



INTERNATIONAL CIVIL AVIATION ORGANIZATION

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English, French
and Spanish
only¹

ASSEMBLY — 35TH SESSION

ECONOMIC COMMISSION

Agenda Item 30: Other air transport issues

ECONOMIC CONTRIBUTION OF CIVIL AVIATION

(Presented by the Airports Council International (ACI))

SUMMARY

ACI fully endorses ICAO's work and guidance on the economic contribution of civil aviation to the global economy outlined in WP/42, and recommends that the direct, indirect and catalytic effects of investing in aviation infrastructure be taken into account by States when assigning priorities in applying national budgetary resources for the future.

ACI has provided further data supporting the proposition that investment in civil aviation is critical to global prosperity, in an Information Paper for the Assembly (WP/199).

Action by the Assembly is in paragraph 8.

INTRODUCTION

1. ACI fully endorses ICAO's work and guidance on the economic contribution of civil aviation to the global economy outlined in WP/42. ACI's own surveys support ICAO's findings that civil aviation does indeed make a substantial contribution to the global economy, as well as to national, regional and local economies. This contribution needs to be taken into account when considering investments in aviation infrastructure.

2. An ACI information paper for the Assembly deals with the role of airports in the global economy and supports the proposition that investment in civil aviation is critical to global prosperity. ACI also wishes to add two observations below in further support of WP/42 that are particularly applicable to airports.

¹ English, French and Spanish versions provided by ACI.

THE COST OF NOT HAVING AIR SERVICES

3. Opportunity cost is an important factor to consider when justifying an airport and air services. The cost of **not** having an airport or air services can be substantial, since they provide essential links to connect a city, community or region with the world network of air services and the national and global economy. While a particular airport may not have enough traffic to cover its full costs, the cost of **not** having an operational airport and air services is the cost of being cut off from the national economy.

4. This is true for cities and communities in both developed and developing countries. In countries such as Canada, Finland and Norway, for example, aviation literally provides the supply lifeline for small Arctic communities. The same is true for island States and places where road and rail infrastructure may be lacking, or may be uneconomic or impossible to provide. Here air services can often best provide the essential link to the air service network and the most cost-effective transport alternative.

5. For many ACI member airports, therefore, the value of an airport will not be measured by a sound financial performance, but rather in terms of its overall contribution to an otherwise isolated city, community or region. In such cases, States' decisions on airport infrastructure funding must be based not on an anticipated financial rate of return, but on other, equally important subjective factors that support the national interest.

AIRPORT CONTRIBUTION TO EMERGENCY RELIEF SUPPLY AND ASSISTANCE EFFORTS

6. Another role of airports, sometimes overlooked, is to act as centers for the distribution of food, medicines, and other relief supplies in areas afflicted by natural disasters or political strife. This role is rarely considered when States prioritize airport infrastructure projects because natural disasters such as earthquakes, drought, floods and resulting famine and disease occur randomly, in both developed and developing States.

7. Time and again, airports have played a vital role in the delivery of supplies in natural or man-made emergency situations. Civil aviation has often had to be quickly mobilized to deliver life-saving supplies over long distances and to remote areas. UN relief agencies, the International Red Cross and many national charitable and other organizations have had to react rapidly in times of crisis and use the massive airlift capacity and airports available.

ACTION BY THE ASSEMBLY

8. The Assembly is invited to:

- a) note ACI's support for ICAO's work and guidance on the economic contribution of civil aviation; a contribution requiring consideration in decisions involving aviation infrastructure; and
- b) note the significant role played by airports in promoting national and regional economic activity, national economic unity and in contributing to emergency relief supply and assistance efforts.