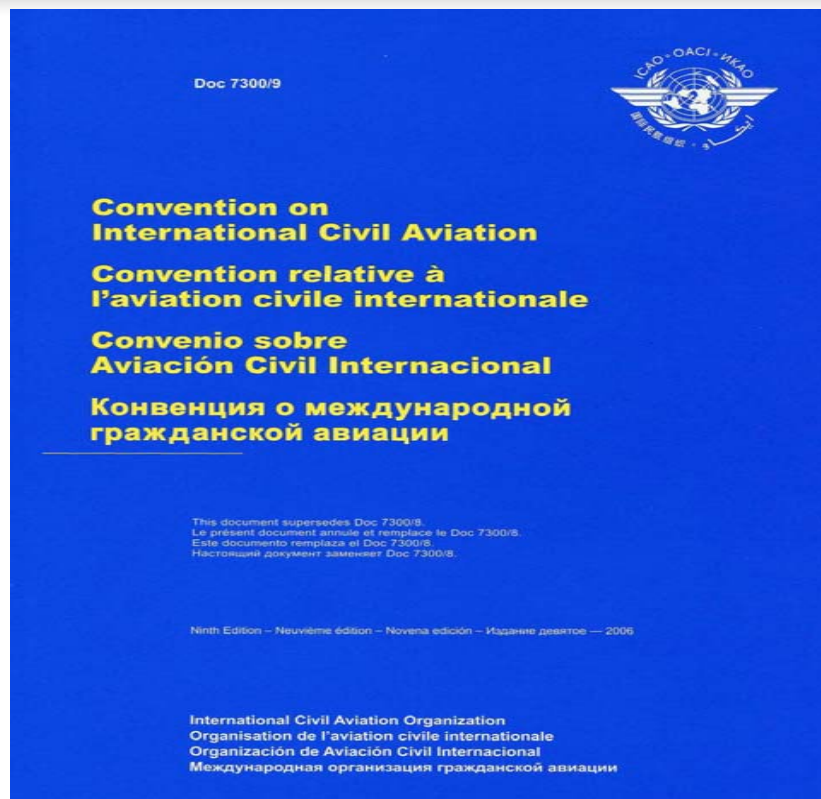




## **Air Cargo Development Forum (Zhengzhou, China - 2 to 5 September 2014)**

**Session 2: Working towards a new regulatory  
framework for international Air Cargo**

**Boubacar Djibo,  
Director Air Transport Bureau  
ICAO**

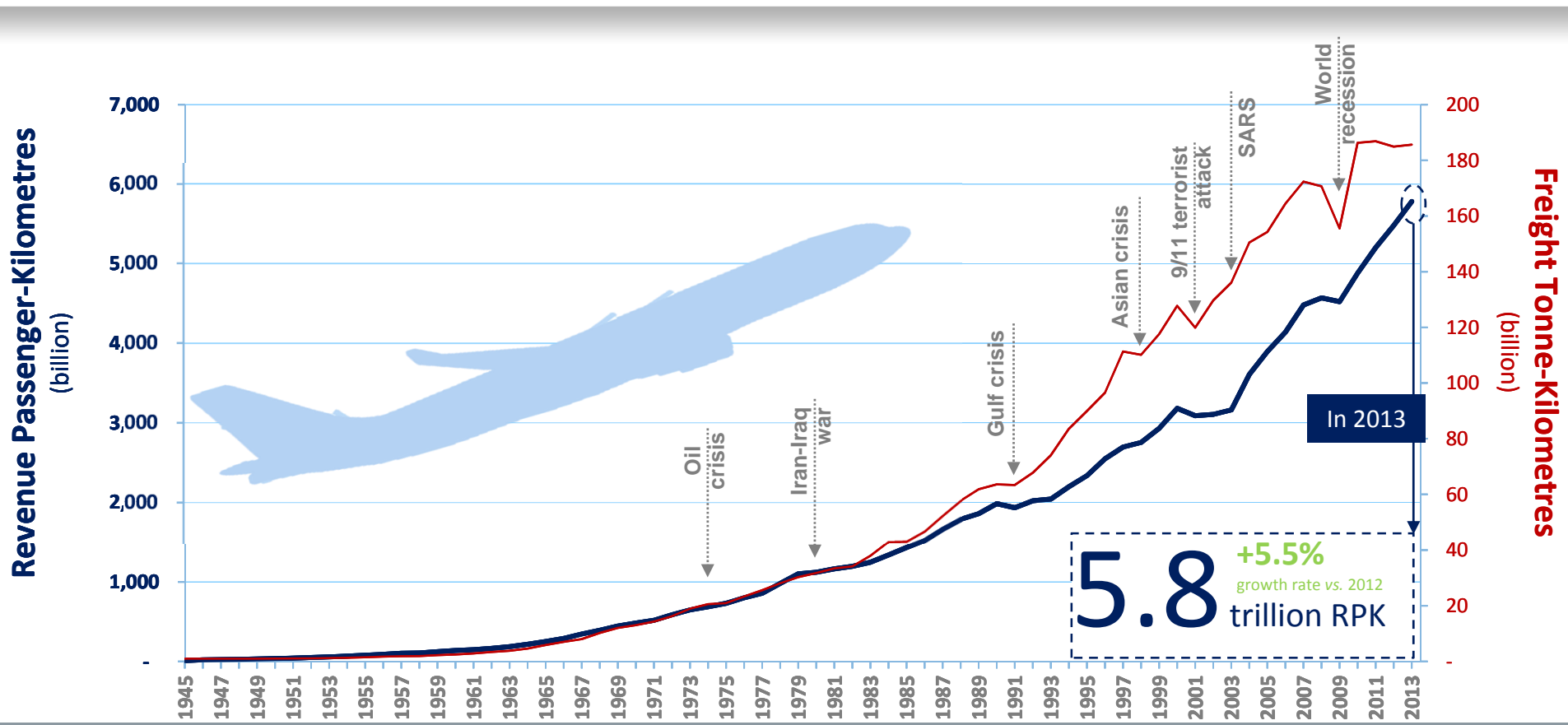


## CHICAGO CONVENTION

Preamble  
*THEREFORE, the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically;*



# Air Transport Development



Source: ICAO Annual Reports of the Council

Scheduled commercial traffic  
Total (international and domestic) services



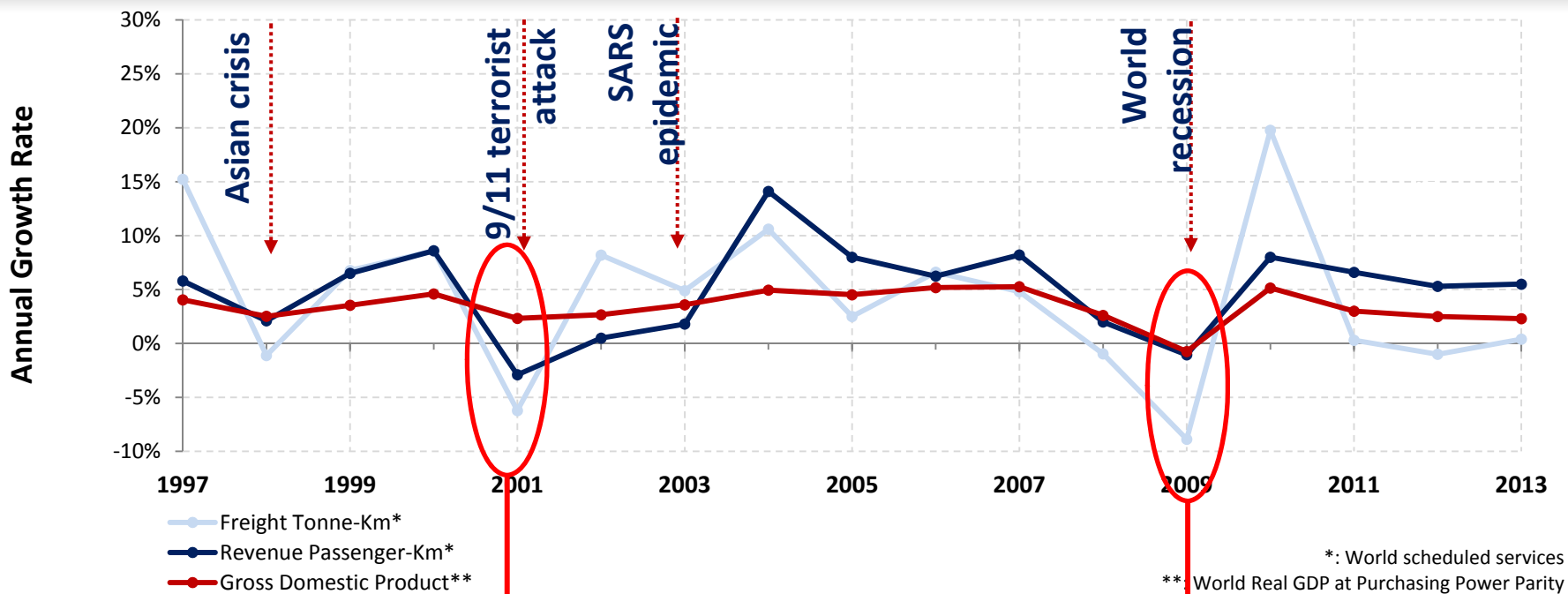
## The Size of the Industry in 2013

- 3.1 billion passengers
- 49 million tonnes of freight
- 1 000 scheduled airlines
- 26 000 aircraft in service
- More than 4 000 airports
- 170 air navigation centres

*Traffic is for scheduled services in 2013*



# Trends of the past 15 years



Since 1995, air cargo traffic overreacts to exogenous shocks compared to passenger traffic evolution

Source: ICAO, IHS



- **A38-14: Consolidated statement of continuing ICAO policies in the air transport field**
- APPENDIX A: Economic regulation of international air transport
- The Assembly:
- 8. Urges Member States to give due regard to the **distinct features of air cargo services** when **exchanging market access rights** in the framework of air service agreements and grant **appropriate rights and operational flexibility** so as to promote the development of these services
- 14. Requests the Council to develop a **specific international agreement to facilitate further liberalization of air cargo services**, taking into account past achievements, States' views on existing arrangements and suggestions made during ATConf/6;
- 15. Requests the Council to continue **to cooperate with regional and sub regional bodies** in their examination and development of measures of cooperation, **including liberalized arrangements**, and the results of these measures, in order to see whether similar or other measures should at the appropriate time be recommended to Member States for application on a wider basis;



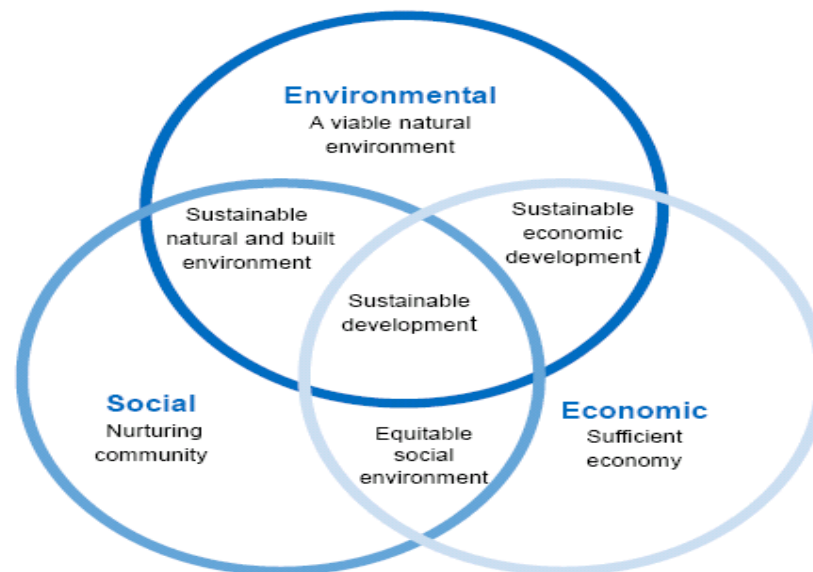
- **A38-16: Consolidated statement of continuing policies related to facilitation**
- The Assembly:
- 3. Requests the Council to ensure that Annex 9 — Facilitation, is current and addresses the contemporary requirements of Member States with respect to administration of border controls, cargo and passengers; advances in technologies related to such administration; cargo facilitation;
- 8. Urges Member States to call upon international operators and their associations to participate to the extent possible in electronic data interchange systems in order to achieve maximum efficiency levels in the processing of passenger and cargo traffic at international terminals;
- 10. Urges States and operators, in cooperation with interested international organizations, to make all possible efforts to speed up the handling and clearance of air cargo, while ensuring the security of the international supply chain; and
- 11. Urges Member States to undertake dialogue and cooperation between national and regional facilitation and security-related bodies



## The three dimensions of sustainability

**United Nations:** "Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs."

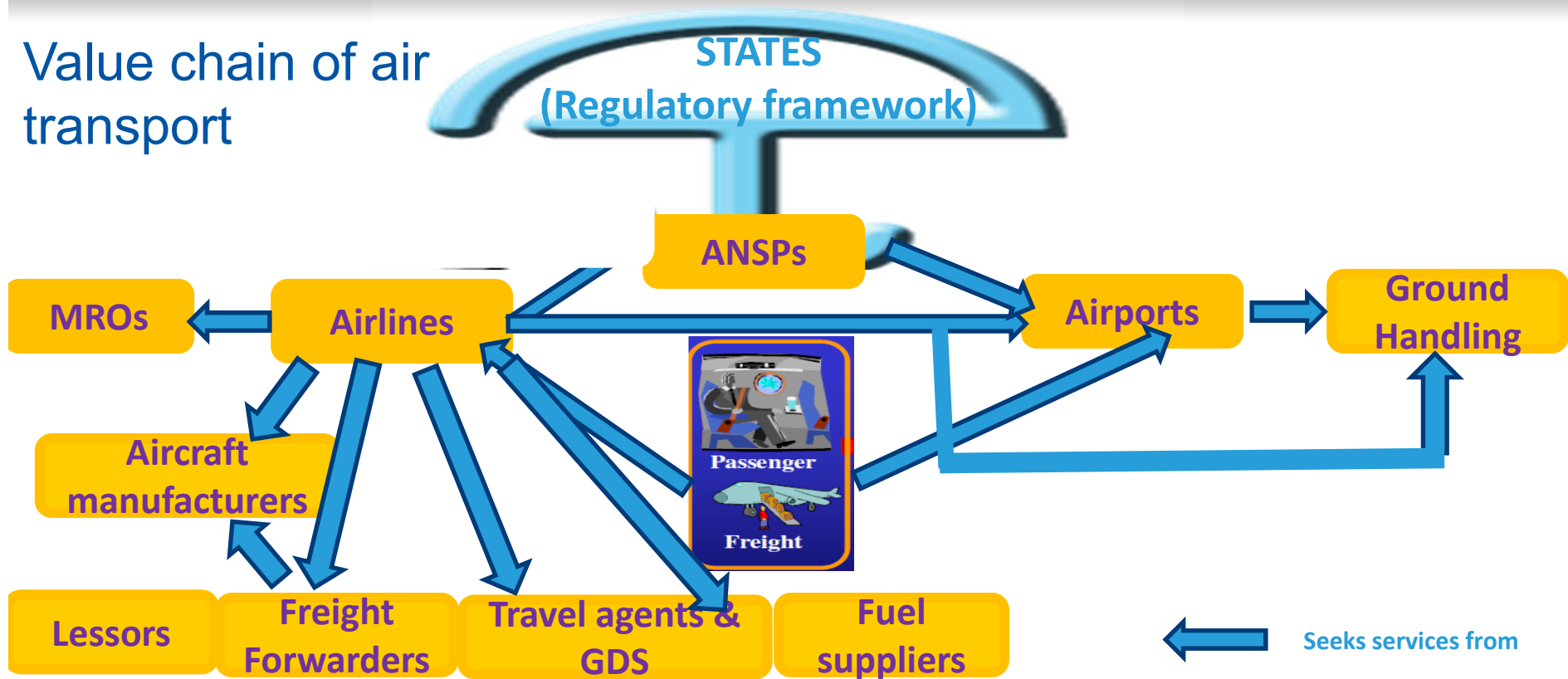
**Triple Bottom Line:** In business, one approach to sustainability is focusing on the impact of decisions on the environment and the community in addition to profit (traditional single bottom line). The diagram illustrates this idea.







# Value chain of air transport

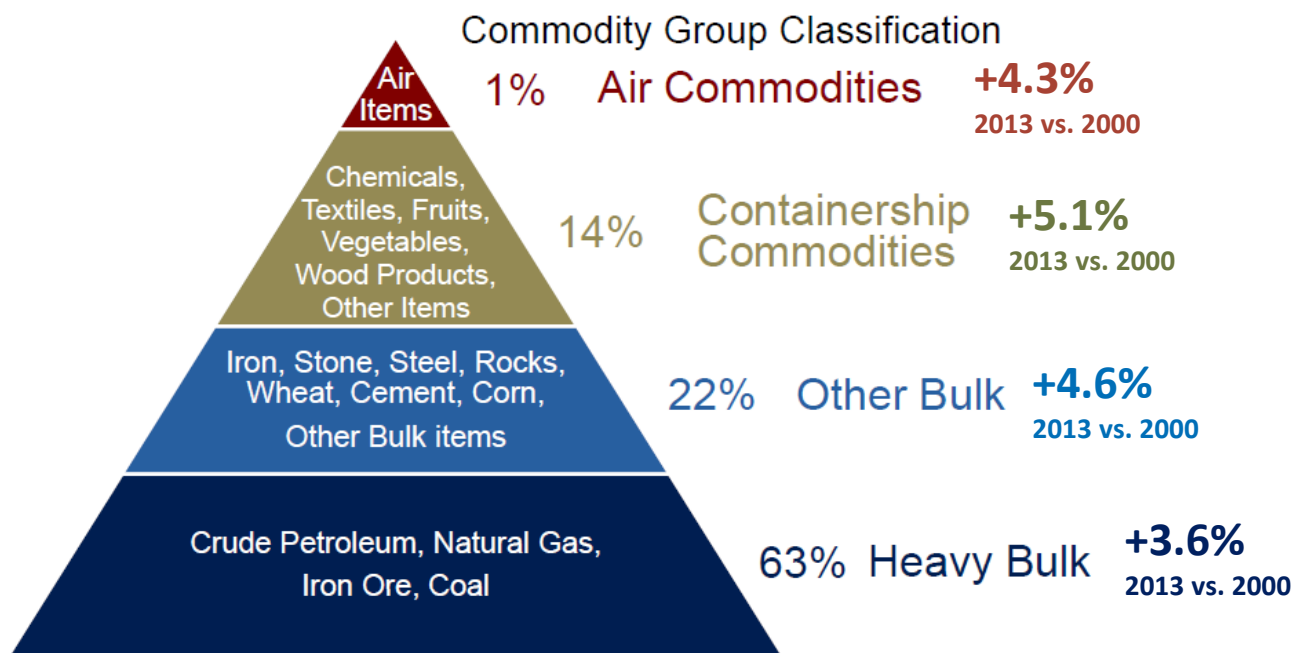




# GLOBAL PERSPECTIVE: AIR CARGO



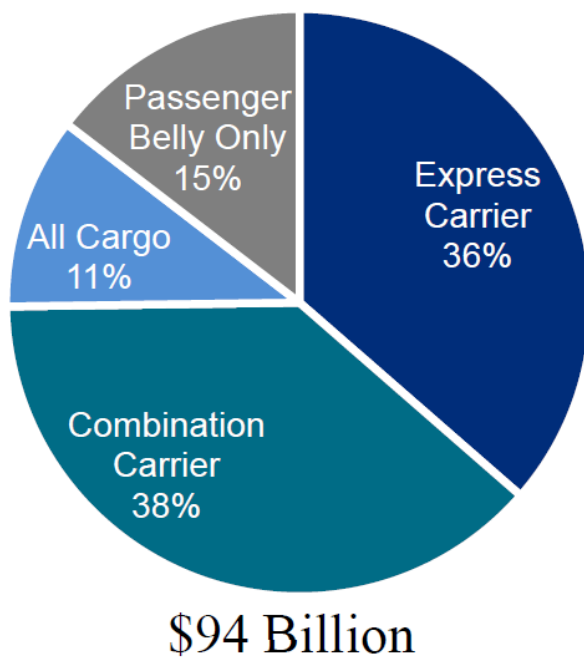
## World trade focused on bulk commodities



Source: Global Insight - World Trade Service, Boeing Analysis



## Total world air cargo revenue



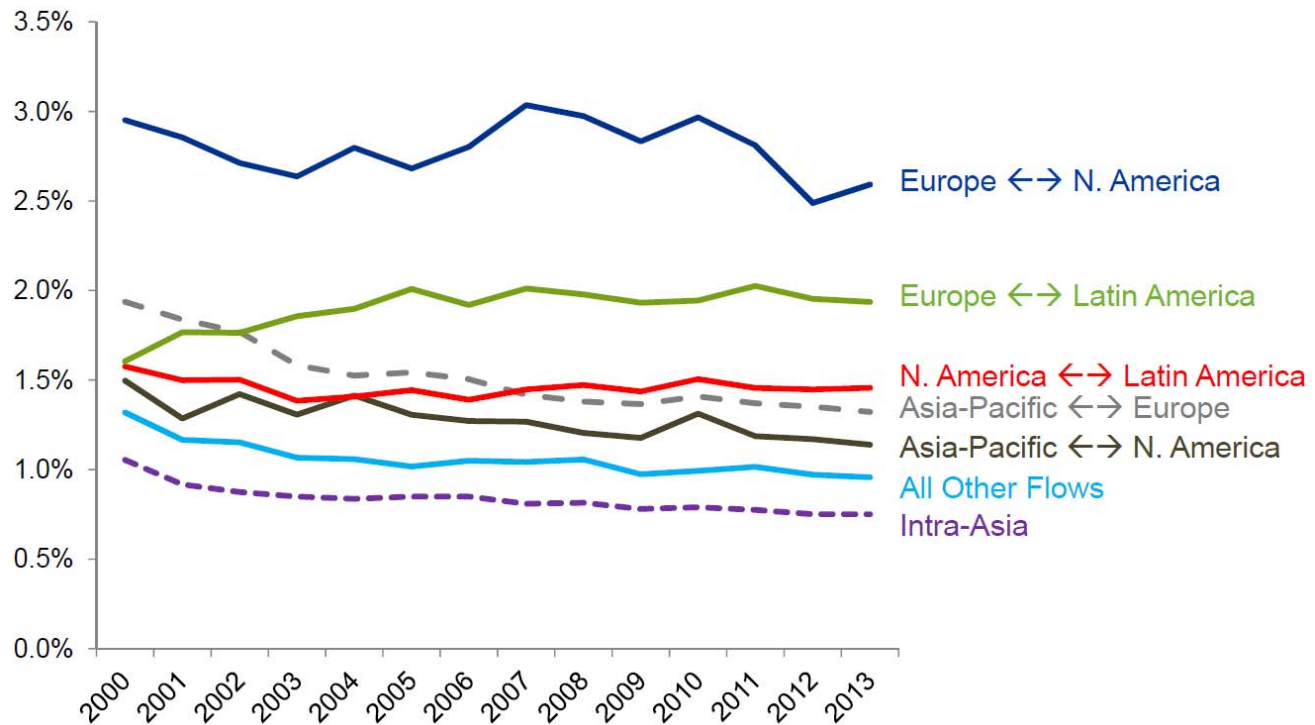
Combination Carriers	\$36B
Express Carriers	\$34B
Passenger Belly Only	\$14B
All Cargo	\$10B

Sources: Air Transport Intelligence, U.S. DOT F41, Boeing estimates, and airline reports.



# Air share of trade on major trade lines

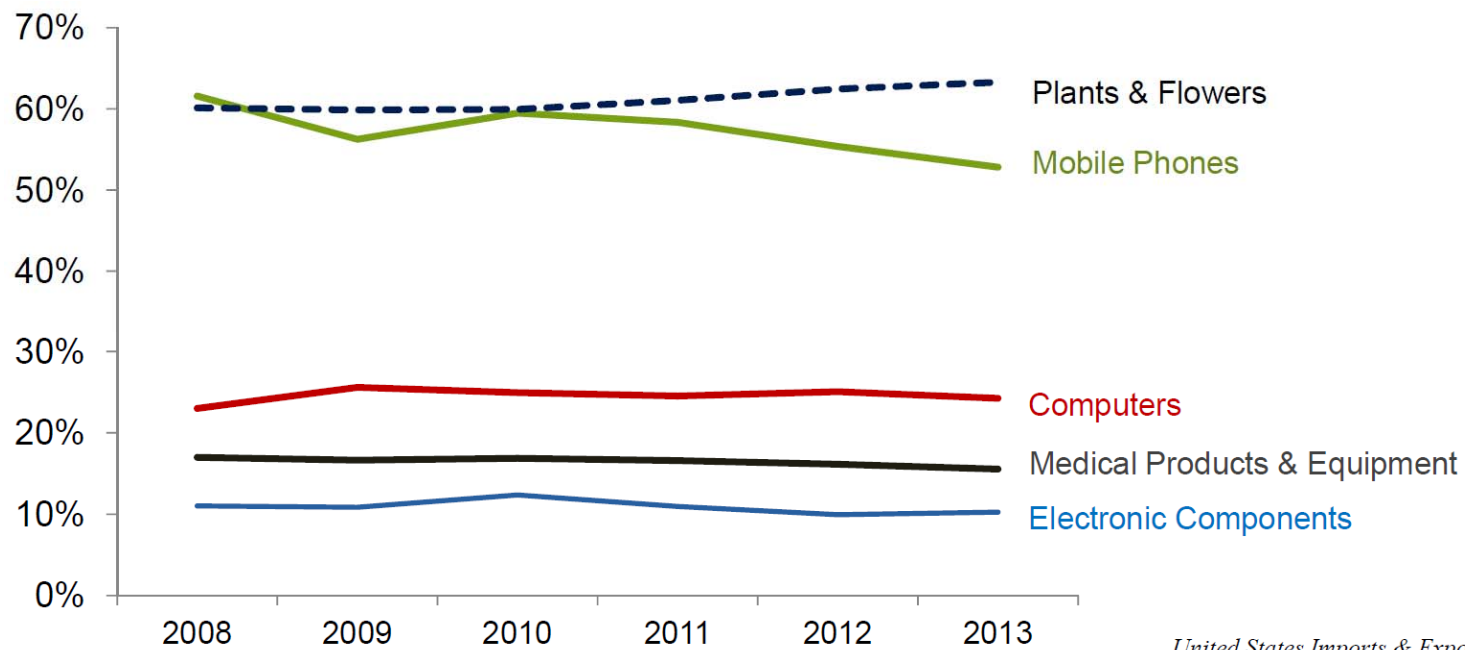
## Air cargo and containerships



Source: Global Insight, World Trade Service



## Percentage of kg transported by air vs sea

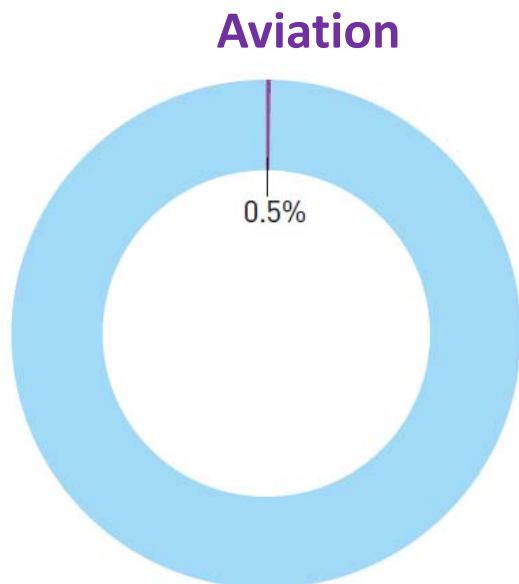


*United States Imports & Exports*

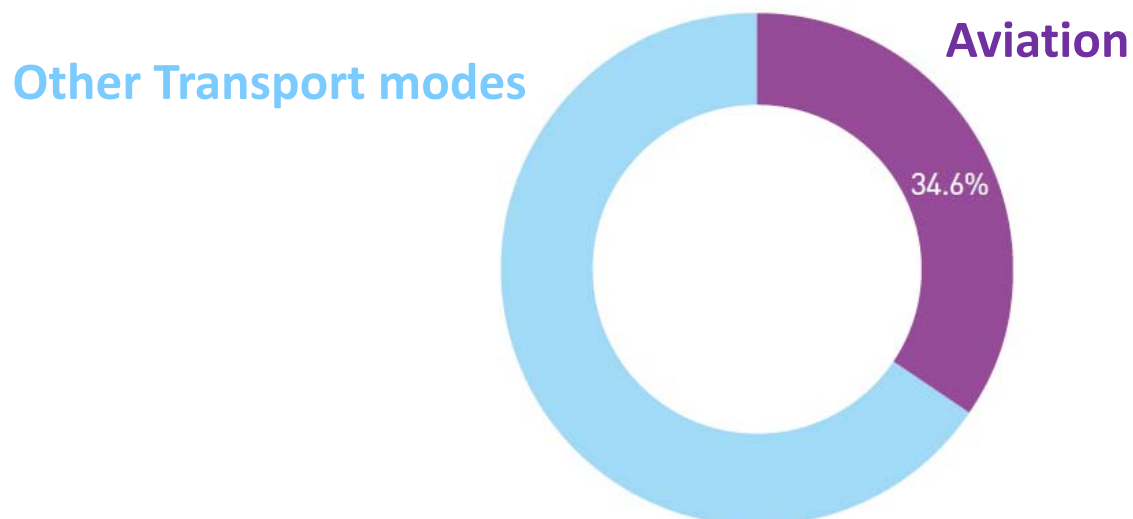


# World International Cargo Shipment

Volume of world international cargo shipment



Value of world international cargo shipment



*Source: Air Transport Action Group (ATAG), 2014 for 2012 data*



# World air cargo in 2013

**186** **+0.4%**  
billion  
*freight tonne-km performed*  
2013 vs. 2012

**49** **+2.3%**  
million  
*freight tonnes carried*  
2013 vs. 2012

**Note:** *scheduled services*

Source: ICAO





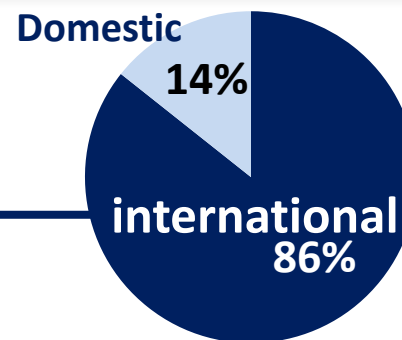
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## 2013 key cargo indicators

**159** billion  
*freight tonne-km performed*

**+0.3%**  
*2013 vs. 2012*



Belly  
Freight:

**32** million  
*freight tonnes carried*

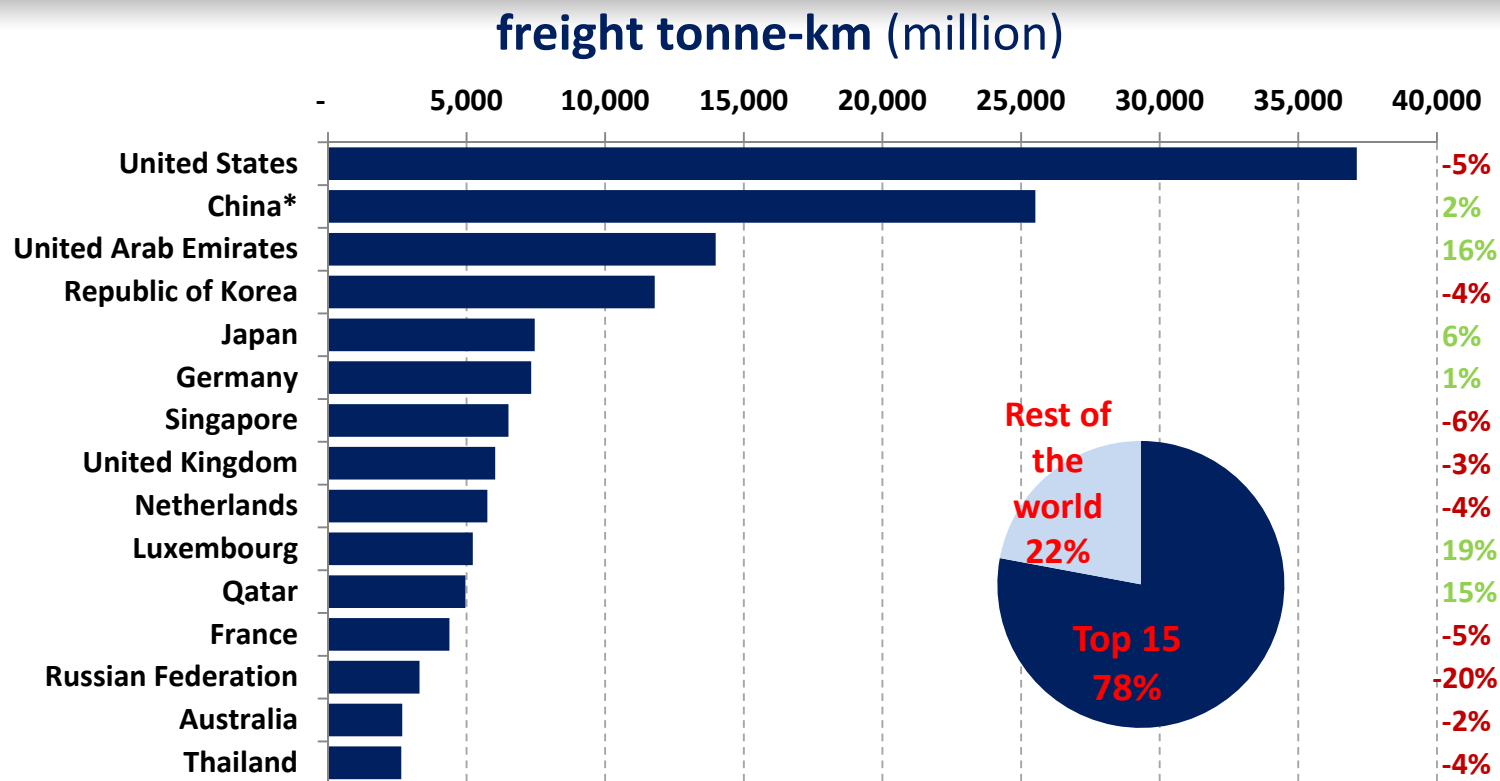
**+2.2%**  
*2013 vs. 2012*

Note: scheduled services

Source: ICAO



ICAO | UNITING AVIATION **Top 15 States in 2013**

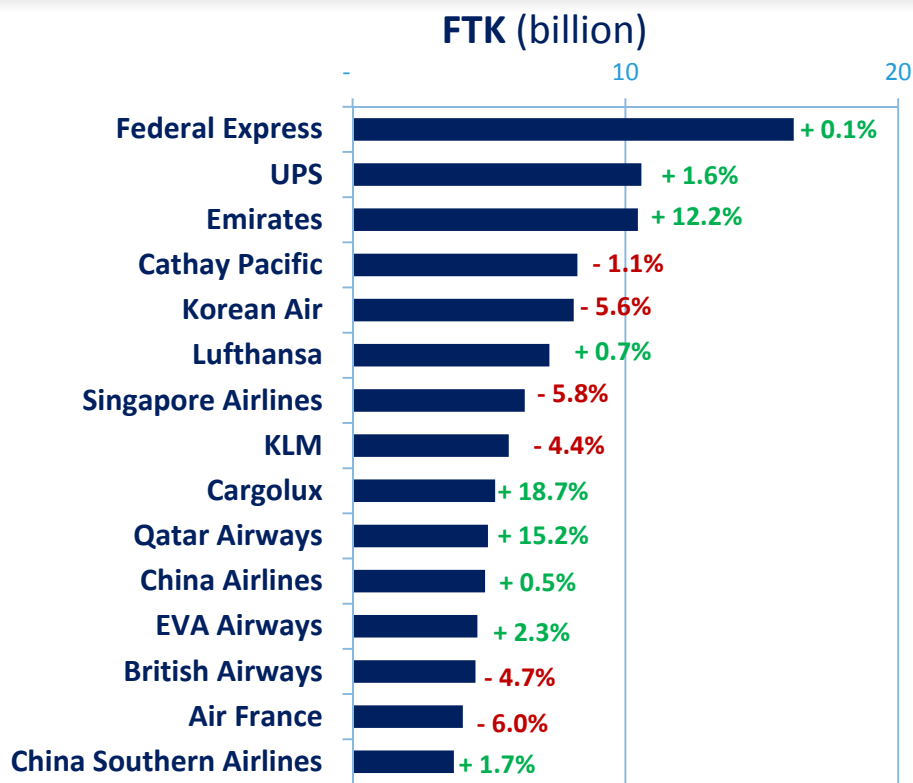


**Note:** scheduled services, States of AOC holders  
**Source:** ICAO Annual Reports of the Council

\*China includes Hong Kong SAR and Macao SAR



# Top 15 airlines for carried freight



Note: scheduled services

Source: ICAO Form A and ICAO estimates

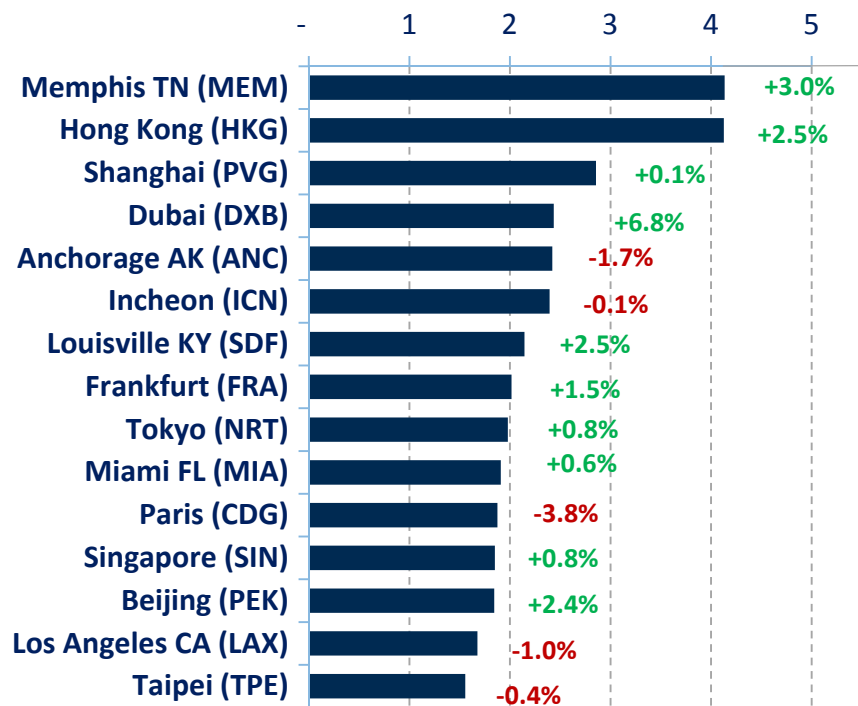
- 6 carriers from **Asia/Pacific**
- 5 carriers from **Europe**
- 2 carriers from **North America**
- 2 carrier from **Middle East**
  
- 2 all freight carriers: Federal Express and UPS
- Highest growth → Cargolux with +18.7 % FTK growth

Total (international and domestic) services



# Top 15 airports by freight tonnes handled

Freight tonnes handled (million)



Note: scheduled services

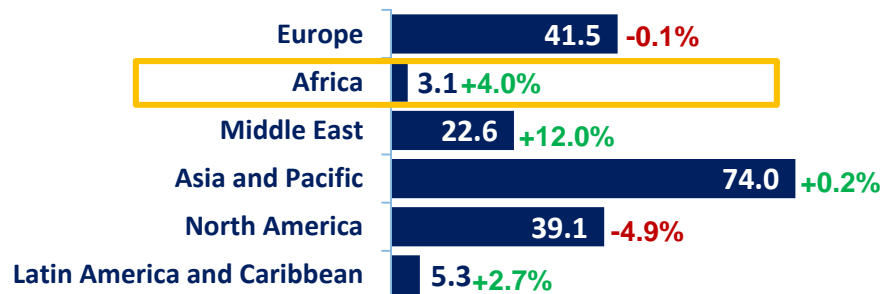
Source: ACI

- 7 airports from **Asia/Pacific**
- 5 airports from **North America**
- 2 airports from **Europe**
- 1 airports from **Middle East**
  
- **10 out of the Top 15 airports** recorded an annual growth
- **Highest growth** → **Dubai Airport** with **+6.8 %** tonnes handled growth



# World Air Cargo in 2013

## Freight Tonne-Kilometres (billion)



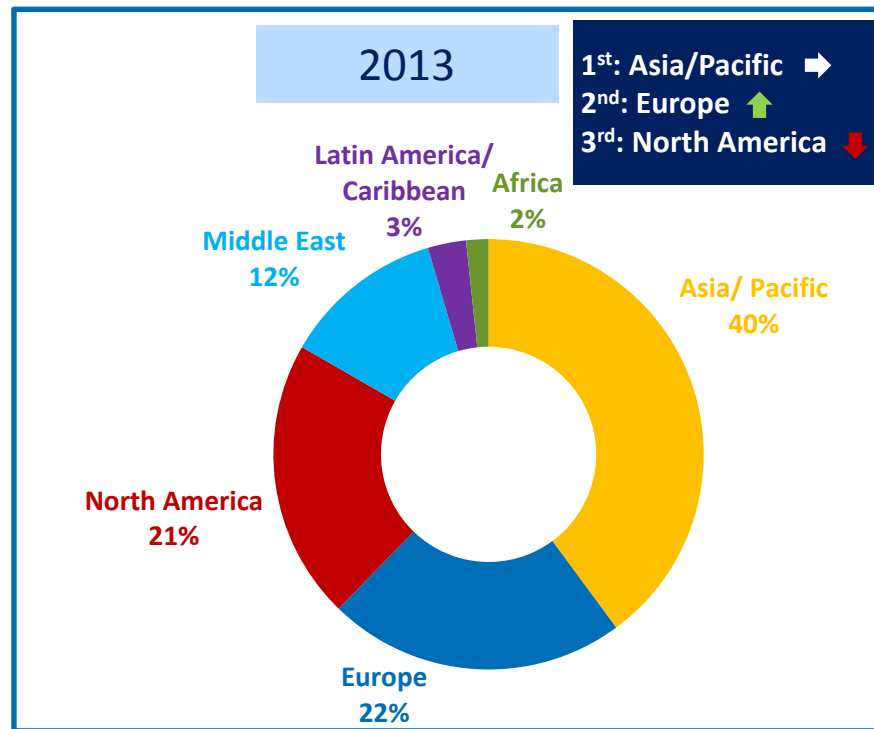
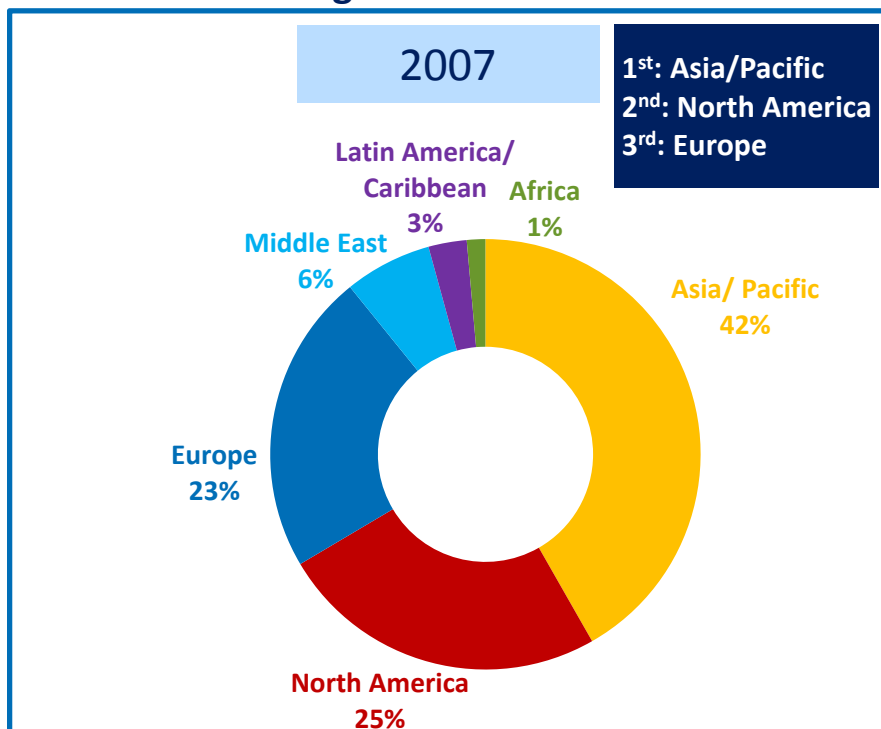
186 <sup>+0.4%</sup>  
vs. 2012  
billion

**Freight Tonne-Kilometres**



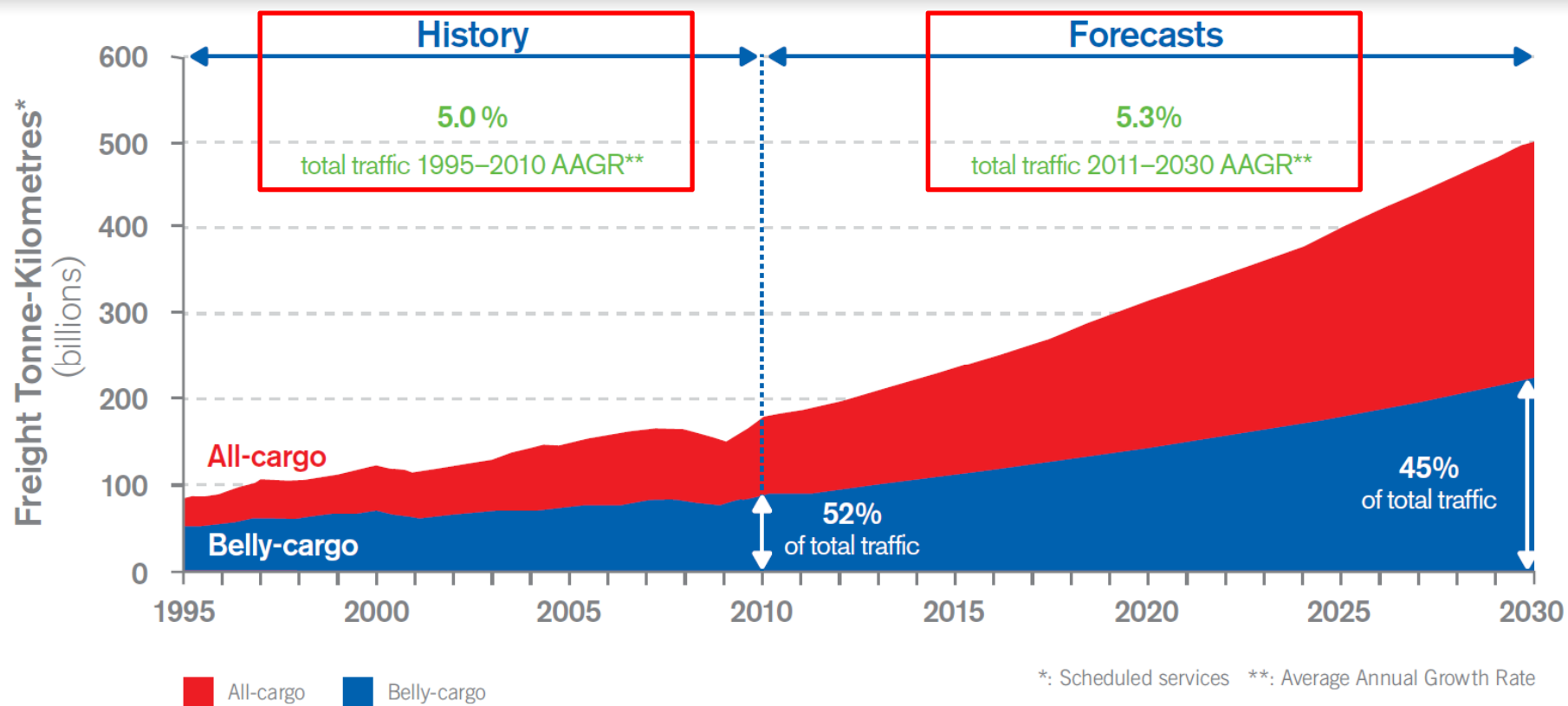
# Freight Traffic: Worldwide Distribution

## Distribution in Freight Tonne-Kilometres



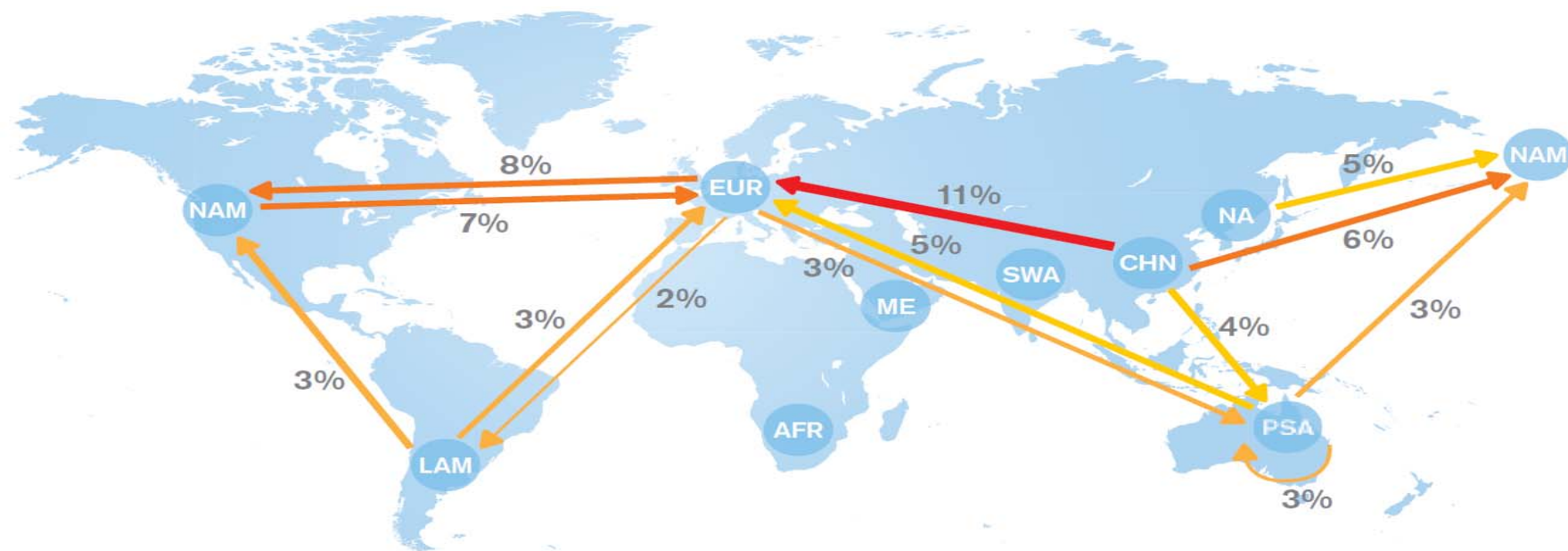


# Long-term Air Traffic Forecasts: "GATO" Scheduled Freight Traffic





## Top belly-cargo international flows : 2030 (FTK share)



Note: AFR: Africa / CHN: China / EUR: Europe / ME: Middle East / LAM: Latin America and the Caribbean / NAM: North America / NA: North Asia / PSA: Pacific and South-East Asia / SWA: South-West Asia

Source: ICAO Global Air Transport Outlook to 2030 – Cir 333

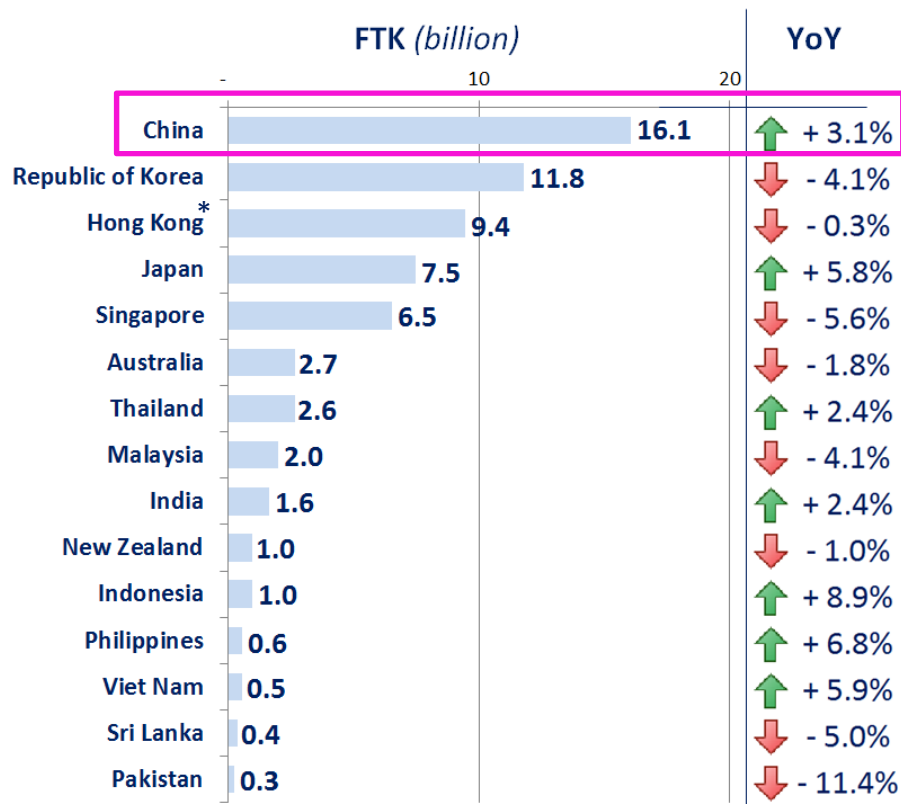




# CHINESE PERSPECTIVE: AIR CARGO



# Top 15 Countries in Asia



**Note:** scheduled services

\*: Hong Kong SAR China

**Source:** ICAO Air Transport Reporting Forms A, A-S



**16** **+3.1%**  
*2013 vs. 2012*  
billion  
*freight tonne-km performed*

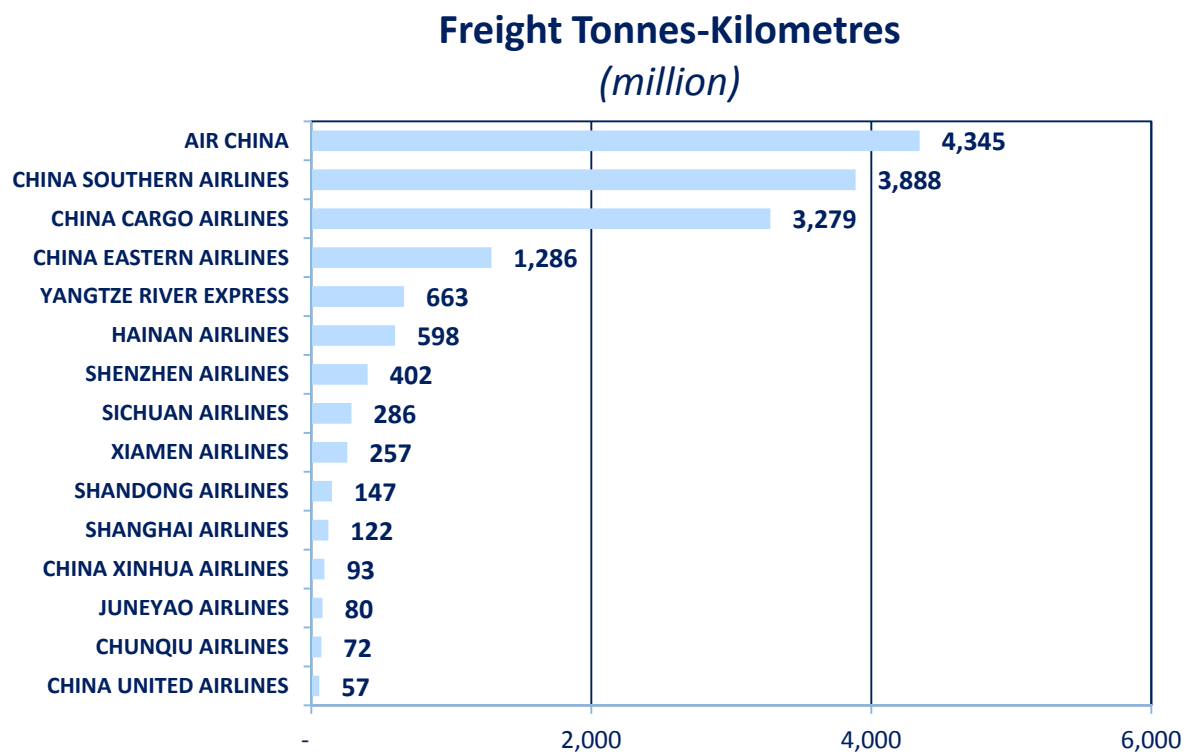
Chinese carriers performed  
8,6% of the world air  
freight traffic in 2013

**7.4** **+6.4%**  
*2013 vs. 2012*  
million  
*freight tonnes carried*

**Note:** *scheduled services, States of AOC holders*  
**Source:** *ICAO Annual Reports of the Council*

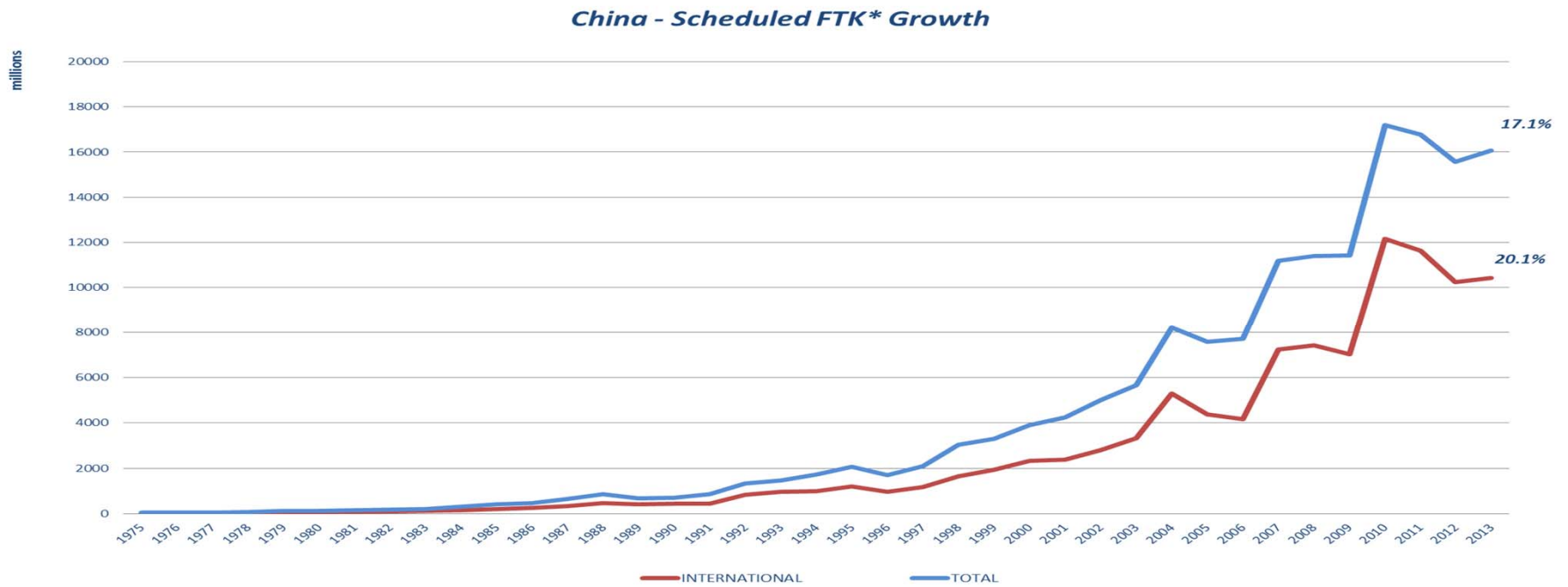


## Top 10 Chinese carriers in freight traffic in 2013



Total scheduled traffic  
(domestic and international)

**Source:** ICAO Air Transport  
Form A, as reported by  
China



\*: Freight Tonnes Kilometers

Source – ICAO Annual Reports



# CONNECTIVITY: AN IMPORTANT VALUE CHAIN TO STIMULATE AIR TRANSPORT DEVELOPMENT



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## Definition of Connectivity in Air Transport

Movement of passengers, mail and cargo involving the **minimum of transit points**

- which makes trip as **short** as possible
- with **optimal** user satisfaction
- at the **minimum** price possible

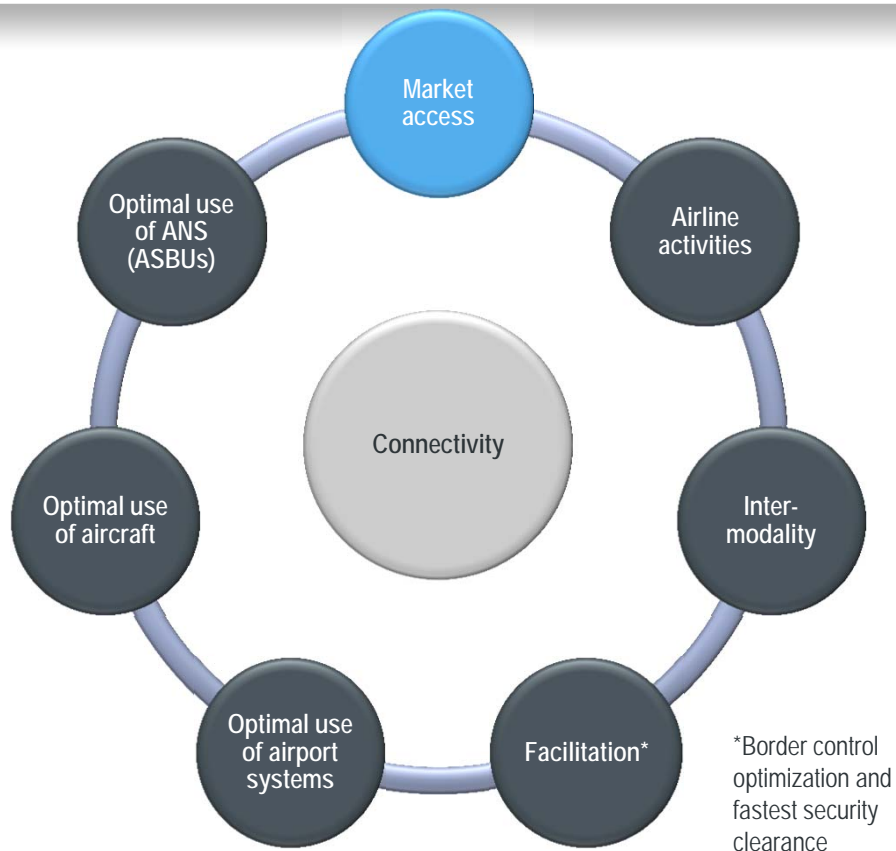


## Connectivity Components

In order to optimize connectivity a strong supporting framework is needed

**This includes:**

- market access (e.g. liberalization)
- optimal use of:
  - air navigations services (incl. ASBUs)
  - Aircraft
  - airport systems
  - facilitation and security
- intermodality
- airline activities



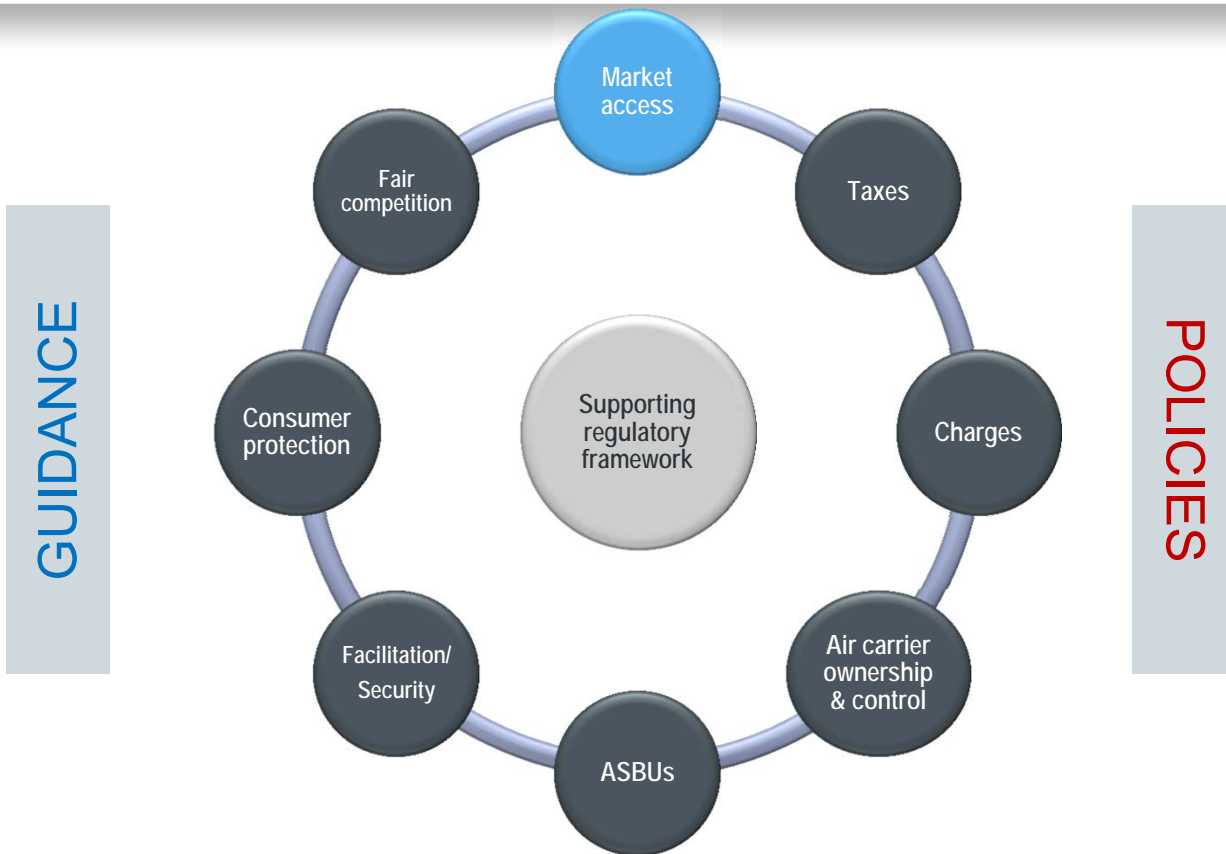


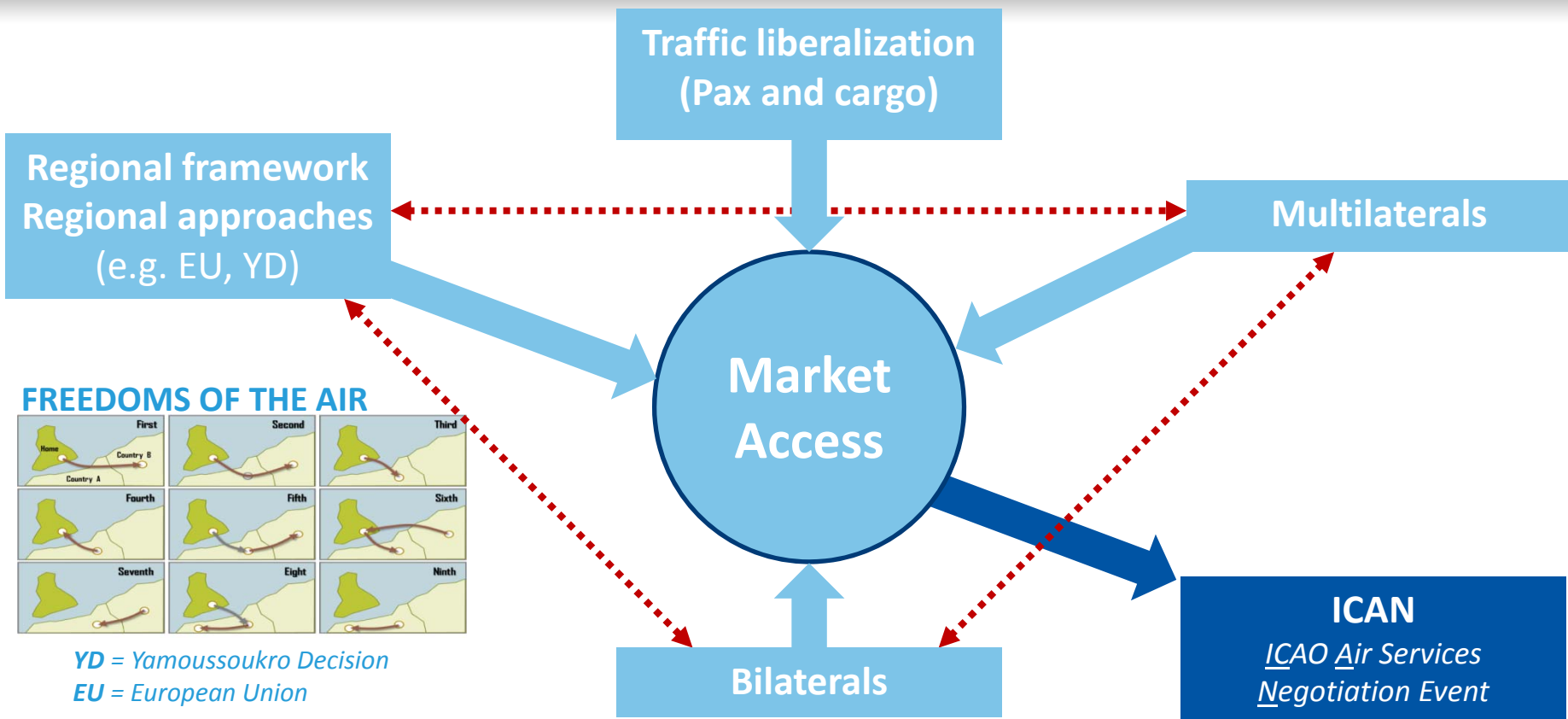


# The Supporting Regulatory Framework: ICAO's Contribution to Connectivity

The supporting regulatory framework:

ICAO's contribution to connectivity







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# ICAN 2014 Bali, Indonesia (17-21 Nov 2014)

ICAO  
website



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## 2014 ICAO Air Services Negotiation Event

ICAN 2014 will take place 17-21 November 2014 in Bali, Indonesia, and includes an Air Transport Symposium on current trends and developments - read more...

- Air Cargo Africa Event
- Air Cargo China Event
- Aviation Security Innovation
- ICAO Green Tech Seminar
- Business Class 2014 Symposium
- ICAN 2014**

### Latest News

Ukraine Requests ICAO Assistance in MH17 Accident Investigation | 18/7/2014

ICAO Meteorological Meeting Delivers Important Recommendations Supporting Future 'SWIM' Environment | 18/7/2014

[See more ...](#)

### Upcoming Meetings & Events

New Technologies Working Group (NTWG), Request for Information from Vendors | Montréal, Canada | 21/7/14 - 25/7/14



Venue Year	2008 Dubai, UAE	2009 Istanbul, Turkey	2010 Kingston, Jamaica	2011 Mumbai, India	2012 Jeddah, Saudi Arabia	2013 Durban, South Africa
Number of participating States	27	52	38	64	62	73
Number of bilateral meetings held	100	200	200	370	350	486
Number of agreements signed	20	60	60	120	130	458

➤ **Improve efficiency of negotiations**

- A place to meet for multiple ASA talks
- A forum to get info, discuss issues
- A platform for bilateral, multilateral talks

➤ **Save time and money for States**

**ICAN 2015: Turkey**  
**ICAN 2016: Latin America**



## Outlook on new ICAN features (in progress)

- B2B – Meetings with the Industry
  - For the first time this year in Bali
- Possible future “ICAN Cargo” perspective:
  - Component during future ICAN events to specifically address air cargo issues; or
  - **specific “ICAN Cargo” event in cooperation with TIACA**
- Promoting negotiations between States, International Organizations and the Cargo Industry



## ICAO, WCO and TIACA

### Solidify Cooperation on Air Cargo Supply Chain Objectives





## ICAO and TIACA Declaration of Intent

Strengthen cooperation and on technical matters (April 2013)

Closer work in the field of

- air cargo and mail security and facilitation;
- Accelerating the evolution from paper-based to electronic processes;
- environmental stewardship;
- the liberalization of market access; for air cargo services; and
- air cargo safety

### NEWS RELEASE

Please find here a news release issued today by TIACA  
 Media contact: Jamie Roche, JRPR  
 Date: April 18th 2013  
 T: +44 (0) 1344 6318801/3  
 E: jamie@jamierochepr.co.uk



### ICAO AND TIACA TO STRENGTHEN COOPERATION

**Dallas/Fort Worth (18 April 2013):** The International Civil Aviation Organization (ICAO) and The International Air Cargo Association (TIACA) signed a Declaration of Intent today to strengthen co-operation on technical matters.

The declaration was officially signed in Dallas at TIACA's 2013 Executive Summit by the Association's Chairman, Michael Steen, and by ICAO's Secretary General, Raymond Benjamin.

Under the terms of the new agreement, ICAO and TIACA will work more closely on air cargo and mail security and facilitation, accelerating the evolution from paper-based to electronic processes, environmental stewardship, the liberalization of market access for air cargo services, and air cargo safety.

Michael Steen said: "This is another highly significant breakthrough in the new era of collaboration between our industry and leading regulatory bodies. ICAO is taking a lead in critical areas of aviation, such as security and the environment, and the Secretary General and his team have made a clear point of meeting with us, listening to our views and participating in our events to learn more about the requirements and concerns of the air cargo industry. ICAO clearly sees air cargo as the vital industry that it is and we welcome the opportunity to help this important global standards setter realize its objectives, based on a stronger understanding of the views of our sector."

On behalf of ICAO, Raymond Benjamin, added: "ICAO has been grateful for the input and advice received by TIACA as we have begun to develop closer ties with the air cargo sector. With this agreement now supporting our future cooperation across a wide range of shared priorities, ICAO will be focusing its near-term efforts on evolving our regulatory frameworks with States and industry stakeholders, including TIACA, toward the greater liberalization of air cargo services."

ICAO and TIACA have agreed to "consult, confer and cooperate on a continuous basis, over an above attendance at formal meetings. They will keep each other informed of project activities and programs of work in the areas identified in the Declaration of Intent.

TIACA, which is already on the list of international organizations that may be invited to attend outable ICAO meetings, has agreed to disseminate information on relevant ICAO standards and recommended practices, policies and technical guidance materials, and to promote implementation by its members.

Each of the parties will also invite the other to be represented by observers at global and regional conferences or meetings relating to the areas of cooperation.

This new commitment by ICAO and TIACA follows a joint communique for 'Enhanced Cooperation in the Field of Air Cargo Transportation' last October, which was issued at TIACA's 29th International Air Cargo Forum & Exposition in Atlanta, Georgia.



-end-

PTO



### ICAO and WCO Memorandum of Understanding

Joint Forces to Strengthen Air  
Cargo Security (June 2011)

Increased cooperation to protect  
air cargo from acts of terrorism or  
other criminal activity and for  
speeding up the movement of  
goods by air worldwide

Foundation for future Joint  
Communiques and Publications.



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WORLD CUSTOMS ORGANIZATION  
ORGANISATION MONDIALE DES DOUANES





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## ICAO's Cooperation on Cargo



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Security & Facilitation



### Moving Air Cargo Globally ICAO-WCO Joint publication on Air cargo Security and Facilitation

#### Moving Air Cargo Globally

Air Cargo and Mail Secure Supply Chain  
and Facilitation Guidelines



Available for download in six  
languages: Arabic, Chinese,  
English, French, Russian,  
Spanish

[www.icao.int/Security/aircargo/Pages/  
Air-Cargo-and-Mail-Security-and-  
Facilitation.aspx](http://www.icao.int/Security/aircargo/Pages/Air-Cargo-and-Mail-Security-and-Facilitation.aspx)



## Reference Documents

### ICAO

[www.icao.int/Meetings/AirCargoDevelopmentForum-2014/Pages/Reference-Documents.aspx](http://www.icao.int/Meetings/AirCargoDevelopmentForum-2014/Pages/Reference-Documents.aspx)

- **Convention on the international civil aviation**  
signed at Chicago on 7 December 1944 (Doc 7300), multilingual
- **Convention for the Unification of Certain Rules for International Carriage by Air**  
done at Montreal on 28 May 1999 (Doc 9740), multilingual
- **WPs of the Sixth Air Transport Conference ATConf/6**  
(Notably WP/14, 34, 36 et 96) multilingual
- **38 ICAO Assembly (A38)**  
**WPs of the Economic Commission (EC)**  
(Notably WP/56) multilingual
- **Assembly Resolutions in Force: A38-14** - multilingual



### Reference Documents *International* **WCO**

[www.icao.int/Meetings/AirCargoDevelopmentForum-2014/Pages/Reference-Documents.aspx](http://www.icao.int/Meetings/AirCargoDevelopmentForum-2014/Pages/Reference-Documents.aspx)

- **World Customs Organization**
- **SAFE**  
Framework of Standards to secure and facilitate global trade, June 2012
- **Compendium of Authorized Economic Operator Programmes, 2014**
- **WCO Compendium, Volume 1**  
How to Build a Single Window Environment: The Executive Guide
- **WCO Compendium, Volume 2**  
How to Build a Single Window Environment: The Professional Practice Guide
- **Recommendation of the Customs Co-operation Council on the Dematerialization of Supporting Documents, June 2012**
- **WCO-UPU Postal Customs Guide, June 2014**
- **Guidelines for the Immediate Release of Consignments by Customs**



## ICAO Meeting on Air Cargo Development – Reference Documents

**Reference Documents**  
*International*  
**ICAO/WCO**  
**ICAO/TIACA**  
*Regional*

[www.icao.int/Meetings/AirCargoDevelopmentForum-2014/Pages/Reference-Documents.aspx](http://www.icao.int/Meetings/AirCargoDevelopmentForum-2014/Pages/Reference-Documents.aspx)

- **ICAO/World Customs Organization**
- **Moving Air Cargo Globally** September 2013  
[Arabe](#) | [Chinois](#) | [Anglais](#) | [Français](#) | [Russe](#) | [Espagnol](#)
- **Joint Communiqué on Enhancing Air Cargo Security and Facilitation – Collaborative Solutions to Future Challenges**  
Manama, Bahrain, 17 April 2014  
[Arabe](#) | [Chinois](#) | [Anglais](#) | [Français](#) | [Russe](#) | [Espagnol](#)
- **Joint Communiqué on Enhancing Air Cargo Security and Facilitation – Synergy through Cooperation**, Singapore, 6 July 2012  
[Arabe](#) | [Chinois](#) | [Anglais](#) | [Français](#) | [Russe](#) | [Espagnol](#)
- **ICAO/TIACA Agreement**, April 2013: The ICAO-TIACA agreement calls for both organizations to work more closely on air cargo safety and security matters, supporting future cooperation across a wide range of shared priorities, including greater liberalization of air cargo services. [Anglais](#) | [Français](#)



# Development of Air Cargo: drones & balloons ???????



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## **One important priority:**

**Ratification of MC99 (introduction of  
electronic Cargo documentation)  
Paperless Cargo, E-cargo, E-freight**

Reference:

ICAO TRIP, Machine Readable Travel  
document, E-passport, E-visa



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谢谢, Xie Xie

Thank You

شكرا, Shukran

Merci

Спасибо, Spasiba

Gracias