



**WORKING PAPER**

**ASSEMBLY — 41ST SESSION**

**ECONOMIC COMMISSION**

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

**THE DEVELOPMENT OF A SPECIFIC INTERNATIONAL AGREEMENT TO FACILITATE FURTHER LIBERALIZATION OF AIR CARGO SERVICES**

(Presented by Qatar)

**EXECUTIVE SUMMARY**

This working paper aims to provide a brief background on the work done for the development of a specific international agreement to facilitate further liberalization of air cargo services, outlining the State of Qatar's experiences for air cargo operations, in particular given the COVID-19 pandemic. This working paper also outlines how the pandemic has reinforced that all-cargo services operate under different conditions from passenger services, whilst air cargo services have also shown their vital role with regards to providing economic benefits and transporting critical medical goods; therefore this paper outlines the State of Qatar's position with regards to the justification to consider the development of a specific international agreement to facilitate further liberalization of air cargo services.

Action: The Assembly is invited to:

- a) take note of the experiences of the State of Qatar with regards to air cargo operations; and
- b) urge the Air Transport Regulation Panel (ATRP) under the Air Transport Committee (ATC) to continue the deliberation, including through working group, to examine whether there is enough justification for developing a specific international agreement to promote the development and facilitate further liberalization of air cargo services.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective — <i>Economic Development of Air Transport</i>
<i>Financial implications:</i>	The activities referred to in this paper will be undertaken subject to the resources available in the ICAO 2023 – 2025 Regular Budget and/or from extra budgetary contributions.
<i>References:</i>	Doc 10140, <i>Assembly Resolutions in Force (as of 4 October 2019)</i> Doc 10139, <i>Assembly 40th Session, Montréal, 24 September – 4 October 2019, Economic Commission Report</i> A41-WP/13-EC/3, <i>Progress Report on Economic Regulation of International Air Transport</i> HLCC 2021-WP/239-PLN/13, <i>Report of the Facilitation Stream to the Conference on Agenda Item 10</i>

## 1. BACKGROUND

1.1 Assembly Resolution A39-15 requested the Council, *“to complete the examination of an international agreement by which States could liberalize market access, and continue the development of ... a specific international agreement to facilitate further liberalization of air cargo services, taking into account the goals of the ICAO long-term vision for international air transport liberalization, and the past experience and achievements of States, including existing market access liberalization agreements concluded at bilateral, regional and multilateral levels, as well as the various proposals presented during the Sixth Worldwide Air Transport Conference (ATConf/6)”*.

1.2 However, during the discussion on the development of such international agreement, there was no significant progress in the short term due to divergent views and accordingly, the ATC decided that the ATRP *“ceases the work related to the development of an international agreement to facilitate further liberalization of air cargo services”*.

1.3 Assembly Resolution A40-9 requested the Council *“to undertake further work to build a better understanding of the benefits and challenges of liberalization and barriers to opening market access, so that further consideration could be given to the development of a multilateral approach at the appropriate time”*; and to *“continue to enhance dialogue and exchange of information with Member States and industry, taking into account the goals of the ICAO Long-term Vision for International Air Transport Liberalization, ...”*.

1.4 During the High-level Conference on COVID-19 (Montréal, 12 to 22 October 2021), the importance of freight liberalization in the context of the COVID-19 pandemic was discussed, with the aim of further facilitating the transport and delivery of vaccines, medicines and medical supplies needed to deal with the COVID-19 pandemic. While the Conference supported the development of measures aimed at proposing bilateral, regional and/or multilateral agreements to facilitating air cargo transport, it was also noted that matters relating to multilateral instruments on air cargo liberalization was discussed previously within the ATRP, and the Panel had agreed, prior to COVID-19 pandemic, not to pursue a separate agreement on air cargo liberalization in the near term.

1.5 Accordingly, ICAO, through the ATRP, has worked to enhance dialogue and exchange of information amongst Member States and the aviation industry on liberalization of market access for passenger and cargo services. During the meeting attended by the State of Qatar, views were continuously expressed that, given the distinct features of air cargo operations, air cargo services require more commercial freedom and business-oriented treatment.

## 2. THE EXPERIENCE OF CARGO OPERATION FOR THE STATE OF QATAR

2.1 According to the International Air Transport Association (IATA), airlines transport over 52 million metric tonnes of goods a year, representing more than 35 per cent of global trade by value but less than 1 per cent of world trade by volume. With a value of more than \$6.8 trillion worth of goods transported annually, air cargo is an important enabler of global trade. Cargo is essential for the swift transportation of critical time-sensitive goods and materials such as vaccines, medical supplies and equipment, thereby supporting global supply chains. As of March 2021, air cargo continued to expand strongly with industry-wide cargo tonne-kilometres rising by 4.4 per cent compared to pre-crisis levels.

2.2 The global pandemic affected the cargo operations of Qatar Airways Cargo – Qatar Airways’ freight branch. Ground handlers reduced the number of aircraft they were able to service, which along with travel restrictions and operational uncertainty contributed to flight cancellations. However, cargo operations adapted to maintain a state of readiness for customers and partners, with network planning coordinated to maximise belly hold carriage whilst working with reduced manpower.

2.3 In response to the impact of COVID-19, Qatar Airways Cargo adapted to the requirements of customers to meet specific demands such as the transport of vaccines, as well as established and maintained new partnerships.

2.4 Qatar Airways entered into a two-year partnership with the United Nations High Commissioner for Refugees (UNHCR), the UN Refugee Agency, to provide humanitarian relief and assistance to displaced people globally. The agreement, which was signed in Doha on 19 May 2020, supports UNHCR’s delivery of lifesaving support including water, medical care and hygiene materials to keep refugees, internally displaced people and host community members safe around the world. Qatar Airways Cargo signed a Memorandum of Understanding with the United Nations International Children’s Emergency Fund (UNICEF) covering a five-year period. This initiative prioritises the shipment of COVID-19 vaccines and critical supplies under UNICEF’s Humanitarian Airfreight Initiative. Qatar Airways Cargo’s QR Pharma product provides temperature-controlled airfreight for pharmaceuticals offering both active and passive solutions in cold chain logistics.

2.5 Qatar Airways Cargo provided free air cargo transportation for Chinese Embassies and Consulates worldwide, carrying the first medical relief to Wuhan on 2 February 2020. Throughout the pandemic, Qatar Airways transported more than 300 tonnes of cargo for Chinese Embassies and Consulates in more than 15 countries. Qatar Airways Cargo also flew to Beijing, Shanghai and Guangzhou carrying 300 tonnes of medical supplies donated by the airlines to support China’s COVID-19 relief efforts.

2.6 Qatar Airways Cargo partnered with the Australian Government to restore critical global supply chains through the International Freight Assistance Mechanism (IFAM), an initiative by the Australian Government to help restore global supply chains for high-value Australian agricultural and fisheries producers affected by COVID-19 containment measures. Through this initiative, the Australian Government partially offsets the cost of airfreight, reducing costs for exporters, and ensuring continued transportation of their produce.

2.7 Finally, a COVID-19 Vaccine Response Plan was developed to ensure that our vaccination transport met the highest standard and compliance requirements. Qatar Airways Cargo undertook to map capacity requirements on the key destination lanes and introduced special product and handling codes for all COVID-19 vaccine shipments. These handling codes facilitated the prioritisation, monitoring and tracking processes for vaccines.

### **3. THE STATE OF QATAR’ POSITION**

3.1 Air cargo operations during the pandemic have made it clear that all-cargo services operate under different conditions from passenger services. Air cargo services have shown their vital role with regard to providing economic benefits and transporting critical medical goods, when they are most needed.

3.2 The State of Qatar strongly believes the information and facts evidenced during the COVID-19 pandemic along with the experience of our country during the pandemic on the operations of air cargo services, justifies why ICAO Member States should consider developing a specific international

agreement to facilitate further liberalization of air cargo services, irrespective of the decision with regards to the agreement to liberalize market access.

3.3 The State of Qatar reaffirms its support for the establishment of the working group as outlined in paragraphs 2.4 and 3.4 of A41-WP/13-EC/3, presented by the Council of ICAO.

3.4 The State of Qatar also believes that part of the strategies to complement ICAO's activities on this matter should include a comprehensive study of the ongoing liberalization experiences at a regional level while taking note of the approaches that have contributed to narrowing the differences and removing the barriers to continuous enhancement in the liberalization of air cargo services.

— END —