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Advancements in Air Connectivity in COVID-19 Times

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Key Principle #3 – Ensure essential connectivity

States and industry should maintain essential connectivity and global supply chains, especially to remote regions, isolated islands and other vulnerable States.

Recommendation #16 – Facilitating air cargo movement

Member States are encouraged to consider the temporary lifting of restrictions to air cargo operations, including but not limited to granting extra-bilateral rights, in particular for all-cargo services, to foreign airlines to facilitate the transportation of essential goods, supplies and COVID-19 vaccines.

Air cargo services are a key component of global supply chains, offering fast and reliable transport of high-value goods, including vaccines and medical equipment. However, the pace of digitalization has been slow compared to other modes.



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Air Connectivity



Definition of connectivity in air transport

Capacity of the transport value chain to move passengers, mail or **cargo** from **one point to another**

- in the **shortest possible time**
- with **maximum user satisfaction**
- at a **reasonable price**



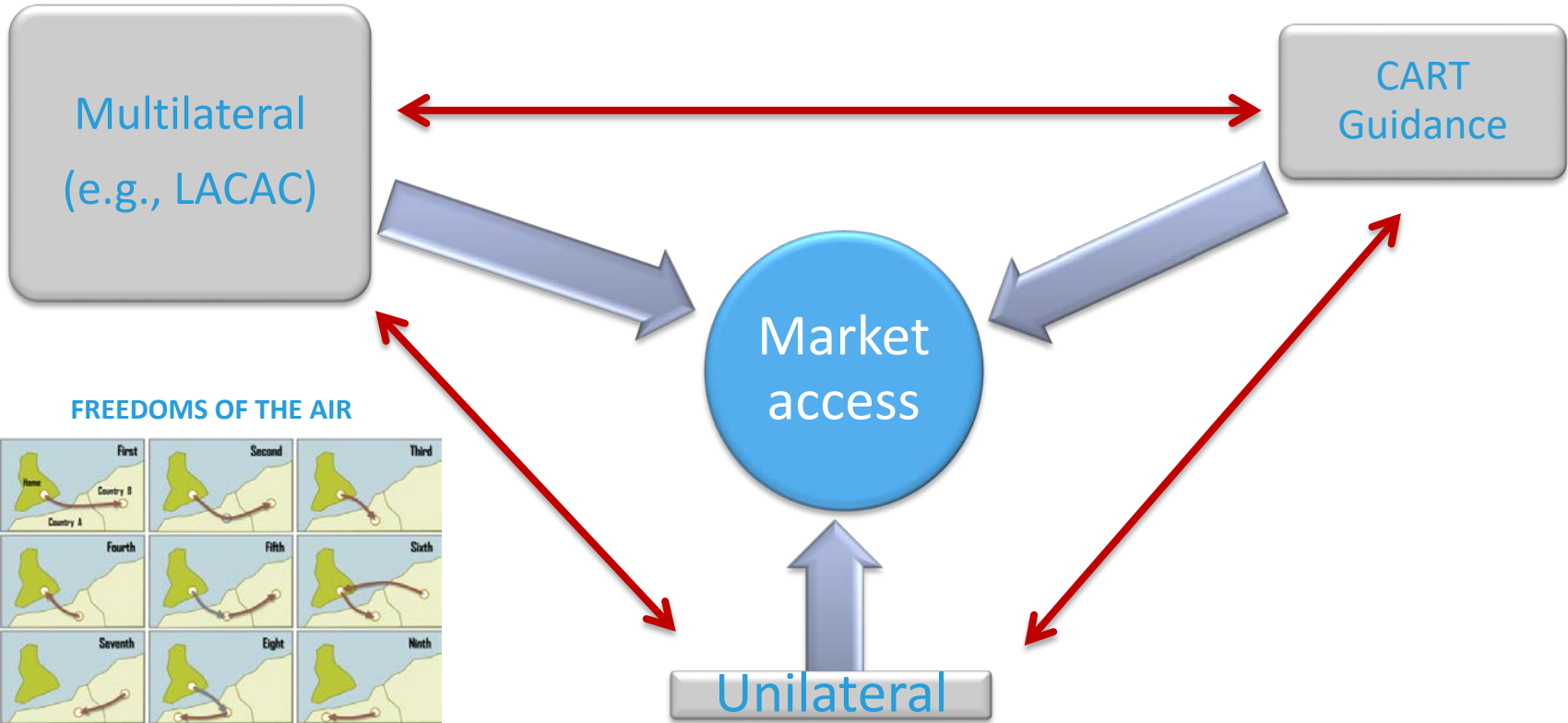
- linking maximum points together (**space**)
- minimum time to go from A to B to C (**time**)
- **supporting framework**



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Traffic Rights





Example of 7th Freedom Traffic Rights

Carrier registered in India (State A)...

Provides non-stop services originating in Egypt (State B)...

To Oman (State C).

These services exclude services to State A.

Example of 5th Freedom Traffic Rights

Carrier registered in India (State A)...

Provides services originating in India (State A)...

Stopping in Egypt (State B) to load/unload cargo...

Then proceeding to Oman (State C) to load/unload.



New from ICAO: Guidance on Economic and Financial Measures to Mitigate the Impact of the Coronavirus Outbreak on Aviation (Dec 2020)

Various options for States explored, including some for air cargo (§ 4.2.4)

- Supplementing existing air services agreements bilaterally or regionally/multilaterally
- Unilateral action by granting extra-bilateral rights to foreign carriers

More information: https://www.icao.int/sustainability/Documents/COVID-19_Economic_and_Financial_Measures/ICAO_Guidance_on_Economic_and_Financial_Measures.pdf



Unilateral Approach

- Unilateral action that a State can take without an external venue or underlying multilateral or bilateral agreement
- Order issued by Ministry of Transport on 21 June 2020 includes air cargo provisions in a suite of liberalizing policies
- Foreign air carriers granted 7th freedom traffic rights on an extra-bilateral basis for all-cargo services at specified airports



Multilateral Approach

- Outcome of NACC and SAM DGs' meetings on regional response to COVID-19 was to develop regional strategic frameworks for each region
- Regional strategic frameworks included the Latin-American Civil Aviation Commission (LACAC) working with ICAO and our common Member States to develop and bring into force a multilateral instrument establishing 7th freedom traffic rights between LACAC Member States
- MoU signed by 10 States on 14 December 2020 allows airlines from one LACAC Member State to provide all-cargo services between two other signatory States without restrictions on routes and capacity
- The agreement will remain in effect until 31 December 2021, and can be extended for a further year, at the discretion of LACAC States.



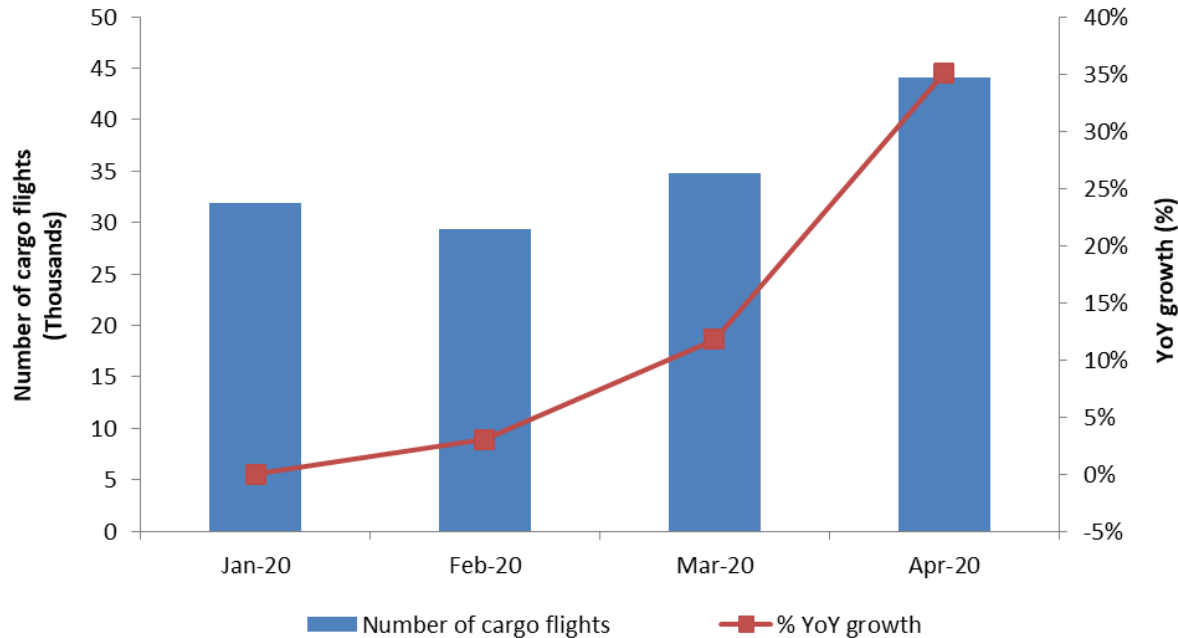
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Facilitating Transport of Vaccines and Global Economic Recovery in COVID-19 Times



In contrast to the fall in passenger traffic, cargo flights surged with the increased cargo-only operations using passenger aircraft





All-cargo 7th Freedom as an Enabler for Air Cargo and the Broader Supply Chain in COVID-19 Times

Provides:

- Critical connectivity for global vaccine transport
- Growth opportunities for e-commerce
- Supply chain resilience
- A sense of certainty to mitigate the uncertainty around the return of belly capacity for passenger operations



- **Users:** improved quality of service, better value for money and enhanced experience
- **Operators:** larger markets, improved predictability of rules, optimized fleet usage
- **Economic benefits:** businesses are better connected to domestic and/or international markets; GDP growth



Restrictions Beyond Traffic Rights to Address



Additional Flexibilities Needed for Air Cargo Flights

- Change of Gauge
- Removal of or exceptions to night curfews
- Availability of airport slots



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Other State Support to Air Cargo Operators



Principles for State Support of Air Cargo Operators

- **Maintain an adequate level of safe, secure and efficient operations**
- **Inclusive**
- **Targeted**
- **Proportionate**
- **Transparent**
- **Temporary, if necessary**
- **Consistent with ICAO's policies**



Through such mechanisms, States have helped:

- **support the efforts of businesses to re-establish key global supply chains disrupted by COVID-19 (including in the agricultural, seafood and healthcare sectors)**
- **secure items critical to the ongoing health response in Australia (such as medical supplies, medicines and personal protective equipment).**

Example: The Australian Government set up the International Freight Assistance Mechanism (IFAM)



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In Conclusion...



CART Rec 16 → Connectivity → Global Economic Recovery

- **Connectivity** brings concrete value – fundamental to air transport
- If conditions are met: **good end-user experience** will generate **more cargo** (particularly e-commerce), **economic recovery and hence stronger traffic growth**
- **Connectivity** is in line with **Chicago Convention** (Preamble & Article 44), as well as CART guidance:

civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically;

d) Meet the needs of the peoples of the world for safe, regular, efficient and economical air transport;



Under the leadership of ICAO, States can:

- **Engage stakeholders to understand current needs**, especially concerning connectivity to transport vaccines, PPE and other medical necessities required to address COVID-19, including:
 - Carriers
 - Public health authorities
 - Medical suppliers
- **Work with ICAO (HQ and RO) and regional organizations** to assess need determine which approach will best provide the connectivity that air cargo needs to transport vaccines and contribute to regional economic recovery



New from ICAO – *Priority Brief: Air Cargo*

Four considerations on the supply chain, its criticality for the emerging e-commerce driven marketplace, the needs for both regulatory evolution and digitalization

Five recommendations include those for digitalization and economic regulatory measures

Find it at:

https://www.icao.int/sustainability/Documents/ICAO-PRIORITY-BRIEF_Air-Cargo_2021.04.19.FINAL.pdf

We welcome your feedback



PRIORITY BRIEF





Some of the questions on CART Recommendation 16 we will examine today

- What challenges can expanded traffic rights resolve?
- What are the various means states have used to implement the solutions encouraged by CART Recommendation 16?
- How does Recommendation #16 and other new ICAO guidance benefit air cargo in the long term?
- What are potential next steps for the ICAO MID region vis-à-vis this recommendation?



“Our hope would be to see this regional development evolve into a more permanent and global agreement enabling more liberalized and sustainable 21st century air services...”

- Dr. Fang Liu, ICAO SG (statement on ICAO-LACAC MoU, 24/12/20)