



WORKING PAPER

ASSEMBLY — 40TH SESSION

ECONOMIC COMMISSION

Agenda Item 32: Economic Regulation of International Air Transport — Policy

THE STATE OF QATAR'S APPROACH TO AIR SERVICES LIBERALIZATION

(Presented by the State of Qatar)

EXECUTIVE SUMMARY

This working paper presents the State of Qatar's approach to air services liberalization.

Action: The Assembly is invited to:

- a) urge the Council and the Secretary General to continue the work to build a better understanding of the benefits of liberalization and removal of barriers to opening market access with a view to reaching consensus on an international agreement by which States could liberalize market access; and
- b) urge Member States to consider the ongoing liberalization initiatives at a regional level, such as the European Union (EU) Common Aviation Area, the Association of Southeast Asian Nations (ASEAN) Single Aviation Market and the African Union (AU) Single African Air Transport Market, and take note of the approaches adopted in those cases that have contributed to narrowing the differences and removing the barriers to continuous enhancement of market access.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective — <i>Economic Development of Air Transport</i> .
<i>Financial implications:</i>	This working paper has no financial implications.
<i>References:</i>	Doc 10075 - <i>Assembly Resolutions in Force</i> (as of 6 October 2016) Doc 10078 - <i>Report of the Economic Commission of the 39th Session of the Assembly</i> A40-WP/22-EC/7 – <i>Consolidated statement of continuing ICAO policies in the air transport field</i>

1. INTRODUCTION

1.1 The Convention on International Civil Aviation (Chicago Convention) recognizes that States have sovereignty over the air space above their territories and that no scheduled international air service may be operated over or into the territory of a State except with the agreement or authorization of that State.

1.2 Almost 75 years after the signing of the Chicago Convention, globalization has created a very different geopolitical, social, and economic landscape, which has resulted in the strong desire to liberalize commercial air services to reflect the demands of an emerging middle class, a new globalized environment, and growing inter-dependency among States.

1.3 Many attempts have been made to conclude multilateral agreements on liberalization, such as the Multilateral Agreement on the Liberalization of International Air Transportation, (Washington D.C., 1 May 2001). However, none of the attempts have been adequately able to overcome the objections of Member States. Despite ICAO's consistent attempts to encourage further liberalization of air transport services at the multilateral level, no consensus has been achieved to bring an international agreement on liberalization of air services into force. Nonetheless, Qatar would like to express its deep appreciation to the Air Transport Regulation Panel (ATRP) for its efforts in the last five years on the examination of an international agreement by which States could liberalize market access.

1.4 Qatar is of the opinion that the development and progress of international aviation requires an extension in granting the traffic rights collectively, including fifth freedom traffic rights, as it is an important right to facilitate trade and the continued growth of developing countries and strengthening friendship and cooperation among nations.

2. CURRENT CHALLENGES

2.1 Qatar participated in the most recent round of ATRP Working Group meetings with the goal of furthering the liberalization process by concluding a draft agreement on the liberalization of traffic rights.

2.2 During the ATRP, States were hesitant to adopt a multilateral approach to liberalization without a comprehensive "safeguard" clause addressing the concepts of "subsidy", "transparency", and "fair and equal opportunity to compete", while other States felt that a "safeguard" clause would only be necessary for fully liberalized traffic rights agreements.

2.3 There was no consensus among States on whether the main agreement should only grant liberalized third and fourth freedoms traffic rights, with fifth freedom traffic rights for passenger service and seventh freedom traffic rights for all-cargo service addressed in a separate protocol that States could adopt at a later time. Other States felt that the best way forward was to include all the options in one agreement and allow States the option to choose their level of liberalization.

2.4 These differences have led some States to focus on the areas where Member States disagree rather than on creating a framework to extend liberalization and enhance its benefits. While the State of Qatar believes that the bilateral application of the reciprocity principle and national regulations can address such pretexts, we acknowledge the concerns of Member States that any agreement on liberalization must be balanced and fair and take the concerns of Member States into consideration.

3. CONCLUSIONS

3.1 Almost seventy-five years after the Chicago Convention and its sister treaties, the International Air Transport Agreement and the International Air Services Transit Agreement, were signed, the State of Qatar is of the opinion that it is necessary to make progress towards the realization of a fully liberalized commercial air services regime.

3.2 Qatar recognizes the need to further increase the momentum and support for the future development of a multilateral agreement among Member States by building the case and understanding for liberalization and the benefits that flow from it to States and barriers to opening market access.

3.3 Qatar suggests that, to achieve positive results in this regard and to build on the positive steps that have already been made towards liberalization, a comprehensive review of the efforts of various States and regional blocs to liberalize air transport should be conducted, so that all States can participate in the benefits of liberalization, needed to develop the international air transport and enhance air connectivity.

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