



**Opening address by the Secretary General
of the International Civil Aviation Organization (ICAO),
Mr. Raymond Benjamin,
to the International Air Cargo Association (TIACA)
27th International Air Cargo Forum & Exhibition**

(Seoul, Republic of Korea, 7-9 October 2014)

Good morning everyone,

Let me begin today by thanking TIACA for the invitation to address the opening of its 27th International Air Cargo Forum & Exhibition.

Collaboration is essential to everything ICAO embarks upon, and it certainly encourages me to see such a select group of air cargo industry and government representatives coming together to confront the challenges of global air cargo development.

One of the most important benefits of civil aviation, and something which is of significant interest to both governments and industry, is its ability to bring businesses and customers together to expand markets and elevate levels of local and regional prosperity.

This is precisely what TIACA does, and quite successfully I might add, when it convenes its Air Cargo Forum.

We have an excellent opportunity today and during this event to discuss our common challenges, learn from each other, and forge practical, effective partnership and solutions. I am confident that is precisely what will be accomplished.

Before we begin to look at those challenges in more detail, however, let us first recognize that modern air transport is an essential enabler of global connectivity, supporting some 60 million jobs and more than two trillion dollars in economic activity worldwide.

As you all know, air transport carries around 35 per cent of international trade by value while it represents less than 2 per cent by volume. Here in the Asia-Pacific Region, aviation supports over 24.2 million jobs and contributes approximately 516 billion dollars to regional gross domestic product (GDP).

Air cargo services are playing an increasingly important role in generating these positive impacts, with forecasts suggesting that worldwide air freight volumes will expand at an annual rate of 5.2 per cent through 2030.

In light of these numbers, I would suggest that there are two fundamental means by which air cargo companies can deliver economic benefits to world regions.

The first is through more liberalized air services agreements between States. The second is via increased connectivity through a greater number point-to-point routes.

ICAO recognizes that the process of liberalization is a complex one – and one which should be pursued in a manner appropriate to the needs and circumstances of all concerned States and regions.

Due regard must be given to the interests of all stakeholders, as well as evolving business environments and infrastructure requirements, and I hope some time will be spent here in Seoul on how to take these aspects into proper account.

But while agreements of this nature are very encouraging when they result in positive and cooperative developments for the world's aviation market, I would also stress that segmentation still persists, and that in the face of globalization and increasing competition there is ample room for further improvement.

ICAO has already developed template air services agreements (TASA) to facilitate the liberalization process for States. We have also been given the responsibility to develop further agreements aimed at facilitating the liberalization of air carrier ownership and control, and market access, including for air cargo services.

ICAO Member States also benefit from the unique air services negotiation events we conduct annually, otherwise known as 'ICAN' meetings, where negotiators can gather in a single location to discuss and exchange traffic rights with multiple States. This approach has proven very effective and I would encourage all of your States to attend the next ICAN event, which will be held in Bali, Indonesia, in November of this year.

Additionally, ICAO is also now exploring a separate ICAN approach supporting air cargo services. We will certainly keep you, and our colleagues at TIACA posted on this proposal.

Where airport and air navigation infrastructure are concerned, we must respect the fact that significant capital outlays are required. Governments have remained the primary sources for this funding, however growing demands on public finances from other sectors are now placing a strain on the ability of States to invest in these areas.

Solutions such as privatization and public-private partnerships can be helpful here, notably when they are properly structured on the basis of ICAO's policies on charges for airports and air navigation services.

Another important challenge we must address is how to better secure and streamline the global air cargo supply chain. This is a formidable task, and one which impacts significant amounts of freight on both cargo and passenger aircraft.

ICAO is continuing to cooperate with all stakeholders to ensure that aviation security and customs priorities take into account the diversity of goods being transported, the significant number of parties involved, and the challenges of trying to streamline trans-national operations under multiple regulatory environments.

To-date, ICAO has introduced principles and methods for securing high-risk cargo, and we have also provided common baseline security measures for passenger and all-cargo aircraft.

All of our recommendations in this area fully respect that the unobstructed flow, and rapid release or clearance of goods, is economically critical to both States and industry.

We therefore are continuing to work with key partners to strengthen security processes while streamlining cargo facilitation at the same time – mainly through the effective application of new technologies and risk management techniques.

ICAO and the World Customs Organization (WCO) recently established a Memorandum of Understanding in this area, the first practical outcome of which has been the development of a free publication entitled *Moving Air Cargo Globally*.

This document describes the security and facilitation aspects of the cargo supply chain and explains the critical roles of 'Regulated Agents' and 'Known Consignors'.

Cargo screening requirements can be very strict and time-consuming, but when shipments originate from a Known Consignor and are handled by a Regulated Agent, they become much more streamlined.

I invite TIACA members and all the participants to consult ICAO's website and take advantage of this manual. We might also wish to consider how its Second Edition could benefit from TIACA's formal participation and contributions.

Looking now beyond the clear security and facilitation challenges just mentioned, another area of priority going forward must be the training of air cargo personnel.

The growing complexity of the worldwide air cargo industry demands a pool of well-educated staff and managers. Without these trained personnel, the air cargo sector will not be able to maximize opportunities for societies and businesses.

We therefore need to discuss and identify ways to address the issue of training, and I am counting on this event to determine some practical recommendations. ICAO presently offers specialized courses on Dangerous Goods and Air Cargo Security and Facilitation, and in addition to detailed courses for experts, we also offer a series of online familiarization courses for managers and decision-makers.

More generally where training is concerned, let me please point out that ICAO has prioritized the full range of its training activities under a revised Training Policy and a newly-established Global Aviation Training office (GAT).

Another topic I would like to address with you here is the legal framework for cargo operation.

I alluded earlier to the tremendous economic benefits that an efficient air transport environment can bring to States and regions, but over the last several years the air freight market actually began decreasing in size. An important factor in this decrease is that aviation still lags behind the maritime and ground transport sectors in the area of e-Commerce, or more specifically 'e-Freight'.

The introduction of e-Freight requires that States first ratify the Montreal Convention of 1999, or "MC-99" as it is more commonly known.

I would encourage everyone here to please verify the status of MC-99 in your State upon your return, and you should please take note that ICAO's partnering organizations, such as TIACA, the WCO, IATA and FIATA, stand ready to assist you in the introduction of your electronic cargo documentation.

The last issue I wish bring to your attention today relates to the proliferation of taxes and duties on aviation operations, including air cargo, and their negative long-term impacts on both operators' bottom lines and the ability of air services to effectively promote economic development.

I want you to be aware that this proliferation is clearly at odds with ICAO policies, which seek to foster the generation of dependable and long-term government revenues, and that we are therefore encouraging a greater exchange of information to help our States have access to reliable economic data on what tax and duty approaches are working, and why.

Ladies and gentlemen, I am optimistic that this event will highlight important collaborative opportunities for you on future air cargo development. But please also recall that your collaboration must be coordinated at the local, regional and global levels to be fully optimized.

I would bring to your attention in closing that 2014 is the 70th Anniversary of the signing of the *Chicago Convention*, and of ICAO serving as a focal point for consensus and shared progress on our air transport challenges.

Throughout this period the world has benefitted from the resolute cooperation ICAO has been able to foster, and I am confident that it will continue to serve us where our current air cargo challenges are concerned.

Thank you.