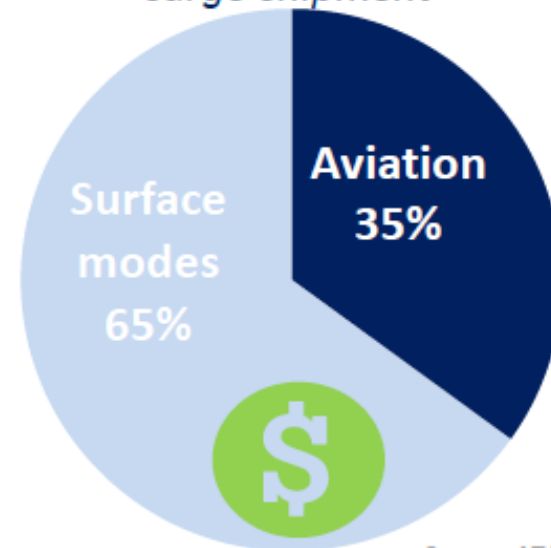


Volume of world international cargo shipment



Source: ATAG

Value of world international cargo shipment



Source: ATAG

Aviation's key advantage is speed and average value of goods shipped by air tends to be higher than for other modes.

ATConf/6 highlights & general assessment

- **Theme**: “Sustainability of air transport” provided a relevant platform for discussion ✓
- **Objectives**: *Develop guidance and action plan for a global regulatory framework* ✓
- **Preliminary steps**: Regional seminars provided a preliminary review of issues and proposals to be discussed ✓
- **Documentation**: Substantive documentation available on website ✓
- **Attendance**: Over 1000 participants from 131 States and 39 Observer organizations ✓
- **69 Recommendations**: including 40 for ICAO action and 29 for States action ✓
- **Assessment**: Successful event ✓

Agenda Item 1

Item 1: GLOBAL OVERVIEW OF TRENDS AND DEVELOPMENTS

- **1.1 Industry and regulatory developments**
- **1.2 Other areas of ICAO's work that may have economic implications**

(including the economic impact pertaining to the outcome of the *High-level Conference on Aviation Security* (HLCAS))

Milestone results

- Stronger leadership role for ICAO in economic regulation
- ICAO leadership role in forging new regulatory tools
- Commitment of the global aviation community for increased international integration and harmonization
 - Cooperation between air transport stakeholders to avoid duplication of efforts
- Recommendation for the implementation of a voluntary air transport fund

Agenda Item 2

Item 2: EXAMINATION OF KEY ISSUES AND RELATED REGULATORY FRAMEWORK

- **2.1 Market access**
- **2.2 Air carrier ownership and control**
- **2.3 Consumer protection**
- **2.4 Fair competition**
- **2.5 Safeguards**
- **2.6 Taxation & other levies on international air transport**
- **2.7 Economics of airports and air navigation services**
(including outcome pertaining to economic impact of the Twelfth Air Navigation Conference (ANConf/12))
- **2.8 Implementation of ICAO policies and guidance**

Market access and fair competition



Main recommendations for ICAO (market access):

- Develop international agreement to liberalize air cargo services
- Develop international agreement to liberalize market access
- Continue providing ICAN facility for further liberalization

Main recommendations for ICAO (fair competition):

- Develop a compendium of competition policies and practices by States and regional bodies
- Provide an exchange forum for States for more compatible regulatory approaches

Air carrier ownership and control



Main recommendation for ICAO - Develop international agreement to liberalize air carrier ownership and control:

- take into account safety and security concerns
- principle of reciprocity
- gradual and progressive adaptation with safeguards
- regional experiences & requirements of various States' domestic laws & effects on all stakeholders (including labour)

Consumer protection



Main recommendation for ICAO:

- ICAO should develop high-level, non-prescriptive core principles on consumer protection
- appropriate balance between consumers/industry competitiveness
- need for States' flexibility (different social, political and economic characteristics)
- consistency with Montréal Convention of 1999

Main recommendations for ICAO:

- collaborate with relevant industry associations to develop analysis and guidance for use by States on the impact of taxes and other levies on air transport
- continue to take the necessary measures to enhance States' awareness of ICAO policies on taxation and vigorously promote application



Main recommendations for ICAO:

- multidisciplinary group to develop principles on incentives in Aviation System Block Upgrades (ASBUs) modules
- new mechanisms for sustainable funding of oversight functions at State level and development of related guidance material



Continuous work on policies and guidance

Main recommendations for ICAO:

- Update and keep current ICAO policy and guidance on:
 - Regulation of international air transport (TASAs, Docs 9587 & 9626 and databases)
 - Supplement to Doc 9082 to include changes in airport & ANSP commercialization/privatization
 - Supplement to Doc 8632 – taxation policies



Main recommendations for ICAO:

- Monitor developments related to:
 - Air transport industry
 - Areas of market access, consumer protection, competition and safeguards
 - Impediments to sustainable air transport system
 - Changes in airport and ANSPs commercialization & privatization
 - Economic oversight funding situations

Promotion, awareness and implementation



Main recommendations for ICAO:

- Promote & increase awareness of ICAO policies and guidance material on:
 - Air transport regulation and liberalization
 - Funding of infrastructure
 - Policies on taxation, user charges
 - Governance, management of airports & ANSPs, aviation security related charges
 - Ratification of Montréal Convention of 1999
- Consider additional ways by which to enhance implementation

Follow-up actions



- June 2013: Approval of ATConf/6 recommendations by the ICAO Council
- State letter to disseminate outcome and action required by States
- Use of ICAN platform and other State-funded seminars
- Regular monitoring and updating of relevant ICAO databases
- Dissemination of information using ICAO training courses and the website
- Regular reporting to States on follow-up actions

Closing



All documentation and Conference report on ICAO website
(<http://www.icao.int.meetings/atconf6/>)

Yellow cover report available in hard copy in all languages

Questions and answers...



INTERNATIONAL CIVIL AVIATION ORGANIZATION

A United Nations Specialized Agency

ICAO OACI ИКАО

© ICAO All rights reserved.

This document and all information contained herein is the sole property of ICAO. No intellectual property rights are granted by the delivery of this document or the disclosure of its content. This document shall not be reproduced or disclosed to a third party without prior permission of ICAO. This document and its content shall not be used for any purpose other than that for which it is supplied.

The statements made herein are based on the mentioned assumptions and are expressed in good faith. Where the supporting grounds for these statements are not shown, ICAO will be pleased to explain the basis thereof.

国际民航组织