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The Second ICAO

# Air Cargo Development Forum

**Vladimir D. Zubkov**  
**Secretary General of The International Air Cargo Association (TIACA)**





# **Liberalization of Air Cargo Services**

**Traditional and  
Unconventional View**





**Liberalization – Traditional  
view**

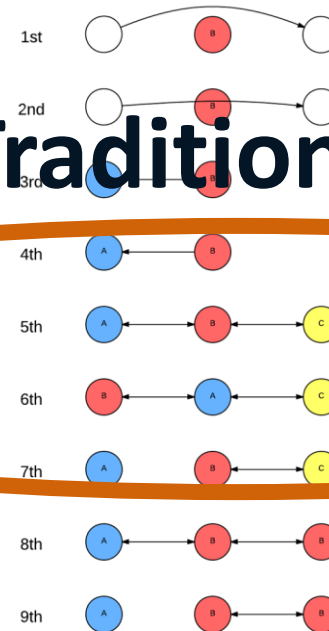




# Features of Liberalization – Traditional View:

## 1. Grant of rights

- Fifth freedom right
- Seventh freedom rights
- Cabotage rights







# Features of Liberalization – Traditional View:

## 2. Designation

- Single
- Multiple





## Features of Liberalization – Traditional View:

3. Substantial ownership and effective control

4. Principal place of business

5. Capacity

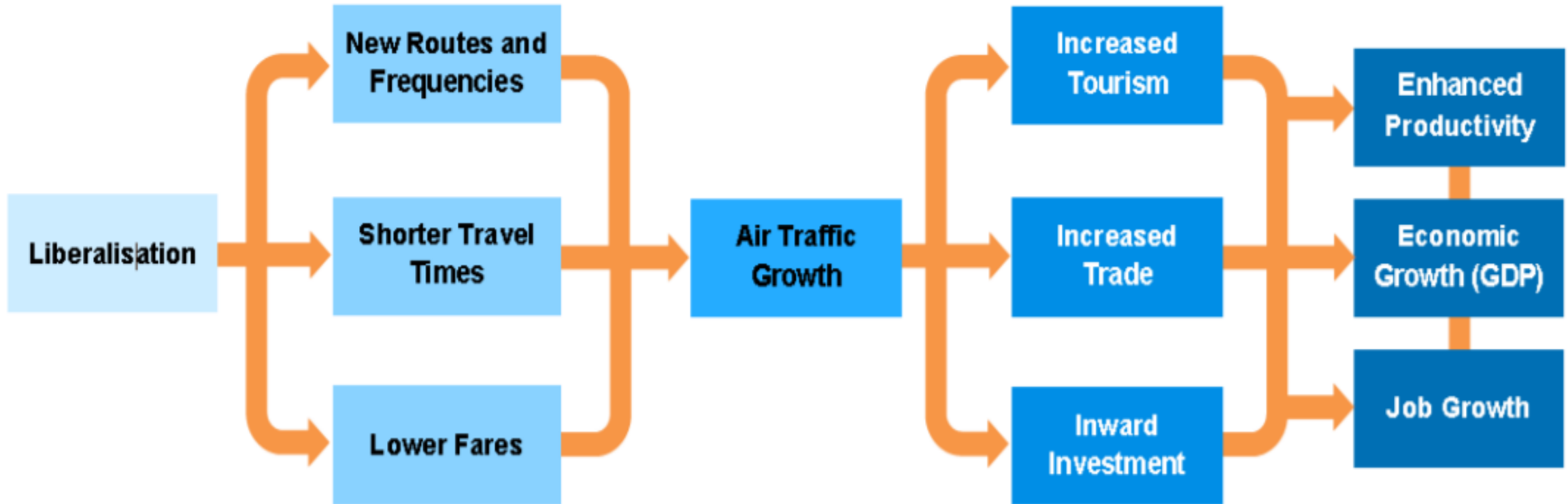
Predetermination up to Free determination

6. Tariffs





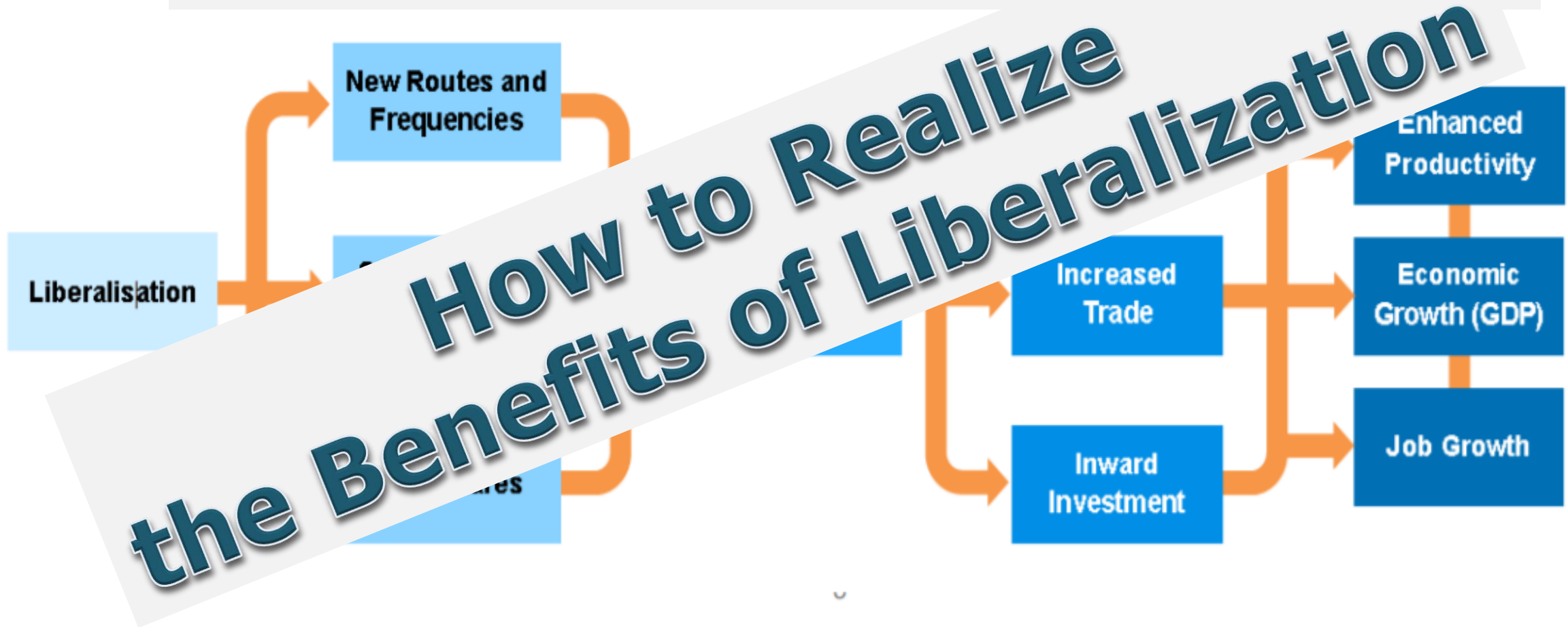
# Benefits of Liberalization







# Benefits of Liberalization







## IMPACT OF AIR CARGO SERVICES ON ECONOMIC DEVELOPMENT



Air transport is a key mechanism for Small Island Developing States (SIDS), Landlocked Developing Countries (LLDCs) and Least Developed Countries (LDCs), allowing them to overcome infrequent boat services or poor infrastructure for ground-transportation. Air cargo service routes are regarded as regional lifelines for these areas.

# 49.3

**million tonnes of freight handled by air in 2013**

*(Source: Annual Report of ICAO Council: 2013)*



# ICAO/TIACA Meeting in Addis Ababa, June 2017





## ROADMAP FOR THE IMPLEMENTATION OF THE LOMÉ DECLARATION & ACTION PLAN

Addis Ababa, 29 June 2017

Participants to the Second ICAO Meeting on Air Cargo Development in Africa held in Addis Ababa, Ethiopia, from 27 to 29 June 2017, reviewed progress in the implementation of the ***Lomé Declaration and Action Plan on the Development of Air Cargo in Africa***, adopted in Lomé, Togo on 7 August 2014, available at: <http://www.icao.int/Meetings/aircargoafrika2017/Pages/Reference-Documents.aspx>). Reference was also made to the Statement on the Implementation of the Antananarivo Declaration, adopted in Accra, Ghana, on 30 March 2017 (the “***Accra Statement***”), available at: <https://www.icao.int/meetings/SUSDEV-AT/Pages/default.aspx>. The areas listed in the right column of the table below have been identified as requiring action during the next cycle of the *Air Cargo Development in Africa* Initiative (2017-2019):

Lomé Action Plan (2014)	The Way Forward Identified in Addis Ababa (2017-2019)
Security and Facilitation	Security and Facilitation



### Market access liberalization

Implement the Yamoussoukro Decision of 1999 (YD), particularly its provisions on air cargo

services to: (i) liberalize market access; (ii) facilitate further liberalization of air cargo services.

The Economic Community of West African States (ECOWAS) and the Economic Community of Central African States (ECCAS) Monetary Union (MUA) should work closely with the CFTA to negotiate and streamline market access. In addition to WAEMU, an interface should be created with other regional economic communities (RECs) and regional blocks such as the COMESA-EAC-SADC Tripartite Free Trade Area and a framework for consumer protection should be developed, in line with ICAO's core principles on consumer protection.

Urge States to take measures to enhance market access rights, including consumer rights, for air cargo services.

### Market access liberalization

States, supported by the action

States and industry stakeholders should take measures to

# Market access liberalization Basis: Yamoussoukro Decision of 1999

Urge States to grant market access rights, including 7<sup>th</sup> freedom rights, for air cargo services.

protection.

States and industry should take measures to support cooperation in air transport, including joint ventures.

### Air carrier ownership and control

Contribute to the development of an agreement to liberalize air carrier ownership and control.

### Air carrier ownership and control

States should support the ICAO long-term vision for liberalization in implementing the Aviation Policy (AFCAP) and in particular the actions related to air carrier ownership and control.

Use ICAO guidance on transport regulatory and logistics.

### Training

States, supported by relevant stakeholders, should implement the actions identified in the *Accra Statement* with respect to training of professionals (para. 12).

Go-specific training, including for goods.

ICAO should organize symposia, seminars or workshops in Africa, to sensitize States, as well as relevant international and regional organizations, on the economic benefits of enhanced connectivity for air cargo.

Participate at the ICAO Next Generation of Aviation Professionals (NGAP) Symposium from 3-5 December 2014 in Montreal.



# How to measure Liberalization ?

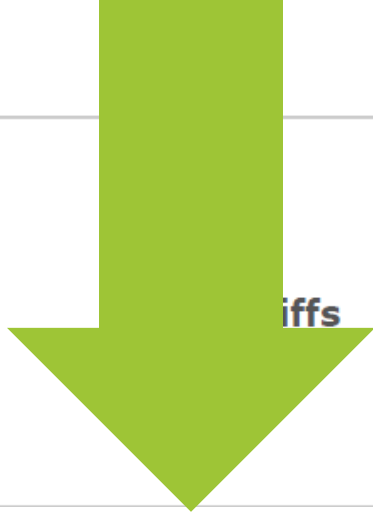
**Table 1**

Standard Air Liberalisation Index (ALI) weighing system

Features	Variants	
<b>1. Grant of rights</b>		
<b>a. Fifth freedom rights</b>	Not granted	0
	Granted	6
<b>b. Seventh freedom rights</b>		0
		6
	Not granted	0
	Granted	6
<b>2. Designation</b>	Single	0
	Multiple	4
<b>3. Withholding</b>	Substantial ownership and effective control	0
	Community of interest	4

**Air Liberalization Index**



Features	Variants	Points
<b>4. Capacity</b>  	Principal place of business	8
	Predetermination	0
	Other restrictive	2
	Bermuda I	4
	Other liberal	6
	Free determination	
	Dual approval	
	Country of origin	
	Dual disapproval	
	Zone pricing	
	Free pricing	
<b>Maximum total ALI</b>		<b>50</b>





## Airline foreign ownership limits of select countries worldwide

	Maximum percentage of foreign ownership permitted by national statute
Australia <sup>a)</sup>	49%
Brazil	20%
Canada	25%
Chile	100%
China	25%
Colombia	
European Union <sup>b)</sup>	
Israel	
Japan	33%
Kenya	49%
Korea	50%
Peru	49%
	40%
	30%
United States <sup>c)</sup>	25%

Source: CESinfo DICE

**Ownership and Control**

# Success story

## Zhengzhou Airport Economy Zone

2013年3月7日国务院正式批复郑州航空港区经济实验区发展规划（2013-2025）。

Zhengzhou Airport Economy Zone (ZAEZ) was approved by Chinese State Council, as the national strategy.

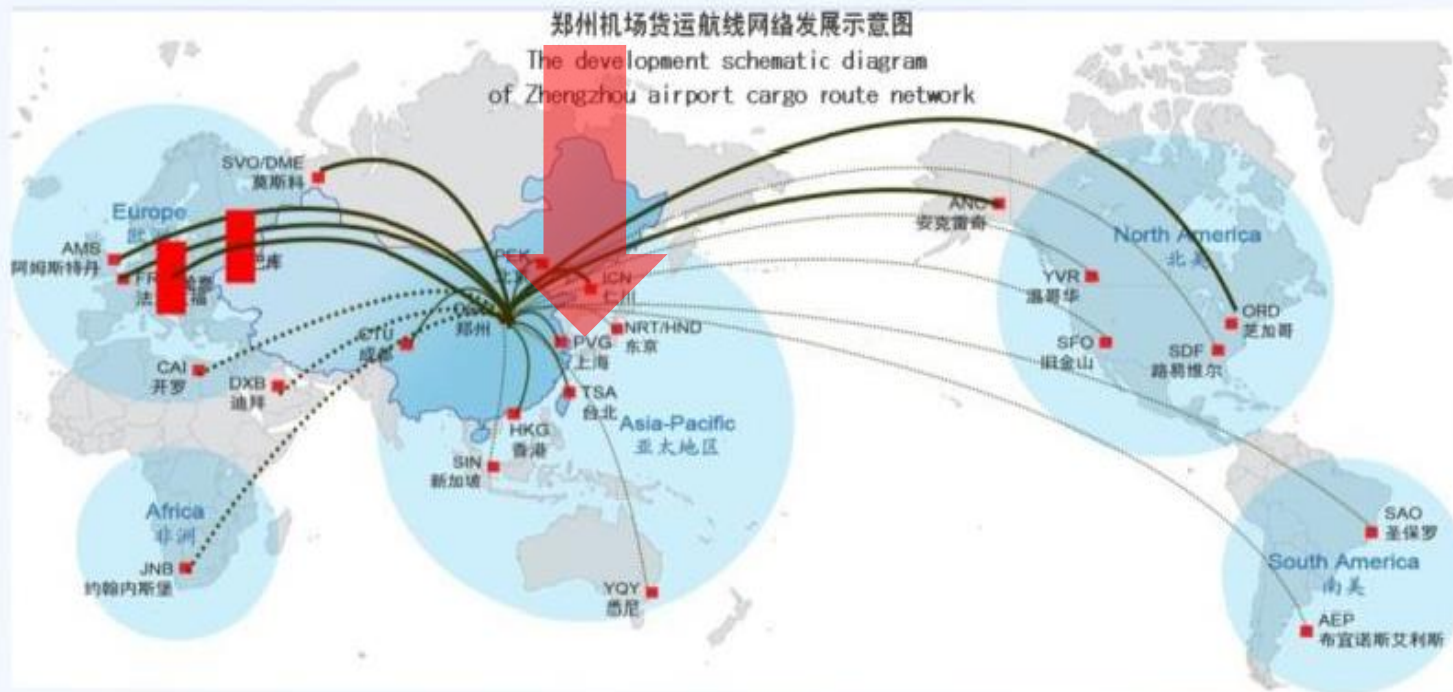
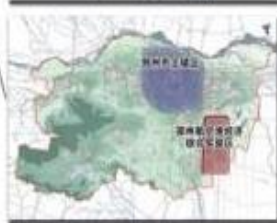


### 肩负使命

探索以航空港经济促进发展方式转变新模式  
建设成为全国航空港经济发展先行区

### Missions entrusted:

To explore a new mode for development based on aviation economy  
to construct a pioneer area in aviation economy development



规划面积：Planning area: 主导产业：Leading industries: 战略定位：Strategic positioning:

415万平方公里 415km<sup>2</sup>

航空物流业  
高端制造业  
现代服务业

Aviation logistics  
Advanced manufacturing  
Modern service

国际航空物流中心 International aviation logistics center  
以航空经济为引领的现代产业基地 Modern industrial base leading by airport economy  
内陆地区对外开放重要门户 Important inland portal opening to the outside world  
现代航空都市 Modern aviation metropolis  
中原经济区核心增长极 Core growth pole of Central Plains Economic Region



# AEROTROPOLIS

THE WAY WE'LL LIVE NEXT



Copyrighted Serial

Zhengzhou Airport Economy Zone

2011 — Free-bonded zone

iphones + = doubled Henan export in one year

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JOH  
DA / GREG LINDSAY



# AEROTROPOLIS

## THE WAY WE'LL LIVE NEXT

### New projects for \$24 bill

this city has seen the value of Henan province exports between 2011 and 2012. A number of new projects up to US \$1 billion each are currently under construction in the ZAEZ. These include, among others, Amer International Group, Cainiao Networks, Fair Friend Precision Machinery Park, IBM, and Microsoft. In 2013, there were 48 new major projects signed, worth a total of US \$24.3 billion.

Province

JOHN D. KASABARDA | GREG LINDSAY



A stylized world map with various landmarks and infrastructure lines. Landmarks include the Eiffel Tower, Big Ben, the Leaning Tower of Pisa, the Great Pyramids, and the Taj Mahal. Infrastructure lines include roads, railways, and shipping routes. A yellow rectangular block is located in the bottom right corner of the map.

# Belt and Road Initiative

A new global megaproject, unparalleled in scope and ambition, presents both opportunities and risks for multinational corporations.  
by David Williams, Mark...

## Big future!





Let me go back for a moment to the  
ICAO/TIACA Meeting in  
Addis Ababa, June 2017

I selected an African meeting for  
a good reason





FOCAC BEIJING SUMMIT

See news updates on [chinadaily.com.cn](http://chinadaily.com.cn)  
Special coverage on pages 1-12

# CHINADAILY

TUESDAY, 4

4 September 2018

中國日報

[chinadaily.com.cn](http://chinadaily.com.cn)



Forum on China-Africa  
Cooperation — FOCAC

Pres

on China-Africa Cooperation after a group photo in the Great Hall of the People in Beijing on Monday. xu zhen / china daily

Xi

to bring China, Africa closer





FOCAC BEIJING SUMMIT

See news update

# CHINA DAILY

TUESDAY, 4 SEPTEMBER 2018

4 September 2018

**FOCAC plans have better chances to succeed in a liberalized Africa**



## ...welcomed to join in ...actual benefits of Belt, Road

By XU WEI

[xuwei@chinadaily.com.cn](mailto:xuwei@chinadaily.com.cn)

President Xi Jinping under-

to push forward connectivity in policy, infrastructure, trade and capital, and bring people closer to Africa, he said.

and uses funds in places where they count most, he added.

Xi said China is willing to continue cooperation with

## Xi vows





**Liberalization — an  
Unconventional View  
on how to achieve more**





Obtain support from  
the Trade

All other  
modes

TRADE  
\$\$





AVIATION must maintain it's

Obtain support from  
the Trade

\$\$

# to bring China, Africa closer

vestment,  
trade talks

have broad view,  
rigger comprehensive

mon mission, China  
helped each other  
embarked on a distinc-

one and taking less, giv-  
for returns. With open  
d the express train of  
k the Chinese people  
rejuvenation.

ave made to our Afri-

na and Africa to judge  
tion.

vements of China-Af-  
ons or imagination.



**Make plans consistent with  
big initiatives and leaders**

What the y

between China  
Africa and to go to Afri-  
ca for investment and devel-  
op the rich resources in  
Central Africa. We also look  
forward to China helping  
Africa to establish a sustain-  
able and inclusive economic  
development model and  
helping us overcome poverty  
and improve the living stan-  
dards of people of different  
countries.

**Idriss Deby,**  
president of Chad

P... delivers the keynote speech at the High-Level Dialogue Between Chinese and  
Af... and Business Representatives in Beijing on Monday. The dialogue was attended by  
... representatives, including 25 leaders of African countries, 20 African countries...

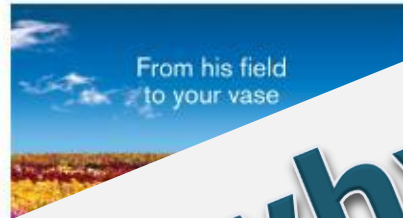




## Benefits of air cargo



Delivering +  
on time



From his field  
to your vase

Promote — why the global  
air cargo deserves  
attention



A life protected

...air cargo makes it happen.

Immunization prevents 2.5 million deaths every year.  
Air cargo is critical in flying vaccines to their  
destination in time to be effective.



Help from the sky

...air cargo makes it happen.

Air cargo plays an essential role in assistance to regions facing natural  
disasters, famine and war by delivering aid and emergency supplies  
where they are needed as soon as they are needed.

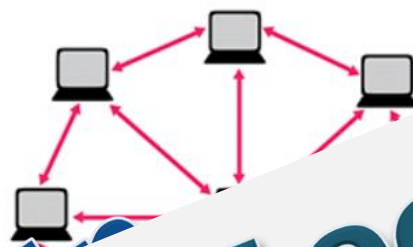
[www.iata.org](http://www.iata.org)



# Ease of data submission and conducting payments



Make new technologies work for you



work of nodes  
validates the transaction  
and the user's status  
using known algorithms.

procurrency,  
contracts, records,  
or other information.



Once verified, the  
transaction is  
combined with  
other transactions  
to create a new  
block of data for  
the ledger,







Too much unnecessary

Introduce modern practices

Shippers

Origin  
Freight  
Forwarders

Consignees

Freight  
Forwarders

1. Certificate of Origin
2. Letter of Instruction
3. Dangerous Goods Declaration
6. CITES certificate

7. Master Air Waybill
8. House Waybill
9. House Manifest
10. Export Goods Declaration
11. Customs Release Export

12. Flight Manifest
13. Transfer Manifest
14. Export Cargo Declaration
15. Import Cargo Declaration
16. Transit Declaration
17. Security Declaration
18. Freight Book List

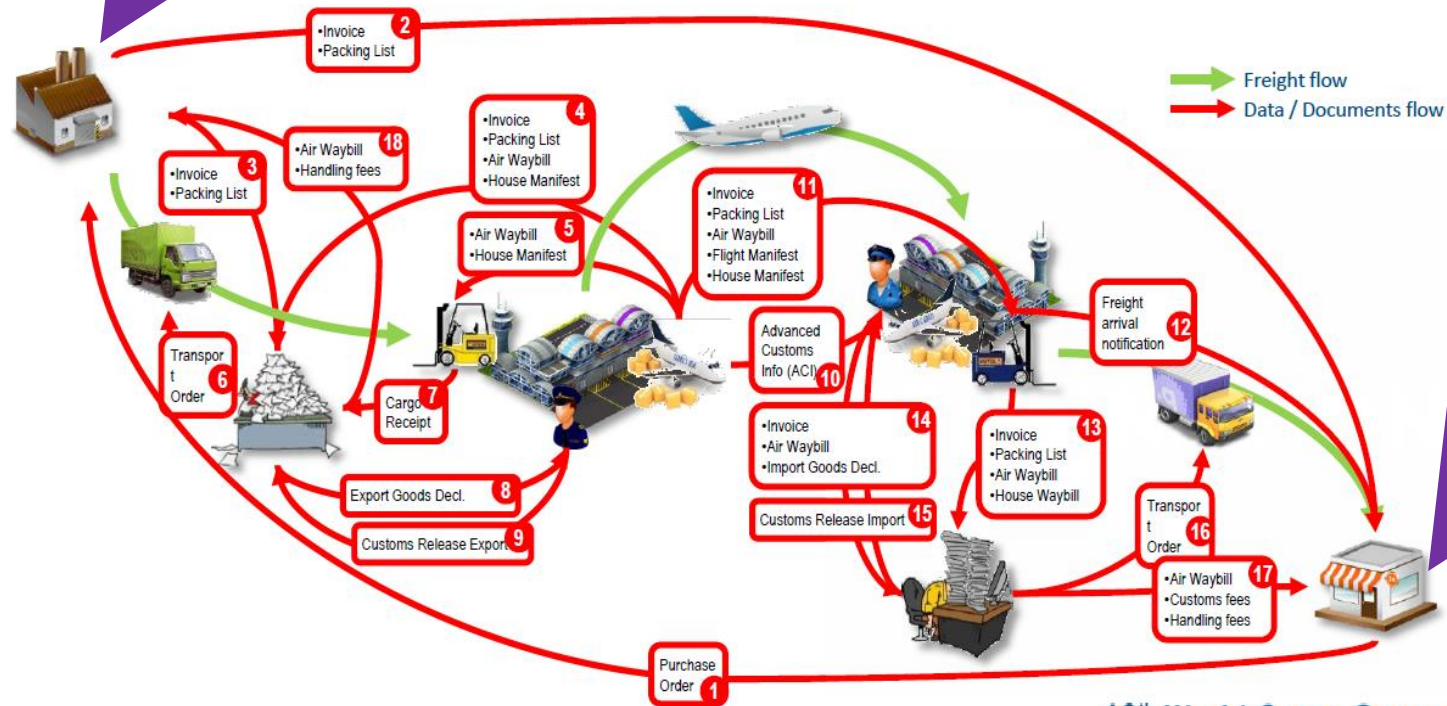
19. Import Goods Declaration
20. Customs Release Import





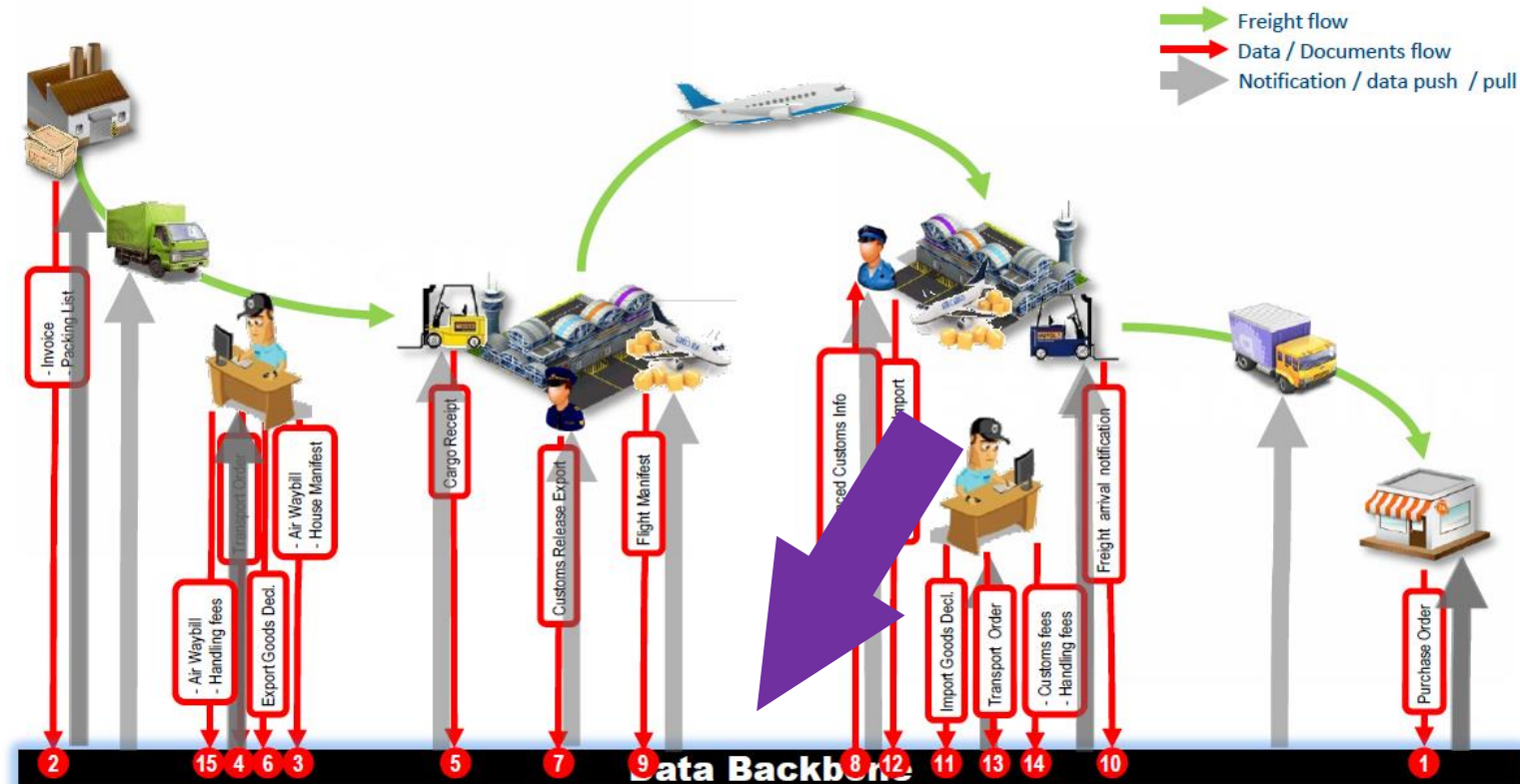


## Move from today





## To tomorrow







## Problem: Multiplicity of the security requirements

Work closely with Customs and Security

### U.S.:

- IAC(Indirect Air Carrier) & Regulated Agent
- Certified Cargo Screening
- AC

Agent  
Regime

### Singapore:

- Air Cargo Agent Regime

### Australia:

- Regulated Air Cargo Agent
- Accredited Air Cargo Agent Schemes

### Org.

ATA: Secure Freight and e-Freight

- TIACA: strongly supports automation and paper-free transactions
- WCO: Single window programme

How to connect these programmes together ?



## Global Standards

### Meeting global cargo security requirements

#### 1. ACC3 In Europe

IATA established the Center of Excellence for Airport Security (CIEV) To help airlines handle the station audits.

### Harmonization of standards and recognition

1. Screening (ACAS) Rule making stage  
(Europe)  
(Canada)

Copycat legislation expected from other parts of the world.

**Need global standards**





We need global solutions

# Support ICAO and TIACA on common solutions

## U.S.:

- IAC (Indirect Air Carrier) & Regulated Agent
- Certification

Regulated Agent Regime

## Singapore:

- Air Cargo Agent Regime

## Australia:

- Regulated Air Cargo Agent
- Accredited Air Cargo Agent Schemes

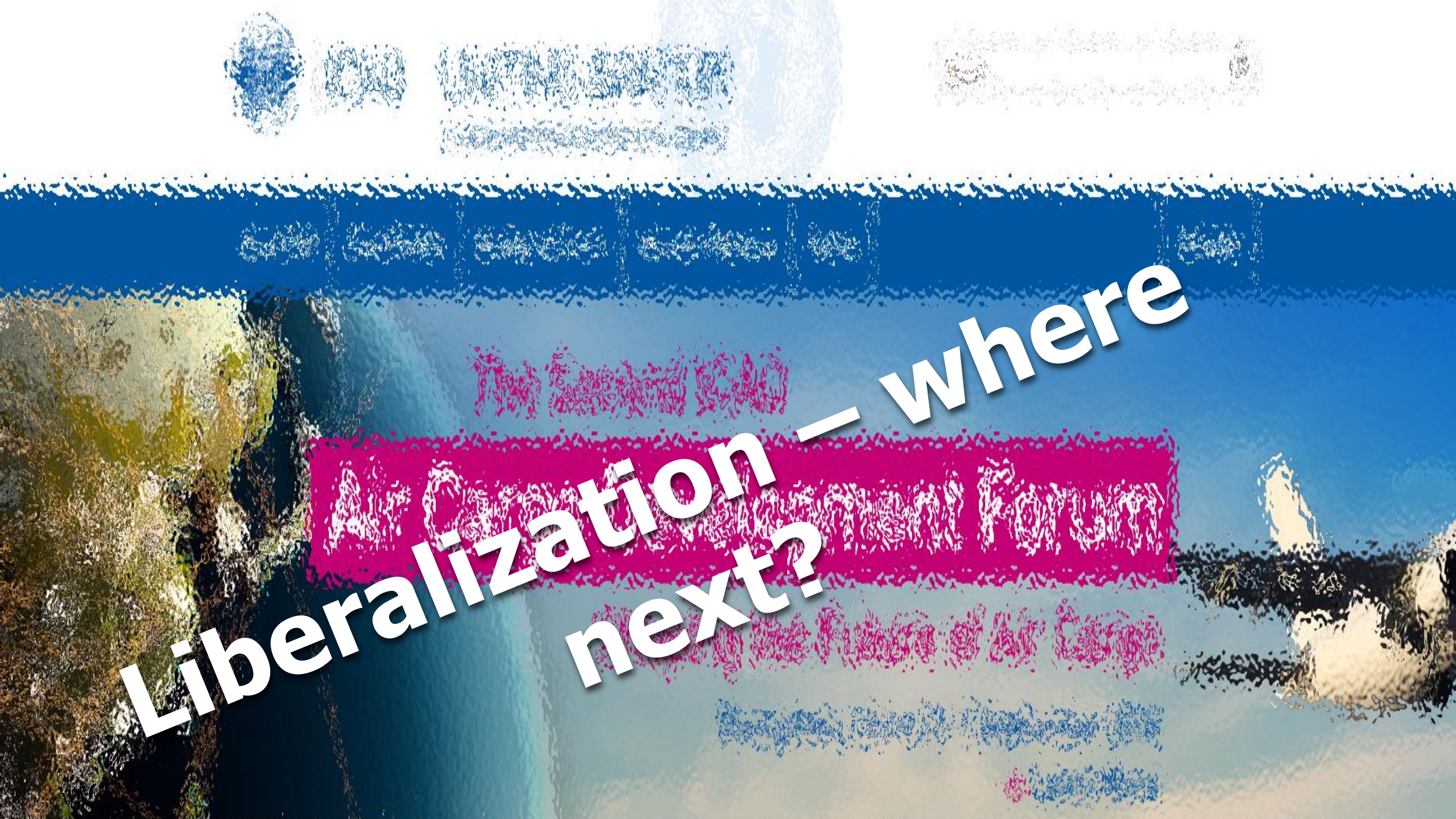
## International Org.

- **IATA:** Secure Freight and e-Freight
- **TIACA:** strongly supports automation and paper-free transactions
- **WCO:** Single window programme

How to connect these programmes together ?

Case PKD





**Liberalization — where  
next?**





ECONOMIC DEVELOPMENT

## Creating Opportunities Through Open Skies Agreements



## Fostering Global Collaboration through the Major TIACA event

<http://www.aircargoforum.org/>

**ACF 2018 TORONTO OCT 16-18**

In Partnership with

**MULTIMODAL AMERICAS** **CIFA**

Partnering with Multimodal Americas, CIFA  
Over 300 Exhibitors  
October 16-18, 2018





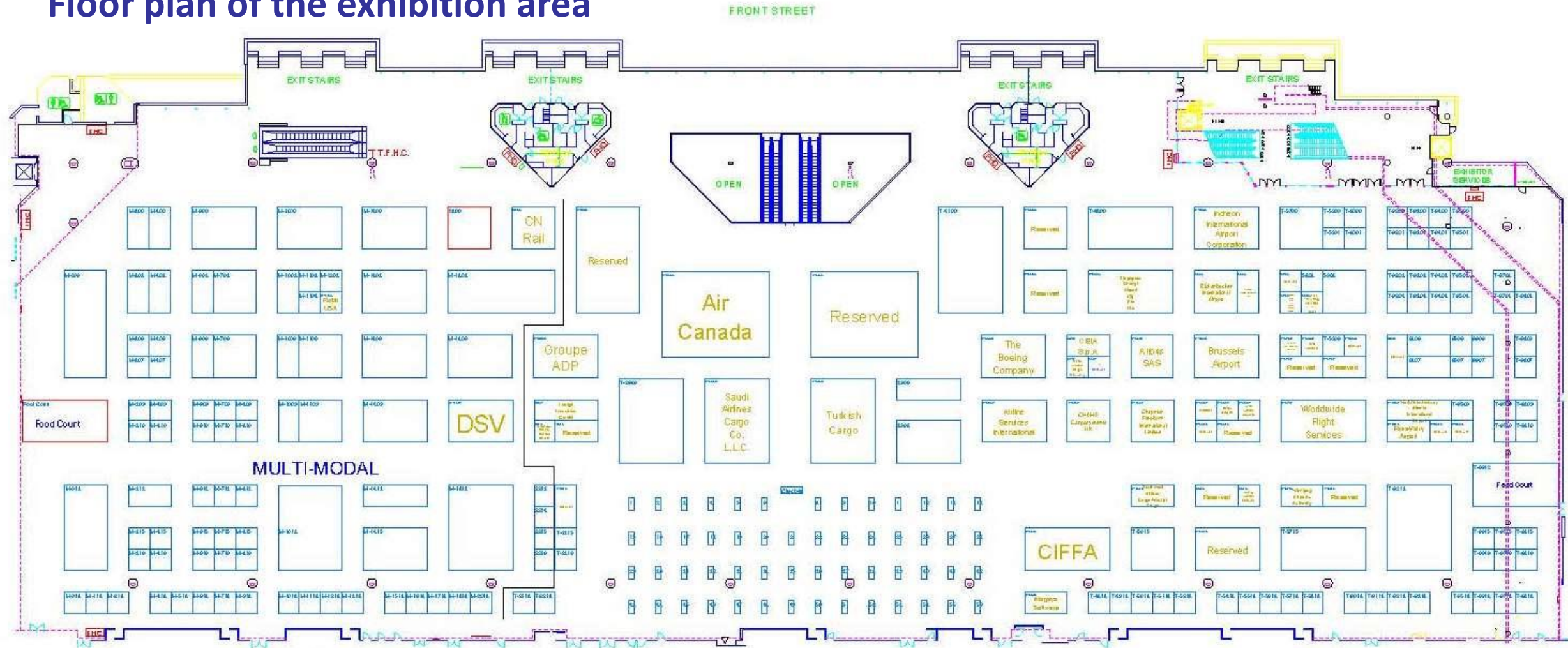
**ACF**  
**2018**  
TORONTO  
OCT 16-18







## Floor plan of the exhibition area







**Conclusion:**  
**Cargo Liberalization –**  
**a slow moving process,**  
**requiring actions by all the**  
**stakeholders**





# Thank you

**Vladimir D. Zubkov**

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