

TENTATIVE PROGRAMME

Addressing Competition Issues: Towards A Better Operating Environment

Wednesday, 30 March – Day 1

09:00 – 09:10 Opening Remarks

09:10 – 09:20 Setting the Scene

09:20 – 10:40 **SESSION 1 - Understanding Competition in a Liberalized Market**

The objective of liberalization is to create a favorable environment in which air transport players can operate and flourish, while the consumers benefit from enhanced services and additional choices. The creation of an open and competitive operating environment allows airlines to compete using innovative ways, and by maximizing opportunities under open market access regimes.

The Session will help achieve a better understanding of the meaning of “competition” in liberalization, and set the stage for subsequent discussions on key issues. Questions for discussion include: What is competition? Is there a need to define “fair competition”? What does a “level playing field” mean in the air transport context? Is competition feasible in liberalized markets and what are its pros and cons?

10:40 – 11:10 **Coffee Break**

11:10 – 12:30 **SESSION 2 – The Role of Government in the Liberalized Environment**

Disparity in the stages of the air transport development of States, the different levels of competitive strength of airlines, the geographic location, as well as different competition regimes are the reality faced by governments. States have diverse views on the role of governments in air transport regulation, and competition policy goals, which is reflected in their regulatory approaches, and often leads to differences on competition issues.

This Session will focus specifically on the role of governments in air transport regulation and what is the purpose/objective of government in a liberalized regime. Questions to be addressed include: What are governments' policy goals or objectives concerning competition (for the airlines, consumers)? Why is continued State support required, including the provision of State aids and subsidies? Should airlines be economically dissociated from States?

12:30 – 14:00 **Lunch Break**

14:00 – 15:30 SESSION 3 – Connectivity and Competitiveness in a Liberalized Market

Liberalization has fostered competition among air carriers, which has in turn led to consolidation. Competition today is not just between individual airlines, but increasingly between their alliances. In addition, some airlines have utilized their geographical advantage by carrying traffic via their home countries. This has not only increased traffic and connectivity for the airline, but it has also given passengers broader choices in routing their travels.

This Session will examine the benefits offered to the traveling public of connector carriers (6th freedom carriers); airline alliances, Low Cost Carriers' competition, etc. It will attempt to answer questions such as: Which benefits will enhanced connectivity bring to the air carriers, airports, passengers and the broader economy? Why should the issue of point beyond operations be of concern in a liberalized environment? To what extent is point beyond traffic and operations essential in international air traffic development?

15:30 – 16:00 Coffee Break

16:00 – 17:00 Open Interactive Discussion – PART I

17:30 – 19:30 Reception

Thursday, 31 March – Day 2

9:00 – 9:10 **Introductory Remarks**

9:10 – 10:30 **SESSION 4 – Application of National and Regional Competition Policies to International Air Transport**

Several States and regional organizations have general competition laws/rules/policies with a number of bilateral anti-trust/competition enforcement cooperation agreements, particularly between developed countries. The use of competition laws/rules/policies at the national and regional levels for the air transport sector have occurred not only with more frequency, but they also encompass a variety of issues ranging from the abuse of dominant positions such as capacity dumping and predatory pricing, collusive behaviors including price-fixing, inter-airline coordination and alliances, consolidation through mergers and acquisitions, vertical business relationships in product distribution to State aid.

This Session will address questions such as: How to distinguish between anticompetitive and normal competitive behaviors in the application of competition laws? How to foster compatibility of competition rules given the commonalities and differences in approaches? To what extent is it possible and desirable to foster convergence of competition rules?

10:30 – 11:00 **Coffee Break**

11:00 – 12:30 **SESSION 5 – Aviation Specific Safeguards for Competition**

Academic literature provides little to no evidence that aviation has unique economic characteristics compared to other service industries, particularly those related to transportation services. Nevertheless, aviation-specific safeguards for competition in a liberalized market are being seen as a necessity in many circumstances. In other words, these safeguards are sine qua non to effective participation in international air transport and its sustainable development.

This Session will discuss when and where aviation-specific safeguards are justified and how these safeguards can be implemented internationally. ICAO's policies and guidance on this subject will also be discussed.

12:30 – 14:00 **Lunch Break**

14:00 – 15:30 **Open Interactive Discussion – PART II**

15:30 – 16:00 **Coffee Break**

16:00 – 16:45 **SESSION 6 – Working Collaboratively to Create a Better Operating Environment**

This final Session will wrap-up the previous discussions, helping to draw some conclusions on the issues and the way forward with a focus on how States can take practical steps to foster a better operating environment for the airlines, for the benefit of the travelling public and for broader economic development goals.

16:45 – 17:00 **Closing Remarks**

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