

ICAO Air Transport Symposium

7 – 8 May 2014

Closing remarks

(Presented by Narjess Abdennebi)

1. Ladies and gentlemen,
Dear colleagues of the Air Transport Research Society,
Dear panelists,
2. During the past two days we have worked hard to set the course for the development of air transport and I hope that the collective wisdom that emanated from these lively discussions will constitute valuable material for the air transport community.
3. This objective - to set the course for air transport's development - was ambitious. Nevertheless, many areas have been covered under the established programme, despite the fact that our time together was short and the issues were complex.
4. It is interesting to note that this Second IATS has taken place during the same year in which the Chicago Convention and the International Civil Aviation Organization will celebrate their **70th anniversary**, on 7 December 2014.
5. The Chicago Convention is the institutional framework which governs international air transport and by which key decisions

are reached by consensus. It has been said that consensus is the *art of making everyone equally unhappy*, indeed, the Chicago Convention has demonstrated its ability to foster cooperation on many critical air transport issues.

6. The governance of the international air transport system is based both on national sovereignty and on cooperation. Such cooperation, put in place by Chicago's general framework, results in the adoption of standards, recommended practices and policy guidance, all of which are expected to respond to the evolving needs of the air transport system. We at ICAO are proud to be the facilitators of this cooperation.
7. However there are and will always remain room for improvement and this needs the involvement of the entire air transport value chain.
8. Yesterday and today, we were fortunate to have had a wide representation of the air transport sector: representatives from States, aircraft operators, airports, air navigation service providers, aircraft manufacturers, international organizations and expert analysts. The participation of leading academic thinkers from some of the most renowned academic institutions in air transport also provided us with their views and suggestions - and that is one of the main benefits of ICAO's partnership with ATRS. It is what we call the air transport value chain.

9. We were reminded that in terms of traffic growth and catalytic effects of air transport on trade, tourism and economy, figures indicate that the state of the civil aviation industry remains positive.
10. Despite these promising prospects, the industry still faces anomalies resulting in a very low return on investment, which does not allow airlines to recover the cost of capital; this is a threat for the sustainable development of air transport.
11. Let me give you a brief overview of what has been identified by our speakers as barriers for future growth:
 - A fragmented system of air transport regulations is a major impediment. This fragmentation appears in several areas.
 - The existence of different consumer protection regimes is also an impediment.
 - Different approaches in terms of competition rules and practices is another.
 - Excessive taxation or confusion between the definitions relating to “a charge” and “a tax”, as well as infrastructure constraints and the modernization of the air traffic management are other areas of concern.
 - The call for modernization in what is referred to as “aero political relations” is also an important element. The need to alleviate restrictions on air carrier ownership and control has been expressed several times.

- Finally, the need for increased multilateralism in international air transport for both passenger and cargo services.

12. Now, what is next and how do we actually carry out the necessary adaptation of our regulatory framework to meet future needs?

13. As you all know, the Sixth Worldwide Air Transport Conference (ATConf/6), held in this room last year, produced several essential recommendations adopted by ICAO Member States.

14. First, on the **liberalization of market access**, the Conference recommended that “ICAO should develop and adopt a long-term vision for international air transport liberalization, including examination of an **international agreement** by which States could liberalize market access.”

15. Second, on **air cargo**, it was recommended that ICAO develop a specific **international agreement** to facilitate further liberalization of air cargo services.

16. Third, on **air carrier ownership and control**, it was recommended that ICAO should initiate work on the development of an **international agreement** to liberalize air carrier ownership and control

17. Fourth, on **consumer protection**, the Conference called upon ICAO to develop a set of high-level non-prescriptive core principles on consumer protection. We will take on board the very positive feedback provided on the approach taken by ICAO on this issue of consumer protection, including the fundamental distinction between normal disruptions and massive disruptions.
18. Fifth, on fair **competition**, the Conference agreed that ICAO should develop tools such as an exchange forum to enhance cooperation, dialogue and exchange of information between Member States to promote more compatible regulatory approaches toward international air transport.
19. Sixth, on **taxation and users charges**, it was agreed that ICAO should continue to take the necessary measures to enhance States' awareness of its policies on taxation and promote application more vigorously.
20. Acting has been initiated on all of these recommendations and the Air Transport Regulation Panel (ATRP), will provide guidance on how to implement these recommendations. The next meeting of this Panel takes place in less than 3 weeks and we are expecting constructive discussions as well as the establishment of a work programme with clear timelines.
21. Regarding the financing and funding of the modernization of the air transport system, and as recommended by ATConf/6 a multi-disciplinary working group has been established in order to provide business cases and best practices regarding the

effective implementation of the aviation system block upgrade (**ASBUs**).

22. I take this opportunity to remind you that ICAO has developed extensive comprehensive policies and guidance on the funding of infrastructure.

23. On another side, ICAO is also working towards the development of an indicator related to air transport connectivity, a concept which encompasses several components including market access, facilitation and network structures.

24. Finally, the Conference recommended that ICAO should, in cooperation with States, continue to consider additional ways and means by which to **enhance the status of its policies** for the sustainable economic development of the air transport system, and should assess the value of a possible new **Annex** to the Chicago Convention on sustainable economic development of air transport. This is one of the task that will be considered by ATRP.

25. Continually improving and harmonizing the air transport regulatory system, in the interest of all stakeholders, is the main ICAO objective. There is no doubt that this is a complex process, involving different views and approaches and one which will require time and energy.

26. A common feature in all the interesting discussions that took place is that you all wish to see ICAO play a stronger

leadership role in fostering the promotion of sound regulatory and business practices to ensure the sustainable development of civil aviation in the interest of all stakeholders.

27. I wish to express my heartfelt thanks to the Air Transport Research Society for partnering once again with ICAO to ensure the success of this event, to the panelists who have kindly accepted to join us in this Symposium, and to our talented moderators.

28. I also wish to extend my thanks to all participants for responding positively to the invitation to participate in this event and for accepting the challenges associated with considering the subject matter at hand.

29. I look forward to seeing you at our third ICAO Air Transport Symposium next year

30. Thank you very much.

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