



**WORKING PAPER**

**WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF)**

**SIXTH MEETING**

**Montréal, 18 to 22 March 2013**

**Agenda Item 2: Examination of key issues and related regulatory framework**

**Agenda Item 2.1: Market access**

**ALLOCATION OF SLOTS AND THEIR IMPACT ON AIR TRANSPORT LIBERALIZATION**

(Presented by Bahrain on behalf of the Arab Civil  
Aviation Commission (ACAC<sup>2</sup>))

**EXECUTIVE SUMMARY**

This working paper deals with the negative impact of the policies governing the allocation of slots and its inconsistency with the global trend towards liberalization of international air transport, in general, and on the participation of developing countries, in particular.

**Action:** The Conference is invited to agree to the recommendations presented in paragraph 4.

**References:** ATConf/6 reference material is available at [www.icao.int/meetings/atconf6](http://www.icao.int/meetings/atconf6).

**1. INTRODUCTION**

1.1 The International Civil Aviation Organization (ICAO) has been striving to promote the culture of liberalization in international air transport, in cooperation with other international and regional organizations and federations, especially the International Air Transport Association (IATA), which has always called for enabling air carriers to conduct their business in the air transport field, like other sectors, without any constraints or obstacles from governments.

**2. DISCUSSION**

2.1 It is well known that the Fourth Worldwide Air Transport Conference (ATConf/4), held in 1994, focused on the issue of liberalization of air transport and adopted important recommendations,

<sup>1</sup> Arabic version provided by Bahrain.

<sup>2</sup> Algeria, Bahrain, Egypt, Iraq, Jordan, Lebanon, Libya, Mauritania, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Sudan, Tunisia, United Arab Emirates and Yemen.

notably granting air carriers in developing countries preferential measures to enable them to participate in this process.

2.2 The Fifth Worldwide Air Transport Conference (ATConf/5), held in March 2003, reiterated the recommendations of ATConf/4. The liberalization trend turned into a global policy and studies conducted by IATA confirmed the economic benefits derived by all States that adopted such a policy.

2.3 Many developing countries have, thus, devoted hundreds of billions of dollars to air transport infrastructure (airports, airlines, air navigation services, training, etc.) in order to keep pace with the traffic growth associated with the concept of “open skies”. These countries have concluded many air transport agreements based on the principles of “open skies” which imply that no constraints are imposed in terms of the volume of traffic, types of aircraft and frequency of flights.

2.4 However, the issue of slot allocation has impeded the implementation of those agreements and rendered them ineffective, especially concerning flights serving major markets, such as the European market. Outbound traffic from Europe to developing countries, on the other hand, did not suffer from any constraints.

2.5 Studies undertaken by European organizations and federations show that the issue of airport capacity in European countries will be exacerbated by 2020 due to the increased demand in over 20 major airports. This would negatively impact the participation of airlines from developing countries in utilizing these airports, considering the increased inbound traffic in these countries.

2.6 States have been demanding in Conferences and seminars that ICAO play an active role in the elaboration of a regulatory framework for slot allocation, which ensures the participation of developing countries in the air transport industry without additional burdens or costs on an already overstretched sector .

### 3. CONCLUSION

3.1 The International Community is looking forward to limit the issues related to slot allocation and trading through the increase in airport capacity and granting priority treatment to carriers from developing countries. The purpose is to avoid that slot allocation be used as a tool to shut down the airspace and put an end to “open skies” policies.

### 4. RECOMMENDATIONS

4.1 The Conference is invited to:

- a) adopt policy recommendations that ensure that carriers from developing countries are granted preferential treatment in the allocation of slots; and
- b) request ICAO to take into consideration a) above in its guidance material.

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