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ASSEMBLY — 37TH SESSION

REPORT OF THE ECONOMIC COMMISSION ON THE GENERAL SECTION AND AGENDA ITEMS 47 AND 48

(Presented by the Chairman of the Economic Commission)

The attached report on the General Section, Agenda Items 47 and 48 has been approved by the Economic Commission

Note.— After removal of this covering sheet, this paper should be inserted in the appropriate place in the report folder.

(5 pages)

REPORT OF THE ECONOMIC COMMISSION TO THE ASSEMBLY

General

1. The Economic Commission held four meetings between 29 September and 4 October 2010.
2. Ms. Silvia Gehrler (Austria) was elected Chairperson of the Commission at the second Plenary meeting of the Assembly. The Commission, at its first meeting, elected Mr. Saud Ali Reda Hashem (Saudi Arabia) and Ms. Valerie Browne (Barbados) as First and Second Vice-Chairpersons respectively.
3. Representatives from ... Member States and ... Observer Delegations attended one or more meetings of the Commission.
4. The Secretary of the Commission was Mrs. F. Odutola, Director of the Air Transport Bureau. The Deputy Secretaries were Mrs. N. Teyssier and Mr. Y.Z. Wang of the Economic Analyses and Policy Section, Air Transport Bureau (ATB). The Assistant Secretaries, all staff of ATB, were Mrs. M. Boulos, Mr. J. de la Camara, Mrs. C. Fischer, Mr. O. Nazarov, Mrs. G. Resiak, Mr. M. Siciliano and Mr. J. Thaker, with Mr. T. Hasegawa as the Liaison Officer.

Agenda and working arrangements

5. Agenda Items 47, 48, 49, 50, 51, 52, 53 and 54 referred to the Commission by the Plenary were considered:
 - Item 47: Annual Reports of the Council to the Assembly for 2007, 2008 and 2009
 - Item 48: Budgets for 2011, 2012 and 2013
 - Item 49: Liberalization of international air transport services
 - Item 50: Economics of airports and air navigation services
 - Item 51: Consolidated statement of continuing ICAO policies in the air transport field
 - Item 52: Facilitation
 - Item 53: Economic Analysis
 - Item 54: Other issues to be considered by the Economic Commission

The documentation considered by the Commission is listed by agenda item in the Appendix to this Report. The Commission carried out all of its work in full session. The action taken by the Commission in respect of each item is reported on separately in the paragraphs which follow.

Agenda Item 47: Annual Reports of the Council to the Assembly for 2007, 2008 and 2009

47.1 The Economic Commission, at its first meeting, considered relevant sections of the Annual Reports of the Council for 2007, 2008 and 2009 and the supplementary Report covering the first six months of 2010.

47.2 The Commission noted the chapters of the Annual Report relevant to its work. The chapters included “The World of Air Transport”, which deals with the principal trends and developments in the world economy, economic regulation, airlines, airports and air navigation services; a section of the chapter on “Security”, which relates to facilitation; and a section of the chapter on “Efficiency”, which relates to liberalization of air transport regulation and efficiency of infrastructure. The Security and Efficiency chapters both summarize major activities and achievements which were given special attention during each year.

47.3 The Commission also noted that ICAO’s air transport activities include ongoing work on economic policies, infrastructure management, statistics, forecasting, economic analysis, joint financing, facilitation and the administration of the Public Key Directory (PKD). Activities in the field of air transport also include matters being considered by the Executive Committee, specifically with regard to aviation security and environmental protection, and the provision of support to the International Financial Facility for Aviation Safety (IFFAS).

Agenda Item 48: Budgets for 2011, 2012 and 2013

48.1 The Economic Commission, at its first meeting, considered the relevant sections of the Programme Budget for 2011 to 2013.

48.2 The Commission noted that the Budget has a results-based nature. Of direct relevance to the work of the Commission were Programme 21 on Facilitation and Programme 23 on Machine Readable Travel Documents (MRTD) and identity management, both of which are under Strategic Objective B – Security; Programme 32 on Revenue generating self-funding activities; Programme 33 on Enhanced transparency of aviation policies; Programme 34 on Statistics; Programme 35 on Sustainable air transport; and Programme 36 on Airport/ANS cost-effectiveness; all of which are under Strategic Objective C – Environmental Protection and Sustainable Development of Air Transport. The Commission was reminded that discussion might touch on the other programmes under Strategic Objectives B and C.

48.3 With respect to Strategic Objective B, the Commission noted that in light of the regular programme budget constraints, MRTD-related events and products would become revenue-generating and cost recovery activities of the Organization.

48.4 With respect to Strategic Objective C, the Commission noted that there were resource constraints associated with Programmes 33 to 36 (i.e. sustainable development of air transport) as a result of the shifting priorities of the Organization. It was determined that the level of resources allocated to activities related to statistics, forecasting and economic analysis would necessitate the adoption of a cost-recovery, revenue-generating approach.