

# **Move towards Gradual Liberalization of International Air Transport**

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# Move towards Gradual Liberalization of International Air Transport

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- Undergoing process of gradual international air transport liberalization in China;
- Impacts of progressive liberalization of international air transport;
- Challenges facing the fast development of China's air transport.

# I. Undergoing Process of Gradual International Air Transport Liberalization in China

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- Gradual economy reform calls for progressive international air transport liberalization in China
- Liberalizing international air transport in an active, gradual, orderly and safeguarded manner

# I. Undergoing Process of Gradual International Air Transport Liberalization in China

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- Expanded air traffic rights arrangements
- Explored regional air services agreements
- Established bilateral cooperation and consultation mechanism or forum
- Liberalized the third, fourth and fifth freedom traffic rights in Hainan Province

## II. Impacts of Progressive Liberalization of International Air Transport

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- Statistics of China's Civil Aviation Industry in 2005
  - ✓ *total air traffic volume: 26.13 billion t/k*
  - ✓ *fleet: 863 airplanes*
  - ✓ *civil transport airports: 142*
  - ✓ *international air routes: 233*

## II. Impacts of Progressive Liberalization of International Air Transport

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- Increased awareness and capabilities of competition of Chinese carriers;
- Promoted development of national and local economy;
- Provided more business opportunities for foreign carriers;
- Strengthened bilateral and multilateral relations with other countries and regions;
- Made its due contributions to the liberalization process of international air transport.

# China-Korea Air Transport Market in 2005

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- passenger traffic scored 6.35 million person times
- cargo traffic exceeded 300 thousand tons
- 30 Chinese cities and 6 Korean cities with air links

# China-Korea Economic Ties

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- The annual growth rate of bilateral trade volume has been up to 26.5%
- China is Korea's largest trade partner, export market and investment destination.
- Korea is China's third largest trade partner.



### III. Challenges Facing the fast Development of China's Air Transport

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- High Pressure on Aviation Safety
- Regulation Changes
- Inadequate Infrastructure
- Human Resources Shortage
- Incomplete Competition
- Unbalanced Development in Different Regions
- Imperfect CIQ Procedures

### III. Challenges facing the Fast Development of China's Air Transport

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- High Pressure on Aviation Safety  
*Solution: Improve the Awareness*
- Regulation Changes  
*Solution: Deepening Reforms*
- Inadequate Infrastructure  
*Solution: Speeding Up Construction*

### III. Challenges facing the fast development of China's Air Transport

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- Human Resources Shortage

*Solution: Strengthening Education & Training*

- Incomplete Competition

*Solution: Facilitate Market Access*

- Unbalanced Development in Different Regions

*Solution: Policy Support & Adjustment*

### III. Challenges facing the fast development of China's Air Transport

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- Imperfect CIQ Procedures

*Solution: Promote Facilitation and IT Innovation*

# Conclusion

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- *Continue to promote air transport liberalization under the principle of “active, gradual, orderly and safeguarded”*



**Thanks!**