



ICAO/World Bank/Routes Global Strategy Summit

Beijing, China (14 to 15 September)

ADDRESS

It is with great pleasure that I welcome you all to the Global Strategy Summit 2009 which we at ICAO are delighted to be holding jointly not only with the World Bank, our regular partner in this type of endeavour, but also with ROUTES – fully for the first time. We had a collaboration last year.

As the interdependency between global economy and air transport is well known, and with the world just coming out of a debilitating economic and financial crisis, there is no better time than this for us to get together at this informal setting, where we can discuss the key issues currently affecting the air transport industry.

2008 has been quite a traumatic one for the industry with the price of oil crossing the U.S. \$130 per barrel threshold in July. After the sharp decrease registered in the fall of 2008, short-term forecasts expect oil prices to come back to relatively high levels, especially by taking into account the start of a slow economy recovery being witnessed since the third quarter 2009. With the growth of world economy threatening to be, this year, the slowest since 2003, the possibility of a significant rebound in world growth is expected in 2010. Accordingly, world GDP is projected to “grow” in real terms, by -1.4% in 2009 and 2.5% in 2010, down from 3.1% in 2008. Growth in emerging and developing economies is expected to moderate between 6% in 2008 and 1.5% in 2009 and 4.7% in 2010. The aggregate economy of the Asian/Pacific region is following the same pattern with projected growth rate of 2.6% in 2009 and 5.4 in 2010 (up from 4.9% in 2008). The GDP of China and India would ease but maintain a strong growth this year of 7.5% and 5.4% (down from 9% and 7.3% respectively, in 2008). Projections for Japan, the

Newly Industrialized Asian economies and five ASEAN countries, show a negative GDP growth of -6%, -5.2% and -0.3% (down from -0.7%, 1.5% and 4.8% respectively in 2008). The world trade volume in goods and services may be lowered to -1.2% in 2009 due to sharp economic deceleration in developed countries.

With all these woes – past and present, it is important that we share our thoughts on the way forward. We shall be examining the status of civil aviation today, we will have discussions on whether global air transport can resume growth and what technology there is or would be to transform our industry. The safety and security challenges will not go unmentioned while the topical issue of the environmental challenges for the civil aviation industry will be receiving appropriate treatment. The picture cannot be completed without taking a look at the future trends of airline and airport partnership as both work towards a common goal.

How air transport and tourism are catalyst for the world's economic development will be discussed and the pertinent issue of developing markets of the future will be deliberated upon.

It is my hope that we come out of this summit with sound conclusions and a strong declaration on how indeed, we can pull the industry out of the doldrums and move it forward in order to enable it to continue to make the expected positive contribution to global economic development.