



**Opening address by the President of the Council of the
International Civil Aviation Organization (ICAO),
Mr. Roberto Kobeh González,
to the ICAO Air Transport Symposium (IATS)**

(Montréal – 18 April 2012)

It is truly a pleasure for me to be with you today for the opening of the ICAO Air Transport Symposium, and since the Symposium is organized for the first time in partnership with the Air Transport Research Society (ATRS), let me begin by thanking the Society for its extremely useful contribution to the event.

The overarching theme of this year's Symposium is the sustainable development of air transport. During the next few days, we will explore together the future we want to create and define what we must do to turn our vision into reality. This is quite an agenda!

So, what is our vision for air transport? The best way to start our reflection is probably to look at the state of international civil aviation today. What immediately comes to mind is that:

- global air transport is remarkably efficient, and 2011 was the safest year on record;
- since the events of 11 September 2001, we can better anticipate, detect, intercept and protect against terrorist attacks — and we can also respond more appropriately when attacks do occur; and
- as for protecting the environment, we have made modern aircraft at least 70 per cent more fuel efficient than their counterparts of 40 years ago and much quieter.

Many sectors of the global economy would be envious of such a track record. Yet, we feel we must do better because we estimate that by 2030, the number of passengers should reach 6 billion a year and the number of aircraft departures more than 50 million. This is roughly double the numbers of 2011.

It is obvious that such growth will progressively exert mounting pressure on all aviation systems, many of which are operating at maximum capacity.

So, the question becomes: How do we promote the sustainable development of air transport?

In many ways, I have always thought that the Preamble to the Chicago Convention shows us the spirit of sustainability by stating, and I quote “*International civil aviation may be developed in a safe and orderly manner and [...] international air transport services may be established on the basis of equality of opportunity and operated soundly and economically*”.

At ICAO, we are committed to driving change and to leading the aviation community in addressing the many challenges that stand between today and the future.

For all of us here, a world without aviation is unthinkable. Air transport has grown into an essential component of our global society. It is a driver of economic, social and cultural development the world over and we need to ensure that it can continue to develop in a sustainable way.

I sincerely believe that the ICAO Air Transport Symposium represents a unique opportunity for all of us to share our thoughts, explore different avenues and map the best way forward. We will discuss industry consolidation, competitiveness, market access, foreign ownership limitations, development of airline alliances, protection of consumer interests, constraints imposed by infrastructure capacity and the potential impact on fares, as well as many other issues which are critical to the development of air transport.

I am sure that you will be pleased to know that all of our hard work will feed into the process leading to ICAO's Sixth Worldwide Air Transport Conference, which will be held here in Montréal from 18 to 22 March 2013.

So, let's look at some of the issues we will discuss, starting with market access. If we are to continue to have access to the enormous benefits that air transport provides every single day, everywhere around the world, then we know that the financial health of the industry is critical.

Liberalizing the industry is one way to achieve this objective. The principle of improved competition has had a positive net effect on air transport efficiency and availability in every market where it has been applied, ultimately benefiting the travelling public.

To achieve this, many air services agreements involving a growing number of States will need to be signed, a process that is very time-consuming and expensive. To assist Member States in this process, ICAO organizes once a year the ICAO Air Services Negotiation Conference (ICAN) which offers a central meeting place for States to conduct negotiations or consultations. I am pleased to inform you that the Fifth ICAN will take place in Jeddah, Saudi Arabia, from 8 to 12 December 2012, and I hope that you will be able to join us.

In the meantime, doing business in a liberalized context means that we need to ensure that safeguards continue to play their role to take into account Member States' different levels of development with regard to their civil aviation and the competitive strength of their air carriers, particularly for developing countries.

As the operating environment becomes more market-driven, competition between airlines increases and can also be accompanied by increased concentration in some markets.

So, we need to ensure fair competition. One area of concern is the abuse of control by the dominant party. In some cases, the traditional treatment of competition under the bilateral system has become at odds with the current competition policy objective.

I also know that the complex issue of ownership and control restrictions is close to the heart of many sitting in this room.

There is no doubt that this is an international issue. The air services agreements governing the operation of international air services between States use "national ownership and control" as the conditions for airline designation and authorization, and for decades, this "nationality clause" has been present in the majority of bilateral agreements.

However, it is also a national issue as the nationality requirement has its roots in domestic legislations, rules on national enterprises and on foreign inward investments, which set statutory limits to foreign ownership.

This is an issue that touches on the interests of various stakeholders:

- **Governments** who want to ensure that the commercial rights they negotiated are exercised by their own airlines, and that the nation receives the resulting economic benefits. They want their airlines to be strong and competitive, and they want them to be available in the case of national emergencies.
- **Airlines** who want to “do business as other industries”, and want to have greater freedom to access foreign capital and management expertise.
- **The workforce** who wants to protect labour standards and rights, as well as job security.

Let's now turn to another issue: **taxation**. In this area, trends are emerging. We are seeing an increasing number of States imposing levies on air transport service providers and users through different ways and means. We are also seeing these levies being passed on to users of air transport by airlines or service providers. One can easily see how the proliferation of these taxes and levies has raised serious concerns from both States and industry with regard to their impact on air transport development.

Another matter which is becoming increasingly important, but is governed by no global rule, is the notion of passenger rights as was highlighted by the impact of recent serious disruptions to air travel caused by natural disasters, extreme weather and/or social-political crises.

All these issues and many others will be addressed during the Symposium, and I am confident that the stimulating discussions will provide valuable “food for thought” for the preparation of ICAO's Sixth Worldwide Air Transport Conference.

I am also convinced that the Symposium will help us not only shape our community's vision of the future, but also reach a consensus on how we can secure a more sustainable air transport.

Success, however, will only come if we all work together. International cooperation is the reason why we can enjoy today the safest and most efficient mode of transportation ever created. And we must ensure that future generations can continue to build on a vision that has inspired those who have come before us.

I have just outlined some of the main challenges that the industry will have to tackle. We have a full agenda and so, moving swiftly, let me give the floor to Dr. Tae Oum, who will set the scene for the topics to be discussed during this Symposium.