



CLOSING REMARKS ICAN SYMPOSIUM and ICAN

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ICAO's Leadership role in the regulatory framework

- ∅ Developing policy guidance
- ∅ Developing international agreements for liberalization
- ∅ Facilitating liberalization
- ∅ Fostering regulatory harmonization and compatibility
- ∅ Providing financing schemes examples for aviation system bloc upgrades (ASBUs), and infrastructure development as well as regulatory oversight



Benefits of air transport liberalization

- Important economic value, direct, indirect and induced of air transport for all the stakeholders of the travel and tourism sectors.
- Connectivity brings significant benefit on both economic and social sides
- Key element in the tourism growth of any Country
- Liberalization of international traffic is also benefitting domestic traffic of national carrier
- Air transport connectivity leads to lower fares, stimulates traffic, GDP and jobs
- Synergies tourism and air transport encourages Win-Win policies.



Major obstacles towards more liberalization

- Unfair competition: need to define what is a level playing field
- Administrative burdens: bureaucratic inertia (always done that way...).
- Lack of adequate infrastructure capacity, e.g. 20 airports in Europe will be at full capacity in 2030 is leading to an increased airport competition and is limiting the benefits of liberalization on air traffic growth
- Stakeholders including States do not always view the benefits in the same way.
- Protectionism towards flag carrier notably when discussing traffic rights
- Restrictions on Air Carrier Ownership and Control is limiting air carrier growth
- Trade off to be made between air transport connectivity and commercial interests
- Restrictive national policy on Market access is a key impediment for social economic growth and jobs creation.

NEXT STEPS

- Treatment of air cargo services liberalization: No consensus towards a specific ICAN Cargo
- Integrated stakeholders discussion will promote confidence, respect and trust



- Challenging to have a one size fits all definition of level playing field
- More practical to describe what are unfair practices
- Different approaches in methodology, different stages of industry development: some favour aviation-specific competition rules, some others rely on general competition rules
- Very important to maintain cooperation and dialogue between authorities to minimise regulatory differences

NEXT STEPS

- Important for airlines to have environment to operate safely and profitably
- ICAO to implement tools to foster regulatory convergence
- ICAO to continue enhancing compendium on competition policies and practices
- ICAO to develop a new competition-specific event along the format of ICAN, to further promote dialogue



Air transport connectivity and smart regulation

- Air transport connectivity: objective to allow movement of passengers, goods, cargo with minimum of transit points in minimum time with best convenience and value for the end-user. Includes market access & travel facilitation, e-Visas (UNWTO perspective)
- The ICAO connectivity concept is a framework that fosters the emergence of smarter regulation
- Connectivity components addressed through ICAO policies and standards:
 - Liberalization of market access & air carrier ownership and control (global/regional multilateral agreements)
 - Consumer protection; fair competition
 - Facilitation and Security, TRIP Strategy
 - Stakeholders (airlines, airports, ANSPs) optimum operational systems

NEXT STEPS

- ICAO to coordinate efforts among stakeholders to enhance connectivity, including by enhancing market access liberalization, adoption MC99, quantitative analysis,
- Stakeholders cooperation to refine criteria for smarter regulatory tools, to demonstrate benefits of regional approaches, to better demonstrate benefits of connectivity



Symposium Conclusions

- Traffic will continue to grow, but vulnerable to financial weaknesses of certain stakeholders of the air transport value chain
- Industry undergoing transformation and adapting to new market realities
- Liberalization-widespread and will continue
- Need to enhance air transport connectivity notably through liberalization of air traffic rights (ICAO international agreement, ICAN) & improved travel facilitation process
- As competition intensifies, need to foster dialogue on competition for both airports and airlines
- ICAO should continue to expand the compendium and provide a new facility (along model of ICAN) for discussing competition matters
- Growth needs policy support and favourable regulatory environment
- **Need to cooperate and work as a community**

ICAO's leadership role: Uniting Aviation to create a better environment for sustainable development of air transport



| Venue/Year | 2008 Dubai, UAE | 2009 Istanbul, Turkey | 2010 Montego Bay, Jamaica | 2011 Mumbai, India | 2012 Jeddah, Saudi Arabia | 2013 Durban, South Africa | 2014* Bali, Indonesia |
|---|--------------------|-----------------------------|------------------------------------|--------------------------|---------------------------------|---------------------------------|-----------------------------|
| Number of participating States/Territories | 27 | 52 | 38 | 64 | 62 | 73 | 78 |
| Number of bilateral meetings held | 100 | 200 | 200 | 370 | 350 | 486 | 550 |
| Number of agreements (including Open Sky Agreements) and arrangements (MoUs, Agreed Minutes, etc.) signed | 20 | 60 | 60 | 120 | 130 | 458 | Some 530 |

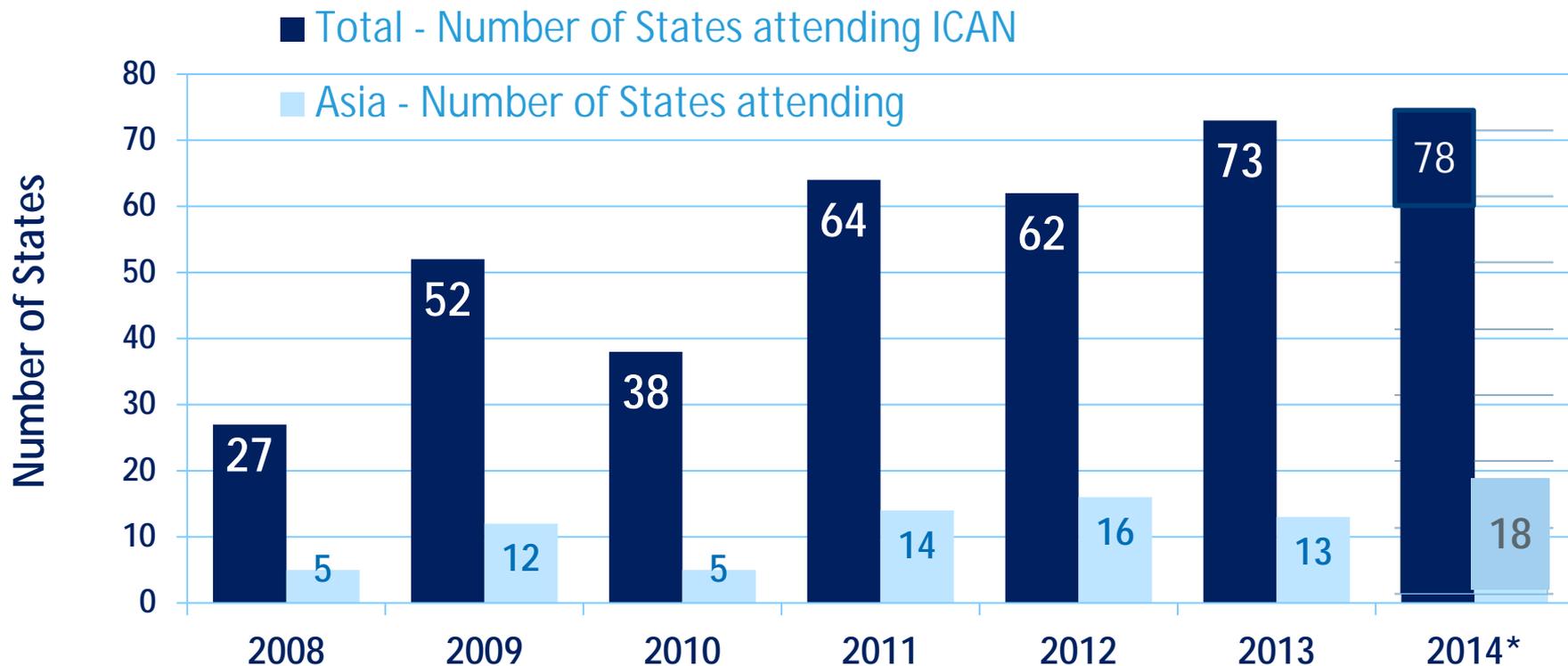
Ø Improve efficiency of negotiations

- A place to meet for multiple ASA talks
- A forum to get info, discuss issues
- A platform for bilateral, multilateral talks

Ø Save time and money for States



ICAN – Asian States





MEETING ON THE SUSTAINABLE DEVELOPMENT OF AIR TRANSPORT IN AFRICA

25-27 March 2015
Antananarivo, Madagascar

The objective of this meeting is to promote a new regulatory framework for the sustainable development of air transport in Africa, and to adopt a Declaration on the regional implementation of this regulatory framework. Topics of discussion will include notably: market access liberalization; air carrier ownership and control; consumer protection; air transport connectivity enhancement; taxes and charges; regulatory responses for passengers; and the cost of regulatory differences.

Please save the date for this important meeting!