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Ref.: NT- L-LC4/1 NP1 — **E.OSG-NACC110722- SA012-2024**

6 February 2024

To: States, Territories and International Organizations

Subject: **Invitation to ICAO/LACAC NAM/CAR/SAM Capacity Building Workshop on Economic Regulation and Oversight (Panama City, Panama, 21 to 23 May 2024)**

Action

Required: Register participants **by 10 May 2024**

Dear Sir/Madam:

We are pleased to invite your Administration to attend this important Capacity Building Workshop on Economic Regulation and Oversight to be carried out from 21 to 23 May 2024, in-person, in Panama City, Panama. The Concept Note of the workshop is included in the attachment, and the detailed programme as well as the logistics information will be provided shortly.

Promoting a strong and sustainable aviation industry is essential for the socio-economic development, facilitating tourism and trade, generating employment and business opportunities, and improving choice for consumers. To realize and maximize the benefits of aviation, the adoption of robust regulatory framework and effective economic oversight by States is crucial to encourage the liberalization of the air transport market, provide regulatory predictability, and balance taxes and charges to ensure that they do not impede the development of the sector.

In this sense, the main objective of this workshop is to improve awareness of the socio-economic benefits in promoting appropriate economic policies and regulatory predictability in favor of a robust and liberalized air transport market, increase knowledge of ICAO's policies on taxes and charges for airports and air navigation services and further enhance their implementation. The sharing of relevant experiences and best practices by States and industry will enrich the discussions and outcomes of the workshop.

The profile of the participants is of utmost relevance, so the participation of specialists in charge of air transport regulation and oversight, as well as taxes and charges in civil aviation authorities, airports, and Air Navigation Service Providers (ANSPs) is highly recommended.

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In this regard, we are pleased to invite your Administration to designate the specialists who will participate in this event, and complete their registration, using the form found in the following link: <https://forms.office.com/r/Gp73ctivne>. The deadline of the registration is **10 May 2024**.

Please note that the event will be held in Spanish and English, with simultaneous interpretation services for both languages.

In **Attachment A** you can find the *Concept Note* related to the Workshop.

Should you require any additional information about the event, please contact Mr. Diego José Pereira da Silva, Air Transport Expert (Economy Policy) ([ddasilva@icao.int](mailto:ddasilva@icao.int)) and/or Ms. Dora Dueñas, Programme Assistant ([dduenas@icao.int](mailto:dduenas@icao.int)) of the ICAO South American Regional Office (SAM), and/or Mr. Fernando Camargo, RO/TA of the ICAO North America, Central America and the Caribbean (NACC) Regional Office ([NACC/TA@icao.int](mailto:NACC/TA@icao.int)).

Accept, Sir/Madam, the assurance of our highest consideration.



Fabio Faizi Rahnemay  
Rabbani  
Regional Director  
ICAO South America  
Office (SAM)  
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Christopher Barks  
Regional Director  
ICAO North and Central  
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Office (NACC)  
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Jaime Binder  
Secretary  
Latin America Civil Aviation  
Commission (LACAC)  
Lima

**Enclosure:** *As indicated*

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## ***Capacity Building on Economic Regulation and Oversight Workshop***

(Panama City, Panama, 21 – 23 May 2024)

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### **Attachment A**

#### **CONCEPT NOTE**

Aviation connects people and business across the globe, and it is a major contributor to economic growth and development worldwide. A sound, economically viable and sustainable aviation industry is essential for socio-economic development, facilitating tourism and trade, creating jobs and business opportunities and further enhancing consumer benefits and choices.

Despite being a critical component of the global society, the growth of aviation still faces many challenges such as economic uncertainties, regulatory fragmentation, insufficient financing for infrastructure development and lack of effective economic regulation and oversight. These challenges present a substantial threat to the sustainable development of air transport, which could lead to higher costs of operation, hindering of air connectivity improvement as well as restricting traffic growth.

Additionally, high taxes and charges affect the ability of aviation to meet demand as well as impede economic growth. Concerns have been raised on excessive taxation imposed on aviation, the proliferation of interchangeability of taxes in the form of charges. ICAO has therefore developed relevant policies and guidance on taxes and charges on aviation and has been continuously updating them over the years.

Nevertheless, in some States, national regulation on charges and taxes are not compliant with ICAO's Policies, while in some others, the ICAO key charging principles of non-discrimination, cost relatedness, transparency and consultation with users have not been implemented effectively and in a comprehensive manner, thus posing a serious challenge to the growth and economically viable and sustainable development of air transport.

To realize and maximize the benefits of aviation, there is a need for a robust regulatory framework and effective economic oversight to ensure that taxes and charges do not impede the development of air transport and the revenues raised do not outweigh the economic benefits that could be generated from increased demand.

Furthermore, in the current context of a globalized world and commercial openness, a State deprived of policy measures that stimulate appropriate air connectivity finds its opportunities for social and economic development limited. Therefore, it is crucial to keep in mind that economic policies and regulation by State authorities, in favor of the liberalization of the air transport market, as well as ensuring regulatory predictability to the sector, are the key factors to promote the sustainable economic development of the aviation system. Such actions can lead States to a sustainable and robust overall economic growth to maximize the benefits of international air transport to their citizens.

Moreover, the COVID-19 pandemic has had devastating impacts on global aviation, and emerging from the crisis with resilience requires removal of regulatory constraints and enhanced States' capability in promoting and strengthening the financial stability and viability of the sector.

The main objectives of this workshop are to:

- Highlight the implication of exorbitant taxes and charges on international air transport and the need to comply with ICAO's policies and guidelines;
- Enhance knowledge and expertise on economic oversight of airports and Air Navigation Services Providers (ANSPs);
- Build better understanding of ICAO's policies on taxation and charges for airports and air navigation services;
- Encourage the implementation of ICAO's policies on economic regulations on charges for airport and air navigation services, including consultation with users;
- Enhance knowledge of the benefits in promoting adequate economic policies and regulatory predictability in favor of a robust and liberalized air transport market; and
- Promote sharing of experiences and best practices amongst States and industry.

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