



Foreign Affairs and
International Trade Canada

Affaires étrangères et
Commerce international Canada

Canada



Can Global Air Transport Resume Growth?

*Global Strategy Summit
September 2009
Beijing, China*

Governments and Air Transportation

- Approach has evolved; liberalization is now the norm, although circumstances differ country to country
- Stakeholder community to which governments respond has grown; more interests in the mix
 - Air carriers
 - Airports
 - Tourism interests
 - Trade/investment/economic development interests
- Negotiating context has changed; there are still “national or domestic carriers”, however, globalization (alliances and other partnerships) has complicated things
- Framework for international air transport largely remains a bilateral/reciprocal exercise

Competitiveness Issues and ATAs

- Capacity/Frequency
 - No default Open-Skies – assessment of the bilateral market
 - Limitations should be minimal
- Tariffs
 - Market-based tariff/pricing regime for bilateral and third-country services
- Code-sharing
 - Open and flexible code-sharing regime to enable carriers to expand network without own-aircraft services
 - Third country code-sharing critical
- Foreign Investment
- Doing Business Environment
 - transfer of funds, provisions on double taxation; ground handling etc.

Canada's Agenda

- Blue Sky policy – November 2006
 - Provide framework to encourages competition and development of new and expanded international air services to benefit travellers, shippers, and tourism.
 - Provide opportunities for Canadian airlines to grow and compete successfully in a more liberalized global environment.
 - Enable airports to market themselves in a manner that is unhindered by bilateral constraints to the greatest extent possible.
- Blue Sky results
 - 20 agreements since Blue Sky policy announced (in addition to prior Open Skies agreement with US);
 - 7 are Open Skies;
 - 6 are incrementally expanded agreements;
 - 6 are new agreements
 - 1 comprehensive agreement with EU...(effectively 27 liberalized agreements)
- Forward agenda is full