



**Address by the President of the Council of the
International Civil Aviation Organization (ICAO),
Mr. Roberto Kobeh González,
to the Melbourne Branch of the
Royal Aeronautical Society**

(Melbourne, 16 October 2008)

It is an honour and a pleasure for me to present the Sir Lawrence Hargrave Lecture for the Australian Royal Aeronautical Society. I would like to thank the organizers of this event for their invitation to share with you a few thoughts about ICAO, its mandate, major activities in which it is involved and some of the key challenges confronting the global air transport system in these rapidly changing times.

As many of you know, ICAO is a specialized agency of the United Nations. It was created on 7 December 1944, in Chicago, with the signing of the *Convention on International Civil Aviation*, also known as the Chicago Convention. The 96 articles of the Convention establish the privileges and obligations of our 190 Contracting States, as well as the aims and objectives of ICAO, which can be summarized as follows - to ensure the safe and orderly growth of international civil aviation throughout the world.

Under the terms of the Chicago Convention and other regulatory documents, the Organization has consistently exercised leadership over the evolution of international civil aviation, in a concerted and comprehensive manner, essentially through cooperation and consensus. Consensus building is sometimes a long and arduous task, but it has proven to be effective in responding to the varied and often diverging interests of Member States and stakeholders of the aviation community.

The wording of the Convention itself promotes the practice of global cooperation and consensus building. Because it accepts the principle that every State has complete and exclusive sovereignty over the airspace above its territory, and because it provides that no scheduled international air service may operate over or into the territory of a Contracting State without its consent - dialogue is absolutely necessary.

In more concrete terms, the role of ICAO is to oversee the development of standards and recommended practices necessary for aviation safety, security, efficiency and regularity, as well as for aviation environmental protection. There are currently about 10,000 standards that deal with every technical and operational dimension of flight, from the retirement age of pilots, the length of a runway, what can and cannot be brought on board an aircraft, the amount of CO₂ emissions from engines, and countless other prescriptive elements that contribute to safe and efficient operations.

All of these standards are contained in 18 Annexes to the Convention, and they in turn are supported by a comprehensive set of guidance material and policies that offer States and the aviation community all of the information they need to put them into practice.

In fact, ICAO has been focusing more and more on assisting Member States with the implementation of standards, air navigation plans and global air transport policies to further enhance the efficiency of the international civil aviation system. Much of this is done through our network of seven Regional Offices around the world and in collaboration with all international aviation organizations and selected UN agencies. Australia is in the Asia/Pacific Region, under the Regional Office in Bangkok, although the very first office for this Region was officially opened right here in Melbourne 60 years ago this year.

After six decades of remarkable growth and expansion, air transport has become an essential component of our global society, a powerful driver for economic, social, cultural and political change worldwide. It employs some 29 million persons, directly and indirectly, and supports the world's biggest industry, travel and tourism, which in turn provides employment to hundreds of millions of people. Some 40 percent by value of manufactured goods are shipped by air to practically every location on the planet.

No less remarkable is the fact that air travel is as safe and secure as it has ever been. The past few years have been the safest in the history of air travel and substantial improvements in security measures following the events of September 2001 have thus far thwarted attempts to bring additional harm to aircraft, passengers and facilities. The series of recent accidents, however, remind us that we must always remain vigilant.

Aircraft operations are also more environmentally friendly. Planes rolling off the assembly lines are much more energy efficient than their predecessors of 30 or more years ago. And although noise from aircraft engines is still a concern at some airports, modern jets are also much quieter than their older models.

The linking of computer and satellite technologies has produced extraordinarily accurate air navigation systems that have not only increased the safety of operations, but have led to more direct and shorter air routes. This has meant less fuel burn, less greenhouse-gas-producing emissions, and better customer service.

In short, the global air transport system can be said to be the most complex yet safest and most efficient mode of mass transportation ever created. At the same time, it is extremely vulnerable to socio-economic factors, as has been demonstrated many times in the past.

For example, in 2007, the airline industry recorded its first profit since 2000 as a result of a 19 percent improvement in fuel efficiency and an 18 percent reduction in non-fuel costs. The downturn in the world economy and the uncertainty in oil prices, however, are pushing the industry back into the red.

The latest forecast from the International Air Transport Association, IATA, is for a US 4.1 billion dollar loss for the industry in 2009, down from the US 5.2 billion loss expected for this year. As IATA points out, forecasting has never been more difficult due to the wild swings in oil prices and economic factors. While the 2009 projections are based on oil at US 110 dollars a barrel, the global industry could break even with oil at US 95 dollars a barrel.

Traffic growth forecasts have accordingly been reduced in keeping with the impact of the cost of oil. This year's combined cargo and passenger traffic increase is now expected to be 2.8 percent, 1.1 points lower than the June forecast. The 2009 estimate is for 2.9 percent, down 1.6 percent. Last year, ICAO had forecast that air traffic worldwide would increase on average by some 4.6 percent annually over the next 15 years, much more in some parts of the world.

I should quickly emphasize that the industry has always demonstrated enormous resilience when faced with financial shock waves and there is every reason to be confident that it will once again pull through. Many airlines have taken steps to counter the rapid increase in oil prices, such as retiring older, less energy efficient aircraft, abandoning non-productive routes, reducing the workforce and contemplating mergers. In the medium to long term, other avenues can be explored.

And so, whatever the increase in traffic over the next few years, we can expect the industry to continue to grow and that is precisely what will become our greatest challenge – coping with growth. Growth will affect every aspect of air transport and we must prepare now to deal with the consequences of growth if we are to ensure the future integrity of passenger and cargo operations in the decades to come.

Safety

Obviously, safety must and will remain our top priority. ICAO will continue to focus on technical and operational improvements while moving ahead in a more holistic manner, taking into account economic, social and geopolitical realities. We are increasingly tackling safety issues in an integrated fashion, addressing problems at source and investing precious resources where they are most likely to produce concrete and lasting results. Australia has taken a strong role in the region with respect to assisting States to strengthen their safety oversight capabilities and to supporting regional safety oversight organizations such as the Pacific Aviation Safety Office (PASO).

Our overall strategy is contained in the ICAO Global Aviation Safety Plan – the GASP. The GASP is a global strategy for aviation safety and is designed to provide a common frame of reference for all stakeholders, both government and industry. The GASP reflects an extraordinarily high level of cooperation with all major stakeholders, by incorporating the Global Aviation Safety Roadmap developed by the air transport industry, in cooperation with ICAO. The GASP, in conjunction with the Safety Roadmap, guide national or regional safety teams on the implementation of best safety practices as well as a process to assess their current status at a national or regional level and identify gaps that need to be addressed. It is a performance-based approach which focuses energies and resources on activities that provide the highest return for increasing safety.

Security

Aviation security is another dimension of safety. Unlike safety, it is obviously more difficult to deal with. Persons can commit acts of unlawful interference anytime, anywhere, and for any reason. In managing security issues, governments have the difficult and unenviable task of balancing the need for maintaining and encouraging anti-terrorist vigilance while, at the same time, putting in place workable security measures that do not compromise the efficiency of the air transport sector. The delicate nature of this exercise is compounded by the fact that considerable economic damage can occur even when terrorist plans are foiled. The August 2006 alleged terrorist plot in the United Kingdom, potentially involving liquids used as explosives, dramatized the vulnerability of the global air transport system and the need to remain vigilant.

ICAO's Aviation Security Plan of Action adopted in February 2002 in the wake of the events of 9/11, provides a series of measures to strengthen aviation security and deal systematically with all of these concerns. This Plan includes a Universal Security Audit Programme (USAP) and is complemented by a series of programmes and activities designed to help States comply with ICAO security standards and procedures. The successful implementation of the Plan of Action is dependent on voluntary financial and in-kind contributions from Member States. Australia was a major contributor in this regard having made a generous financial contribution to the Plan of Action fund and arranging for the short-term secondments of three certified USAP auditors. ICAO counts on the continuing financial support of Australia to fulfil the objectives of the Plan of Action and welcomes the provision of short and long-term technical experts to complement its current aviation security expertise. The adoption of ICAO-standard Machine Readable Travel Documents, including ePassports enhanced with biometric identification, is an effective way of increasing the security of air travel. In the long term, we must diligently assess new and emerging threats, such as bacteriological and chemical weapons, man-portable air defence systems (MANPADS) and the misuse of civil aircraft themselves as weapons of destruction. Our objective is to continually monitor and upgrade existing security processes to ensure that they are commensurate with the level of threat identified, while expediting the clearance of passengers and cargo at airports.

Air navigation

Again, while it has become more difficult to forecast traffic growth over the next few years, we can certainly expect an increase in the number of aircraft flying the skies of the world. There will be a corresponding need for high performance air navigation systems to cope with the anticipated airspace congestion that will result. In some regions, congestion has already reached critical levels, affecting en-route, terminal and aerodrome operations.

ICAO is actively supporting States' implementation of initiatives described in the Global Air Navigation Plan that contribute to ensuring the safe, efficient and sustainable operation of the aviation system. Initiatives such as reduced vertical separation minimum (RVSM) and performance-based navigation (PBN) provide tremendous benefits in terms of reduction in fuel use and CO₂ emissions.

Our vision is for an interoperable and seamless global Air Traffic Management (ATM) system, that applies to all users, during all phases of flight, and that meets agreed levels of safety, provides for optimum economic operations, is environmentally sustainable and meets national security requirements.

In September, ICAO hosted the "Forum on integration and harmonization of NextGen and SESAR into the global ATM framework" in an effort to allow all stakeholders an opportunity to share knowledge about the future ATM systems. NextGen, the programme being developed by the United States, and SESAR, Europe's programme to meet its future aviation needs, along with initiatives underway in other States must evolve within the framework provided by ICAO's Global Air Traffic Management Operational Concept and Global Air Navigation Plan. Forum participants gained assurance that each of the programmes do just that.

Shortage of qualified personnel

There are other challenges related to growth that we need to pay close attention to, again, whatever the impact of the current situation. One is the projected coming on stream of some 17,000 new aircraft over the next decade or so. We had anticipated that this would require the training of some 210,000 pilots and 430,000 mechanics, in addition to air traffic controllers and managers for organizations that will hire them. The numbers may change due to the reduction in the workforce of some carriers and maintenance facilities, but we still need to plan ahead if we are to avoid a potentially disastrous shortfall of qualified personnel. All of the aviation stakeholders are working together and ICAO is fully committed to supporting the industry in finding long-term solutions beginning right now.

Capacity building

We will need to build new airports and expand or modernize existing ones to cope with the increasing volume of passenger and cargo traffic. The issue of airport capacity is the most urgent and important problem facing the industry in North East Asia in both the short- and long-terms. Fortunately, the improved financial situation experienced by a number of major airports in recent years has renewed the interest of investors prompting some airports to embark on large-scale development projects.

The environment

As we proceed, protecting the environment will perhaps be one of our biggest challenges. The fourth Report of the IPCC – the Intergovernmental Panel on Climate Change – confirms that climate change is real, much of it likely due to an increase in greenhouse gas concentration from human activity. Global aviation is estimated to account for about 2 percent of human produced CO₂, the major greenhouse gas.

Although aircraft today are about 70 percent more fuel efficient than they were 30 years ago and newer models like the Airbus 380 and Boeing 787 are even more efficient, projected increases in traffic will outpace our capacity to bring down greenhouse gas emissions from aviation. The solution lies in the development of a combination of technical, operational and market-based measures, under the leadership of ICAO.

The 36th Session of the ICAO Assembly last year created a special group to recommend to ICAO an aggressive programme of action on international aviation and climate change. The recommendations of the group, known as GIACC, are to be considered at a high-level meeting of the Organization in 2009, in time for consideration by the United Nations Framework Convention on Climate Change which will meet in December of next year to decide on a post-Kyoto agreement.

The position of the aviation community is that the responsibility for managing emissions from international aviation should remain with ICAO, as it is under the Kyoto Protocol. The same substantive arguments that led to consider international aviation separately are as valid today as they were in 1997. ICAO and the industry have been very active in promoting this point of view, which we feel is the optimum way of minimizing the impact of aviation on climate change.

Economic policies

And finally, to address the challenge of the growth of the industry, we must update and promote ICAO policies and guidelines to reflect a proper balance between a liberalized economic regulatory framework and proper safety, security, social and labour standards. This exercise takes place every few years and most recently at the Conference on the Economics of Airports and Air Navigation Services (CEANS) held from 15 to 20 September at ICAO Headquarters in Montréal.

I am very happy with the outcome. The Conference agreed to a number of recommendations that will enhance cooperation in the air transport industry, while increasing the efficiency and cost-effectiveness of airport operations and the provision of air navigation services.

At the same time, the recommendations call for States to enshrine the main principles of non-discrimination, cost-relatedness, transparency and consultation with users in their national legislation, regulations or policies as well as in all air services agreements between States.

They also include other highly significant items such as the protection of passenger interests, more flexibility for commercialized airports and air navigation service providers in setting charges, support for separation of States' regulatory responsibility from service provision, the application of good governance through best practices and the efficient and cost-effective implementation of the global air traffic management concept.

These recommendations will be submitted to the Council of ICAO for consideration and the expectation is for the updated set of air transport policies covered by the recommendations to come into effect this coming December.

In closing, ladies and gentlemen, I once again wish to thank the Society for the opportunity to review with you the challenges and plans of the global aviation community in the 21st century. I look forward to answering your questions in a few moments and I would like to leave you with this thought – what helped us create a strong and resilient global air transport system is what can help us meet the challenges we now face: strong political will and universal cooperation among all parties concerned. This applies equally to technical, human, economic, political, legal and environmental issues.

Thank you for your kind attention.