



**Opening Remarks by the Secretary General
of the International Civil Aviation Organization (ICAO)
Dr. Fang Liu,
to the 2016 ICAO Air Transport Symposium (IATS)**

(ICAO HQ – 30-31 March 2015)

I am delighted to be with you this morning for the opening of the third ICAO Air Transport Symposium.

The 2012 and the 2014 editions of this event addressed a wide spectrum of air transport topics, and in 2016 we are placing more specific focus on issues of competition.

This Symposium is being convened against the backdrop of an industry operating environment which has improved in recent years as the liberalization of air transport has progressed.

ICAO has played an important part in that process, and we will continue to take the required steps, under the guidance of our Member States to provide the leadership which is required for the sustainable development of air transport.

Aviation today has become an essential component of our global society. It is a crucial driver of economic, social and cultural development worldwide, supporting roughly 58 million jobs globally and generating more than 2.4 trillion dollars in economic activity.

The continued growth of a safe, secure, efficient, economically viable and environmentally responsible air transport network is direct benefit to the world's economy, and will contribute to the realization of the United Nation's 2030 Agenda for Sustainable Development.

Air transport has continue to transform lives and societies by connecting the world, allowing access to new technologies and opening global markets for rural producers. It is also playing a critical role in carrying lifesaving medicines to communities in need, urgent supplies for disaster relief, and in reducing poverty.

These accomplishments are made possible through our collective commitment to working together to make air transportation the safest and most efficient mode of transportation.

And coupled with this commitment is the liberalization of air transport.

Liberalization has resulted in the continuous growth of air traffic, enhanced connectivity for States and regions, the emergence of strong carriers, and airports that are more passenger-friendly.

It has also resulted in an increased and more efficient utilization of airspace, more competitive fares, and of course more choices for the travelling public.

In order to encourage our Member States to continue to embrace this progress, ICAO adopted a long term vision for air transport liberalization in June 2015.

And working from the recommendations of the Sixth Worldwide Air Transport Conference, ICAO also initiated the development of international agreements on the liberalization of market access, air cargo service and air carrier ownership and control.

These developments represent important steps by the aviation community towards modernizing the global regulatory system – which is currently governed by bilateral agreements.

I am pleased to report that the ICAO *Air Transport Regulation Panel* has been working hard on the very challenging task of developing new international agreements, and progress is being made in the production of draft text.

As liberalization has progressed, the aviation operating environment becomes more market driven, and competition among airlines and airports will increase and intensify.

This raises major challenges for regulators, who must ensure a sound and orderly operating environment and fair and equal opportunity for all.

Regulators must also address a range of related issues, for instance:

- abuse of dominant market positions;
- capacity dumping and predatory pricing;
- collusive behaviours including price-fixing;
- consolidation through mergers and acquisitions;
- vertical integration of business relationships;
- and State aids and subsidies.

It is noteworthy to recall that Article 44 of the *Chicago Convention* reflects without ambiguity that the aims and objectives of ICAO are to develop the principles and techniques which prevent economic waste caused by unreasonable competition, and to insure that every Contracting State has fair opportunity to operate international airlines.

These founding principles must be duly respected as we continue to pursue our liberalization goals.

I would also like to emphasize that ICAO Assembly Resolution A38-14 urged Member States to develop air transport competition laws and policies with due regard for national sovereignty, and the principles pertaining to safeguard measures designed to ensure the sustained and effective participation of all States in international air transport.

The Resolution also urged States to consider ICAO's guidance on competition when fostering dialogue and cooperation in addressing related issues.

Competition laws exist in many States, as well as within the frameworks of regional bodies. But the lack of regulatory convergence in competition regimes also hinders the sustainable growth of our industry.

In an effort to increase transparency and promote harmonized regulatory approaches, ICAO has developed a compendium of competition policies and practices.

We also continue to provide new opportunities for dialogue and exchange of information on competition issues among Member States and industry stakeholders, for instance at our yearly ICAN events.

This Symposium represents another important opportunity for all of us to exchange ideas and explore the way forward.

It is an opportunity to address such important issues as the role of government in a liberalized environment, the application of national and regional competition policies to international air transport, and the application of aviation-specific safeguards for competition.

Distinguished delegates, as you embark upon your discussions over the next two days, let me advise you that my vision as Secretary General is for all ICAO Member States to realize greater prosperity through safer, more secure and fully sustainable air transport by the effective implementation of the global standards (SARPs) and policies, consistent with ICAO's ongoing *No Country Left Behind* initiative.

As we pursue the liberalization of air transport, we should also work together towards the development of greater global regulatory convergence on competition issues.

The outcomes of this Symposium will contribute to these efforts, but more specifically it provides an opportunity to develop new international agreements on the liberalization of market access, air cargo services, and air carrier ownership and control.

I am delighted to see we have with us today such high-calibre Moderators and Panellists, and on that note let me please wish you all very engaging and productive deliberations.

Thank you.

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