



**WORKING PAPER**

**ASSEMBLY — 41ST SESSION**

**ECONOMIC COMMISSION**

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

**LIBERALIZATION OF AIR CARGO SERVICES**

(Presented by Venezuela (Bolivarian Republic of) and supported by Dominican Republic and Panama)<sup>2</sup>

**EXECUTIVE SUMMARY**

During 2020, a multilateral instrument proposed by the aviation authorities of Brazil and Chile, as Member States of the Latin American Civil Aviation Commission (LACAC), was signed, which allowed cargo airlines to operate optimally with traffic rights up to the Seventh Freedom, under the principle of reciprocity, through actions in the midst of the coronavirus disease (COVID-19) crisis that have benefited the aviation industry and also helped to avert and counter the effects of the pandemic. This agreement demonstrated the interest of the region's Governments in facilitating access to vaccines and in developing State–industry collaboration. Following the signing of the instrument, Venezuela (Bolivarian Republic of) has had a favourable experience with regard to cargo liberalization.

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

- a) take note of the information presented in this working paper; and
- b) promote cargo liberalization through a multilateral agreement among ICAO signatory States, including those that already have an open skies policy, noting that cargo services have been identified as the most suitable means of providing supplies of all kinds, especially during the COVID-19 pandemic, which is why it is considered necessary for countries to work together to achieve the objective of the long-term vision for the liberalization of international air transport.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective — <i>Economic Development of Air Transport</i>
<i>Financial implications:</i>	
<i>References:</i>	Doc 9626, <i>Manual on the Regulation of International Air Transport</i> Memorandum of understanding signed by the civil aviation authorities of the Member States of the Latin American Civil Aviation Commission

<sup>1</sup> Spanish version provided by Venezuela (Bolivarian Republic of)

<sup>2</sup> Member States of the Latin American Civil Aviation Commission (LACAC)

## 1. INTRODUCTION

1.1 In light of the negative impact of the COVID-19 pandemic on civil aviation and the growing demand for exclusive cargo flights for medical supplies, vaccines, food and other items, the aviation authorities of Brazil and Chile submitted a proposal for the creation of a technical group within the Latin American Civil Aviation Commission (LACAC) to draft the text of a memorandum of understanding that would temporarily liberalize the Seventh Freedom for cargo-only flights.

1.2 The signing of this instrument allowed airlines certified for cargo transport to operate optimally under the principle of reciprocity through actions that, in the midst of the COVID-19 crisis, have benefited the aviation industry and helped to avert and counter the effects of the pandemic.

1.3 This agreement demonstrated the interest of the region's Governments in facilitating access to vaccines and in developing State-industry collaboration. The initiative has set an example for global aviation in terms of developing multilateral agreements and efficient measures to contribute to the transport of consumer goods, which has been affected by the reduction in air passenger traffic and the consequent reduction in hold capacity.

## 2. BACKGROUND

2.1 During the meeting of the Group of Experts on Policies, Economics and Legal Matters in Air Transport (GEPEJTA/44V), held virtually in May 2020, LACAC proposed that its Member States should sign a memorandum of understanding for the temporary liberalization of the Seventh Freedom for cargo-only services.

2.2 To that end, an ad hoc group composed of specialists from various aeronautical authorities of the region was set up to review and reach consensus on the proposed memorandum. Following a technical and legal analysis of the instrument, it was signed on 14 December 2020 by 10 of the 22 Member States, for a period of one year, extendable for a further year.

2.3 The memorandum of understanding is in accord with the principle of equal opportunities and has enabled the effective reactivation of international air transport in the South American region in a safe, orderly and efficient manner, while also contributing to the economic recovery and sustainable development of the States of the region.

2.4 Thanks to the receptiveness of the civil aviation authorities of Brazil, Chile, Dominican Republic, Guatemala, Paraguay, Peru and Venezuela (Bolivarian Republic of), LACAC has decided to extend this instrument, which will enable an increase in cargo flights between the signatory States. Although the adversities generated by COVID-19 are gradually being overcome around the world, it is time for the total reactivation of the sector.

2.5 During the Sixteenth Meeting of the Air Transport Regulation Panel (ATRP/16), held in virtual mode in April 2022, the Secretariat presented a working paper on the need for a specific international agreement to facilitate the further liberalization of air cargo services and the Global Express Association (GEA) and the International Air Cargo Association (TIACA) presented a working paper on the need for an open, flexible and specific regulatory framework for air cargo operations, in which the essential role of air cargo during the COVID-19 pandemic was recognized, and it was pointed out that the demand for air cargo services will continue to grow as a result of the expansion of e-commerce. The Panel therefore recommended the creation of a working group to examine whether there is sufficient justification to

recommend to the Air Transport Committee the development of a specific agreement to facilitate cargo liberalization.

### 3. **DISCUSSION**

3.1 Following the signing of the aforementioned instrument, Venezuela (Bolivarian Republic of ) has had a favourable experience with regard to cargo liberalization, with an increase of 48.62 per cent in cargo operations at the various international airports.

3.2 The Venezuelan State, with the aim of furthering the country's socioeconomic development, has therefore launched a project for the creation of a hub and logistics distribution centre for air cargo at the José Félix Ribas International Airport, located in the State of Aragua. This project involves Venezuelan and foreign entrepreneurs and businesses wishing to invest in the country and will result in the development of safe, orderly and efficient cargo operations for the socioeconomic benefit of the aviation sector in the region.

### 4. **CONCLUSION**

4.1 In relation to the above, States wishing to be a part of this experience of cargo liberalization are invited to take the initiative to encourage the development and signing of this multilateral instrument, which is open to any State wishing to be a party to it. The more countries that become parties, the greater the benefit in terms of recovery and in terms of demonstrating a shared vision that will contribute to the development of the sector.

4.2 It is recommended that the Assembly consider this working paper with a view to examining the possibility of promoting cargo liberalization through a multilateral agreement among ICAO signatory States, including those that already have an open skies policy, noting that cargo services have been identified as the most suitable means of providing supplies of all kinds, especially during the COVID-19 pandemic, which is why it is considered necessary for countries to work together to achieve the objective of the long-term vision for the liberalization of international air transport.

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