

**61ST CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGION**

*Kuala Lumpur, Malaysia
7 – 11 September 2026*

**AGENDA ITEM 6: ECONOMIC DEVELOPMENT OF
AIR TRANSPORT**

**UPDATES ON ECONOMIC DEVELOPMENT OF AIR
TRANSPORT AND THE CONVENING OF THE SEVENTH
WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF/7)**

(Presented by the ICAO Secretariat)

SUMMARY

This paper provides an update on global air transport economic performance and traffic forecasts. It also outlines recent developments in ICAO's work on air transport economic policy and regulation, infrastructure management as well as aviation data and analysis.

In addition, the paper informs the Conference of the convening of the Seventh Worldwide Air Transport Conference (ATCONF/7), to be held from 16 to 20 November 2026 at ICAO Headquarters in Montréal, Canada.

The conference is invited to:

- (i) note the information provided in this paper; and
- (ii) adopt the recommendations made in paragraph 5 of this paper.

UPDATES ON ECONOMIC DEVELOPMENT OF AIR TRANSPORT AND THE CONVENING OF THE SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF/7)

1. INTRODUCTION

1.1 International air transport is a key pillar of the global economy, enabling cross-border connectivity and the movement of goods, services, and people. It supports trade, tourism, and related industries, including logistics and hospitality. Its role is particularly critical in the Asia and Pacific region, where geography and varying development levels make aviation essential for regional integration. The sector operates within a complex environment shaped by market access, competition, infrastructure, costs, and regulation. Meanwhile, digitalization, data analytics, and new mobility concepts are transforming market dynamics, business models, and operational efficiency.

1.2 Since the 60th Conference of Directors General of Civil Aviation of the Asia and Pacific Region held in Sendai, Japan in August 2025, the sector has continued to evolve amid shifting industry dynamics. The 42nd session of the ICAO Assembly (A42) held in October 2025 addressed these developments and provided strategic direction on the economic regulatory framework for air transport. In this context, ICAO has advanced key priorities, including regulatory frameworks and infrastructure management. This paper summarizes recent developments and highlights progress in ICAO's work programme on air transport economic developments.

2. AVIATION DATA AND ANALYSIS

2.1 ICAO continues to strengthen its role as the global source of aviation data, forecasts and analytical intelligence, supporting Member States in developing evidence-based policies and planning for the sustainable growth of international air transport. Through its Aviation Data and Analysis Programme, the Organization combines official aviation statistics with big data, advanced analytics and artificial intelligence (AI) to deliver timely, reliable and policy-relevant information.

2.2 A key achievement has been the development of an integrated analytical environment that combines official ICAO statistics with high-frequency operational and market data, including ADS-B and Market Intelligence Data Transfer (MIDT) data. This has enhanced ICAO's ability to produce more timely estimates, strengthen forecasting, monitor aviation developments and provide rapid assessments of events affecting global air transport.

2.3 ICAO has also expanded its portfolio of interactive analytical products hosted on the Tableau platform, providing Member States with user-friendly access to aviation intelligence at the global, regional and State levels. These products include traffic and connectivity dashboards, active fleet and aviation personnel statistics, operational and economic indicators, and other tools that support monitoring, benchmarking and strategic planning.

2.4 The Organization continues to enhance its analytical capabilities through the application of AI and machine learning. The ICAO Monthly Monitor combines official statistics with big data to provide timely estimates of key traffic indicators, while ICAO's recently updated Long-Term Traffic Forecasts (2024–2054) offer harmonized passenger and cargo demand projections to support infrastructure planning, environmental assessments and long-term policy development. In parallel, ICAO is advancing the Global Aviation Competitiveness Index, which will provide States with a comprehensive framework to assess and strengthen the competitiveness of their aviation sectors.

2.5 ICAO encourages all Member States to make full use of these analytical products and services, including the Long-Term Traffic Forecasts, ICAO Monthly Monitor, traffic and connectivity dashboards, aviation personnel statistics and other data products ([Login | Tableau Cloud](#)). By leveraging these resources, States can strengthen policy formulation, improve planning, monitor industry developments and support the resilience, sustainability and competitiveness of their aviation sectors.

3. AIR TRANSPORT LIBERALIZATION AND REGULATION

3.1 **ICAO's Long-term Vision for International Air Transport Liberalization.** At A42, Member States were continually urged to give regard to, and apply, the *ICAO Long-term Vision for International Air Transport Liberalization* in their policy-making and regulatory practices. In line with this mandate, ICAO has continued to facilitate dialogue and the exchange of information among Member States and industry stakeholders on the liberalization of market access for passenger and air cargo services, including through established fora such as the annual ICAO Air Services Negotiation Event (ICAN). The 18th ICAN Event is scheduled to take place from 7 to 11 December 2026 in Malabo, Equatorial Guinea.

3.2 **ICAO Template Air Services Agreement (TASA).** Recognizing that progressive liberalization of international air transport can enhance connectivity, economic growth and regional integration, ICAO continues to support market access liberalization through technical assistance, capacity-building and cooperative initiatives, while promoting regional liberalization efforts. Further work is also being undertaken to address barriers to market access, including issues related to air carrier ownership and control, taking into account the diversity of national approaches and sensitivities. In this context, Member States are encouraged to make use of the model clauses contained in the ICAO Template Air Services Agreement (TASA), which is being reviewed as a living, neutral and non-binding instrument that provides flexible options to support bilateral and multilateral air services negotiations.

3.3 **Economic guidance on international operations of unmanned aircraft systems (UAS).** Under Resolution A42-26, the Council was tasked with monitoring developments in the UAS sector and strengthening the exchange of information among Member States on related economic regulatory matters. ICAO's focus in this area is on promoting the collection and dissemination of best practices, improving understanding of emerging economic issues linked to UAS operations, and supporting the development of appropriate policy approaches. This work is being carried forward by the Air Transport Regulation Panel (ATRP).

3.4 **Article 15 of the Convention on International Civil Aviation Organization (Chicago Convention).** A42 took note of the collaborative work undertaken by the ATRP, the Airport Economics Panel (AEP) and the Air Navigation Services Economic Panel (ANSEP) to develop guidance material, a draft State letter, and a process for Council review of issues related to user charges under Article 15 of the Chicago Convention, recognizing their value in supporting Member States' implementation. A42 agreed to refer the materials to the Legal Committee for expedited consideration, noting that the review is currently underway. It also endorsed granting Member States free access to the Aero Tariffs platform, including its benchmarking application (<https://aerotariffs.icao.int/>).

4. *Taxation in the Field of International Air Transport*

4.1 **UN Model Taxation.** Developments under both the *United Nations Model Double Taxation Convention* and the *United Nations Framework Convention on International Tax Cooperation* may have significant implications for the taxation of international air transport, particularly with respect to the allocation of taxing rights between States. At A42, Member States expressed concerns that approaches departing from the residence-based taxation principle could lead to double taxation, market distortions and adverse impacts on air services, trade and tourism. Consistent with Assembly Resolution A42-26, Member States are encouraged to apply ICAO's *Policies on Taxation in the Field of International Air Transport* (Doc 8632), particularly to avoid double or discriminatory taxation, while ICAO continues to monitor these developments and assess their implications for international air transport.

5. *Infrastructure management / Airports and Air Navigation Services Economics*

5.1 ICAO's infrastructure management programme contributes to the sound and economically-viable civil aviation system by promoting the efficient development and management of

aviation infrastructure. The programme focuses on the economics of airport and air navigation services, including developing policies and guidance on user charges, as well as financing for aviation infrastructure development. Among its efforts, progress has been made in the following areas.

5.2 Implementation of ICAO's Policies on Charges for Airports and Air Navigation Services. At A42, the importance of fully respecting the provisions outlined in Article 15 of the Chicago Convention and implementing *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) was emphasized. To assess the level of implementation of ICAO's policies and to identify challenges or difficulties encountered by States in their implementation, a survey on States' implementation of ICAO's policies on charges is being conducted through a State letter (EC2/89 – 26/51). The information collected through the survey will enable the Organization to gain a clearer understanding of the current status, thereby supporting the enhancement of ICAO's work in this area and the provision of appropriate assistance to States.

5.3 Sustainable funding for civil aviation authorities and oversight functions. At the Tenth Joint Meeting of the Airport Economics Panel and the Air Navigation Services Economics Panel (AEP-ANSEP/10), the meeting considered a draft survey questionnaire on funding mechanisms of civil aviation authorities (CAAs) and oversight functions, and agreed that a global survey should be disseminated to collect information on sustainable funding mechanisms for oversight functions with the objective of developing potential guidance on this matter.

5.4 Charging mechanisms for the provision of services to unmanned aircraft systems (UAS) and commercial space operations. AEP-ANSEP/10 agreed on the need to advance the activities of the working group established by the panel on cost-recovery strategies for new entrants including UAS, advanced air mobility (AAM) and commercial space operations. Draft guidance on potential charging mechanisms is currently being developed by the Working Group taking into account the economic characteristics of different types of operations, and will be submitted to the Eleventh Meeting of AEP-ANSEP scheduled for April 2027 for consideration.

5.5 In addition, pursuant to the recommendation of AEP-ANSEP/10, a survey is being developed to collect information regarding the economic oversight of transnational/supranational ownership of airports. Collaboration also continues with the Meteorological Panel on the cost recovery for the provision of the aeronautical meteorological services.

5.6 Raising awareness of ICAO's policies on charges. Continuous efforts have been made to raise awareness and enhance the implementation of ICAO's policies on charges, including the organization of regional workshops in coordination with ICAO regional offices and the regional stakeholders. During 10-12 August 2026, the ICAO NAM/CAR/SAM workshop on airport and air navigation services charges was conducted in collaboration with the ICAO NACC and SAM regional offices as well as the industry partners. One of the main objectives of the workshop was to support States in enhancing their knowledge of ICAO's policies on charges and economic oversight for airports and air navigation services and to further strengthen their implementation.

6. CONVENING OF THE SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF/7)

6.1 The Worldwide Air Transport Conference (ATConf) is ICAO's principal forum for policy dialogue on the economic regulation and development of international air transport. Since the Sixth Worldwide Air Transport Conference (ATConf/6) in 2013, the sector has undergone a significant transformation driven by digitalization, evolving market structures, new business models, and rising expectations on resilience, consumer protection and sustainability. The COVID-19 pandemic further exposed structural vulnerabilities, highlighting the need for more adaptive and forward-looking regulatory frameworks. In line with Assembly Resolution A42-26, ICAO will convene ATConf/7 in Montréal from 16 to 20 November 2026, to review and modernize policy guidance to support sustainable, inclusive and resilient growth (State letter SC7/1-26/39 refers).

6.2 **Theme and objectives.** Under the theme: “*Air Transport: Powering Global Connectivity, Economic Development and Resilience in a Dynamic World*”, ATConf/7 aims to develop practical, action-oriented policy guidance to: (i) adapt regulatory frameworks to evolving market and technological trends; (ii) strengthen industry resilience, including consumer protection; (iii) mobilize financing for aviation infrastructure; (iv) support innovation and emerging technologies; (v) enhance institutional and human capacity; and (vi) promote sustainable and inclusive growth.

6.3 **Agenda.** The Conference will focus on four key agenda items:

- (i) **Agenda Item 1: Overview of developments in the field of air transport**
This agenda item will review key developments since ATConf/6, including post-pandemic recovery, evolving market and regulatory dynamics and long-term challenges. It will explore strategic approaches to accelerating aviation transformation in line with ICAO’s Strategic Plan 2026–2050 and the *No Country Left Behind* strategic goal, while highlighting aviation’s contribution to economic development and connectivity to transport of passengers and cargo.
- (ii) **Agenda Item 2: Fostering aviation growth and air connectivity through investments in infrastructure, human capital and partnerships**
This agenda item will address the development of aviation infrastructure and related aviation systems, including their integration into national development plans through policy alignment and coordination. It will examine approaches to support investment in infrastructure modernization, including fostering a stable investment environment diversify funding resources through innovative and blended financing mechanisms.
- (iii) **Agenda Item 3: Strengthening regulatory and institutional frameworks**
This agenda item will focus on enhancing economic regulatory and institutional frameworks, including regulatory oversight, market access, fair competition, consumer protection and emergency preparedness, as well as charges and taxes on international air transport. Emphasis will be placed on capacity-building in developing States with special needs.
- (iv) **Agenda Item 4: Emerging technologies, new business models and other associated aspects**
This agenda item will examine the economic regulatory implications of emerging technologies and new business models, including digitalization, artificial intelligence, advanced air mobility, and discuss support and economic opportunities of access to aviation cleaner energies. It will also consider the role of data and digital ecosystems in supporting evidence-based policymaking and resilient air transport operations.

6.4 **Format of the Conference.** ATConf/7 will be conducted using a multi-format Conference structure designed to facilitate focused, inclusive and outcome-oriented deliberations, in accordance with ICAO requirements applicable to Category 2 meetings. The Conference will combine plenary sessions with expert panel discussions, as well as the consideration of working papers submitted by Member States and international organizations. It will be complemented by parallel side events, such as ICAO SkyTalks, to promote broader engagement, interactive exchanges and deeper exploration of emerging and cross-cutting issues.

6.5 **Working papers.** Working papers are expected to address policy-relevant issues under the Conference agenda and contribute to the development of practical, action-oriented recommendations. Member States and international organizations are therefore encouraged to streamline submissions, including through co-sponsorship and regional or groupings coordination, where appropriate, in order to enhance coherence and efficiency of deliberations. Templates and deadlines for submissions of working papers are provided in the following website: <https://www.icao.int/events/ATConf7/Documentation>.

6.6 The Conference will also consider a possible high-level Ministerial Declaration. A draft is posted on the website (<https://www.icao.int/events/ATConf7/ministerial-declaration>).

6.7 **Participation.** Participation in ATConf/7 will include ICAO Member States and approved international organizations, complemented by an expanded range of invited stakeholders to reflect the evolving scope of air transport policy. In addition to the traditional aviation community, participation will extend to relevant international and regional organizations, financial and development institutions, and representatives from infrastructure, innovation and emerging technology sectors, with a view to supporting comprehensive, inclusive and forward-looking policy discussions.

6.8 **ICAO/ACI Global Aviation Infrastructure Investor Forum.** A pre-conference event, the ICAO-ACI Global Aviation Infrastructure Investor Forum will take place on Sunday, 15 November 2026, at ICAO Headquarters in Montréal, Canada. The Forum, organized by ICAO and Airports Council International (ACI), will bring together senior representatives from governments, financial institutions, infrastructure investors, airport operators, air navigation service providers, airlines, development partners, and the wider aviation community to discuss the investment and financing required to support the sustainable development of global aviation infrastructure. The outcomes of the forum will inform the deliberations of ATConf/7 by providing practical investor perspectives to the conference. Details regarding the event programme, online registration and other general information are available and will be regularly updated through the ATConf/7 event website (<https://www.icao.int/events/ATConf7/pre-conference-icao-aci-global-infrastructure-investor-forum>). Refer also to State letter 26/62 dated 23 July 2026.

6.9 **Key considerations.** States are encouraged to participate actively in the preparatory process and Conference deliberations to ensure that regional perspectives and priorities are reflected in the resulting policy outcomes. Further information on the Conference is available on the Conference website: <https://www.icao.int/events/ATConf7>.

7. ACTION BY THE CONFERENCE

7.1 The Conference is invited to:

- a) take note of the economic development of air transport industry and ICAO's work in this area as presented in this paper; and
- b) encourage Member States to register to ATConf/7 ([Online Registration](#)) and the pre-conference event, participate actively in the preparatory process and ATConf/7, including by sharing regional priorities, challenges and experiences, and contributing to Conference deliberations and outcomes through coordination and the submission of working papers, as appropriate.

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