

**WORLDWIDE AIR TRANSPORT CONFERENCE: CHALLENGES AND
OPPORTUNITIES OF LIBERALIZATION**

Montreal, 24 to 29 March 2003

- Agenda Item 1: Preview**
- 1.1: Background to and experience of liberalization**
 - 4: Consideration of global framework for ongoing liberalization**
 - 4.1: Mechanisms to facilitate further liberalization**

**GEORGIA'S VIEW ON CERTAIN ASPECTS OF LIBERALIZATION
(THE NEED FOR THE PUBLICATION OF A COMPREHENSIVE
DOCUMENT ON LIBERALIZATION MATTERS**

(Presented by Georgia)

SUMMARY

This paper contains Georgia's view on the need to study the experience accumulated with respect to liberalization in the civil aviation area in different States and regions of the world, as well as to publish a comprehensive document on liberalization matters.

Action by the Conference is in paragraph 2.

REFERENCES

Doc 9626, *Manual on the Regulation of International Air Transport*
Doc 9587, *Policy and Guidance Material on the Economic Regulation of International Air Transport*
Doc 9644, *Report on the World-wide Air Transport Conference on International Air Transport Regulation: Present and Future (ATConf/4)*
Georgia's own experience in market regulation

1. INTRODUCTION

1.1 At this stage in the development of world civil aviation, liberalization is having an increasingly serious influence on the whole air transport process. It has become vitally important to assess the opportunities of liberalization, the need for its development and its consequences. We believe that ICAO has correctly assessed the situation in world civil aviation by proposing as the main subject of the **Conference the Challenges and Opportunities of Liberalization** and at the same time it has defined one of the main objectives of the Conference, the **development of a system of safeguards for the effective and sustainable participation of developing countries in the liberalization process**. Thereby, ICAO has ensured and played the role of a catalyst for the active participation in the work of the Conference by all States, both developed and developing States.

1.2 The development of liberalization, without a full understanding of its final, anticipated results and without regulation of this process (in the correct understanding of the word “regulation”), may prove to be ruinous for States that are developing States from the aviation point of view.

1.3 Therefore, the “developing States”, while fully supporting the liberalization process, have nevertheless a very guarded attitude to the global process of liberalization and, in particular, to the level of liberalization tomorrow.

1.4 In this regard, account must be taken of the most important, fundamental factor in the successful development of liberalization, **the process and format of liberalization must become attractive both for the consumer and for those aviation enterprises involved in the civil aviation area**, that is, the participants in the liberalization process must be **interested** in its further development.

1.5 The greatest opponent of liberalization and thereby of the achievement of the huge potential opportunities of civil aviation may prove to be our **thinking** and this is not without purpose.

1.6 It is very difficult to break down the foundations, “legitimized” by decades, of the regulation of the sector and if the air carrier or other aviation enterprises, at the consumer’s wish, find different ways (both lawful and unlawful) to satisfy the consumer’s interests, then we are bound, within the limits of what is reasonable, to create all the conditions (**first of all, the legal conditions**) to satisfy the consumer’s demand. In this regard, in order to achieve the desired, and what is most important, the objective results of liberalization, it is first of all necessary to break down the thinking of the opponents of liberalization and for this purpose it is necessary to have the most accurate information on the final results (both positive and negative) of the liberalization process that has already taken place in certain States and regions. This provides the possibility to think, assess and take the corresponding decision (which may even be a fundamental decision). In this regard, ICAO should provide the participants in the world forum and the governments of States with the most realistic and comprehensive information on the proposed subject of the Conference, **Liberalization**.

1.7 At the same time, account must be taken of the fact that civil aviation is not a closed sector, rather the contrary. The development of civil aviation helps the development of trade, tourism, services areas and other sectors of the economy. It would therefore be very much to the point if the information on liberalization that was mentioned were to contain material on how the civil aviation liberalization process influences other sectors of the economy.

2. ACTION BY THE CONFERENCE

2.1 The Conference is invited to recognize the need to study the experience accumulated with respect to liberalization in the civil aviation area in different States and regions of the world and to publish the corresponding comprehensive document.

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