



**WORKING PAPER**

**ASSEMBLY — 41<sup>ST</sup> SESSION**

**ECONOMIC COMMISSION**

**Agenda Item 35: Economic Regulation of International Air Transport — Policy**

**FUTURE ICAO ACTIVITIES ON ECONOMIC MATTERS**

(Presented by Czechia on behalf of the European Union and its Member States<sup>1</sup>, the other Member States of the European Civil Aviation Conference<sup>2</sup>)

**EXECUTIVE SUMMARY**

International aviation is today a sector affected, like never before, by multiple challenges relating to recovery, resilience and sustainability. In this light, it is the right moment to check that ICAO's different committees, panels and working bodies are sufficiently coordinated to ensure that cross-cutting policies are effective and that the long-term economic prospects of the air transport system are fully considered.

This paper presents examples of policy areas covered by different ICAO panels, which should be reflected in the work of the Economic Commission and the Air Transport Regulation Panel (ATRP), such as facilitation, environment, safety, security and other relevant domains. It invites ICAO to ensure its work is conducted collaboratively across domains.

**Action:** The Assembly is invited to:

- a) request ICAO to establish - appropriate interactions between different committees, panels and working bodies within the Organisation to ensure that their policy areas are properly reflected in ICAO's economic work and vice-versa; and
- b) encourage States to ensure that national regulations on air transport reflect and complement key ICAO priorities. ICAO should update its guidance in such areas, including the Template Air Services Agreements.

<i>Strategic Objectives:</i>	This working paper relates to the Strategic Objective – <i>Economic Development of Air Transport</i> .
<i>Financial implications:</i>	None
<i>References:</i>	

<sup>1</sup> Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

<sup>2</sup> Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Iceland, Republic of Moldova, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland, Türkiye, Ukraine and the United Kingdom.

## **1. THE KEY CHALLENGES FACING INTERNATIONAL AVIATION**

1.1 International aviation is today a sector affected, like never before, by multiple challenges relating to recovery, resilience and sustainability. These issues are of critical importance to the continued economic development of aviation and its ability to serve as a motor for connectivity between States, for passengers and businesses worldwide in supporting prosperity. There is also the issue of public's perception of aviation, in particular as it relates to sustainability. Aviation needs to play a more proactive role in securing, in the public's view, its 'licence to grow' taking into account the sustainability imperative. In addition, the aviation system is faced with a number of threats to its resilience. Resilience in this sense includes not only the continued ability of aviation to provide connectivity, choice and value to passengers, but also the resilience of the aviation industry itself. The Russian war of aggression against Ukraine is a reminder that conflicts have significant negative impacts on the global aviation system. Moreover, the COVID-19 pandemic is not yet over and the connectivity of certain regions is severely curtailed as a result.

## **2. ADAPTING ICAO'S WORK TO THE NEW REALITIES**

2.1 In this light, it is the right moment to examine that ICAO's different committees, panels and working bodies are sufficiently coordinated to ensure that cross-cutting policies are effective and that the long-term economic prospects of the air transport system are fully considered.

2.2 Firstly, the speed of the sector's emergence from the COVID-19 pandemic will be affected both by the actions taken to help the sector adapt to the possibility of repeated public health challenges as well as the general economic climate. ICAO has already been active in a number of these areas and there is an ongoing need to adequately link the work carried out by the various ICAO technical bodies, which relate to the economic aspects of restrictions imposed.

2.3 Looking further ahead, there are multiple policy areas covered by different panels which should also be reflected in the work of the Economic Commission and the ATRP, such as facilitation, environment, safety, security and other relevant domains. In this connection, ICAO bodies should encourage the exploration and discussion of areas in which economic-related ICAO policies and guidelines could make a concrete contribution to the achievement of other strategic objectives. For example, the economic aspects of the roll-out of sustainable aviation fuels is an important topic for debate in ICAO given the scale of the investments at stake among various parts of the value chain. Likewise, the economic aspects of the facilitation of passengers and cargo is a further example of potential collaboration between different ICAO streams.

## **3. ACTIONS**

The Assembly is invited to:

- a) request ICAO to establish appropriate interactions between different committees, panels and working bodies within the Organisation to ensure that their policy areas are properly reflected in ICAO's economic work and vice-versa; and
- b) encourage States to ensure that national regulations on air transport reflect and complement key ICAO priorities. ICAO should update its guidance in such areas, including the Template Air Services Agreements.