



**Remarks by the Secretary General of the  
International Civil Aviation Organization (ICAO),  
Dr. Fang Liu  
to the IATA –IBAS  
Wings of Change 2017 Seminar**

*(30-31 March 2017, Rio de Janeiro, Brazil)*

*Good morning ladies and gentlemen,*

1. It is an honour to be with you here in lovely Rio this morning, and to express my thanks to our IATA and IBAS colleagues who have provided us with such lovely facilities and effective organization for this event.
2. ICAO very much welcomes the opportunity to discuss our global and South America region priorities with such a distinguished gathering of air transport officials and operators.
3. I would like to begin today by taking a brief moment to appreciate the significant contributions of this region, and especially Brazil, to the early development of international civil aviation. Since the great aerospace pioneer and great Brazilian, Mr. Alberto Santos-Dumont, demonstrated his landmark ‘heavier-than-air’ aircraft in 1906, this country has become the third largest producer of commercial aircraft in the world, and one of the world’s five fastest growing air transport markets.
4. In recognizing the historic importance of innovation to aviation, we must at the same time acknowledge that it needs to be both encouraged and accommodated by effective global standards and national regulations. This requires agencies such as ICAO to be forward-looking in everything we do, anticipating the future requirements of our sector so that we do not impede its progress.
5. This is a careful balancing act, to be sure, but it is also one we have gotten very good at.
6. Events such as our second Global Air Navigation Industry Symposium, which we’ll be convening at our headquarters this December, provide an excellent example of how governments and industry are working better together through ICAO today, and to their shared benefit.

7. Whether in terms of optimizing current operational efficiencies, or setting out precise and common performance objectives which allow us all to invest and plan with far greater certainty than ever before, I am greatly encouraged by the current environment of partnership and progress which is prevailing in our sector.
8. Since the last IATA “Wings of Change” event in 2014, we have continued to witness remarkable changes in air transport. This has been the case not only in South America, but globally as well, and across a wide range of operational, economic and environmental areas.
9. These have helped to enhance socio-economic development objectives for many States, especially in areas where liberalization has been embraced.
10. With respect to local traffic growth, ICAO is presently forecasting that passenger flights to and from Central and South American States will grow over the next 20 years, at an annual average rate of 3.5 per cent.
11. This closely corresponds to our global projections, and reflects a dynamic which has been aided by the increased influence of Low Cost Carriers, growing airline alliances, the establishment of international anti-trust-immunized joint ventures, and of course your Region’s flourishing tourism industry.
12. Over the last few years, South America has witnessed enhanced air connectivity, expanded passenger and cargo markets, more competitive fare structures, increased destinations for travellers, and positive socio-economic contributions from the industry.
13. If we ask ourselves how we might further optimize these benefits, and sustain this projected growth, improved compliance with ICAO’s global standards is the first and most obvious response, but this is followed very closely by greater air transport liberalization.
14. As only some not all of South American States have fully embraced liberalization, it constitutes a challenge to air transport integration in South America, It is also regarded as a hindrance to greater aviation connectivity in this region.
15. To help facilitate and encourage liberalized air transport in States, ICAO has adopted a long-term vision for international air transport liberalization. We are developing related international agreements on market access, air cargo services, and air carrier ownership and control – which would greatly facilitate the modernization of a global regulatory system which has been governed predominantly by bilateral agreements.

16. Brazil and Chile are two States that have fully embraced liberalization and are actively participating in the drafting of these International agreements under ICAO's Air Transport Regulatory Panel (ATRP).
17. In Brazil's case, liberalization has contributed to industry development and brought immense benefits to passengers, airlines and airport operators, as well as the general economy.
18. It is perhaps not surprising then that this one State accounts for roughly half of South America's total passenger traffic, or that it's air transport sector generates over a million direct and indirect jobs.
19. The Brazilian example helpfully illustrates the main principles of liberalization which ICAO promotes globally, namely:
  - free market access;
  - relaxed ownership and control restrictions;
  - liberalized air fares and tariffs;
  - stable regulations;
  - and minimal State intervention in commercial issues.

Taken together, these help safe and secure air transport operations to make more meaningful contributions to local economic growth and job creation.

20. This brings me to another challenging area in this region, which is the need for better harmony on consumer protection regulation and competition laws and policies among States.
21. Improvements in these areas will create a more favourable environment for airlines, and also to the sustainable growth of air transport in South America. It's encouraging to see some related and on-going efforts and we are looking forward to more measures to harmonize competition laws and policies which can strengthen regional air transport integration.
22. In order to foster more compatible regulatory approaches on competition, ICAO has developed a *Compendium* of competition policies and practices in force, both nationally and regionally. We also continue to encourage dialogue between competition agencies and civil aviation authorities.
23. And in a similar vein, our core principles on consumer protection can provide helpful guidance for States and industry as you work to align your respective regimes.

24. Adequate investment in airport and air navigation infrastructure is another continuing challenge in South America. Brazil's recent example has been a positive one, but elsewhere many facilities regionally are not adequate enough to handle your projected traffic growth.
25. The implications of not being more proactive on aviation development and capacity will be cascading downturns in national tourism and trade performance. This situation is by no means exclusive to South America, but with global flight and passengers volumes projected to double, in just 15 years' time, the longer States wait to invest, the more significant their negative socio-economic impacts will be.
26. As many of you are already aware, ICAO has been working hard to raise awareness and political will in our Member States with respect to how aviation investments lead directly to aviation benefits.
27. Our World Aviation Forums are designed specifically for this purpose, and to foster the partnerships needed among governments, industry, financial institutions, development partners and others to ensure sustainable success.
28. We have also now established a Strategic Planning, Coordination and Partnerships Office, and it will be supporting this work more directly to facilitate access to funding and financing for the development and maintenance of aviation infrastructure, among other priorities.
29. Otherwise of course, ICAO is progressing on its core work on new civil aviation Standards, and we will also be issuing a revised aircraft tracking concept of operations very shortly for our Global Aeronautical Distress and Safety System (GADSS).
30. A new supersonic noise Standard for future aircraft, and the possible certification of a new supersonic aircraft in the 2020-2025 timeframe is now in the works, as are new Standards for aircraft CO<sub>2</sub> and non-volatile Particulate Matter (nvPM) emissions.
31. Of course we are also working very hard on the follow-up work needed to ensure the smooth implementation of our Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and 2017 will also see a number of seminars on alternative fuels for aviation culminating in a high-level conference at our headquarters in October.

32. We are also making good progress on new revisions to our Global Plans for Aviation Safety and Air Navigation, which will also be completed this year, and have fast-tracked development of the new Global Aviation Security Plan (GASeP) which was endorsed by the 39th Assembly.
33. Before concluding today ladies and gentlemen, I would like to take a moment to commend the Latin American Civil Aviation Commission (LACAC), the Economic Commission of Latin America and the Caribbean (ECLAC), the Latin American and Caribbean Air Transport Association, and other regional organizations.
34. Their efforts and collaboration with ICAO's Regional Office and local States has been exemplary of late, with respect to refining policies, fostering regulatory convergence and compatibility, and confirming new commitments towards the integration and sustainable development of air transport in South America.
35. I am confident that with similar levels of enthusiasm and cooperation, your Region will continue to find new ways to work together toward our shared objectives for aviation and economic development in South America.

Thank you.