



WORKING PAPER

ASSEMBLY — 38TH SESSION

ECONOMIC COMMISSION

Agenda Item 40: Economic Development of Air Transport – Policy

**INDONESIA’S PERSPECTIVES ON THE OUTCOME OF
ICAO’S SIXTH WORLDWIDE AIR TRANSPORT CONFERENCE**

(Presented by Indonesia)

EXECUTIVE SUMMARY

This paper presents the views of Indonesia on the outcome of the Sixth Worldwide Air Transport Conference (ATConf/6) and also on the proposed plan of follow-up action and future work.

Action: The Assembly is invited to:

- a) Reaffirm support for the ATConf/6 recommendation regarding a long term vision of international air transport liberalization;
- b) request the Council to develop any specific international agreement or arrangement to facilitate further liberalization of air cargo services and air carrier ownership and control;
- c) request the Council to establish core principles on consumer protection;
- d) request the Council to support the ATConf/6 recommendation to establish a compendium of competition laws and policies that apply to air transport;
- e) to request the Secretary General to conduct quantitative and qualitative studies of air transport developments addressing issues of major concern, as Priority A or B; and
- f) endorse the proposed ICAO plan of follow-up action, taking into account paragraphs a) to e) above.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objectives C — <i>Environmental Protection and Sustainable Development of Air Transport.</i>
<i>Financial implications:</i>	Subject to the resources available in the 2014 - 2016 Regular Programme Budget
<i>References:</i>	A38-WP/55, <i>Consolidated statement of continuing ICAO policies in the air transport field</i> A38-WP/56, <i>Outcome of the Sixth Worldwide Air Transport Conference (ATConf/6)</i>

1. INTRODUCTION

1.1 The Sixth Worldwide Air Transport Conference (ATConf/6), held from 18 to 22 March 2013 at ICAO Headquarters in Montréal, made recommendations on key aspects of air transport, such as economic regulation of air transport in areas of market access, consumer protection, taxation, economics of airports, air navigation services, aviation charges and funding of aviation infrastructure and operations, as well as facilitation. Indonesia is of the view that the ATConf/6 recommendations have successfully recognized the need to strike a balance between developing and developed countries.

1.2 Indonesia, as a developing country, has raised some concerns during ATConf/6 through its working paper on market access, airlines ownership and effective control, as well as on consumer protection. Many countries of the same level of development were in line with the view to proceed with liberalization gradually, depending on the pace of development of each country.

2. DISCUSSION

2.1 Recognizing the outcome of ATConf/6, Indonesia fully supports the recommendations made by the Conference taking into account the views and level of air transport development of each country. Any liberalization process and agreement has to be voluntarily decided by each State.

2.2 With high volume traffic, the Asia/Pacific region will play an important role in supporting the ATConf/6 recommendations. Several fora in the Asia/Pacific region, such as the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) and the Association of South-East Asian Nations (ASEAN) have been on their way forward in pursuing liberalization of market access. Even in ASEAN, a long-term vision for air transport liberalization has been formulated 10 years ago as the ASEAN Single Aviation Market, which is still as an open document for the next 10 or even 20 years ahead. Any agreements or arrangements that will be established by ICAO, as stated earlier, either in cargo services or ownership, should be on a voluntary basis, for implementation for countries who are ready first.

2.3 Indonesia very much appreciates ICAO's work in drafting follow up action for 2013-2016 and notes that priority A, B and C approaches will be an effective way in optimizing any resources in the Organization. However, as a developing country that needs more flexibility and more consideration in proceeding with liberalization as well as the respective ATConf/6 recommendation, we expect that any quantitative and qualitative studies of air transport development addressing issues of major concern, particularly on the elements of air transport liberalization, should be carried out in parallel with any efforts in Priority A. This applies notably to a needed study on the impact of the changing ownership and control criterion on the cabotage principle in terms of economic, social, political and national security perspectives, as has been proposed by Indonesia at ATConf/6-WP/84.

2.4 For other measures in the proposed plan, Indonesia can go along, particularly on the ICAO initiative to develop core principles regarding consumer protection, which is very much appreciated; such principles would serve as guidelines rather than as regulation for a country to be bound. Indonesia also encourages the maximum utilization of the ICAO Air Services Negotiation Conference (ICAN) facility by States, and wishes to offer a seminar on related issues.

3. **CONCLUSION**

3.1 The Assembly is invited to :

- a) reaffirm support for the ATConf/6 recommendation regarding a long term vision of international air transport liberalization, and invites the Council's attention particularly on the need to take into account the different views on liberalization and different levels of air transport development of each country. Liberalization of market access should consider the continuing participation of State to take part in the global air transport development;
- b) request the Council, in developing any specific international agreement or arrangement to facilitate further liberalization of air cargo services and air carrier ownership and control, to consider its implementation on a voluntary and gradual basis;
- c) request the Council to establish core principles on consumer protection;
- d) request the Council to support the ATConf/6 recommendation to establish a compendium of competition laws and policies that apply to air transport;
- e) request the Secretary General to conduct quantitative and qualitative studies of air transport developments addressing issues of major concern, as Priority A or B; and
- f) endorse the proposed ICAO plan of follow-up action, taking into account paragraphs a) to e) above.

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