



INTERNATIONAL CIVIL AVIATION ORGANIZATION

A United Nations Specialized Agency

ICAO Seminar on International Air Transport Policy and Liberalization

Outcome of ATConf/6 and ICAO follow-up work

Boubacar Djibo
Director, Air Transport Bureau

9 December 2013
ICAN 2013, Durban, South Africa

The scale of air transport now

- 3 billion passengers
52% of tourists travel by air ⁽¹⁾
- 49 million tonnes of freight
Air freight in the international trade: 0.5% in volume and 35% in value ⁽²⁾
- 1 000 scheduled airlines
- 25 000 aircraft in service
- More than 4 000 airports
- 170 air navigation centres



(1): source: UNWTO

(2): source: ATAG

Traffic is for scheduled services in 2012

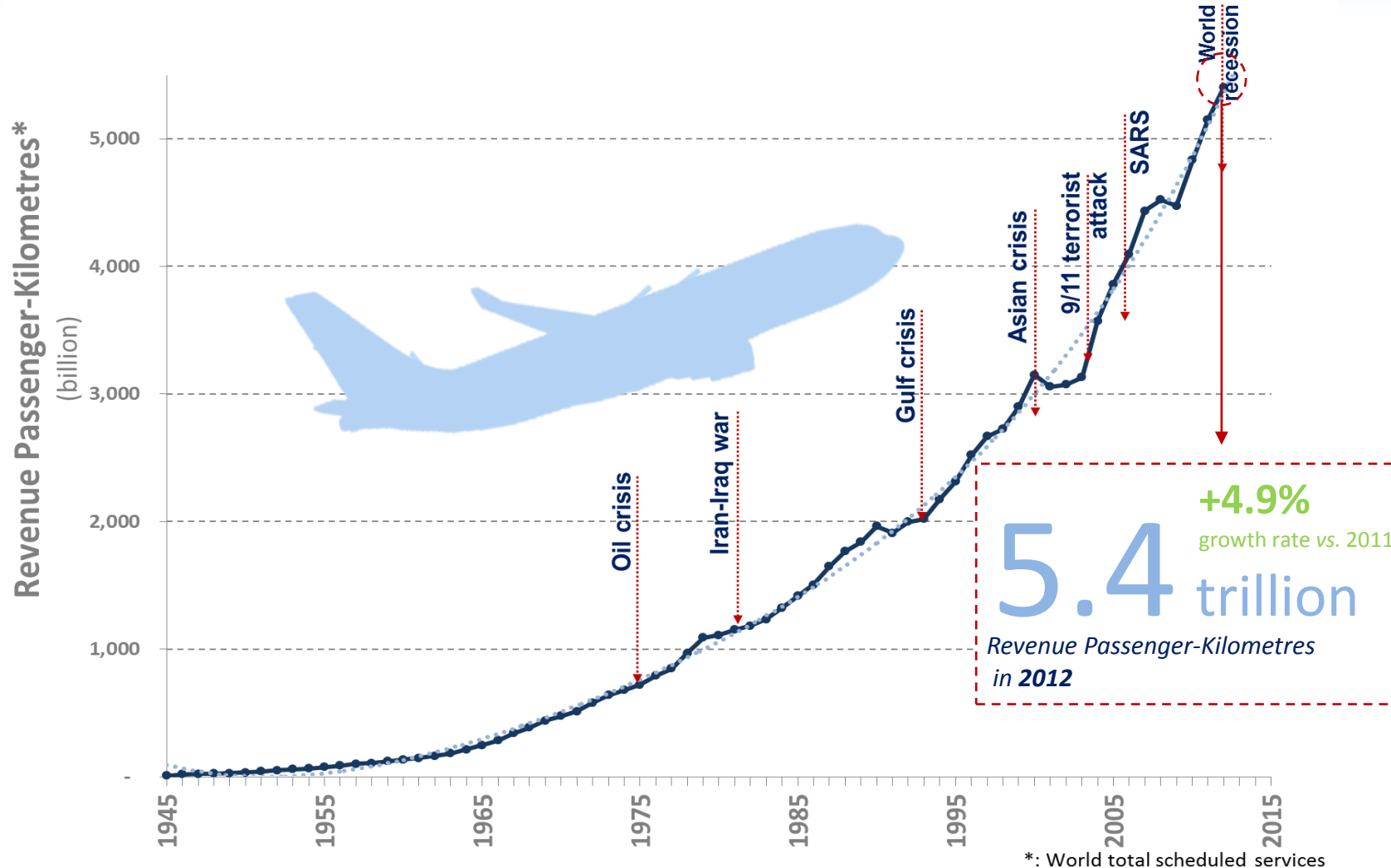
2012

4,300 Cities for 46,651 Routes and
31,673,958 movements *

Legend	
CITIES mov	FLOW mov
• 1 - 14999	— FLOW2101-44279
• 15000 - 58929	— FLOW1001-2100
• 58930 - 140764	— FLOW401-1000
• 140765 - 303197	— FLOW166-400
• 303198 - 556306	— FLOW1-165

**Based on OAG data*

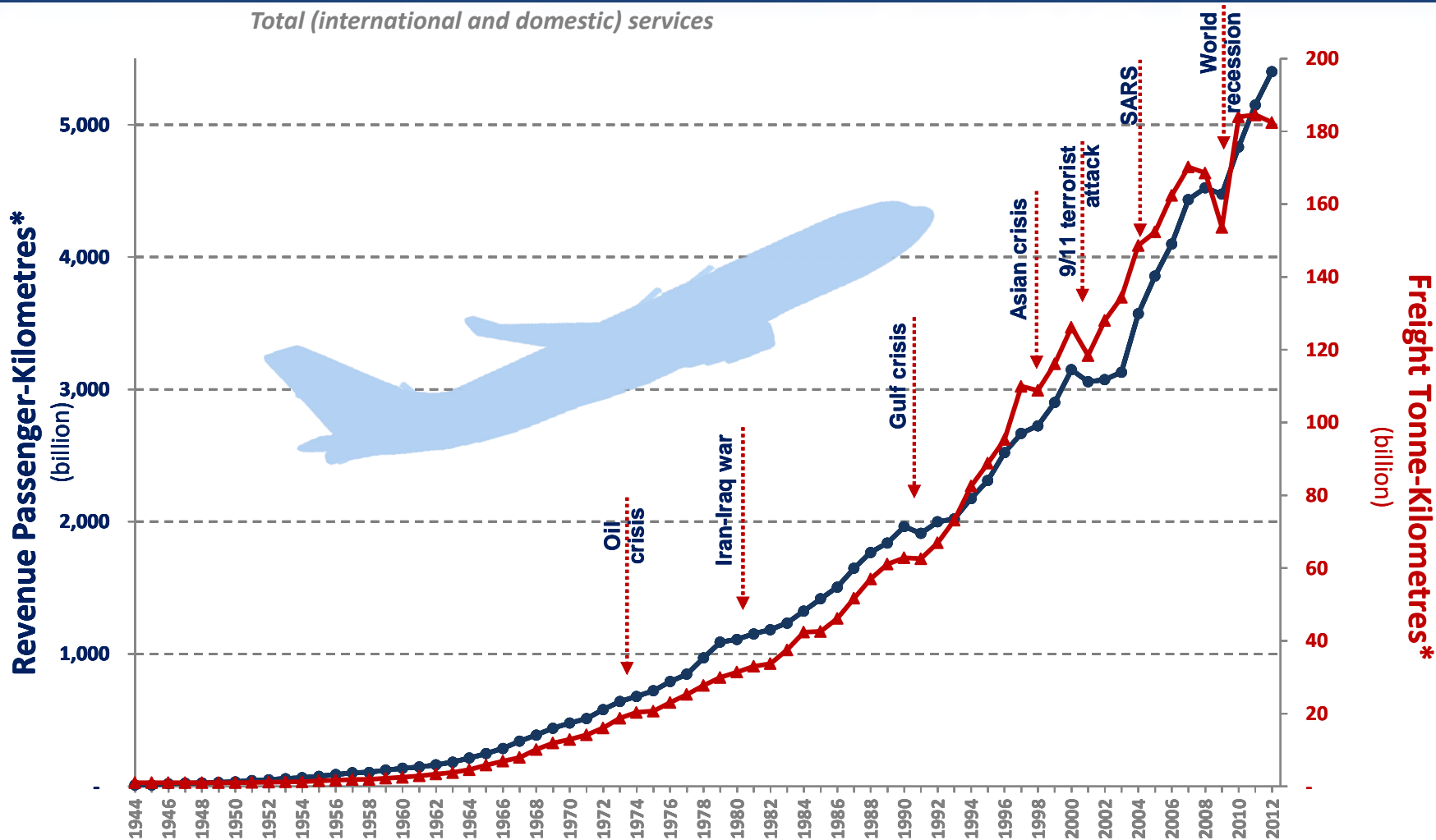
Continuous growth of air traffic



Historical trends of air traffic



Total (international and domestic) services

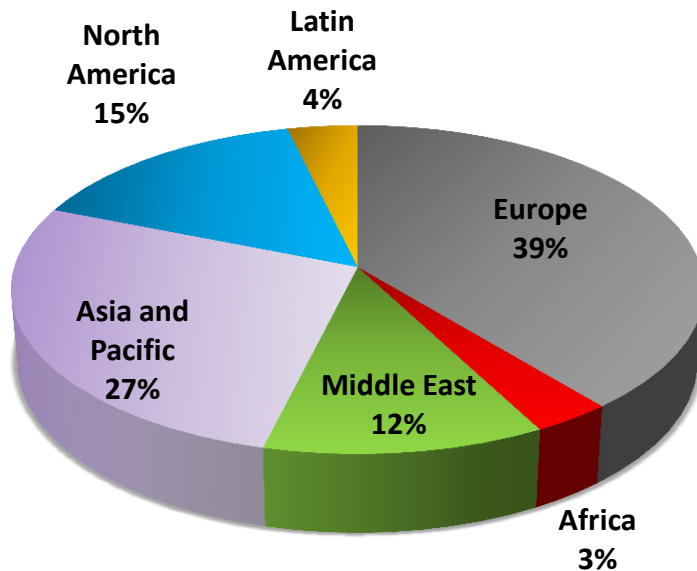


Traffic (domestic and international)

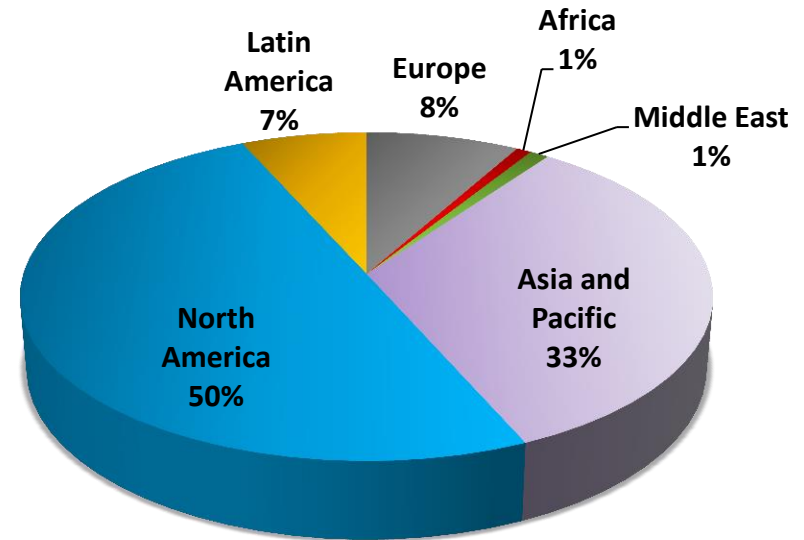


International traffic represents 62% of the total passenger traffic

*International passenger traffic***



*Domestic passenger traffic***



* Market share of the scheduled traffic of the airlines domiciled in the region

** Expressed in Revenue Passenger Kilometre

Regional Traffic Overview for 2011



North America

Traffic: +2.5%
Capacity: +3.1%
Load Factor: -0.1 Pt

Europe

Traffic: +8.9%
Capacity: +9.1%
Load Factor: -0.6 Pt

Asia Pacific

Traffic: +6.3%
Capacity: +5.8%
Load Factor: +0.4Pt

Latin America

Traffic: +7.5%
Capacity: +2.2 %
Load Factor: +3.9 Pt

Middle East

Traffic: +11.9%
Capacity: +13.4%
Load Factor: -0.9 Pt

World

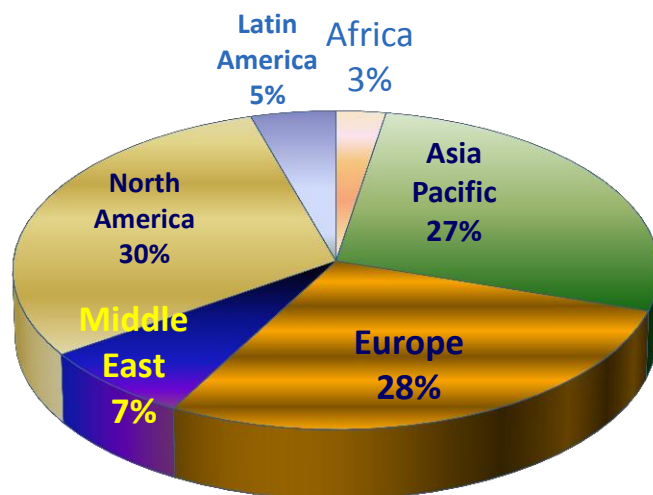
Traffic: +6.4 %
Capacity: +6.5 %
Load Factor: -0.1 Pt

Africa

Traffic: +4.7%
Capacity: +6.1%
Load Factor: - 0.9 Pt

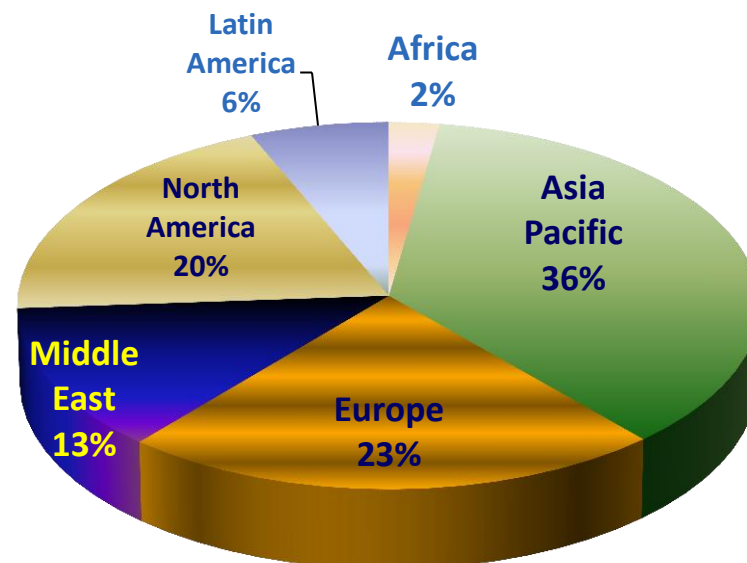
Regional airline traffic data

2010



Total:
4685 billion PKP

2030



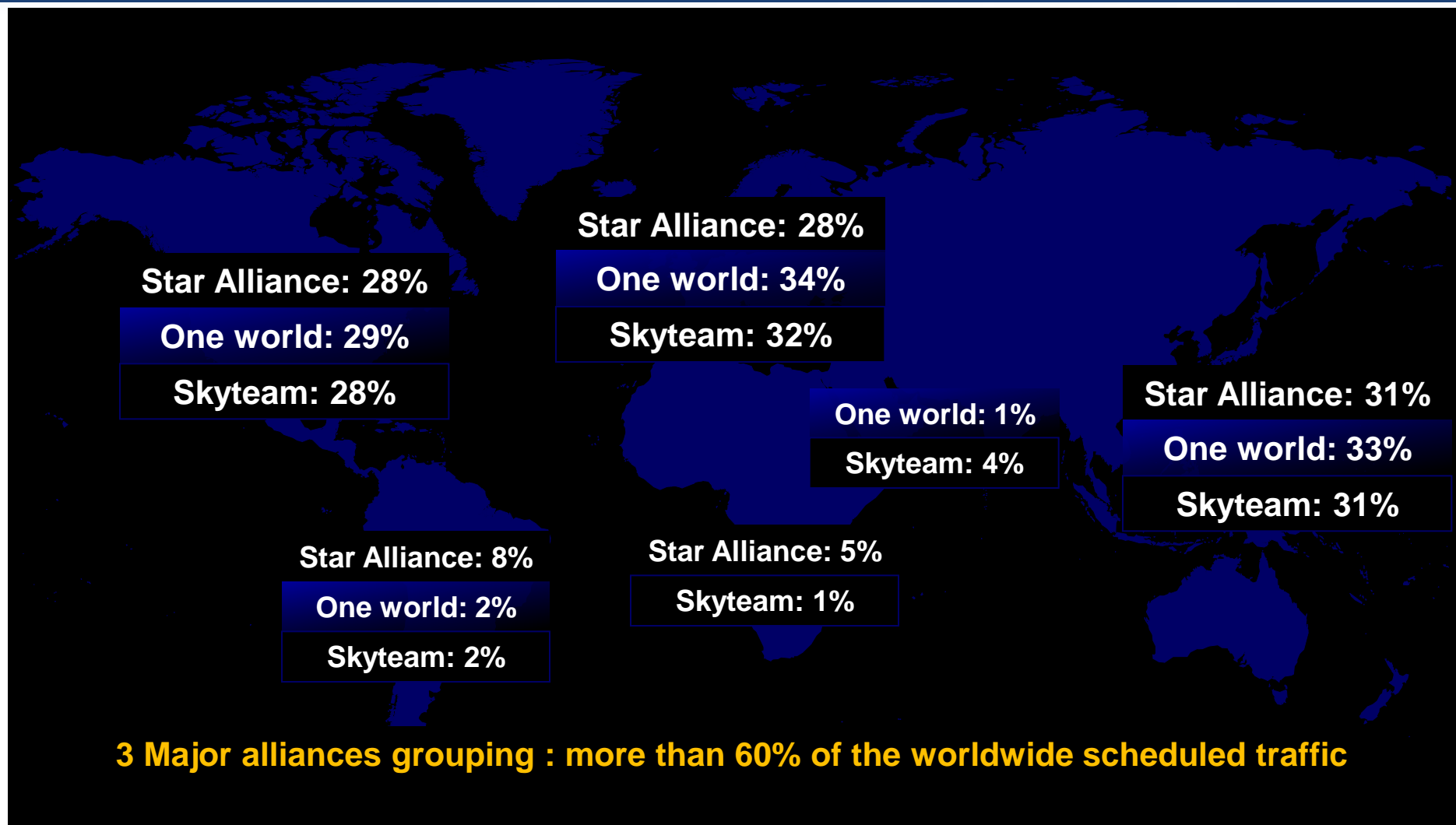
Total:
11579 billion PKP

* Data submitted by regional airlines.

Source: ICAO

**Expressed in Passenger-Kilometres Performed (PKP)

2012: Alliances regional distribution



Passenger traffic in 2012 *(preliminary figures)*

Note: *Scheduled services*

+5.5%

5.3 trillion
Passenger-km

+1 million

31 million
Departures

+5.0%

2.9 billion
Passengers

(%): 2012/2011 growth

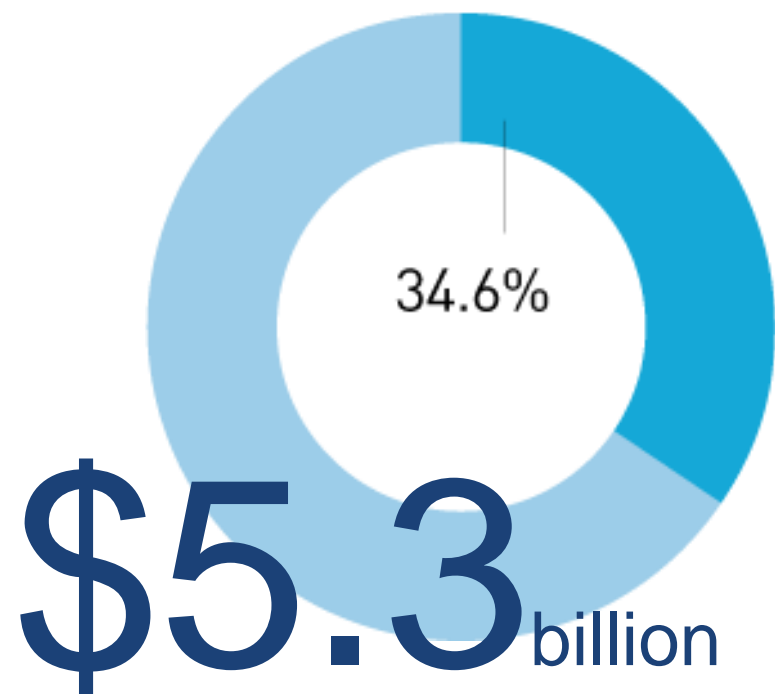
Air Cargo in 2012 *(preliminary figures)*

Note: Scheduled services

180 ^{**-1.2%**}
_{YoY} billion
Freight Tonnes-Kilometer performed

**Air freight in the
international trade**

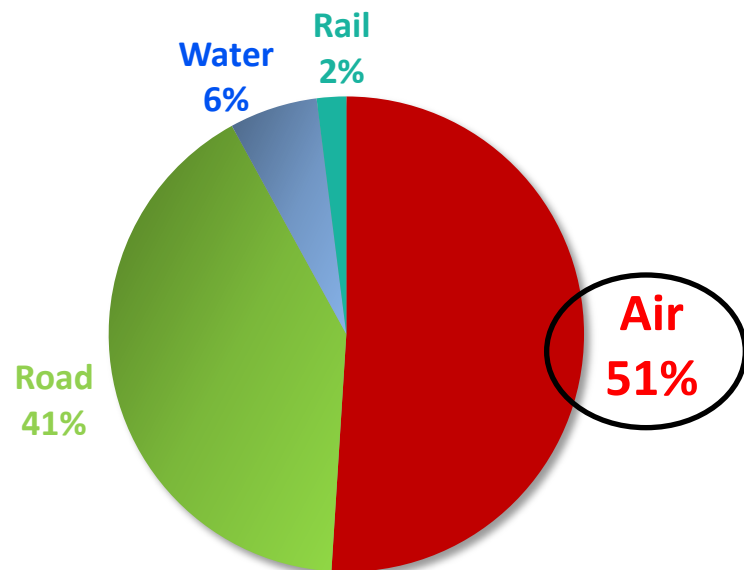
By value
(2010)



Air travellers represent 51% of international tourist



Inbound travellers by mode of transport



Aviation and Tourism: Key figures

Year 2010

34.5 millions

Jobs linked to the catalytic impact of tourism on aviation

\$762 Billions

Contribution to the world GDP induced by the tourism travel by air

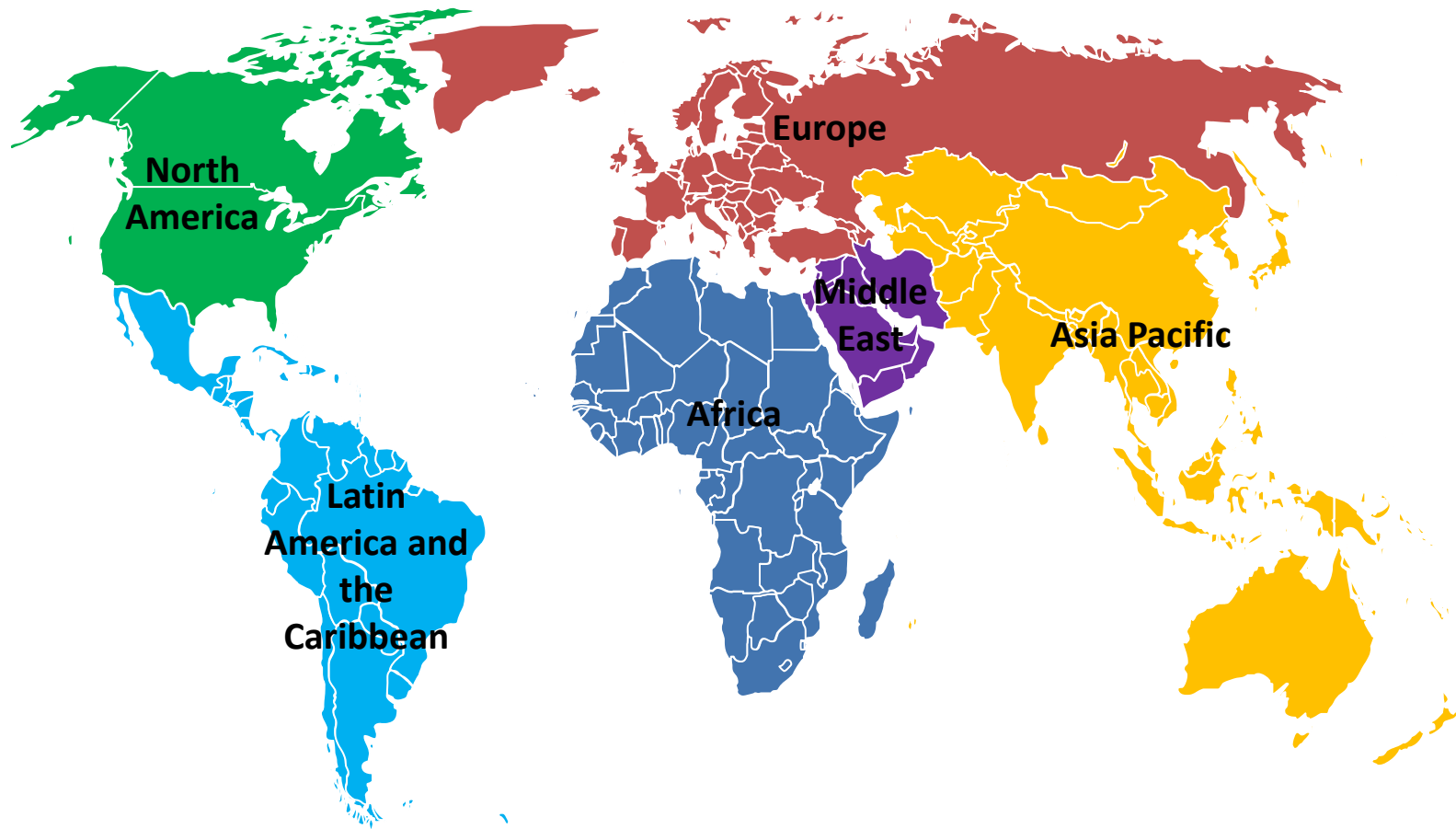
51%

Of international tourists travel by air

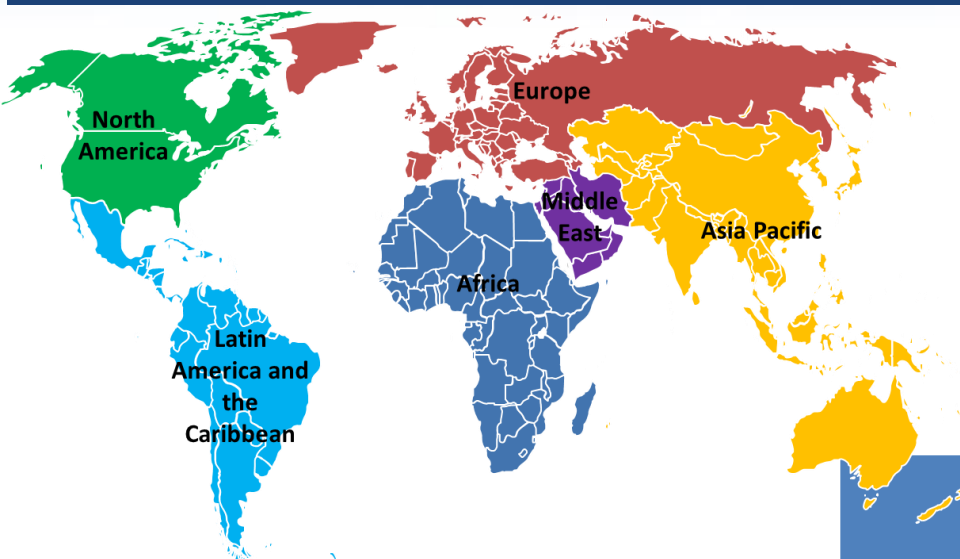
Source: UNWTO

Note: 2010 figures for international tourists

ICAO Statistical Regions used in the Annual Report of the Council



2012 Regional distribution



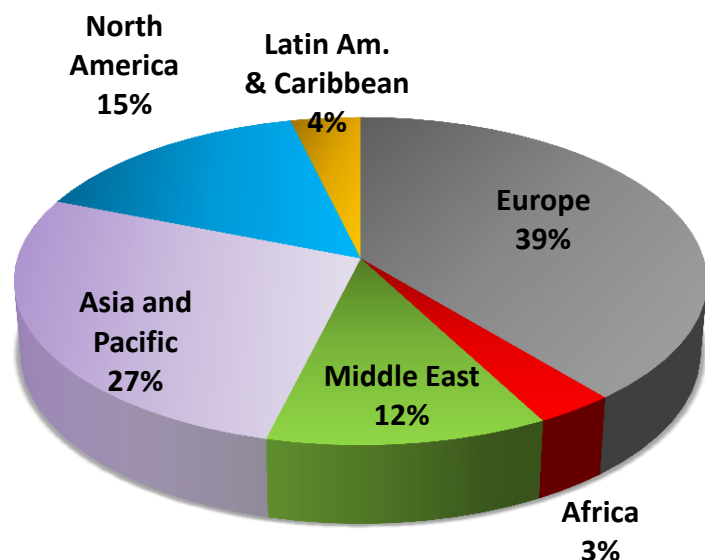
2012 Regional distribution *(preliminary figures)*
Revenue Passenger-Kilometers

Region	% world traffic	annual growth 2012 vs. 2011
Asia and Pacific	30%	+6.9%
Europe	27%	+4.9%
North America	27%	+1.2%
Middle East	8%	+16.8%
Latin Am. & Caribbean	5%	+8.4%
Africa	2%	+6.7%

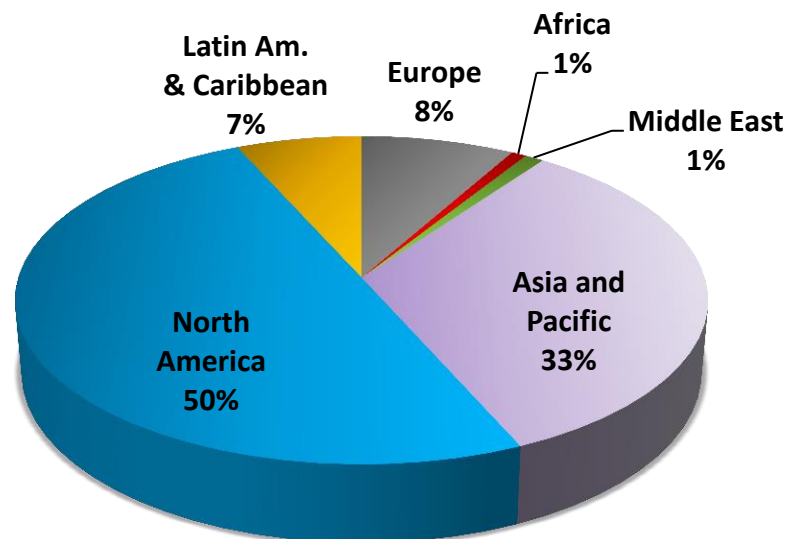
Market Shares* Achieved in 2011

International traffic represents 62% of the total passenger traffic

*International passenger traffic***



*Domestic passenger traffic***



* Market share of the scheduled traffic of the airlines domiciled in the region

** Expressed in Revenue Passenger Kilometer

New ICAO Strategic Objectives 2014-2015-2016



Safety: Enhance global civil aviation safety

Air Navigation Capacity and Efficiency: Increase capacity and improve efficiency of the global civil aviation system

ANB

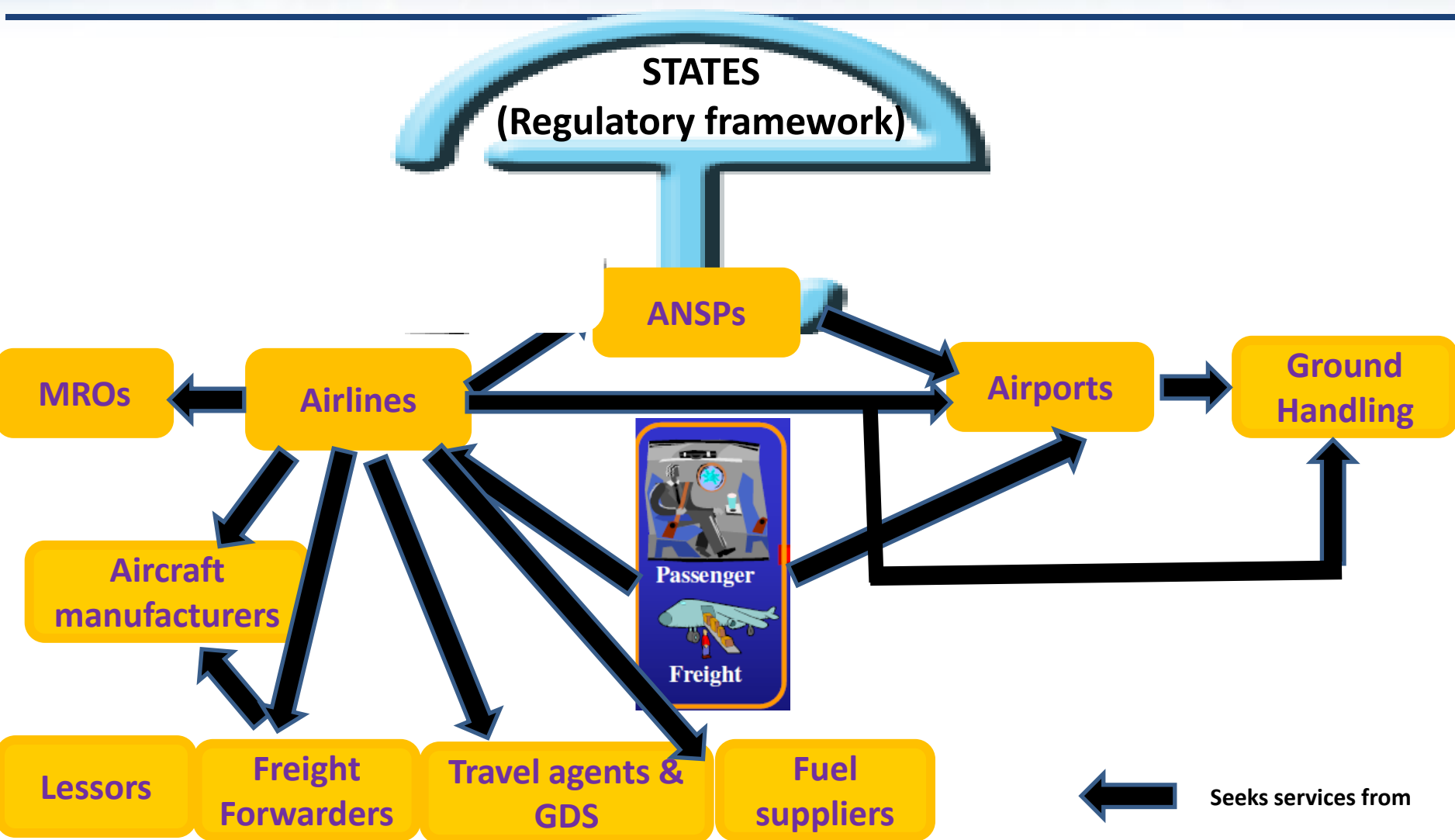
Security & Facilitation: Enhance global civil aviation security and facilitation

Economic Development of Air Transport: Foster the development of a sound and economically-viable civil aviation system

ATB

Environmental Protection: Minimize the adverse environmental effects of civil aviation activities

Value chain of air transport



New ICAO Strategic Objective



Economic Development of Air Transport

- To foster the development of a sound and economically viable air transport system
- New SO reflects the need for ICAO's leadership in developing and harmonizing the global regulatory framework
- Helps focus ICAO's work to meet the needs of Member States and aviation stakeholders

Economic Development of Air Transport

Key activities comprised under the SO :

- Economic policy, air transport regulation and oversight:
 - Develop air transport policy/guidance
 - Promote harmonization
- Financing of the air transport system (user charges and taxes)
- Funding of air transport infrastructure
- Aviation data, forecasting and analysis
 - Collect and disseminate data and statistics
 - Develop traffic forecasts
 - Conduct economic analysis

From ATConf/5 to ATConf/6



Sixth Worldwide Air Transport Conference

List of Hotels

ICAO Travel Section

Sixth Worldwide Air Transport Conference

Agenda

Documentation

Working Papers

References

Registration

Credentials

Sponsorship/Exhibition

Contact us:

Pre-Conference Symposium

Programme

Documentation

Registration

Support Partners

Contact us

ICAO > Meetings > Sixth Worldwide Air Transport Conference

Sixth Worldwide Air Transport Conference



Welcome

The theme of this Conference will be "Sustainability of Air Transport" and the objectives of the Conference are to develop guidelines and an action plan for a global regulatory framework. This will be developed in areas such as air carrier ownership and control, market access, consumer protection and taxation, while focusing on the best means of implementation with the aim to build a more sustainable international air transport system.

The agenda for the meeting, the schedule for pre-Conference regional seminars, administrative arrangements, tentative timetable and documentation arrangements will be available shortly.

ATConf/6

18 to 22 March 2013

Theme:

Sustainability of air transport

Some ATConf/6 highlights



- Objectives: Develop guidance and action plan for a global regulatory framework
- Over 1000 participants from 131 States and 39 Observer organizations
- Adopted 69 recommendations, including 40 for ICAO action and 29 for States action
- All documentation and Conference report (Doc 10009) on ICAO website (<http://www.icao.int.meetings/atconf6/>)
- Witnessed a joint Statement on Aviation and Tourism signed by ICAO & UNWTO Secretaries General

ATConf/6

Sustainability of Air Transport



Agenda Item 1: Global Overview of Trends

1.1 Industry (a) and regulatory (b) developments

1.2 Other areas of ICAO's work that may have economic implications

(including the economic impact of the *High-Level Conference on Aviation Security* (HLCAS) outcomes)

Agenda Item 2: Examination of Key Issues

2.1 Market access

2.2 Air carrier ownership and control

2.3 Consumer protection

2.4 Fair competition

2.5 Safeguards

2.6 Taxation of and other levies on international air transport

2.7 Economics of airports and air navigation services

(including the economic impact of the Twelfth Air Navigation Conference (ANConf/12) outcomes)

2.8 Implementation of ICAO policies and guidance

ATConf/6 Milestone results

- Stronger leadership role for ICAO in economic regulation
- ICAO leadership role in forging new regulatory tools
- Commitment of the global aviation community for increased international integration and harmonization
 - Cooperation between air transport stakeholders to avoid duplication of efforts
- Key achievements in areas of market access, air carrier ownership & control and consumer protection
- Implementation of a voluntary air transport fund in order to support the implementation of some important tasks that will not be funded by the regular budget

Highlights of A38 achievements

A-38 major achievements



- The ICAO Assembly **endorsed** the following:
 - a new Strategic Objective of *Economic Development of Air Transport* to guide the work of the Organization in the field of air transport for the 2014 -2016 triennium
 - recommendations of ATConf/6, and in particular, the action plan of the Council for the follow-up work to ATConf/6
 - an enhanced Assembly resolution on continuing ICAO policies in the air transport field
 - a stronger mandate for ICAO to play a leadership role for a long term vision for liberalization

Highlights of A 38 achievements (1)



- ICAO to work on global regulatory frameworks and policy guidance to:
 - develop an international agreement to liberalize market access
 - develop an international agreement to liberalize air cargo services
 - develop an international agreement to liberalize air carrier ownership and control
 - develop core principles on consumer protection

Highlights of A 38 achievements (2)



- develop guidance on the funding and financing of aviation infrastructure development, safety, security and economic oversight functions
- develop mechanisms to support operation improvements of the aviation system block upgrade modules (ASBUs)
- enhance States' awareness of ICAO policies on taxation and develop guidance on the impact of taxation

Highlights of A38 achievements (3)



- conduct econometric studies and develop a monitoring system to explain the effects of the liberalization on international traffic and assess its evolution
- consider additional ways and means to enhance the status of ICAO policies
- work on future plans in the areas of forecasting, economic analysis and statistics to meet the needs of States and the users
- enhance the **ICAN event** to facilitate liberalization

Future steps



- Mandate endorsed by Assembly based on priorities, budget and resources available for the 2014-2016 triennium
- Secretariat initiated work on implementation of Assembly Resolution
 - Consolidated statement of continuing **ICAO policies in the air transport field** (A38-14)
- Air Transport Regulation Panel (ATRP) to assist Secretariat on the different tasks
 - ATRP to convene in Montreal from 26 to 30 May 2014

Connectivity at a glance

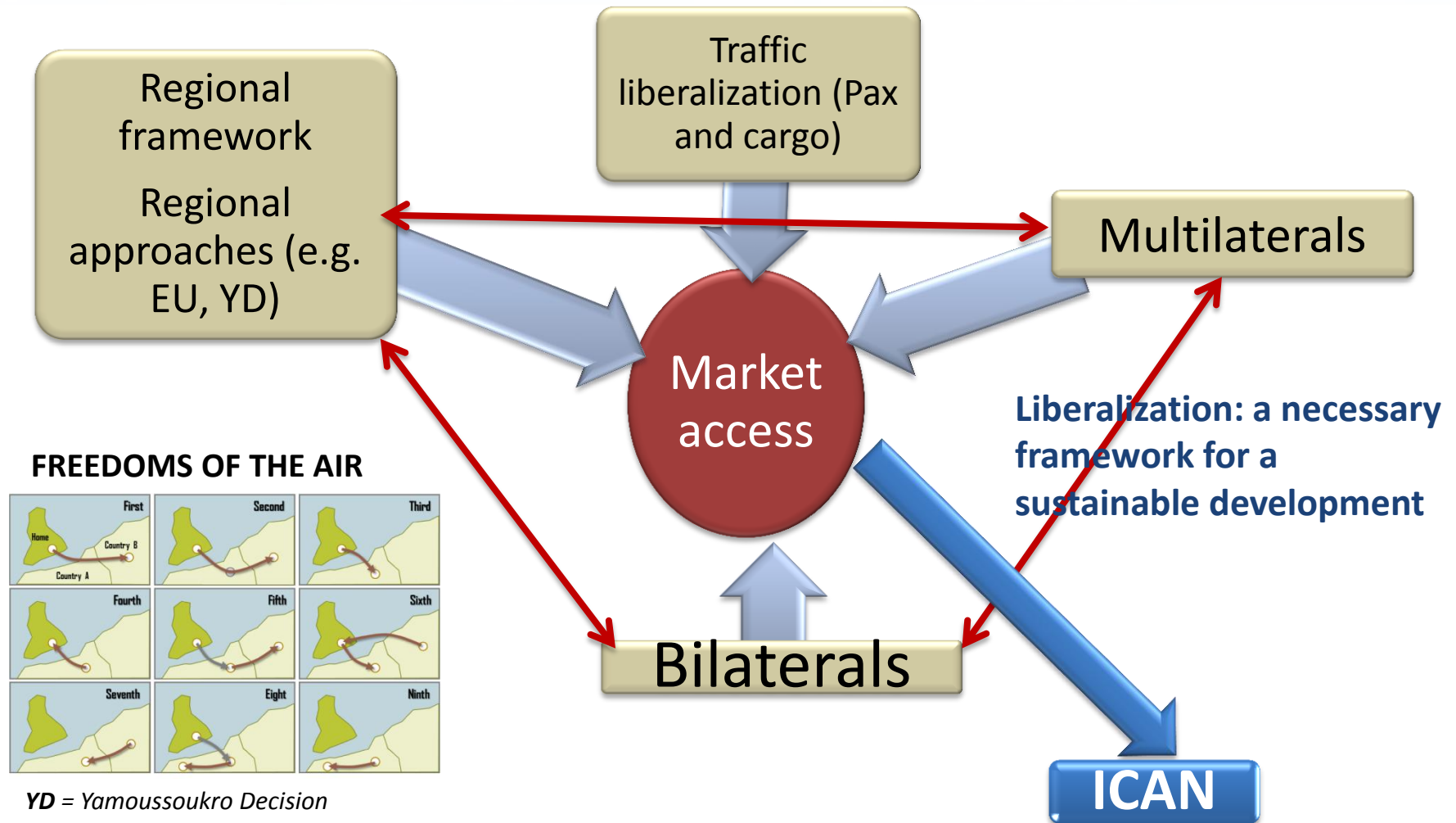


- linking maximum points together (**space**)
- minimum time to go from A to B to C (**time**)
- **supporting framework**

ICAO's contribution to connectivity of air transport



Market access: Supporting framework



Value and benefits of connectivity enhancement



Market access → Connectivity → Economic development

- **Connectivity** brings concrete value - what air transport is all about
- If conditions are met: **good end-user experience** will bring **more travel, more economic development and hence more traffic growth**
- Connectivity is in line with **Chicago Preamble:**

*THEREFORE, the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a **safe and orderly manner** and that international air transport services may be established on the **basis of equality of opportunity** and **operated soundly and economically**;*

Liberalization of air transport



Implementation of recommendations made by Sixth Worldwide Air Transport Conference (ATConf/6):

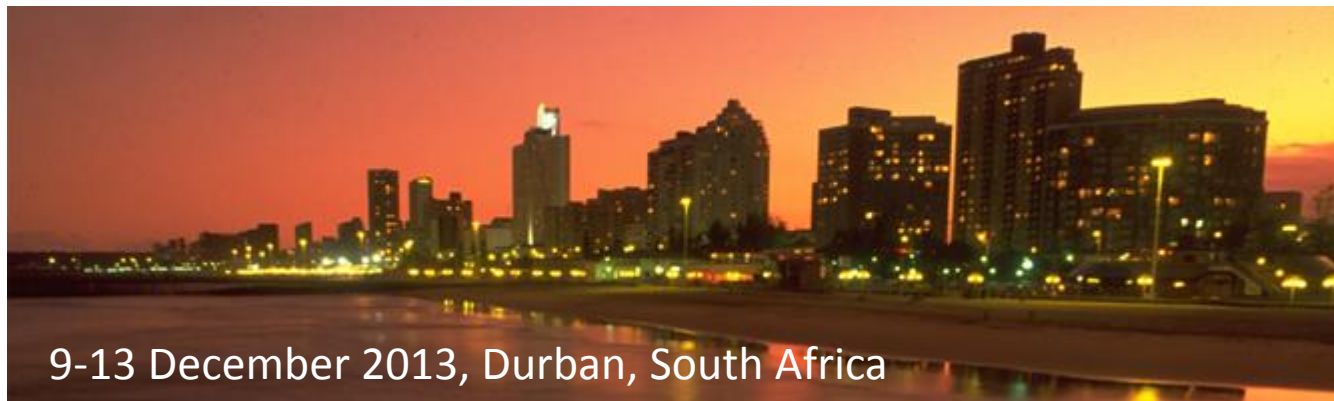
- Liberalization has provided broad benefits for national economies
- Liberalization is a means and process, not an end
- The objective is to develop international air transport in a sustainable manner,
- **Without compromising Safety and Security**

ICAO can enhance connectivity



ICAO Air services negotiation (ICAN) provides

- A central meeting place to conduct multiple air services agreements negotiations
- A forum to get info, discuss issues
- A platform for bilateral, multilateral talks



Participating States by region (75)



Africa	Asia & Pacific	Europe	Latin America & Caribbean	Middle East	North America
Botswana	Afghanistan	Austria	Brazil	Jordan	Canada
Burkina Faso	Bangladesh	Azerbaijan	Curacao (Neth.)	Libya	United States
Burundi	Cambodia	Czech Rep.	Dominican Rep.	Qatar	
Cabo Verde	Hong Kong (China)	Finland	Jamaica	Saudi Arabia	
Chad	India	Greece	Paraguay	United Arab Emirates	
Congo	Indonesia	Iceland	Saint Maarten (Neth.)	Yemen	
Côte d'Ivoire	Korea, Rep.	Luxembourg	Trinidad and Tobago		
Cameroon	New Zealand	Netherlands	Uruguay		
Equatorial Guinea	Malaysia	Norway			
Ethiopia	Mongolia	Spain			
Gambia	Singapore	Sweden			
Ghana	Sri Lanka	Switzerland			
Guinea	Thailand	Turkey			
Guinea-Bissau		United Kingdom			
Kenya					
Lesotho					
Mali					
Mozambique					
Nigeria					
Rwanda					
Senegal					
Seychelles					
Sierra Leone					
Somalia					
South Africa					
Sudan					
Swaziland					
Tanzania, U.R.					
Togo					
Uganda					
Zambia					
Zimbabwe					

Participating International Organizations

African Civil Aviation Commission (AFCAC)
 Airline Association of Southern Africa (AASA)
 Civil Air Navigation Services Organisation (CANSO)
 Common Market for Eastern and Southern Africa (COMESA)
 East African Community (EAC)
 European Union (EU)
 International Air Transport Association (IATA)
 World Tourism Organization (UNWTO)

Funding of aviation infrastructure and oversight functions and Financing the air transport system

Economic development of air transport is constrained by availability of infrastructure



- In order to meet an increased demand of air traffic, sufficient airports and air navigation services capacity should be available as a critical component of the air transport system
 - Which investments or other actions are required to overcome infrastructure capacity constraint?
 - How to improve organizational and managerial capability of infrastructural management and development?
 - How to secure and access to funding for infrastructure to cope with the forecast demand?

Airport and air navigation services infrastructure funding

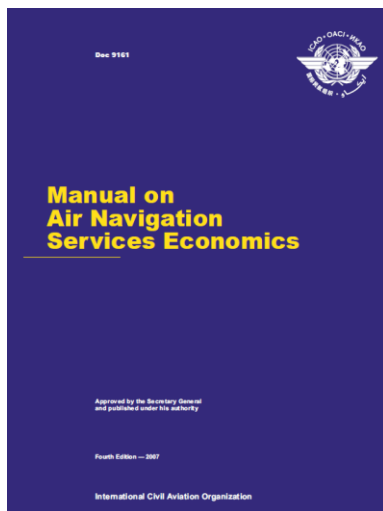


- There is difficulty of many airports and ANSPs to adequately access funds for the modernization and expansion of their infrastructure
- Revenues generated by the civil aviation sector should be **re-invested** in this sector in accordance with ICAO's policies on charges (Doc 9082)
- **Regional cooperation and integration** should be explored as the best way to secure cost-effective investments and achieve better returns

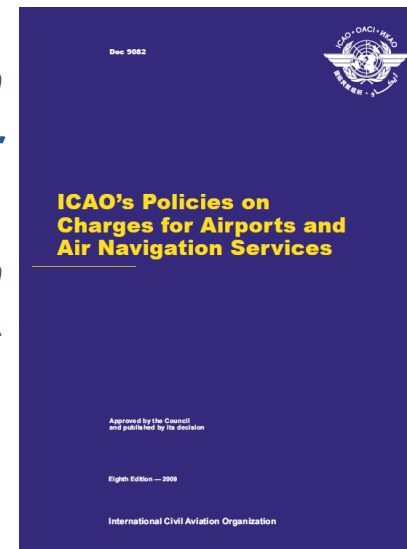
Pillars for ICAO policies and guidance on users charges



- Chicago Convention – Article 15: basis for key policies (non-discrimination, cost-relatedness and transparency)
- Policies are not mandatory but States have a moral obligation to adhere to them: Conferences (CEANS 2008, ATConf/6), Council decisions, Assembly resolutions
- Guidance materials



- **Doc 9082** – *ICAO's Policies on Charges for Airports and Air Navigation Services*
- **Doc 9161 and Doc 9562** – *Manual on Air Navigation Services Economics and Manual on Airports Economics*
- **GNSS** – ANSEP Report and Council Provisional Policy Guidance



Basic principles

Article 15 of the Chicago Convention

- Non discrimination in the use of facilities and services
- Non-discrimination in the levy of charges
- No charges to be levied solely for the right of transit of aircraft over the territory of a Contracting State (charges for en route services are to be related to the services provided and their costs)
- Consultation with the users

Taxes and charges: rationale behind fees

- Avoid discrimination
- Consider economic contribution
- Reduce, to fullest extent, taxes



ICAO's Policies on Charges for Airports and ANS

(Doc 9082)



- Non-discrimination
- Avoid proliferation of charges and taxes
- Balance of interests between providers and users
- Fairness and equity in cost allocation and charging
- Economic oversight, performance management and consultation with users

Oversight function: a State responsibility



- When considering the commercialization or privatization of airports and ANSPs, States should bear in mind that they are **ultimately responsible for safety, security and economic oversight** of these entities (ICAO's policies in Doc 9082)
- States can choose **government funds or charges** for funding of oversight functions at the airport and air navigation services provider (ANSP) level
 - proposal for a passenger-based charge to fund safety and security oversight activities is not in line with ICAO's policies on charges

Sustainable funding of RSOOs: Air safety charge



Additional guidance was developed on funding of safety oversight function at the regional level

- Based on ICAO's policies in Doc 9082, **air safety charges** would recover the RSOO's cost of providing certain safety oversight services
- Strict safeguards should be in place before the implementation of any air safety charge

Revision of Chapter 5
of *Safety Oversight Manual – Part B*
(Doc 9734)

Financing aviation safety block upgrades (ASBUs)



ATConf/6 (Recommendation 2.7/1 b)) :

- Establish a multi-disciplinary working group to:
 - Assess the challenges associated with the **establishment of operational and economic incentives**
 - Estimate the early benefits of new technologies and procedures - **ASBUs** modules
- Multidisciplinary Working Group planned to meet in February 2014
 - Its work plan will support operational improvements
 - While maximizing safety, capacity and overall system efficiency
 - Taking into account the specific needs expressed at the Twelfth Air Navigation Conference (AN-Conf/12)

Air transport and tourism partnering for economic development



Air transport and tourism are major contributors to global economic prosperity. In 2012, more than one billion tourists crossed international borders, more than half by air. The total number of international tourists, which includes both business and leisure travellers, is expected to reach 1.8 billion by 2030. This will further increase the demand for air transport services, with overall annual aircraft departures forecast to grow from today's 30 million to 60 million in 2030.

The symbiotic relationship between aviation and tourism is reflected at the global level in the respective mandates of the International Civil Aviation Organization (ICAO) and the World Tourism Organization (UNWTO). While ICAO sets standards and policies for aviation safety, security, efficiency, environmental protection and the economic development of air transport, UNWTO promotes tourism as a driver of economic growth and

sustainable development, offering leadership and support to the sector in advancing knowledge and tourism policies worldwide.

Accordingly, ICAO and UNWTO have decided to strengthen their collaborative efforts towards building a more sustainable future in all of the three pillars of the United Nations definition of sustainability – social, environmental and economic – and to position air transport and tourism as strategically interrelated sectors that benefit the global society they both serve.

To that end, the two Organizations – hereinafter referred to as “we” – affirm their common understanding and shared intent through the following Joint Statement on Aviation and Tourism, symbolically signed on the occasion of the official opening of the ICAO Sixth Worldwide Air Transport Conference, convened under the theme of “Sustainability of Air Transport”.

A solid track record

ICAO and UNWTO are designated inter-governmental bodies responsible for aviation and tourism respectively. As sister agencies within the United Nations system, we together contribute to securing the social, economic and environmental pillars of sustainability.

In 1978, we entered into a Working Arrangement for consulting each other on questions of common interest, so as to ensure optimal coordination of activities and avoid duplication of efforts.

In 2010, we signed a Memorandum of Co-operation to strengthen collaboration in several areas of strategic importance to air transport and tourism:

- Security and facilitation for travellers.
- Promotion of investments in aviation infrastructure and safety.
- Crisis management.
- Health issues, including those pertaining to the spread of communicable diseases through travel.
- Sustainable development, including environmental protection, mitigation of, and adaptation to, climate change.
- Liberalization of international air transport.
- Economic studies on aviation and tourism, and their impacts on the economy.

A firm intention

Looking ahead, we intend to further optimize the benefits of aviation and tourism through:

- Maximizing synergies between air transport and tourism, while finding ways to continually enhance collaborative endeavours.
- Cooperating for the modernization of the air transport regulatory framework.
- Enhancing air transport connectivity further through cooperation:
 - Regarding visa and other travel document formalities and issuance, including the simplification of visa processing and the development of multi-State regional visas and e-visas;
 - For the improvement of air passenger flow management at airports;
 - For the implementation of the Essential Service and Tourism Development Route (ESTDR) concept.
- Contributing to the emergence of globally convergent rules on the protection of passengers, tourists and tourism service providers, within our respective mandates and the framework of existing or future international bilateral or multilateral agreements.
- Contributing to the reduction of greenhouse gas emissions from aviation and tourism.
- Giving due consideration to the particular importance of air transport for tourism development in long-haul destinations and landlocked or island countries.
- Assessing the impact of taxes, charges and other levies on aviation and tourism, and thus on global economic growth and jobs.

Working together on common issues will more effectively position aviation and tourism as leaders in the pursuit of sustainable development.

Signed in Montréal on 18 March 2013:

ICAO:

Mr. Raymond Benjamin, Secretary General

UNWTO:

Mr. Taleb Rifai, Secretary General

ICAO/UNWTO Joint Statement

www.icao.int/Meetings/atconf6

Joint Conference on air transport connectivity with the participation of African Ministers in charge of air transport and tourism in October 2014 (TBC)

ICAO OACI ИКАО

© ICAO All rights reserved.

This document and all information contained herein is the sole property of ICAO. No intellectual property rights are granted by the delivery of this document or the disclosure of its content. This document shall not be reproduced or disclosed to a third party without prior permission of ICAO. This document and its content shall not be used for any purpose other than that for which it is supplied.

The statements made herein are based on the mentioned assumptions and are expressed in good faith. Where the supporting grounds for these statements are not shown, ICAO will be pleased to explain the basis thereof.

国际民航组织

ИКАО

9