

Opening Statement
Pre-Conference Symposium to the
6th ICAO Air Transport Conference

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- Secretaries General, Ladies and Gentlemen, thank you for the opportunity to address the Symposium which I am sure will see useful contributions in view of the 6th Air Transport Conference starting tomorrow.
- The Conference and this event today are not only relevant but also timely to discuss global governance of international air transport. The previous Air Transport Conference 10 years ago, in 2003 concluded on several undoubtedly forward-looking recommendations focusing on the liberalisation of international air transport. Most importantly, it called for further liberalisation at the global, regional and bilateral levels.
- If we wish to discuss how to move on it is useful to recall what has taken place since 2003. Allow me to share with you the European experience

which I believe may be of interest to other regions.

- In Europe, we continue to focus on improving our internal policies and regulations, while having constructive discussions with all our partners. We appreciate that over a thousand bilateral air service agreements have been amended with our partners to allow for the recognition of the "EU air carrier" concept; we have negotiated agreements with several of our neighbours to the East and to the South to create a pan-European Common Aviation Area; we have put in place comprehensive air transport agreements with the US and Canada, and we hope to finalise soon an agreement with Brazil.
- These comprehensive agreements with our neighbours and other key partners not only provide for gradual but far-reaching liberalisation but also establish a strong basis for regulatory cooperation in all areas of aviation: safety, security, air traffic management, environmental protection and consumer rights, and, importantly, covering core issues of economic regulation such as air carrier ownership and control and fair competition.
- Our experience shows that liberalisation and regulatory harmonisation are possible, beneficial and reinforcing each other both at the regional level and between like-minded partners. This way markets can be gradually integrated from the market access as well as from the regulatory

points of view, benefiting all stakeholders: operators and passengers, but also regulators.

- Regional integration such as in Europe should go hand in hand with the global approach as this has been usefully discussed at the ICAO Symposium on regional organisations held in April 2008, and demonstrated by the dialogue between ICAO and regional organisations and the support provided by ICAO.
- Turning to the global level, it seems we have a lot to do together.
- We agree with the conclusions of the International Air Transport Symposium that took place last April in that the global air transport market is subject to fragmentation in many aspects. These include the still existing restrictions on air carrier ownership and control which deprive the industry of access to global capital and markets, and hamper consolidation. Differing national regulations with respect to the economic regulation of air transport also contribute to fragmentation.
- Europe will suggest focusing on **four core areas of economic regulation** where global agreement, action and guidance through ICAO would bring real benefits and long-term sustainability: these are the liberalisation of market access, air carrier ownership and control, fair competition and consumer rights.

- As regards **market access**, we suggest that ICAO should actively promote a paradigm shift from restrictions towards freedom, and, through an incremental approach, should develop instruments including ultimately a multilateral agreement on the liberalisation of traffic rights;
- We also believe that markets should not only be open but also fair. Therefore, we are proposing that ICAO should lay down a set of basic principles for fair competition. This would help, in our view, to make further progress with liberalisation and market integration on a sustainable basis to provide economic and societal benefits;
- Regarding **air carrier ownership and control**, we firmly believe that the restrictions in bilateral agreements and in national laws are harmful for the industry and should be abolished. The Conference should discuss why States are still hesitating to open up ownership and control. If we can agree that we should change the current situation, then a multilateral agreement to be developed by ICAO, which could contain safeguards where necessary, could be the way forward;
- Finally, an area which is receiving more and more attention is **consumer rights**. States have followed different approaches to this matter, and convergence would be useful for passengers and air carriers as well. We would therefore support

that ICAO develops a set of basic, minimum principles for consumer rights in air transport.

- To carry out such reforms is challenging. However, we have a global organisation which is perfectly positioned to address global economic governance and regulation of air transport. ICAO has already demonstrated excellent work which should be continued and even expanded in the area of economic regulation.
- Indeed, as the Council of EU Transport Ministers agreed in their conclusions from last December, ICAO is invited to play a leading role in modernising the economic regulatory framework governing the global aviation market.
- As before, Europe will be ready to provide assistance to this challenging work by ICAO and also to our partners when they need it.
- Thank you for your attention. I wish all of you a successful Symposium and a successful Conference, which I hope will bring tangible results.