

ICAO GLOBAL SYMPOSIUM ON AIR TRANSPORT LIBERALIZATION (Dubai, 18 to 19 September 2006)

SUMMARY REPORT by Mr. Mohammed Ahli, Chairman of the Symposium

INTRODUCTION

The Symposium took place at the Dubai International Convention and Exhibition Centre from 18 to 19 September 2006. It is the first ICAO global meeting on liberalization since the fifth Worldwide Air Transport Conference (ATConf/5 – 2003). The objective was to provide a forum which could bring States, the industry and other aviation partners together to review the progress of liberalization, share information and experiences, exchange views on the issues and challenges, and discuss possible ways to move liberalization forward.

To accomplish this, the Symposium programme was structured into four sessions, each focusing on a theme addressing a particular aspect of liberalization. Prominent speakers drawn from a cross section of States and regions, and representing government policy makers and regulators and the industry, as well as other stakeholders of air transport, were invited to make presentations on the various topics of each session, and respond to questions from the participants during the following panel discussion period. The Symposium programme and information regarding the moderators, speakers and panelists were contained in the Symposium Brochure issued to the delegates. This brief summary report is prepared by the Chairman as part of the proceedings of the Symposium.

OPENING SESSION

The Symposium was opened by HH. Sheikh Ahmed Bin Saeed Al Maktoum, President of the Department of Civil Aviation (DCA), Government of Dubai, who extended a warm welcome, on behalf of the Host, to delegates from around the world to attend the Symposium. Mr. Mohamed Elamiri, Director of Air Transport Bureau, ICAO, delivered an opening statement on behalf of the ICAO Secretary General Dr. Taïb Chérif, highlighting the purpose of the Symposium and encouraging active participation by the delegates in the discussion of issues and challenges facing them in the process of liberalization.

The Symposium was chaired by Mr. Mr. Mohammed Ahli, Operations Director, Dubai DCA, who was assisted by Mr. Jamal Al-Hai, Chairman of the DCA Executive Board, as Vice Chairman of the Symposium. Secretariat support was provided by Mr. Yuanzheng Wang, Manager of the Symposium, assisted by Mrs. M. Boulos and Mrs. S. Brain from the ICAO Secretariat.

HE. Sheikha Lubna bint Khalid Al Qasimi, Minister of Economy, UAE, made a key-note speech on the economic impact of liberalization. Based on the UAE experience, she articulated the many benefits of liberalization in the aviation sector that could contribute to the overall economy development of a country. In concluding her speech, she reaffirmed her country's commitment to the "open skies" policy and, expressed the hope to see greater liberalization in the air transport sector in the coming years which could bring about further benefits.

SESSION 1 – TAKING STOCK OF LIBERALIZATION

This session was moderated by Mr. Mohammed Ahli, Chairman of the Symposium, and by Mr. Jamal Al-Hai during the second half. The symposium heard three presentations. In his speech, Mr.

Jeffrey Shane, Under Secretary for Policy, United States Department of Transportation, gave an account of the US experience in air transport liberalization, proving that even for a country like the US, liberalization is often a painful process, but one that will get easier with time. In sharing the lessons from the US experience, he pointed out that government policies must adapt to changes. However, big changes can only be made cautiously and after careful deliberations. And once liberalization is embraced as a policy, there is no turning back.

Mr. Giovanni Bisignani, Director General and CEO of IATA, presented the airline industry's point of view on the issues and challenges facing the industry and regulators. After reviewing the state of the industry and discussing the role of governments in building a healthier industry, he called for bolder and speedier action by governments to move liberalization forward.

In his presentation, Mr. Vajay Prasad, Secretary of Civil Aviation, India, shared his perspective as a government regulator on how India addressed the many challenges facing regulators in the liberalization process, drawing attention particularly to the need for an appropriate balance between the many competing requirements, and at times, conflicting demands of the interested parties and stakeholders involved.

In the ensuing panel discussion, attention was drawn to the uneven progress of liberalization in different parts of the world, and some problems and difficulties encountered in the process, such as in Africa and the South Pacific. It was recognized that disparities do exist due to different levels of development. While some States and airlines may need more time to adjust, all should move in the same direction. When liberalizing, States should also give due consideration to their specific market demands and infrastructure conditions, and be open-minded and flexible in finding and applying regulatory solutions. Some industry and government programmes for assisting developing countries (e.g. in improving aviation safety) was noted. The point was made that the bilateral approach itself may not be the problem hindering liberalization, but more effort by both governments and the industry may be needed to explore alternative solutions for all nations, for example, by building on major achievements such as the EU-US open aviation area arrangement so that a global understanding can be attained to achieve multilateralism in air transport regulation. While governments were encouraged to take action, it was felt that ICAO should also play a stronger role, including considering different approaches in guiding and assisting States in liberalization (not just limited to recommendations).

SESSION 2 – REGIONAL LIBERALIZATION AND ITS IMPLICATIONS

Dr. Hamdi Chaouk, Director General of Civil Aviation, Lebanon moderated this session. This topical subject was addressed by three speakers. Mr. John King, Managing Director of Aviation and Tourism Management Pty. Ltd., Australia gave an overview of the world's regional liberalization initiatives, focusing on the ASEAN experience. He discussed both the benefits of such regional approach and its potential weaknesses.

In his presentation, Mr. Klaus Geil from the European Commission (EC) provided some insight to the EU's experience of a single aviation market, its evolution and achievements, as well as its external dimension (e.g. the negotiating mandates for the Commission with third parties).

Dr. Pablo Mendes de Leon, Director of the International Institute of Air and Space Law, Leiden University, Netherlands, gave an informative presentation on the undertaking by the EU and the United States in negotiating an agreement for a transatlantic open aviation area, including the background, main elements of the agreement and its implications for non-parties.

In the panel discussion, Mr. Chitalu Kabalika, Director General of Civil Aviation, Zambia

and some delegates from Africa provided additional information on regional liberalization developments in Africa. There was a lot of interest in the liberalization trends and developments at the regional level. While the regional approach has many advantages, challenges remain to be addressed for such an approach to work. Clarifications were provided regarding the EC negotiating mandates, and the ICAO position regarding regional liberalization. It was noted that negotiations involving a group of States that have introduced a new dimension in international air transport regulation, and the conclusion of the EU-US agreement could have significant impact on the liberalization process. Given the positive outcome of ATConf/5, it was suggested that ICAO should be more active in promoting liberalization, and should hold similar symposium in the regions (e.g. for the Pacific) so that States would have a better understanding of the benefits and challenges of liberalization.

SESSION 3 – ENSURING SAFETY AND SECURITY IN A CHANGING ENVIRONMENT

This session was moderated by Dr. O.B. Aliu, Representative of Nigeria on the Council of ICAO. Four speakers addressed this theme from different perspectives. Mr. Yuanzheng Wang, Senior Officer from the ICAO Secretariat gave a presentation on the impact and implications of economic liberalization on safety and security regulation, highlighting the findings of an ICAO study on the subject, and the need for ensuring safety and security oversight in a fast-changing environment.

In his presentation, Mr. Sama Juma Ignatius, Director General, Cameron Civil Aviation Authority, shared his country's experience in addressing the challenges of safety and security oversight facing the regulators and operators. While happy with the achievements made, he also called for more assistance from all donor agencies to reinforce its capacity to effectively exercise the regulatory functions.

Different from the previous speaker, Mr. Herald Wilson, Director General, Eastern Caribbean Civil Aviation Authority (ECCAA), presented a regional experience. He described how six small island States put their resources together to bring about a regional aviation authority for safety and security oversight, highlighting the benefits and challenges of such regional approach and future plans.

The Symposium then heard a presentation by a speaker from the banking community on funding options and solutions for improving aviation safety and security infrastructure. In his speech, Mr. Hubert Nyame-Mensah, Chief Transport Economist from the African Development Bank (ADB) described the role and activities of the multilateral and regional development banks in the area of air transport, focusing on the African situation and the work of the ADB in assisting States in the region.

During the panel discussion, Mr. Jehad Faqir, IATA's Regional Director for Safety Operations and Infrastructure in the Middle East and North Africa, provided additional information about IATA's safety audit programme for its airline members. There was broad agreement that safety and security must remain of paramount importance, regardless of any change in economic regulation. While economic liberalization has many benefits and is not at issue, it was also recognized that States should be vigilant in ensuring that safety not be compromised by commercial considerations, and that the practice of "flags of convenience" be avoided. There is a need for States to implement a coherent policy for economic and technical regulation. Additional information was provided on ICAO's follow up work of the DGCA safety conference held earlier this year, and on ICAO's existing guidance material for addressing problems associated with leasing and other aircraft operations. To address the shortage of funding for aviation safety and infrastructure development, it was felt that more international effort and cooperation is required and all possible avenues should be explored and mobilized.

SESSION 4 – HARNESSING LIBERALIZATION FOR THE BROADER BENEFITS

Dr. Philippe Rochat, Executive Director, Air Transport Action Group (ATAG) served as the moderator for this session. Addressing this theme were four speakers from different angles. Mr. Robert J. Aaronson, Director General, Airports Council International (ACI) presented the perspective of the airport operators, highlighting the important role of airports in the liberalization process and their contribution to local and global economic growth. To yield the full benefit of liberalization, he called for governments to provide a favourable environment for airport operations and investments.

In his presentation, Mr. Geoffrey Lipman, Assistant Secretary General, World Tourism Organization (UNWTO), spoke of the relationships between aviation, tourism and the general development goals. Having recalled the evolution of air transport regulation in the past 60 years, he called for openness in exploring new avenues in order to move liberalization forward for the broader benefits of all nations and stakeholders.

Speaking on the subject of route development for the developing countries, Mr. Jon Woolf, Director and Principal Consultant, Airport Strategy and Marketing Ltd.(ASM) provided a useful explanation on the concept of Essential Air Service and Tourism Development Route Scheme which was jointly developed by ICAO and the UNWTO.

The Symposium last heard the presentation by Mr. Wang Ronghua, Director General, International Affairs and Cooperation, Civil Aviation Administration of China (CAAC), who gave an account of China's unique experience in the gradual liberalization of international air transport, its progress and impact, both internally and externally, and the many challenges of this fast-growing market his government is confronted with.

In the panel discussion, there was consensus about the broad benefits of liberalization, and the need to move forward through constructive dialogue and cooperation, and the involvement of all parties concerned. It was noted that liberalization has already built a solid foundation but a lot of work remains to be done, by all parties, in order to translate the opportunities created by liberalization into benefits at the local and regional levels. Some questions also need to be further addressed and explored, including how to develop an appropriate regulatory framework that would cater to the needs of the 21st century, and how to better manage economic regulation to make further progress, taking into account the interest of various stakeholders of civil aviation.

CLOSING SESSION

In his concluding remarks, Mr. Elamiri, on behalf of ICAO, commended the Dubai DCA and all delegates for a very successful Symposium, one that fully achieved its goals. He advised the meeting that ICAO would take the discussion and feedback of the Symposium into account when considering its future work so as to better serve its Member States and the industry. The Chairman of the Symposium, in his closing remarks, also expressed thanks to the speakers/panelists for their excellent presentations, and to the delegates for their active participation, which all contributed to the success of the Symposium. On behalf of all the delegates, Mr. L. Adrover, Representative of Spain on the Council of ICAO, expressed gratitude to the Host and the sponsors for their warm reception and hospitality, and for the excellent logistic support and arrangements for the meeting.