



Keynote Speech
by the Secretary General of the
International Civil Aviation Organization (ICAO),
Dr. Fang Liu,
to the Leaders, Executives, and Design Summit
of the TIACA World Cargo Forum

(Paris, France, 26-28 Oct 2016)

Distinguished industry representatives,
Colleagues from The International Air Cargo Association (TIACA),
Ladies and gentlemen,

1. I would like to thank our valued partner TIACA for inviting me to speak today, and for providing us with these excellent meeting facilities and such warm hospitality.
2. TIACA Forums provide an ideal platform from which to determine plausible solutions to key issues for the future of air cargo development, and it is my honour to deliver this Keynote address to the Forum's Leaders, Executives, and Design Summit (LEADS).
3. One of my priorities as Secretary-General of ICAO is to advocate the benefits of aviation including those of air cargo to the economic and social development of states and the world as a whole, to garner the political will necessary to support aviation improvements within national and international development frameworks. Indeed, modern air transport is an essential enabler of global connectivity, supporting some 63.5 million jobs and generating more than 2.7 trillion dollars in global GDP.
4. ICAO forecasts indicates that air freight volumes, which currently account for one-third of all world trade by value, should grow at a robust annual rate of 4.2 per cent through to 2032, which will surely facilitate the flow of goods, funds and information worldwide.
5. However, due to fragmented supply chain and infrastructure constraints, some regions have not yet fully materialized the benefits of air cargo.

6. For this growth to materialize, the regulatory and operational environment needs to adjust, and sufficient capacity and adequate infrastructure should be set in place.
7. This brings to mind a key question we will seek to answer here, namely:

“How can air cargo further increase connectivity and deliver these economic benefits to businesses and regions more efficiently?”
8. From the regulatory standpoint, one aspect of the answer to this question regards the removal of economic impediments through greater liberalization of air transport services.
9. ICAO has been working to liberalize air cargo transport by initiating new international agreements, promoting existing regional liberalized agreements, and by building consensus around the general benefits of liberalization.
10. Air cargo services, and air carrier ownership and control, are two of the more major liberalization issues to be addressed, and we have been taking advantage of applicable global events to take these messages to the world.
11. The First ICAO Air Cargo Development Forum held in Zhengzhou, China in 2014, and the Meeting on Air Cargo Development in Africa in Lomé that same year, are two such examples.
12. Recognizing the Declaration and an Action Plan for the development of air cargo in Africa which were adopted in Lomé, and the follow-up meeting is planned for 2017, it is encouraging that these efforts are showing tangible results.
13. Our unique air services negotiation event, known as “ICAN”, greatly aids the momentum around liberalization by providing a one-stop facility where air services negotiators can gather to discuss and exchange traffic rights with multiple States.
14. By the end of 2015, 137 States representing 72 per cent of the total ICAO membership had participated at ICAN events on at least one occasion. The next such meeting will be held in Nassau, Bahamas, in December this year.
15. Increasing financial support and capital investment of infrastructure expansion is also essential in order to maintain current development and to reap the economic benefits of air cargo long-term growth.

16. Given that insufficient infrastructure investment poses clear risks to how well we can optimize air cargo potential, ICAO encourages all Member States to give due consideration to future capacity demands, and to take pragmatic measures with respect to private investment, business reform, private finance initiatives, public-private partnerships, and applicable incentive schemes.
17. We see these objectives as essential to an efficient and economically sustainable civil aviation sector, but of course they must be pursued within a framework of security and safety, which remain ICAO's most important priorities.
18. With respect to safety, the transport of lithium batteries by air has been the subject of intense discussion within ICAO.
19. The potential for damaged or defective batteries to catch fire and emit gases that create an explosive atmosphere poses significant risks to aircraft during transport.
20. ICAO's Council adopted an aviation safety measure early this year, which prohibits, on an interim basis, all shipments of Lithium-ion batteries as cargo on passenger aircraft.
21. The prohibitions are intended as temporary measures until controls are in place which establish an acceptable level of safety.
22. The effectiveness of mitigation measures is dependent on full compliance by all involved in the transport of lithium batteries, including manufacturers, shippers, freight forwarders and operators.
23. But much more needs to be done to ensure compliance transparency, and further input and advice from the air cargo industry will be most welcome as this work continues.
24. With regard to security we have seen significant amendments to the regulatory framework for air cargo in recent years, including new rules for screening, the secure supply chain and high-risk cargo.
25. Some issues remain active, such as the agreed phasing out of account and other consignors not subject to appropriate authority approval by June 2021, and the potential for the use of pre loading advance cargo information (PLACI) to identify shipments which might present a threat.
26. To better promote better awareness of the air cargo and mail supply chain, the ICAO-WCO joint brochure entitled "Moving Air Cargo Globally" was firstly developed in 2012. The second edition

of the brochure is published this year and is now available, free of charge, in ICAO's six official languages.

27. Additional security priorities refer to the need to closely monitor emerging issues such as insider threats, cyber-attacks and the potential use of remotely piloted aircraft systems.
28. But the main consideration now is achieving the proper implementation of the requirements brought in since the security alert of 2010, when viable explosive devices were found concealed in air cargo shipments.
29. Capacity development will be therefore a key consideration over the coming years.
30. In terms of air cargo process management more generally, demand for the unobstructed flow and clearance of goods challenges airlines to further integrate their IT systems.
31. But the problem is that air cargo operations still rely to a considerable degree on antiquated paper-based processes.
32. The average shipment generates more than 30 documents that are used and/or handled by the various parties involved, and these paper-based processes are simply not cost-effective and fail to serve the key requirements of our customer base.
33. In this regard the ratification of the Montreal Convention of 1999, or 'MC99' as it is better known, established a modern, fair and effective regime which enables the use of electronic transport documents.
34. However, aviation still lags behind the maritime and ground transport sectors in the area of e-freight.
35. As additional support for the transport sector in the fast-paced air cargo market, ICAO has now included the Single Window concept in Annex 9 of the Chicago Convention.
36. This brings us into line with other international bodies, including the United Nations Economic Commission for Europe (UN/ECE), International Maritime Organization (IMO), the WCO, and the Association of South-East Asian Nations (ASEAN).
37. On the operational side, rapid delivery is particularly important to economic activities where customers rely on streamlined production processes or urgent delivery of specialized items.

38. Furthermore, demand for fast, high quality services is increasing with the rapid expansion of e-commerce.
39. ICAO will be participating in the initiative entitled “eTrade for All” being led by the United Nations Conference on Trade and Development (UNCTAD), which aims to improve the ability of developing countries, and particularly Least Developed Countries, to benefit from e-commerce.
40. ICAO will also be working with UNCTAD, the Universal Postal Union (UPU), the World Customs Organization (WCO), TIACA and other relevant stakeholders from the private sector, in a new initiative to use big data and analysis to monitor progress of e-commerce activities.
41. This cooperation will be aimed at simplifying business processes and removing constraints which could negatively impact the growth of e-commerce.
42. I would like to end today by taking this opportunity to pass along ICAO’s gratitude to our TIACA colleagues.
43. In 2012, ICAO and TIACA released our Joint Communiqué for Enhanced Cooperation in the Field of Air Cargo Transportation, and in 2013 we concluded a Declaration of Intent to strengthen cooperation on technical matters.
44. During our recent 39th Assembly, ICAO was very pleased to receive TIACA’s support on ICAO’s policy proposals for the transport of lithium batteries, and we were very pleased to recognize there TIACA’s concerns about the risks posed by non-compliant shipments.
45. In the following years, ICAO and TIACA will work even more closely together in the areas of Pre-Loading Advance Cargo Information (PLACI) and cargo facilitation.
46. ICAO will also join TIACA and the World Bank in developing the Cargo Service Quality (CSQ) Index. ICAO fully supports TIACA’s next Air Cargo Forum in 2018 which will be held in Toronto.
47. I strongly believe that a joint event on that occasion will only serve to enhance the already productive partnership we have established to this point.
48. In closing now let me please encourage you to take full advantage of the unique opportunity that this LEADS event offers to share your experiences and engage in productive discussions.

49. I am optimistic that your interactions here will highlight important collaborative opportunities for future air cargo development, and I must stress in general the importance of close coordination at the global, regional and State levels.

Thank you.

— END —