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# ASSEMBLY — 42ND SESSION

## PLENARY

### Agenda Item 8: Statements by delegations of Member States

#### STATEMENT BY DR. YOUNG TAE KIM, SECRETARY-GENERAL OF THE INTERNATIONAL TRANSPORT FORUM AT THE OECD

(Presented by the International Transport Forum)

#### 1. Aviation's global role in a shifting landscape

Aviation is an indispensable connector of the modern world. It bridges the space between people, goods, and ideas across continents in ways no other transport mode can match. It is a driver of economic growth, tourism, cultural exchange, and trade, and often a lifeline for remote communities. The global benefits civil aviation generates must be preserved as the sector decarbonises.

As the sole international regulator for civil aviation, ICAO is centrally placed to guide the sector's evolution. This role is exemplified by the adoption of the Long-Term Global Aspirational Goal (LTAG) of net-zero carbon dioxide emissions by 2050. Many stakeholders share this ambition, but the pathway to reach it remains challenging. The International Transport Forum's (ITF) recent report "[\*Decarbonising Aviation: exploring the consequences\*](#)" assesses the implications of different policy pathways to 2060 and recognises that even under the most ambitious scenarios, the sector's transformation will be complex, capital-intensive, and not without trade-offs.

Historically, global air travel demand has doubled every 15 years. Economic growth and population trends suggest passenger and freight activity will continue to expand, particularly in emerging markets. This growth generates significant societal benefits, but also environmental costs, as the sector accounts for around 2.5% of global energy-related CO<sub>2</sub> emissions.

#### 2. Enabling sustainable fuel supply for the aviation sector

ITF modelling shows that Sustainable Aviation Fuels (SAF) could, in theory, deliver the majority of CO<sub>2</sub> reductions in the sector while allowing the sector to maintain essential connectivity. However, this would require scaling production to roughly 500 billion litres per year by 2060, which is over a thousand times today's levels.

Such growth will not happen without robust, long-term policy frameworks and market conditions that encourage investment, provide demand certainty, and ensure sustainability. A balanced "carrot and stick"

approach, combining robust financial incentives and clear regulatory requirements, could help create both the market pull and the compliance push needed to scale production.

In practice, this would require going beyond voluntary targets or overreliance on offsetting to deploy a portfolio of measures, including carbon pricing, low-carbon fuel standards, and fuel-blending mandates supported by non-compliance penalties; public finance to de-risk private investment; and mechanisms such as grants, concessional loans, guarantees, or contracts for difference to provide revenue certainty.

Regional regulations, such as the European Union's SAF mandate for intra-EU flights, offer an early model for domestic implementation. As discussions extend to international aviation, however, the risk of fragmentation increases, making ICAO's role in promoting coherence all the more important. A global framework would offer a coherent basis for action and support investment certainty across jurisdictions.

### **3. Projected cost trends and distributional effects**

The adoption of cleaner fuels, the development of new zero-emission aircraft, and the regulatory measures necessary to make aviation carbon-neutral will, however, lead to higher costs. Technological and operational efficiency improvements will not be enough to offset these expected cost increases, and these will likely be transferred to ticket prices. As a result, by 2060, air ticket prices are expected to be, on average, 25-30% higher if the industry is decarbonised than if emissions continue to increase unchecked. However, these costs will not necessarily affect airline profits and are expected to be progressively distributed: higher-income groups will bear a greater share of the impact, as they fly more often and over longer distances. As the wealthiest 5% of the world's population account for more than half of aviation activities and emissions, measures such as carbon pricing or air taxes are potentially progressive tools in tackling emissions without unduly burdening low-income populations.

### **4. Managing demand and protecting access**

Aviation demand is largely driven by tourism, and to a lesser extent by family visits, business travel and freight. Policies to moderate activity through demand management should seek to influence travel patterns in ways that reduce emissions without compromising economic activity. This includes encouraging longer stays rather than multiple shorter trips, promoting closer-to-home tourism where viable alternatives exist, and reducing incentives for extremely short-duration, long-distance travel.

### **5. Strengthening Efficiency, Infrastructure Readiness, and Sectoral Resilience**

Improvements in routing and load management can enhance freight efficiency while preserving aviation's role in high-value, time-sensitive supply chains. Over time, similar gains may also come from deploying zero-emission aircraft in specific niches, such as short-haul, low-capacity services where alternative propulsion technologies can be competitive.

Technology adoption, including advanced air traffic and airport operations control, offers significant potential to improve safety, optimise flows, and reduce congestion both in the air and on the ground. However, safeguards are essential to ensure these gains are not offset by higher overall flight volumes. Efficiency must move in parallel with demand management and new fuel adoption.

Many airports will need to adapt to support new fuels, alternative propulsion technologies, and more efficient ground operations. Understanding the regulatory and infrastructural conditions needed for airports to prepare for these changes will be the focus of an upcoming ITF study, supported by our Corporate Partnership Board.

In November 2025, the ITF will also host an expert Roundtable that aims to identify the key common long-term challenges to the civil aviation sector's resilience, the relative urgency of addressing these challenges, and the policy tools necessary for enhancing resilience at both the national and international governance levels. We welcome the participation of ICAO and other aviation stakeholders in this important work.

## **6. Preparing the workforce for sectoral shifts**

While overall aviation activity is expected to grow to 2060, the combination of demand moderation and new technologies will change the sector's employment profile. For example, large-scale SAF production could stimulate economies worldwide, given the diversity of potential feedstocks. This could provide livelihoods for groups that previously did not participate in the global energy market, including rural inhabitants of middle- and low-income countries. At the same time, the aviation workforce will require new skills, making collaboration between governments, industry, labour organisations, and educational institutions essential to ensure a just transition. In this context, establishing an international "Aviation Just Transition Task Force" to assess global workforce needs and guide co-ordinated action would be of great value. This effort could draw on lessons from the maritime sector's similar initiative.

## **7. Providing clarity and continuity through international co-operation**

A successful transition should moderate demand increases and improve energy efficiency while also preserving the vital global connectivity that aviation provides. As the global standard-setter for civil aviation, ICAO's leadership will remain essential in offering clarity, technical guidance, and co-ordination so stakeholders can plan with confidence and adapt as conditions evolve. ITF will continue to work closely with ICAO, its member countries, and industry partners to develop and share evidence-based policy solutions for the sector's future.

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