



ASSEMBLY — 42ND SESSION

ECONOMIC COMMISSION

Agenda Item 26: Economic Development of Air Transport

REVIEW OF THE MANDATE FOR THE DEVELOPMENT OF THE GLOBAL COMPETITIVENESS INDEX AND RECOMMENDATION OF AN ALTERNATIVE FRAMEWORK

(Presented by Brazil and Supported by Aruba and 17 LACAC Member States¹)

EXECUTIVE SUMMARY

The document presents Brazil's proposal to revise the mandate assigned to ADAP regarding the development of a global civil aviation competitiveness indicator. The proposal aims to redirect the group's efforts by advocating for a shift in the mandate from the creation of a single, standardized index intended to measure competitiveness across countries. In our understanding, such an initiative—despite its good intentions and the recognized efforts invested in its development—has proven to be incompatible with the complexity, heterogeneity, and varying stages of development that characterize the global aviation sector. Consolidating a global index may entail significant methodological risks and could result in negative consequences, particularly for developing countries, whose specific priorities and challenges are not adequately captured by uniform metrics. As an alternative, we ask for support for an approach based on a panel of flexible, context-sensitive reference indicators, which would respect national specificities and foster international cooperation without resorting to a global ranking logic.

Action: The Assembly is invited to:

- Take note of the contents of this working paper; and
- Consider revising the group's mandate to focus on the development of a collaborative reference panel, in lieu of creating a unified global indicator.

<i>Strategic Goals:</i>	This working paper relates to Strategic Goals of Economic Development.
<i>Financial implications:</i>	N/A
<i>References:</i>	ACWG/ADAP

¹ Belize, Bolivia, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of)

1. INTRODUCTION

1.1 The assessment of aviation competitiveness is an important tool to support strategic planning, policy formulation, and international cooperation in civil aviation. In this regard, the work of the Aviation Competitiveness Working Group (ACWG), under the auspices of the Aviation Data and Analysis Panel (ADAP), has contributed meaningfully to the discussion on how to develop metrics that are both technically sound and relevant across diverse national contexts. The efforts undertaken to refine methodologies, revise indicators, and consider dissemination strategies for the presentation of regional results within the Global Aviation Competitiveness Index (GACI) represent important progress.

1.2 However, as work has advanced, it has become increasingly clear that the complexity and heterogeneity of the global aviation landscape pose significant challenges to the construction of a single composite index. Differences in regulatory maturity, institutional capacity, data availability, and national priorities suggest that a more flexible and context-sensitive approach may offer a better path forward. This paper proposes a strategic reorientation of the group's mandate, shifting from a unified global ranking toward the development of a panel or dashboard of reference metrics, capable of supporting Member States in identifying relevant benchmarks aligned with their specific development needs.

2. DISCUSSION

2.1 The work conducted under the framework of the Aviation Competitiveness Working Group (ACWG) and the Aviation Data and Analysis Panel (ADAP) is of significant importance and deserves due recognition. The inclusion of methodological refinements, revised metrics and indicators, as well as strategies for disseminating the results—such as the presentation of regional outcomes of the Global Aviation Competitiveness Index (GACI) is a welcome development.

2.2 Notable progress has been achieved in addressing concerns regarding macroeconomic bias within the structure of the index. Positive steps include the removal of indicators such as Travel Risk (U.S. Travel Advisories) and Sovereign Credit Rating. The potential use of IT tools, such as the Tableau platform, is also regarded as a constructive enhancement, as it would enable the visualization of a broader range of aviation-related indicators, thereby offering valuable benchmarking resources to Member States.

2.3 Despite these advancements, further technical work remains necessary. For instance, the "Ease of Doing Business" indicator, previously issued by the World Bank, has been discontinued since 2021, yet remains under consideration within the indicator framework. Future technical efforts should prioritize effective, pragmatic, and flexible solutions that ensure methodological integrity while avoiding inappropriate comparisons between States and regions. One possible avenue is the expansion of the range of available metrics through the relaxation of the requirement that data be universally available across all Member States.

2.4 The overarching goal should be the development of a comprehensive dashboard consolidating aviation-related indicators and metrics, drawing upon existing ICAO frameworks such as the Global Air Navigation Plan (GANP), Global Aviation Safety Plan (GASP), and Global Aviation Security Plan (GASeP), as well as other relevant reference sources including the OECD, Member States, and inputs from industry stakeholders such as airlines, airports, pilot associations, and other aviation partners.

2.5 In order to enhance the practical value of the work undertaken by the ACWG and to avoid the misinterpretation of competitiveness through inappropriate ranking systems, consideration could be given to replacing the publication of a unified index with the establishment of a dedicated panel or

dashboard. Such an approach would enable the selection and consultation of indicators most relevant to the specific contexts of individual States, while reinforcing ICAO's role in supporting the inclusive and balanced development of global civil aviation, in line with the guiding principles of the "No Country Left Behind" initiative.

3. STRATEGIC REORIENTATION OF THE GROUP'S MANDATE

3.1 In lieu of the mandate to construct a single composite global index, it is proposed that the group's efforts be redirected toward the development of a dashboard or panel of independent reference metrics. Rather than focusing on the formulation of a single-value metric to quantify competitiveness per State, the proposal envisages compiling and making available a set of indicators accessible to all Member States.

3.2 As the proposed indicators would be autonomous from one another, each State could assess them individually for the purpose of conducting internal diagnostics and identifying areas of excellence as well as opportunities for improvement. This proposal offers a number of advantages over the single-index methodology, including the following:

- **Data availability:** The absence of a requirement for universal datasets allows for the inclusion of a broader range of metrics, whose selection may evolve over time in response to emerging needs or the elimination of outdated parameters.
- **Elimination of arbitrary weighting:** By moving away from a composite index structure, the need to assign subjective weights to variables—often compromising the methodological soundness of comparative models—is eliminated.
- **Contextualized comparability:** Each State may select the indicators most aligned with its specific context and policy priorities, ensuring greater relevance and practical applicability.
- **Ease of use and enhanced potential to foster improvements:** Interested States may use the reference values as technical benchmarks for self-assessment, based on the methodology jointly agreed upon within the working group.
- **Alignment with ICAO development plans:** Possibility of adopting metrics and KPIs from ICAO strategic development plans as reference metrics.

3.3 In summary, the proposed panel would allow each country to analyze variables individually and apply them according to its national context. This approach would enable more detailed diagnostics, more targeted improvement strategies, and more effective public policies.

4. CONCLUSION

4.1 In light of the limitations identified in the use of a single aggregated index to represent aviation competitiveness, there is a clear rationale for transitioning to a more adaptable and inclusive methodology. A dashboard of independent indicators would allow Member States to assess and apply metrics that are most relevant to their operational contexts, without the distortions associated with composite rankings or rigid comparability frameworks. Such an approach aligns more closely with ICAO's

objective of fostering equitable progress across all regions and supporting capacity-building through tailored, evidence-based tools.

4.2 By facilitating the integration of diverse data sources and accommodating varying levels of data availability, this model would enhance the utility of aviation-related benchmarking efforts. Furthermore, the use of autonomous metrics would contribute to more meaningful diagnostics, while enabling States to identify strengths and prioritize improvements without being adversely affected by methodological limitations or arbitrary weightings. This proposed reorientation reinforces ICAO's commitment to the principles of inclusiveness and balanced development, as embodied in the "No Country Left Behind" initiative.

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