



WORKING PAPER

**SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE
(ATCONF/7)**

Montréal, HQ, 16 to 20 November 2026

Agenda Item 2: Fostering aviation growth and air connectivity through investments in infrastructure, human capital and partnerships
2.2: Investment for the development and modernization of civil aviation infrastructure

**ENSURING THE ECONOMIC BENEFITS OF AIR TRANSPORT
LIBERALIZATION THROUGH ADEQUATE AIRPORT CAPACITY,
INFRASTRUCTURE MODERNIZATION, AND TIMELY SUPPLY
CHAIN**

(Presented by Saudi Arabia)

EXECUTIVE SUMMARY

During the past decades, Member States and the International Civil Aviation Organization (ICAO) have continually sought liberalization and expanded connectivity on various scopes; bilateral, regional, and multilateral, as well as easing regulations all to guarantee liberalized market access and seek higher contributions to the wider economy. While the continued push for liberalization is necessary, yet it is not sufficient especially when striving for the realization of the forecasted trajectory of global air traffic to be more than doubled up until 2050. More market access, eased regulations, or increased traffic rights cannot deliver the expected growth and prosperity unless backed by adequate airport capacity, modernization of infrastructure including Air Traffic Management (ATM) systems, and timely supply chain, *inter alia* other factors. The trajectory of such traffic will test liberalization commitments along with the pace and scale of planning and capital, where unaddressed or under addressed infrastructure may lead to partial or uneven realization of such growth, undermining the objectives and aspirations the liberalization is desired to serve.

Action: The conference is invited to adopt the actions in Section 3.

<i>Strategic Goal:</i>	This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
<i>Financial implications:</i>	N/A
<i>References:</i>	Assembly Resolution A42-26 – <i>Consolidated statement of continuing ICAO policies in the air transport field</i> ICAO Strategic Plan 2026–2050 ACI's Global Outlook of Airport Capital Expenditure Report 2021 IATA's Annual Review Report 2026

1. INTRODUCTION

As the International Civil Aviation Organization (ICAO) continues its leadership role in advancing liberalization through its guidance material and continued encouragement of Member States to further expand traffic rights, designation, and ownership and control provisions through all possible means as in bilateral, regional, and multilateral levels. Member States, on the other hand, are advancing at the appropriate pace according to their national circumstances to accommodate such push for liberalization through all available tools and resources while maximizing its economic benefits.

2. DISCUSSION

2.1 This conference comes at the heart of it, a time long after the liberalization push started over two decades ago, right after highly impactful external shocks, and two decades before the culmination of the Strategic Plan in 2050. This triggers various questions on the effectiveness and resilience of the liberalization system and concept, whether or not it is sufficient to realize such aspirations, whether or not it matters realizing it in its majority in specific regions regardless of progress in other ones, whether or not safety and security compliance lies at the heart of it, and whether or not different emerging objectives are shifting all the organization resources and tools despite its high financial and economic implications on air transport.

2.2 It is compelling to translate liberalized traffic rights and eased economic regulations into actual flights, passengers, and cargo and not fail to keep pace with the projected growth over the coming period until 2050. This paper provides a perception of liberalization, airport capacity, infrastructure modernization, and supply chain not as sequential or separate policy tracks, but as interdependent pillars of the Economic Development of Air Transport Strategic Goal under ICAO's Strategic Plan 2050, unlocking and triggering economic and financial investments to establish and modernize infrastructure.

A Structural Challenge: Bottlenecks and Mismatching Creating Phantom Liberalization

2.3 As the global air traffic is projected to be more than doubled by 2050, and industry reports wearily estimate global capital investment of approximately USD 2.4 trillion is required to ensure airport infrastructure can accommodate this growth over the next two decades. This is a scale of financing that is not easily positioned to be mobilized at the pace that liberalized market access is pushed for. Not to mention registered backlogs surpassing 17,000 aircraft (12 years production capacity) leading the industry to widened gaps while perceiving pace of liberalization as by-product of lack of political will.

2.4 The challenge is not only an expected bottleneck or merely mismatch resulting in a delayed growth, but it also holds a great risk for market distortion through heightened congestions, service degradation, connectivity shifts towards better-equipped competitors, making liberalization more of phantom achievement reliant on key performance indicators rather than a genuine market uplift.

The Cost of Inaction

2.5 The cost associated with the challenge presented in bottlenecks and the growing mismatch is not abstract. Reports by the industry argue that every unaccommodated one million passengers lead to falling short on jobs and gross domestic product (GDP), approximately 10,500 jobs and 346M USD. This will not only be a financial implication though its accumulation is highly concerning, but rather further challenge and threaten ICAO Strategic Plan 2026–2050 and its Strategic Goal of Economic Development of Air Transport and the liberalization system as it stands.

Integrated Approach

2.6 The realities presented in this paper compels the discussion on the effectiveness of the liberalization system and whether or not it is sufficient to keep pushing States to liberalize without providing platforms for investors to finance infrastructure projects for airports and Air Traffic Management (ATM). ICAO sets a great example through its leadership role and efforts in developing a matchmaking platform to facilitate financing CO₂ reduction measures (Finvest Hub) in order to achieve its Long-Term Aspirational Goal (LTAG). It is highly important to establish a platform for financing infrastructure projects and modernization in efforts to realize ICAO Strategic Plan 2026–2050 and its Strategic Goal of Economic Development of Air Transport.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to:

- a) request the Secretariat to continue its efforts in assisting Member States elevate barriers to market access and economic regulation while recognizing the interdependency of liberalization, infrastructure, and supply chain for the delivery of ICAO's Strategic Plan 2050 through its Strategic Goal of Economic Development of Air Transport;
- b) request the Council with the support of its subsidiary bodies and interested stakeholders to leverage available data on infrastructure and supply chain needs and gaps when addressing liberalization, market access, growth, and capacity constraints to ensure delivery of ICAO Strategic Plan 2026–2050;
- c) request the Council to establish a platform for financing infrastructure projects and its modernization in efforts to advance ICAO Strategic Plan 2026–2050; and
- d) urge Member States to integrate infrastructure projects into their national aviation priorities and strategies.

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