



**Address by the Secretary General of ICAO,
Mr. Raymond Benjamin,
to the
2010 China Civil Aviation Development Forum
(Beijing, 12 May 2010)**

1. Good morning Ladies and Gentlemen. I am delighted to be here today and I sincerely thank the Government of China for inviting me to participate in this forum on China Civil Aviation Development.
2. Paradoxically, the most effective way of preparing for a new era of global civil aviation is one of the most traditional and successful forms of global governance – international cooperation. This should come as no surprise in China, a nation that has long showed the world how ancient wisdom can solve many modern problems
3. International cooperation is also the essence of ICAO, a forum where its 190 Member States consistently collaborate to maintain current a global regulatory and operational framework that responds to the ever-changing requirements of all stakeholders – be they regulators, airlines, airports, air navigation services providers or manufacturers.
4. We are all interconnected and we each have a specific role to play in ensuring the sustainable development of an industry, upon which depends the wellbeing of hundreds of millions of people around the world. The role of ICAO is to bring all parties together in the interest of the common good.
5. So what does the world of aviation look like in China and the rest of the world as we prepare for this new era?
6. Based on preliminary figures, we see that total passenger traffic worldwide dropped some 3.1 % overall in 2009 compared to 2008. This decline is the largest on record for the industry and reflects the 1 % drop in the world gross domestic product (GDP) for the year, the first negative growth of the global economy since the great depression of 1929.
7. Traffic declined in all regions except for the Middle East, where carriers posted a strong 10 % growth, while Chinese carriers registered a relatively good performance, albeit with a negative growth rate.
8. The double-digit domestic passenger traffic growth in the emerging markets of Asia, and the relative strong performance of Low Cost Carriers (LCCs) helped curtail the severity of the decline in total traffic

9. Over the last 10 years, total scheduled passenger traffic of Chinese airlines has increased at an average annual growth rate of 12.2% and now represents 20% of world traffic. The short-term outlook for Chinese airlines shows a strong recovery for air travel demand in 2010. Over the long-term, the drivers for China's dynamic air transport growth include:
 - Strong economic growth
 - Progressive market liberalisation
 - Rapid growth in household spending on transport
 - An air transport market of 700 million consumers by 2020
 - A large Chinese outbound wave of tourism
 - China's growing status as a major tourist/business destination, and
 - Increased exports of high value manufacturing goods, coupled with the emergence of a domestic express delivery market.
10. In short, the long-term forecast for the airlines in the region is for 7.2% annual growth for the next 20 years, well above the world average of 4.7% for the same period. And all of this points to the need in China for more than 3000 passenger and freighter aircraft.
11. As China takes a larger position on the world aviation scene, it will also need to have a greater presence within the international aviation community in addressing the global challenges.
12. During my remarks, I would like to bring us up to date on what ICAO has been doing in bringing the world together around these fundamental challenges that are safety, security and sustainability. Let me first deal with safety.
13. A few weeks ago, in March, ICAO convened a High-level Safety Conference. Our intention was to define a flexible safety strategy that would complement our traditional prescriptive-based methodology with a proactive, safety management approach based on performance-based requirements. That meant a new way of doing business focused proactive identification and response to emerging safety issues **before** they result in accidents or incidents.
14. What we faced was that while accident rates are currently low, they remain disturbingly unchanged. That implies that we must absolutely reduce accident rates in the future if we are to ultimately decrease the number of accidents as traffic return to normal rates of growth.
15. The other concern related to one of our overriding safety objectives, that no ICAO region shall have an accident rate exceeding twice the global average. In reality, not only is one region's accident rate more than double the global rate, but the variance between regional accident rates remains unacceptably high.
16. I am glad to report that we made considerable progress at the Conference in the form of five specific recommendations that will considerably enhance our collective ability to improve safety everywhere.
17. First we committed to agreed to a transition to the Continuous Monitoring Approach, or CMA, regarding safety oversight. The CMA is a process for the sharing of information by States, on a real-time basis, on the performance of their safety oversight systems. The result will be a more effective use of resources in assessing State compliance with ICAO Standards and identifying effective measures to correct deficiencies.

18. We also agreed to create and implement a truly international information-sharing mechanism. We know that vast amounts of data are regularly collected by regulators and industry around the world, but this information is not effectively shared, or not shared at all. All critical safety-related information must be disseminated throughout the international aviation community and processed using globally harmonized analysis methods.
19. An important first step was taken during the conference with the signing by ICAO, the United States Federal Aviation Administration, the Commission of the European Union (EC) and the International Air Transport Association (IATA) of a Declaration of Intent on the Development of a Global Safety Information Exchange Agreement.
20. In a related recommendation, we agreed to develop a global organizational framework to protect the providers of sensitive safety data used for future information sharing initiatives. This is critical. Without this protective framework, essential information will remain unavailable to ICAO and other organizations involved in the analysis and resolution of global safety issues.
21. A fourth item was the reaffirmation of the extremely productive role that regional safety oversight organizations can play in improving safety. In many cases, individual States do not possess the resources or the expertise to act alone in solving problems. Regional organizations can help these States to leverage limited resources and raising the level of safety in all participating States. These have been effective in Asia and elsewhere.
22. And finally, we recommended the creation of a new Annex to the Chicago Convention, one dedicated entirely to Safety. This would send a strong signal that safety is indeed ICAO's primary focus. Such an Annex would also facilitate a coordinated approach to promulgating the practices necessary to assure the highest levels of safety throughout the international aviation system.
23. As you can see, global cooperation has placed us on a solid footing for addressing the major safety challenges of this decade, in China and around the world.
24. So let me now turn to the flip side of the safety coin – security, using the recent attempted sabotage of Northwest flight 253.
25. This attempted sabotage brought home basic realities about aviation security. One is that a threat against any airliner is a threat against the entire aeronautical community. Second, threats can only be properly addressed through a global strategy based on effective international cooperation. Third, we must be diligent in finding new ways to anticipate and foil emerging threats. And fourth, we must respond quickly and effectively when events do occur.
26. Within hours of the 25 December incident, I was in contact with high-level officials of the States involved and we initiated a series of actions to coordinate and harmonize responses to the terrorist act. We communicated with security authorities in all of our member States to encourage them to conduct risk assessments and implement appropriate screening measures. We have remained in close contact with our Member States since that time to monitor the situation.
27. I emphasized that dealing effectively with security threats requires a commitment to globally-harmonized measures and procedures. A terrorist will quickly locate the weakest entry point in the security net, be it half a world away from his intended target. Our challenge is obviously of gigantic proportions – achieving and maintaining an optimum balance between more stringent security measures and processes that facilitate air travel by 2.3 billion passengers per year.

28. Moreover, ICAO has been working to promote closer international cooperation. It has initiated Ministerial Regional Conferences in various parts of the world to generate global consensus around the development of a uniform, international response to threats to civil aviation. In recent weeks, I have attended regional summits in Mexico, Tokyo and Abuja, and in these instances participating States and ICAO issued joint declarations on strengthening aviation security. A fourth conference will be held in June in Abu Dhabi from which I expect the same strong support to fight terrorism against aviation.
29. For its part, the 21st meeting of the Aviation Security Panel in March produced recommendations that will strengthen and support the ICAO Aviation Security Programme, sustain and leverage political will, identify resources for equipment research and development and prevent complacency in aviation security. It expressed strong support for adopting and fully implementing existing means of achieving close international cooperation, including the sharing of threat information.
30. Later this year, the ICAO Assembly will be asked to adopt an Assembly Resolution which covers acts of unlawful interference against civil aviation. The Assembly is also expected to adopt the ICAO Comprehensive Aviation Security Strategy for the next two triennia, to succeed the Aviation Security Plan of Action adopted following the events of 9/11.
31. I believe this will be a turning point in our ability to deal not only with terrorism but with all forms of acts of unlawful interference against civil aviation.
32. Finally, I am looking forward to the High-level Conference on Aviation Security that will be held in March 2011 looking into the 25 December attempted sabotage in more detail. Let me emphasize that in responding to this and similar incidents, it will be necessary to consider both procedural and technological solutions, including the possible use of imaging technology, or body scanners, as one means of screening passengers, taking into account privacy, data protection and health issues. Profiling, strictly on the basis of behaviour is another option.
33. As with safety and security, minimizing the impact of aviation on the environment is a never-ending challenge that needs to be addressed as we prepare for a new era. Climate change in particular represents a formidable opportunity for collective action.
34. For example, in 2009, under the leadership of ICAO, aviation produced the first and to date only globally harmonized agreement to address climate change from a sector. This included a goal of 2 percent annual improvement in fuel efficiency until the year 2050; a CO₂ standard for aircraft; a framework for market-based measures in international aviation; and measures to facilitate access by developing States to financial resources, technology transfer and capacity-building.
35. Also last year, an ICAO global framework on the development and implementation of alternative fuels for aviation worldwide was adopted, positioning aviation to be the first sector to use sustainable alternative fuels on a global basis.
36. This past February, ICAO's Committee on Aviation Environmental Protection (CAEP) committed to a timetable for the development of the CO₂ standard aiming at 2013, a milestone that would establish the first global fuel-efficiency standard for any industry sector.

37. All of these firsts for aviation will be part of the discussions at the 37th Session of the ICAO Assembly this coming September, where Member States will have an opportunity to strengthen even more current and projected measures to protect the environment.
38. To effectively address safety, security and environmental challenges, it is best for the industry to be economically sustainable as well. One major factor is the liberalization of the air transport industry.
39. Chinese domestic air transport has been gradually liberalized since 1990s, and so-called “open skies” policies were adopted on a unilateral basis for specific airports. Along with the trend towards liberalization, there has been a significant move towards market consolidation. The creation of Four Chinese airline groups through mergers with other smaller State-owned airlines between 2002 and 2007 is one example. Some other major airlines in China became players in global alliances, while some Chinese airlines have chosen to strengthen their marketing relationship through increased cross-shareholding.
40. As China progresses along the road of liberalization, it can count on a number of initiatives developed by ICAO, in cooperation with industry and other stakeholders. This includes comprehensive policy and guidance material on the regulation as well as liberalization of international air transport which, we have often pointed out, is an engine of economic and social development.
41. We have also implemented various initiatives in order to facilitate, promote, and assist States in the liberalization process. One is the ICAO Air Services Negotiation Conference (ICAN). By enabling each participating State to hold multiple negotiations under “one roof”, the Conference greatly improves the efficiency of the negotiation process.
42. Ladies and gentlemen, preparing for a new era in civil aviation will require bold and often provocative decisions. But they must be made. In my remarks, I have outlined how working together as members of an international community, we can achieve what would almost certainly not be possible alone or in small groups.
43. As you embark on an exciting conference, I reaffirm the commitment of ICAO to work with and for you in making of this new era the safest, most secure and most sustainable to date.