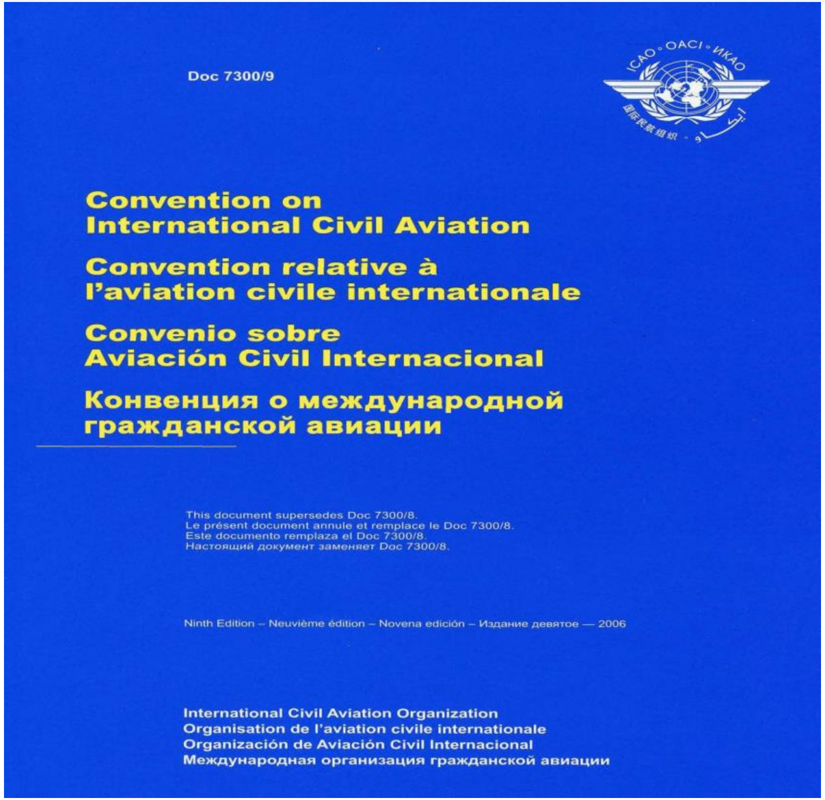
SETTING THE SCENE
An Overview of State of Air Transport and Regulatory Developments

Boubacar Djibo

Director of the Air Transport Bureau

ICAN 2014

Bali, Indonesia, 17 November 2014


Doc 7300/9

Convention on International Civil Aviation

Convention relative à l'aviation civile internationale

Convenio sobre Aviación Civil Internacional

Конвенция о международной гражданской авиации

This document supersedes Doc 7300/8.
Le présent document annule et remplace le Doc 7300/8.
Este documento remplaza el Doc 7300/8.
Настоящий документ заменяет Doc 7300/8.

Ninth Edition – Neuvième édition – Novena edición – Издание девятое — 2006

International Civil Aviation Organization
Organisation de l'aviation civile internationale
Organización de Aviación Civil Internacional
Международная организация гражданской авиации

CHICAGO CONVENTION

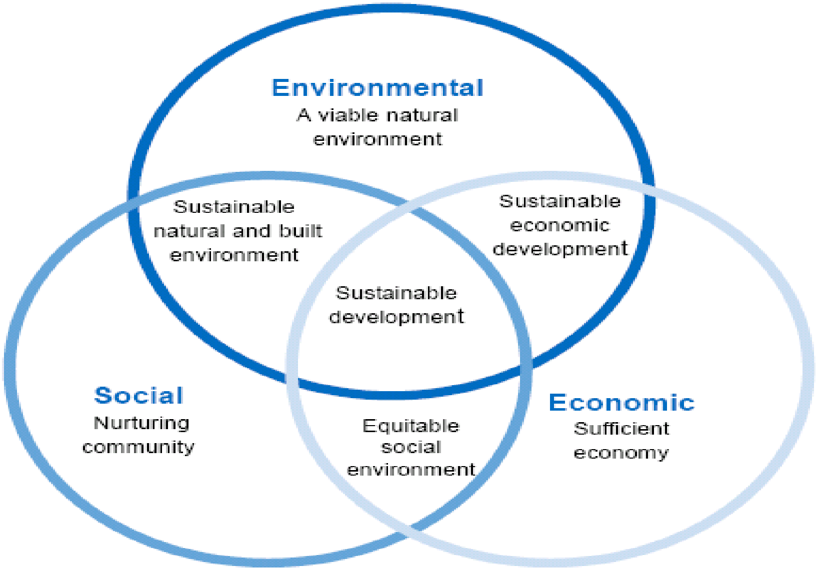
Preamble

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;

The three dimensions of sustainability

United Nations: "Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs."

Triple Bottom Line: In business, one approach to sustainability is focusing on the impact of decisions on the environment and the community in addition to profit (traditional single bottom line). The diagram illustrates this idea.



ICAO UNITING AVIATION

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

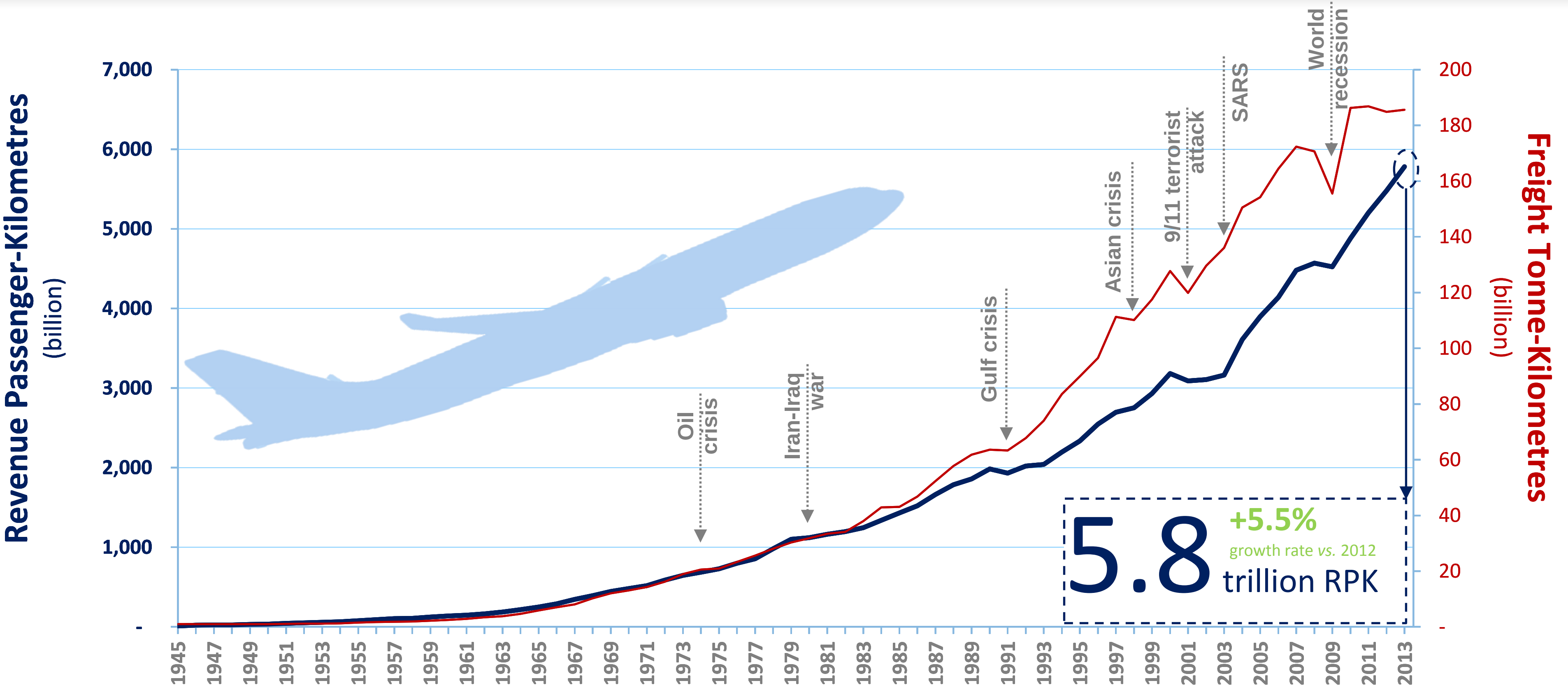
Economic Development of Air Transport: Foster the development of a sound and economically-viable civil aviation system

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

ATB

ICAO UNITING AVIATION

Air Transport Development



Source: ICAO Annual Reports of the Council

Scheduled commercial traffic
Total (international and domestic) services

The air transport industry

The air transport industry is not only

- a **vital engine** of global socio-economic growth
- but is also of vital importance as **a catalyst for economic development**,
  - creating direct and indirect employment,
  - supporting tourism and local businesses, and
  - stimulating foreign investment and international trade.

Economic benefits of aviation

58.1 million

Jobs *supported by aviation worldwide*

$2.4 trillion

Global ***economic impact****

**including direct, indirect, induced and tourism catalytic*

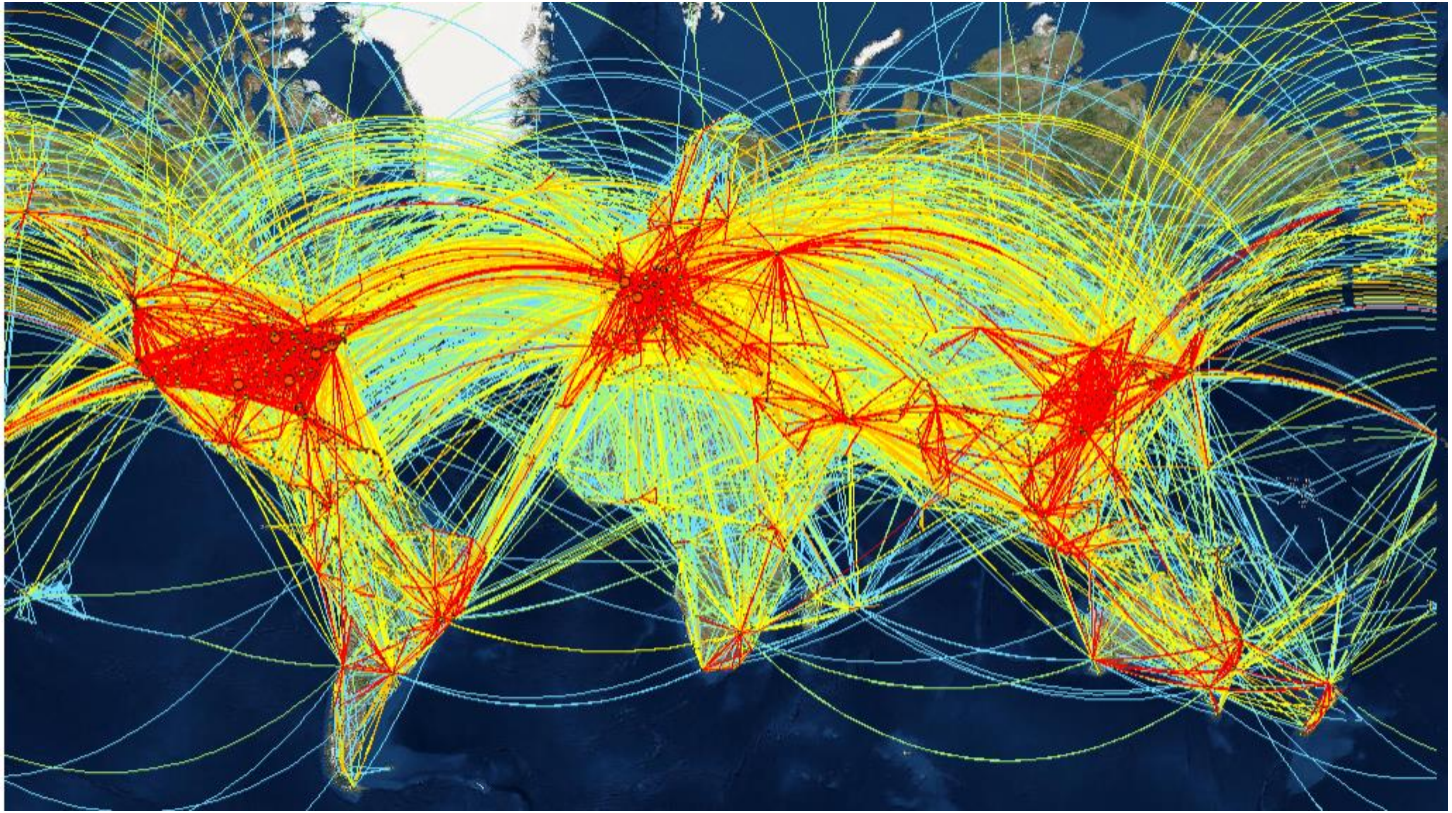
Source: Air Transport Action Group (ATAG), 2014

The Size of the Industry in 2013

- 3.1 billion passengers
- 49 million tonnes of freight
- 1 000 scheduled airlines
- 26 000 aircraft in service
- More than 4 000 airports
- 170 air navigation centres

Traffic is for scheduled services in 2013

Global traffic flows
Major markets 2012



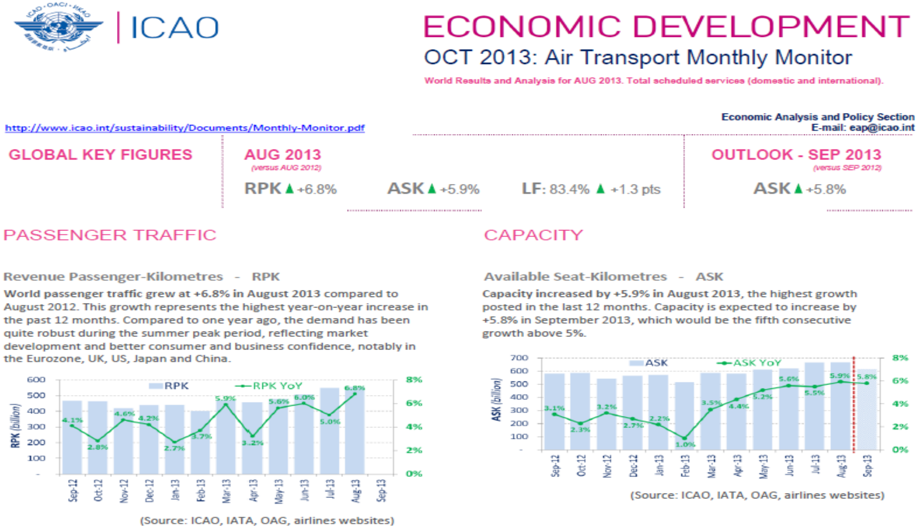
Source: based on OAG

Digital/e-tools

ENV Tools

Air Traffic Mapping Tool

Air Transport Monthly Monitor



ICAO

ECONOMIC DEVELOPMENT

OCT 2013: Air Transport Monthly Monitor

World Results and Analysis for AUG 2013. Total scheduled services (domestic and international).

http://www.icao.int/sustainability/Documents/Monthly-Monitor.pdf

Economic Analysis and Policy Section
E-mail: eap@icao.int

GLOBAL KEY FIGURES

AUG 2013 (versus AUG 2012)

RPK ▲ +6.8% ASK ▲ +5.9% LF: 83.4% ▲ +1.3 pts

OUTLOOK - SEP 2013 (versus SEP 2012)

ASK ▲ +5.8%

PASSENGER TRAFFIC

Revenue Passenger-Kilometres - RPK

World passenger traffic grew at +6.8% in August 2013 compared to August 2012. This growth represents the highest year-on-year increase in the past 12 months. Compared to one year ago, the demand has been quite robust during the summer peak period, reflecting market development and better consumer and business confidence, notably in the Eurozone, UK, US, Japan and China.

(Source: ICAO, IATA, OAG, airlines websites)

CAPACITY

Available Seat-Kilometres - ASK

Capacity increased by +5.9% in August 2013, the highest growth posted in the last 12 months. Capacity is expected to increase by +5.8% in September 2013, which would be the fifth consecutive growth above 5%.

(Source: ICAO, IATA, OAG, airlines websites)

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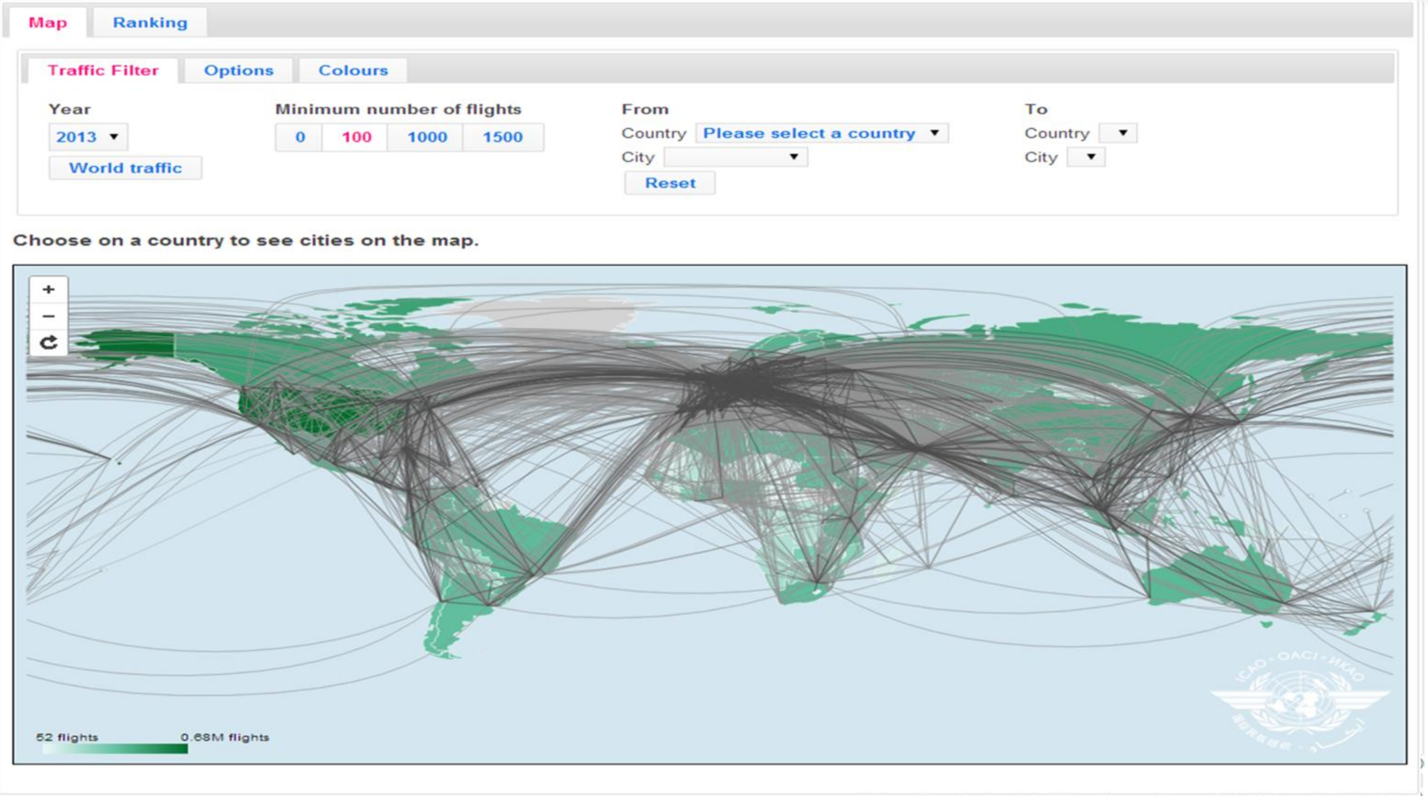
Traffic Networks Development

2003 vs 2013

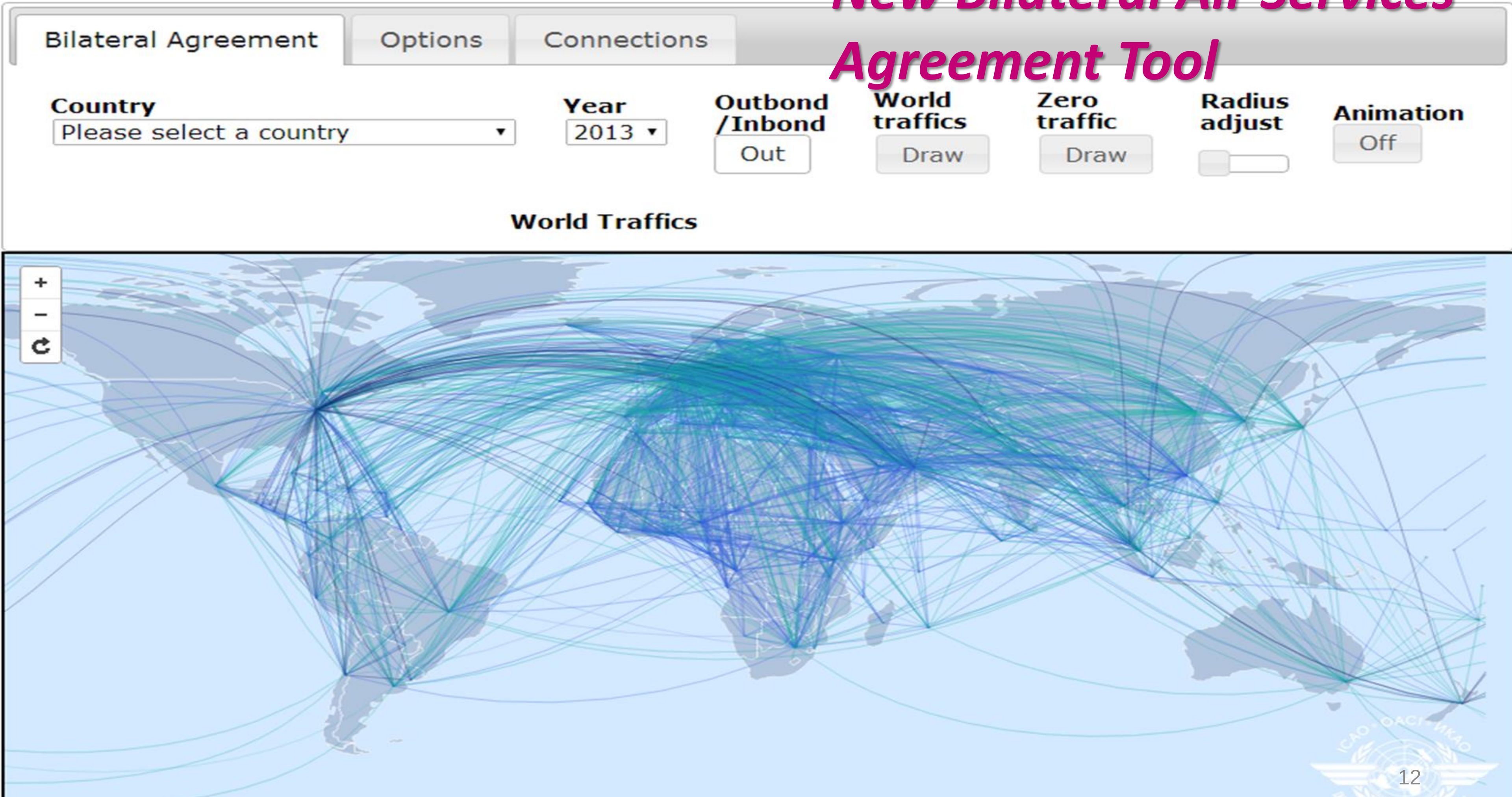


(International scheduled departures. Source: ISDB Form C, RCA, OAG)

Number of routes increased by 30% in the last decade showing the dramatic growth of new regional hubs

New Bilateral Air Services Agreement Tool

Bilateral agreement and traffic data visualization



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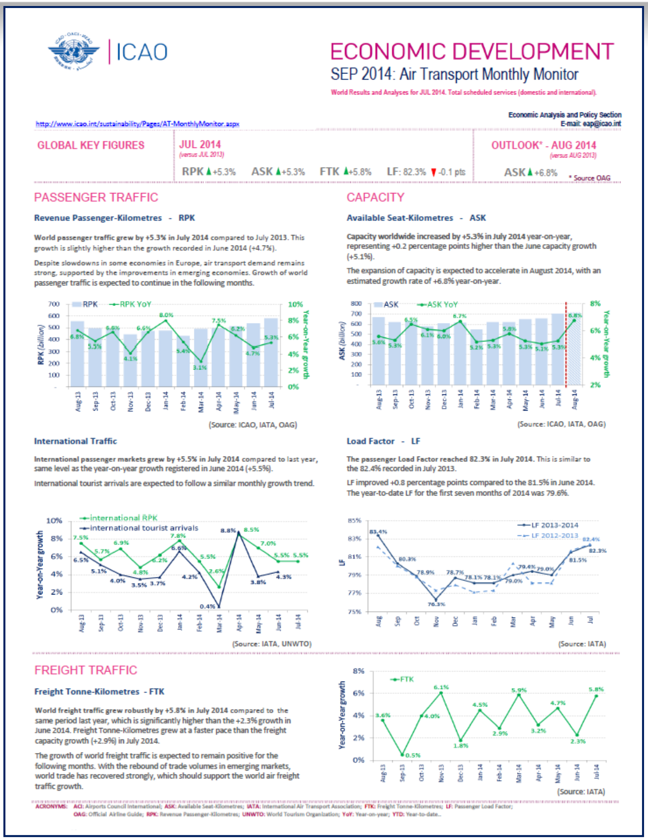
The Monthly Monitor



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ECONOMIC DEVELOPMENT

SEP 2014: Air Transport Monthly Monitor

World Results and Analyses for JUL 2014. Total scheduled services (domestic and international).

Economic Analysis and Policy Section
E-mail: eap@icao.int

http://www.icao.int/sustainability/Pages/AT-MonthlyMonitor.aspx

GLOBAL KEY FIGURES — JUL 2014 (versus JUL 2013): RPK +5.3% ASK +5.3% FTK +5.8% LF: 82.3% -0.1 pts — OUTLOOK* - AUG 2014 (versus AUG 2013): ASK +6.8% — * Source OAG

PASSENGER TRAFFIC

Revenue Passenger-Kilometres - RPK

World passenger traffic grew by +5.3% in July 2014 compared to July 2013. This growth is slightly higher than the growth recorded in June 2014 (+4.7%).

Despite slowdowns in some economies in Europe, air transport demand remains strong, supported by the improvements in emerging economies. Growth of world passenger traffic is expected to continue in the following months.

(Source: ICAO, IATA, OAG)

CAPACITY

Available Seat-Kilometres - ASK

Capacity worldwide increased by +5.3% in July 2014 year-on-year, representing +0.2 percentage points higher than the June capacity growth (+5.1%).

The expansion of capacity is expected to accelerate in August 2014, with an estimated growth rate of +6.8% year-on-year.

(Source: ICAO, IATA, OAG)

International Traffic

International passenger markets grew by +5.5% in July 2014 compared to last year, same level as the year-on-year growth registered in June 2014 (+5.5%).

International tourist arrivals are expected to follow a similar monthly growth trend.

(Source: IATA, UNWTO)

Load Factor - LF

The passenger Load Factor reached 82.3% in July 2014. This is similar to the 82.4% recorded in July 2013.

LF improved +0.8 percentage points compared to the 81.5% in June 2014. The year-to-date LF for the first seven months of 2014 was 79.6%.

(Source: IATA)

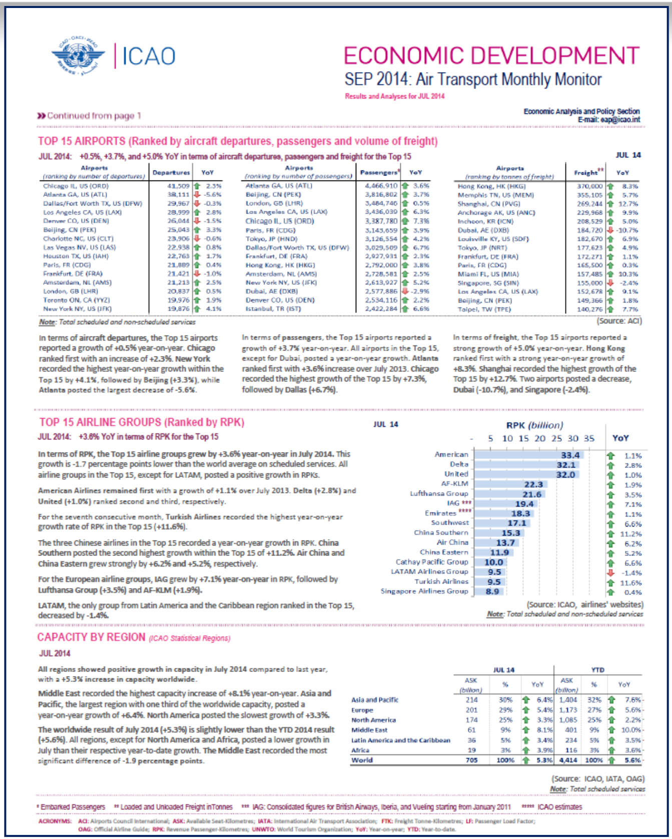
FREIGHT TRAFFIC

Freight Tonne-Kilometres - FTK

World freight traffic grew robustly by +5.8% in July 2014 compared to the same period last year, which is significantly higher than the +2.3% growth in June 2014. Freight Tonne-Kilometres grew at a faster pace than the freight capacity growth (+2.9%) in July 2014.

The growth of world freight traffic is expected to remain positive for the following months. With the rebound of trade volumes in emerging markets, world trade has recovered strongly, which should support the world air freight traffic growth.

(Source: IATA)



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ECONOMIC DEVELOPMENT

SEP 2014: Air Transport Monthly Monitor

Results and Analyses for JUL 2014

Economic Analysis and Policy Section
E-mail: eap@icao.int

Continued from page 1

TOP 15 AIRPORTS (Ranked by aircraft departures, passengers and volume of freight)

JUL 2014: +0.5%, +3.7%, and +5.0% YoY in terms of aircraft departures, passengers and freight for the Top 15

JUL 14

Airports (ranking by number of departures)	Departures	YoY	Airports (ranking by number of passengers)	Passengers*	YoY	Airports (ranking by tonnes of freight)	Freight**	YoY
Chicago IL, US (ORD)	41,509	2.3%	Atlanta GA, US (ATL)	4,466,910	3.6%	Hong Kong, HK (HKG)	370,000	8.3%
Atlanta GA, US (ATL)	38,111	-5.6%	Beijing, CN (PEK)	3,816,802	3.7%	Memphis TN, US (MEM)	355,105	5.7%
Dallas/Fort Worth TX, US (DFW)	29,967	-0.3%	London, GB (LHR)	3,484,746	0.5%	Shanghai, CN (PVG)	269,244	12.7%
Los Angeles CA, US (LAX)	28,999	2.8%	Los Angeles CA, US (LAX)	3,436,039	6.3%	Anchorage AK, US (ANC)	229,968	9.9%
Denver CO, US (DEN)	26,044	-1.5%	Chicago IL, US (ORD)	3,387,780	7.3%	Incheon, KR (ICN)	208,529	5.0%
Beijing, CN (PEK)	25,043	3.3%	Paris, FR (CDG)	3,145,659	3.9%	Dubai, AE (DXB)	184,720	-10.7%
Charlotte NC, US (CLT)	23,906	-0.6%	Tokyo, JP (HND)	3,126,554	4.2%	Louisville KY, US (SDF)	182,670	6.9%
Las Vegas NV, US (LAS)	22,938	0.8%	Dallas/Fort Worth TX, US (DFW)	3,029,509	6.7%	Tokyo, JP (NRT)	177,623	4.9%
Houston TX, US (IAH)	22,763	1.7%	Frankfurt, DE (FRA)	2,927,931	2.3%	Frankfurt, DE (FRA)	172,271	1.1%
Paris, FR (CDG)	21,889	0.4%	Hong Kong, HK (HKG)	2,792,000	3.8%	Paris, FR (CDG)	165,500	0.3%
Frankfurt, DE (FRA)	21,421	-1.0%	Amsterdam, NL (AMS)	2,728,581	2.5%	Miami FL, US (MIA)	157,485	10.3%
Amsterdam, NL (AMS)	21,213	2.5%	New York NY, US (JFK)	2,613,927	5.2%	Singapore, SG (SIN)	155,000	-2.4%
London, GB (LHR)	20,837	0.5%	Dubai, AE (DXB)	2,577,886	-2.9%	Los Angeles CA, US (LAX)	152,678	9.1%
Toronto ON, CA (YYZ)	19,976	1.9%	Denver CO, US (DEN)	2,534,116	2.2%	Beijing, CN (PEK)	149,366	1.8%
New York NY, US (JFK)	19,876	4.1%	Istanbul, TR (IST)	2,422,284	6.6%	Taipei, TW (TPE)	140,276	7.7%

Note: Total scheduled and non-scheduled services (Source: ACI)

In terms of aircraft departures, the Top 15 airports reported a growth of +0.5% year-on-year. Chicago ranked first with an increase of +2.3%. New York recorded the highest year-on-year growth within the Top 15 by +4.1%, followed by Beijing (+3.3%), while Atlanta posted the largest decrease of -5.6%.

In terms of passengers, the Top 15 airports reported a growth of +3.7% year-on-year. All airports in the Top 15, except for Dubai, posted a year-on-year growth. Atlanta ranked first with +3.6% increase over July 2013. Chicago recorded the highest growth of the Top 15 by +7.3%, followed by Dallas (+6.7%).

In terms of freight, the Top 15 airports reported a strong growth of +5.0% year-on-year. Hong Kong ranked first with a strong year-on-year growth of +8.3%. Shanghai recorded the highest growth of the Top 15 by +12.7%. Two airports posted a decrease, Dubai (-10.7%), and Singapore (-2.4%).

TOP 15 AIRLINE GROUPS (Ranked by RPK)

JUL 2014: +3.6% YoY in terms of RPK for the Top 15

In terms of RPK, the Top 15 airline groups grew by +3.6% year-on-year in July 2014. This growth is -1.7 percentage points lower than the world average on scheduled services. All airline groups in the Top 15, except for LATAM, posted a positive growth in RPKs.

American Airlines remained first with a growth of +1.1% over July 2013. Delta (+2.8%) and United (+1.0%) ranked second and third, respectively.

For the seventh consecutive month, Turkish Airlines recorded the highest year-on-year growth rate of RPK in the Top 15 (+11.6%).

The three Chinese airlines in the Top 15 recorded a year-on-year growth in RPK. China Southern posted the second highest growth within the Top 15 of +11.2%. Air China and China Eastern grew strongly by +6.2% and +5.2%, respectively.

For the European airline groups, IAG grew by +7.1% year-on-year in RPK, followed by Lufthansa Group (+3.5%) and AF-KLM (+1.9%).

LATAM, the only group from Latin America and the Caribbean region ranked in the Top 15, decreased by -1.4%.

JUL 14

	RPK (billion)	YoY
American	33.4	1.1%
Delta	32.1	2.8%
United	32.0	1.0%
AF-KLM	22.3	1.9%
Lufthansa Group	21.6	3.5%
IAG ***	19.4	7.1%
Emirates ****	18.3	1.1%
Southwest	17.1	6.6%
China Southern	15.3	11.2%
Air China	13.7	6.2%
China Eastern	11.9	5.2%
Cathay Pacific Group	10.0	6.6%
LATAM Airlines Group	9.5	-1.4%
Turkish Airlines	9.5	11.6%
Singapore Airlines Group	8.9	0.4%

(Source: ICAO, airlines' websites)
Note: Total scheduled and non-scheduled services

CAPACITY BY REGION (ICAO Statistical Regions)

JUL 2014

All regions showed positive growth in capacity in July 2014 compared to last year, with a +5.3% increase in capacity worldwide.

Middle East recorded the highest capacity increase of +8.1% year-on-year. Asia and Pacific, the largest region with one third of the worldwide capacity, posted a year-on-year growth of +6.4%. North America posted the slowest growth of +3.3%.

The worldwide result of July 2014 (+5.3%) is slightly lower than the YTD 2014 result (+5.6%). All regions, except for North America and Africa, posted a lower growth in July than their respective year-to-date growth. The Middle East recorded the most significant difference of -1.9 percentage points.

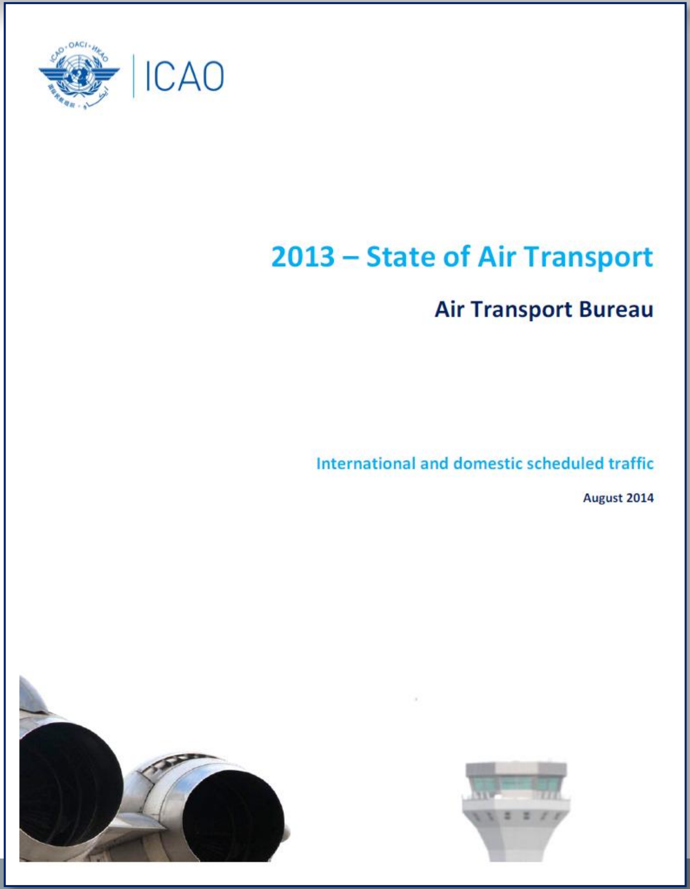
	JUL 14 ASK (billion)	JUL 14 %	JUL 14 YoY	YTD ASK (billion)	YTD %	YTD YoY
Asia and Pacific	214	30%	6.4%	1,404	32%	7.6%
Europe	201	29%	5.4%	1,173	27%	5.6%
North America	174	25%	3.3%	1,085	25%	2.2%
Middle East	61	9%	8.1%	401	9%	10.0%
Latin America and the Caribbean	36	5%	3.4%	234	5%	3.5%
Africa	19	3%	3.9%	116	3%	3.6%
World	**705**	**100%**	**5.3%**	**4,414**	**100%**	**5.6%**

(Source: ICAO, IATA, OAG)
Note: Total scheduled services

* Embarked Passengers ** Loaded and Unloaded Freight in Tonnes *** IAG: Consolidated figures for British Airways, Iberia, and Vueling starting from January 2011 **** ICAO estimates

- Published every month on ICAO website: http://www.icao.int/sustainability/Pages/AT-MonthlyMonitor.aspx
- Outlook and analysis of passenger and freight traffic
- Top 15 airports and airlines
- Evolution of the capacity by region

2013 - State of Air Transport


ICAO

2013 – State of Air Transport

Air Transport Bureau

International and domestic scheduled traffic

August 2014

Annual analysis on a world and regional level

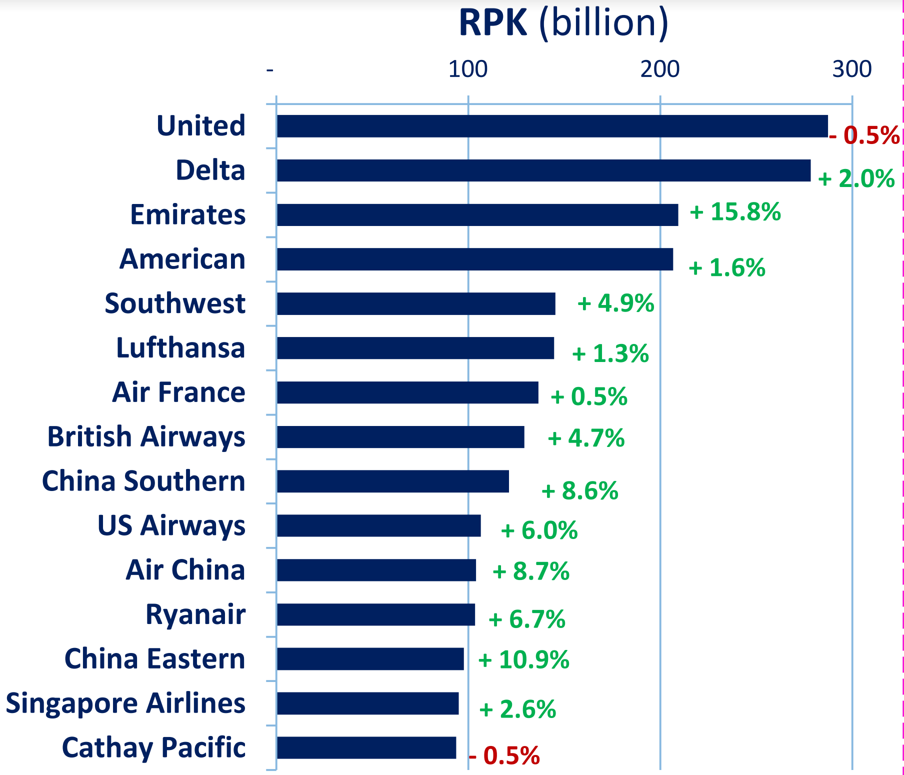
- 63 pages of comprehensive analysis and key figures of air transport

For each ICAO Statistical Region:

- Passenger and cargo traffic for 2011, 2012 and 2013
- Top 15 States, airlines and airports in 2013
- Evolution of LCC market penetration in the last 10 years

ICAO UNITING AVIATION

World Top 15 Airlines in 2013



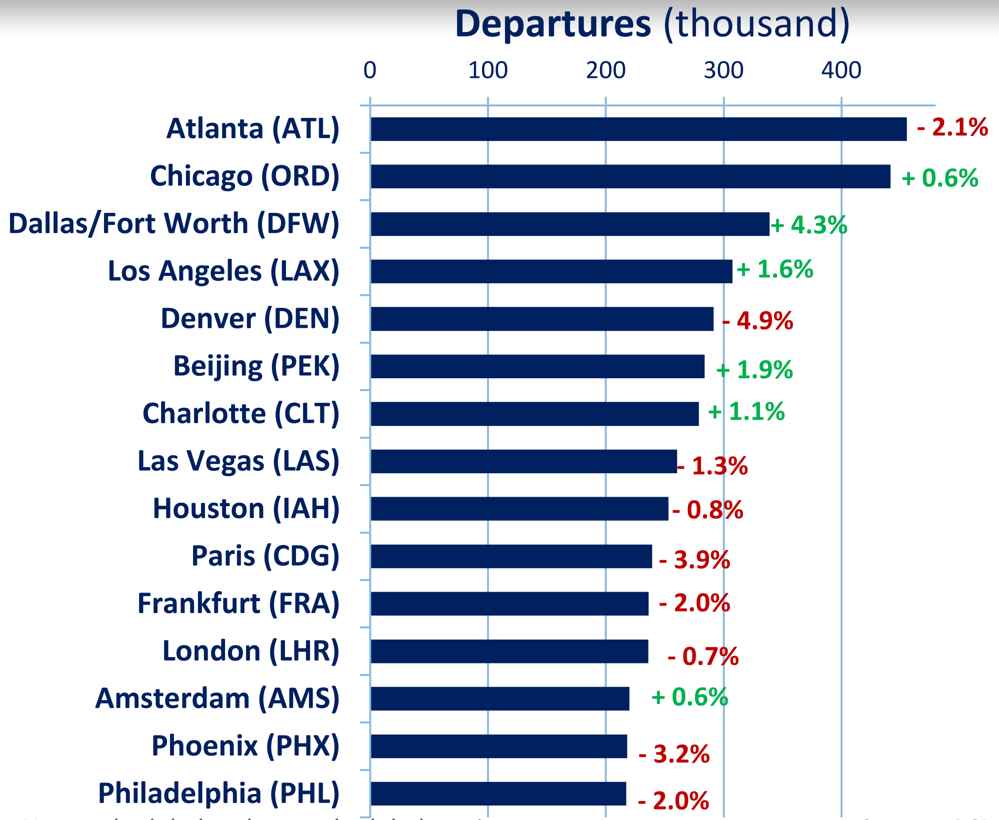
- **5** carriers from **North America**
- **5** carriers from **Asia/Pacific**
- **4** carriers from **Europe**
- **1** carrier from **Middle East**
- **2 low-cost carriers**: Southwest and Ryanair
- **Highest growth → Emirates** with **+15.8 %**

RPK growth in 2013 vs 2012

Note: scheduled services *Source: ICAO Form A and ICAO estimates*

Total (international and domestic) services

World Top 15 Airports in 2013



Note: scheduled and non-scheduled services

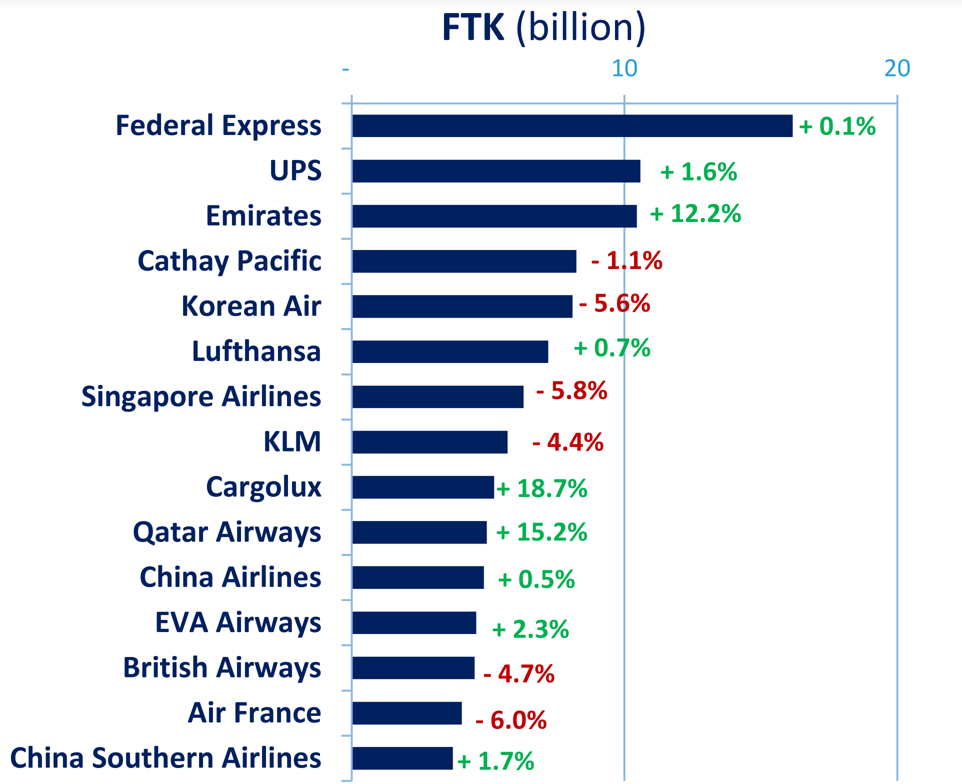
Source: ACI

- **10** airports in **North America**
- **4** airports in **Europe**
- **1** airport in **Asia/Pacific**

Total (international and domestic) services

ICAO UNITING AVIATION

Top 15 airlines for carried freight



Note: scheduled services

Source: ICAO Form A and ICAO estimates

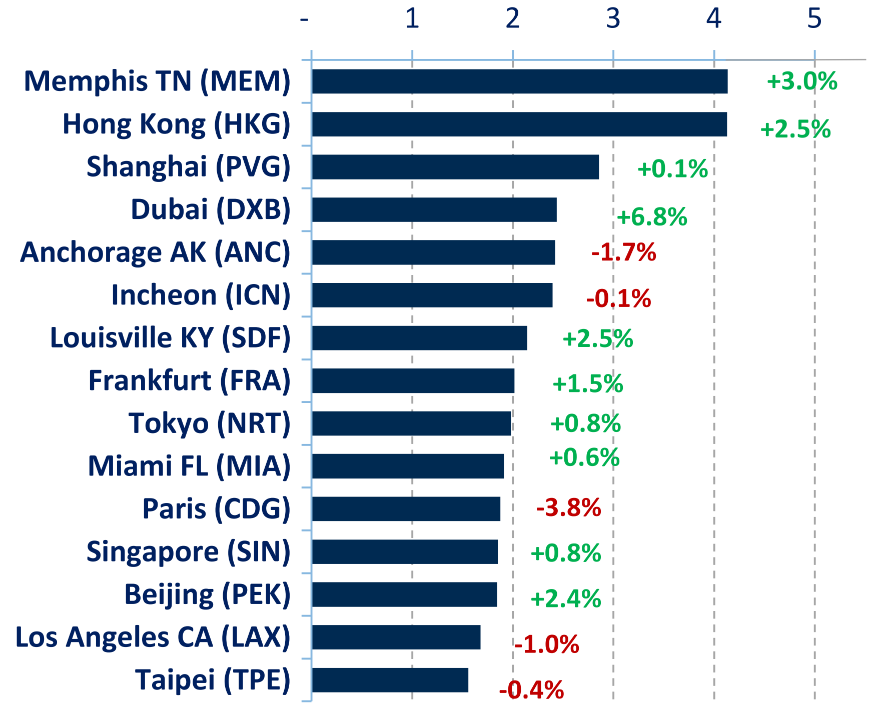
- **6** carriers from **Asia/Pacific**
- **5** carriers from **Europe**
- **2** carriers from **North America**
- **2** carrier from **Middle East**

- **2 all freight carriers:** Federal Express and UPS
- **Highest growth → Cargolux** with **+18.7 %** FTK growth

Total (international and domestic) services

Top 15 airports by freight tonnes handled

Freight tonnes handled (million)



Note: scheduled services *Source: ACI*

- **7** airports from **Asia/Pacific**
- **5** airports from **North America**
- **2** airports from **Europe**
- **1** airports from **Middle East**

- **10 out of the Top 15 airports** recorded an annual growth
- **Highest growth → Dubai Airport** with **+6.8 %** tonnes handled growth

Total (international and domestic) services

ICAO UNITING AVIATION

World Air Transport in 2013

3.1 billion

+4.5% vs. 2012

Passengers carried

32 million

+1.2% vs. 2012

Commercial flights performed

5.8 trillion

+5.5% vs. 2012

Revenue Passenger-Kilometres

186 billion

+0.4% vs. 2012

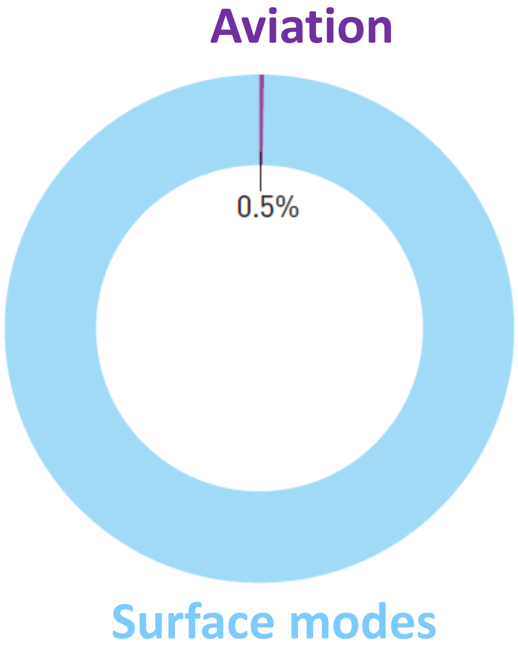
Freight Tonne-Kilometres

__Source__: ICAO Annual Report of the Council 2013

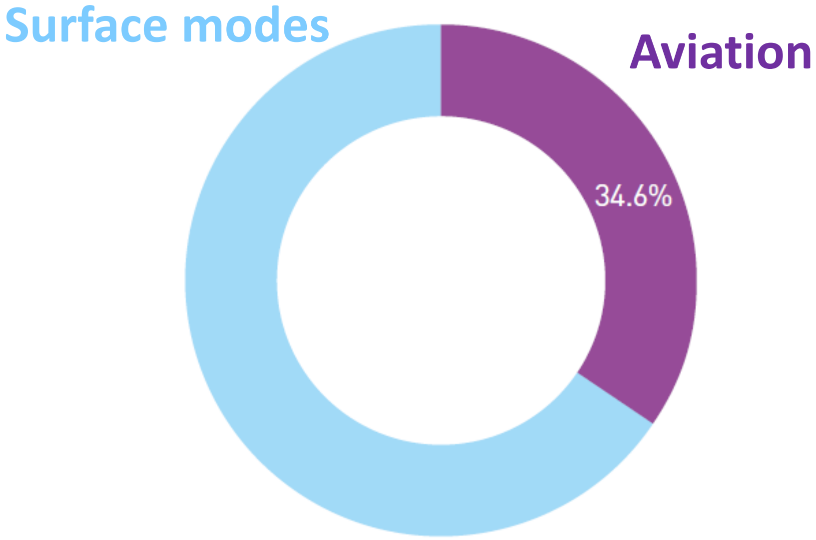
Scheduled commercial traffic
Total (international and domestic) services

World international cargo shipment

Volume of world international cargo shipment

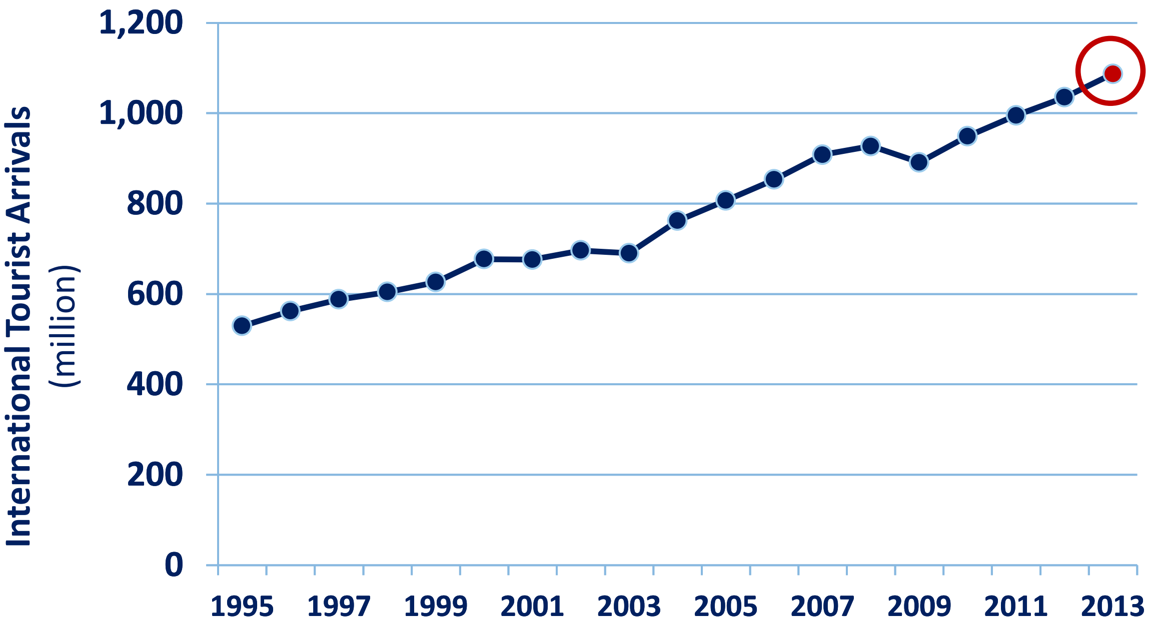


Value of world international cargo shipment



Source: Air Transport Action Group (ATAG), 2014

World Tourism in 2013

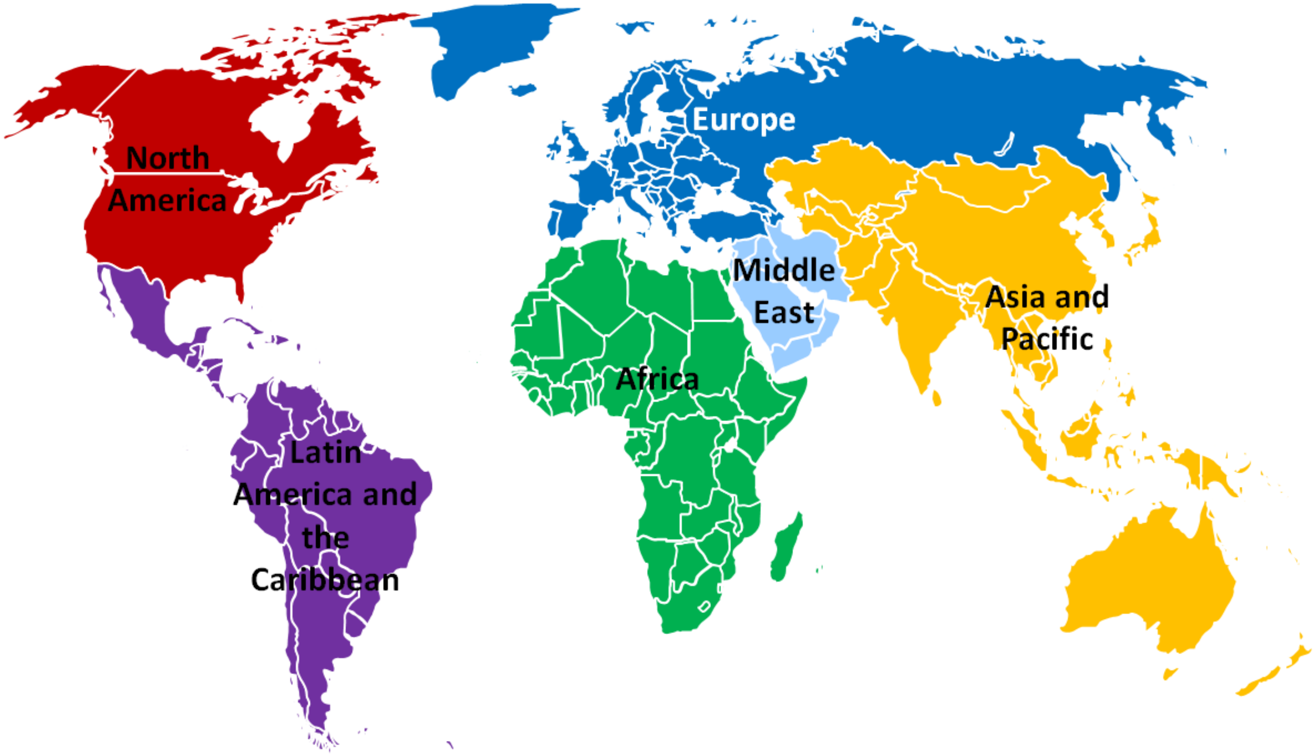


+52 million
Vs. 2012

1,087 million

International tourist arrivals

ICAO Statistical Regions



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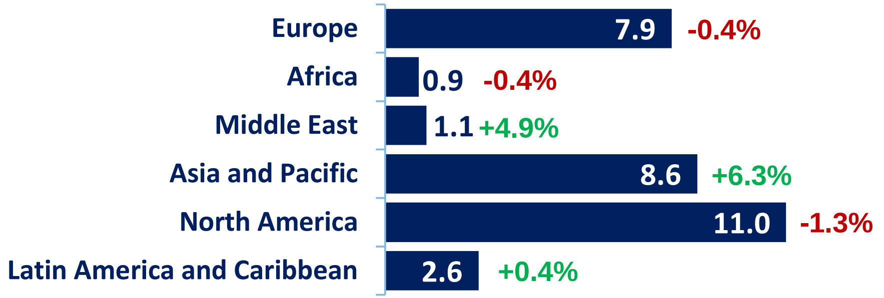
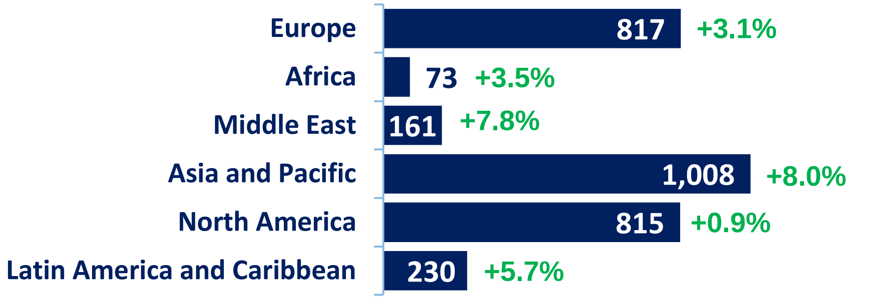
World Air Transport in 2013 by Region

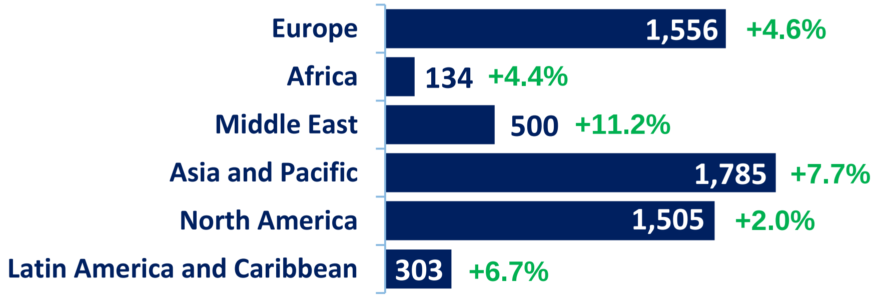
Aircraft departures (million)



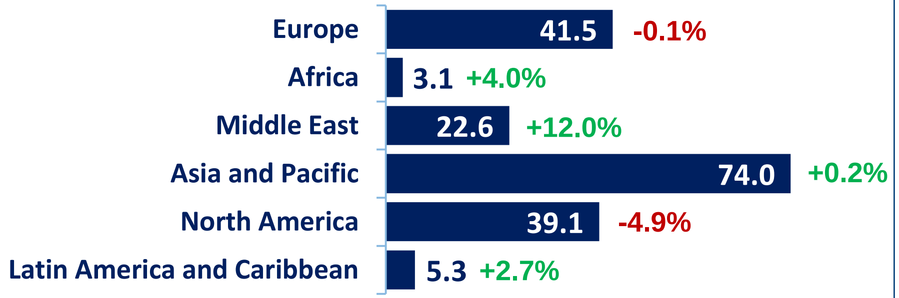
Passengers carried (million)



Revenue Passenger-Kilometres (billion)



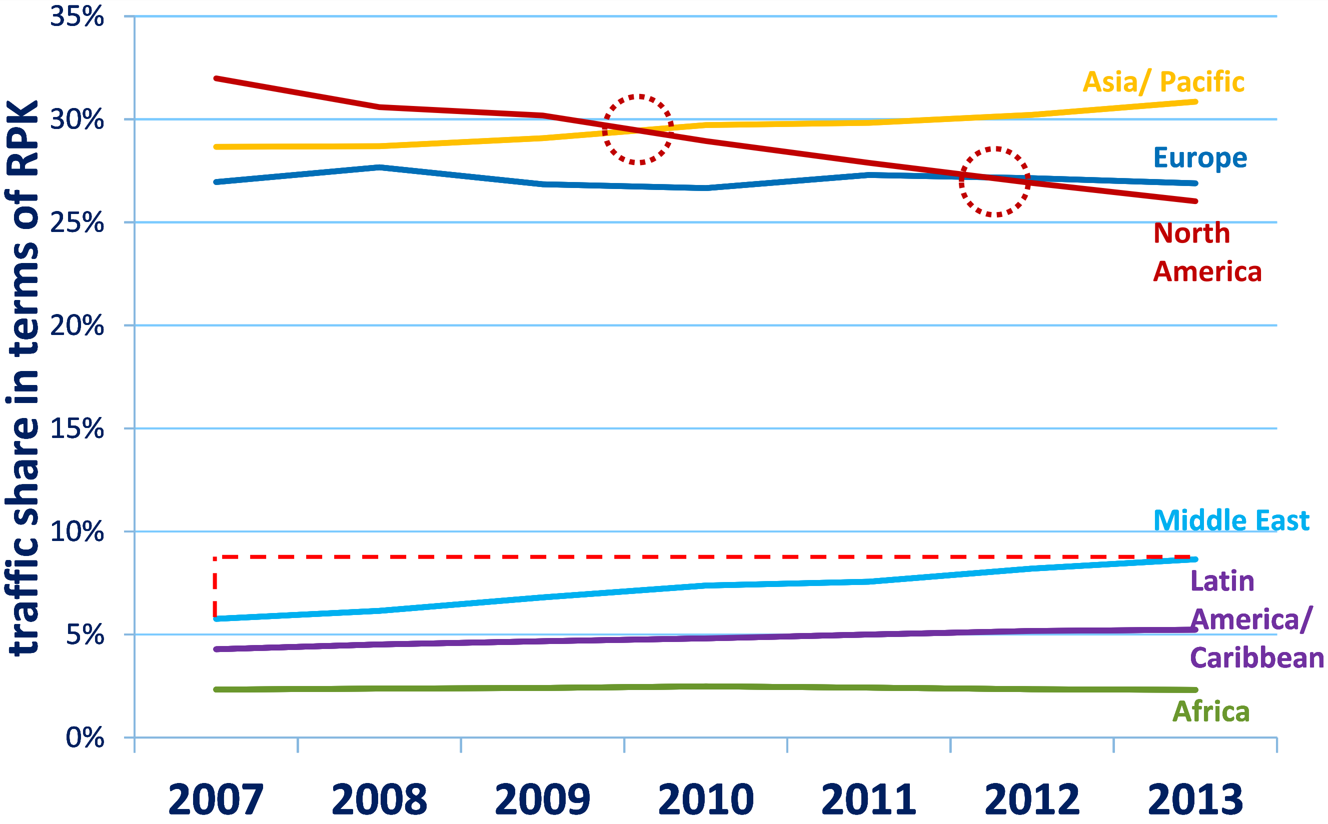
Freight Tonne-Kilometres (billion)



Source: ICAO Annual Report of the Council 2013

Scheduled commercial traffic
Total (international and domestic) services

Passenger traffic: Worldwide distribution (1/2)

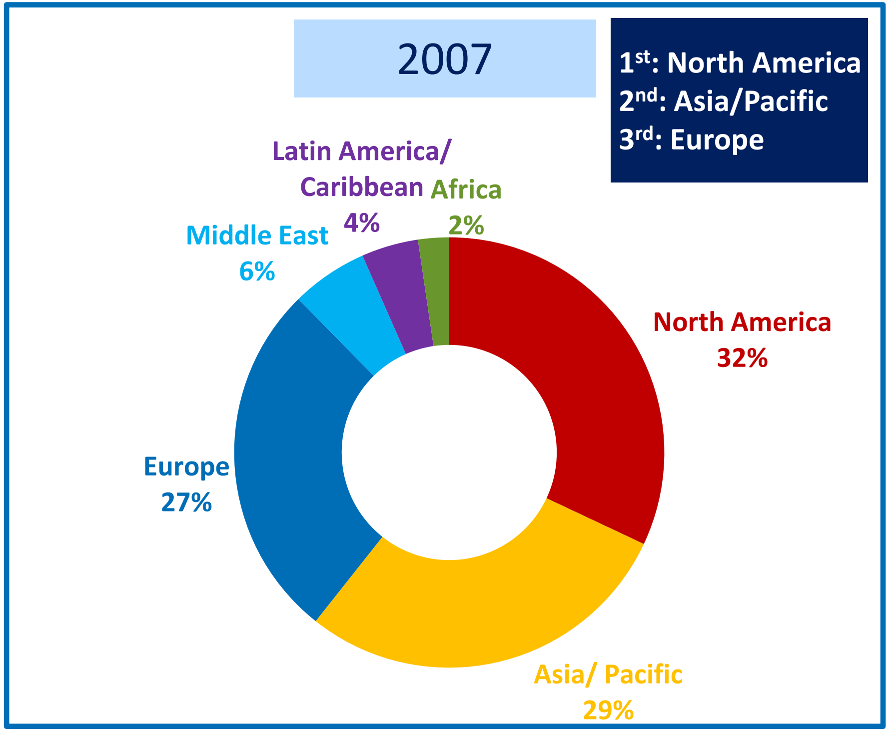


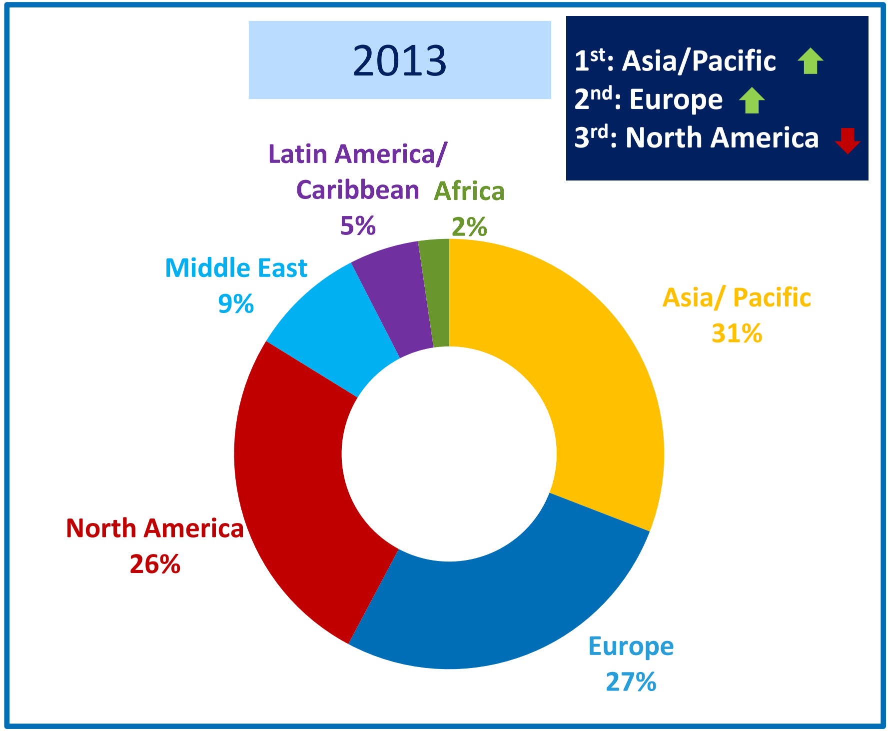
Analysis

- Since 2010: **Asia/Pacific ranks 1st**
- Since 2012: **Europe ranks 2nd**
- **Middle East** has gained market share every year

Passenger Traffic Distribution

Distribution in Revenue Passenger-Kilometres (RPKs)



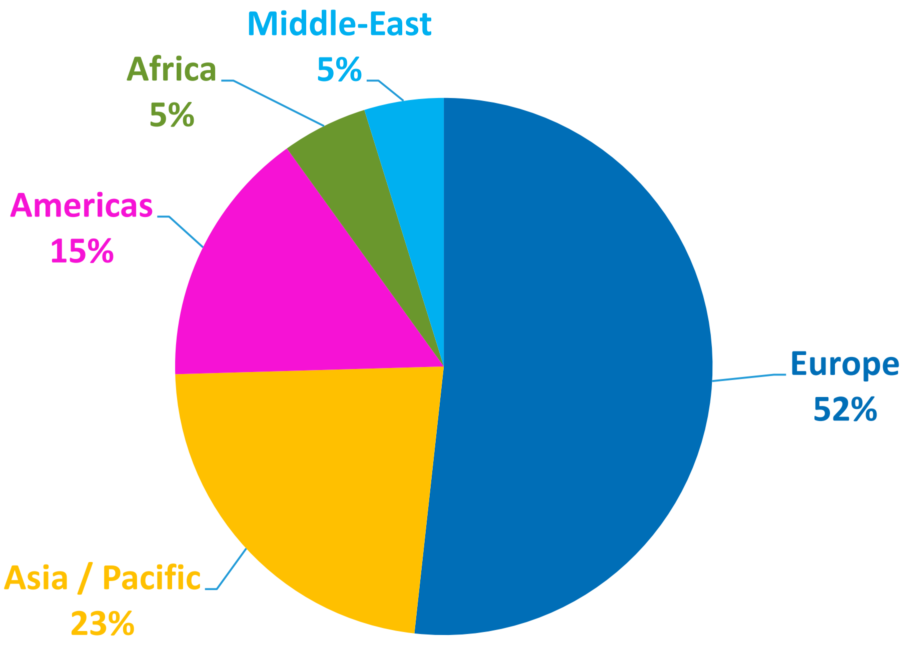


Source: *ICAO Annual Reports of the Council (preliminary figures)*

Scheduled commercial traffic
Total (international and domestic) services

Distribution of International Tourist Arrivals in 2013

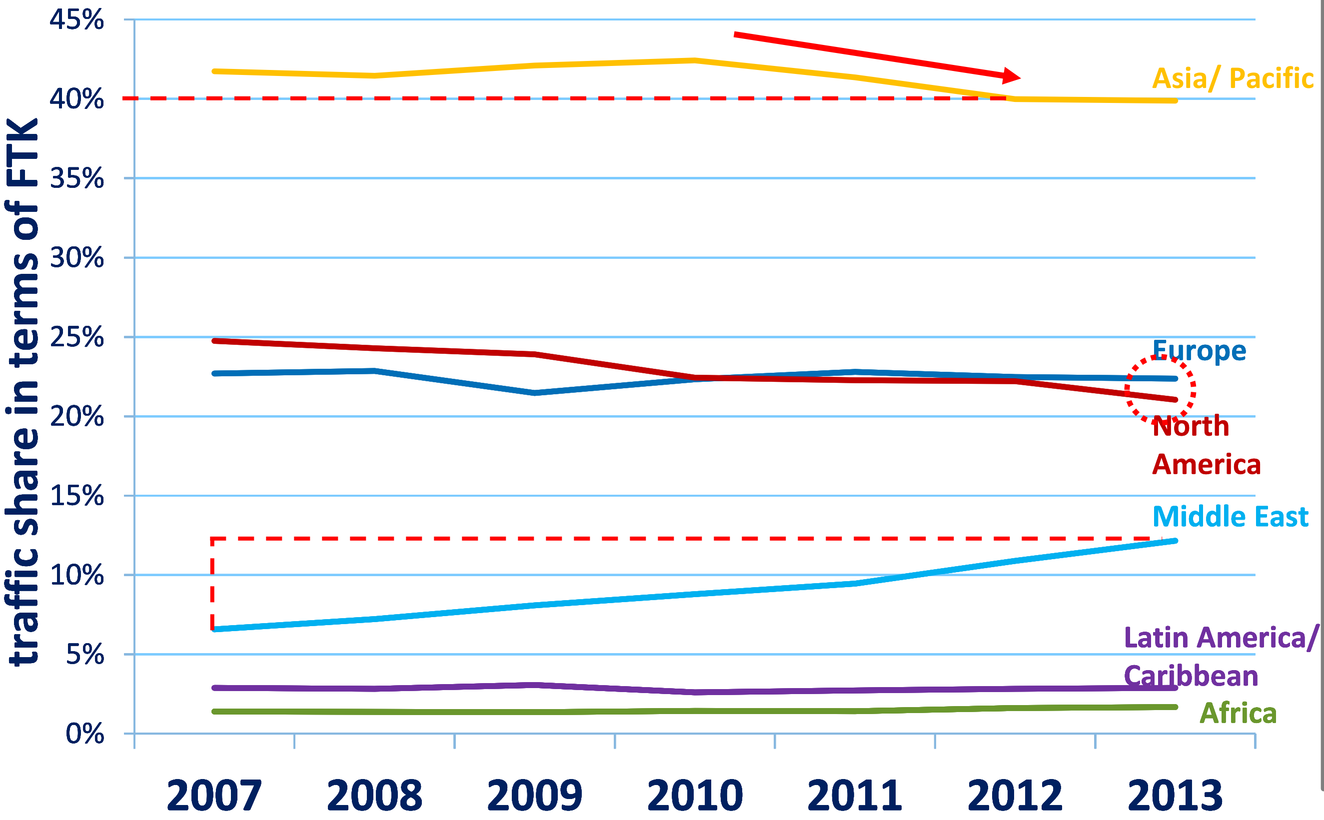
World Inbound Tourism: International Tourist Arrivals, 2013



Europe represents the **largest share** of international tourists arrivals with one **half of the World total**

Source: World Tourism Organization (UNWTO)

Freight traffic: Worldwide distribution (1/2)



Analysis

in 2013:

➡ **Asia/Pacific**'s FTK share is **40%**

➡ **Europe** ranks clearly **2nd**

➡ **North America declined**

- - - - - - - - - - - - - - - -

➡ **Asia/Pacific declined in 2011 and 2012**

➡ **Middle East** has gained market share every year

Source: ICAO Annual Reports of the Council

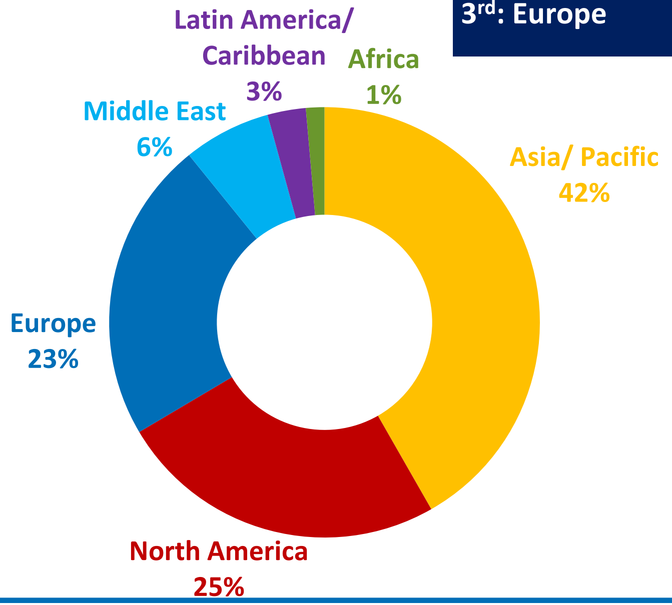
Scheduled commercial traffic
Total (international and domestic) services

Freight Traffic: Worldwide Distribution

Distribution in Freight Tonne-Kilometres

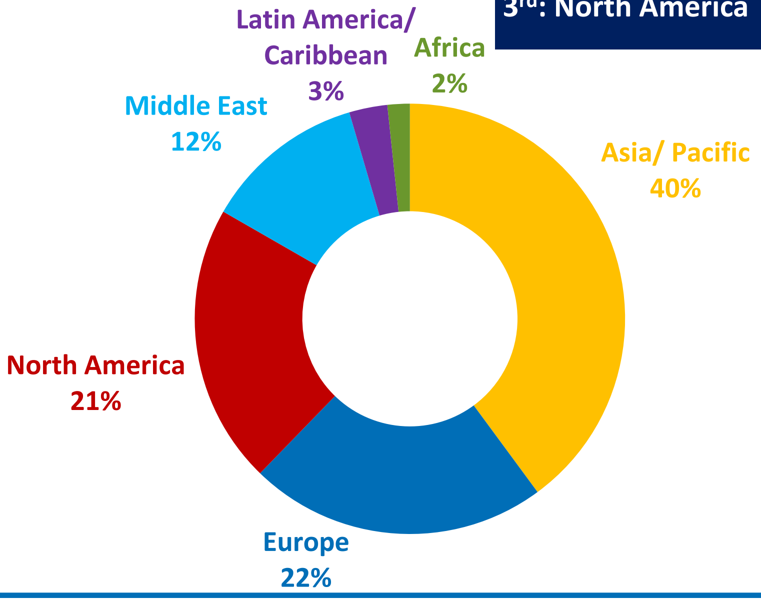
2007

1st: Asia/Pacific
2nd: North America
3rd: Europe



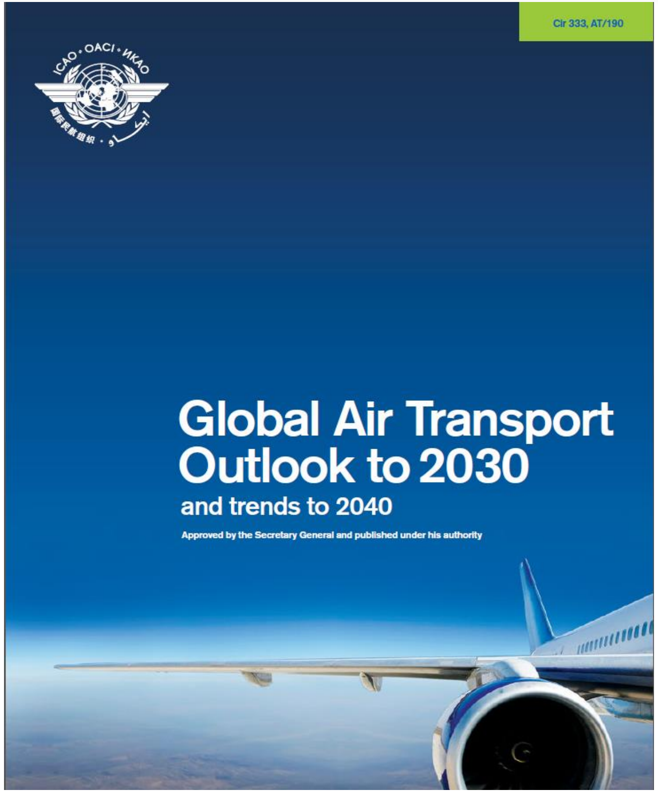
2013

1st: Asia/Pacific
2nd: Europe
3rd: North America



Scheduled commercial traffic
Total (international and domestic) services

For more analysis and data



- **Past decade air transport trends**
- **Demand drivers analysis:**
  - *Economic growth*
  - *Liberalization*
  - *Low Cost Carriers*
  - *Improving technologies*
- **Challenges for air traffic development**
  - *Fuel prices*
  - *Airport/ANSPs capacity constraints*
  - *Competition and inter-modality*
- **Forecasts**
  - *Structure and methodology*
  - *Passenger and cargo*
  - *Results and analysis by route group*

Available at:

http://store1.icao.int/

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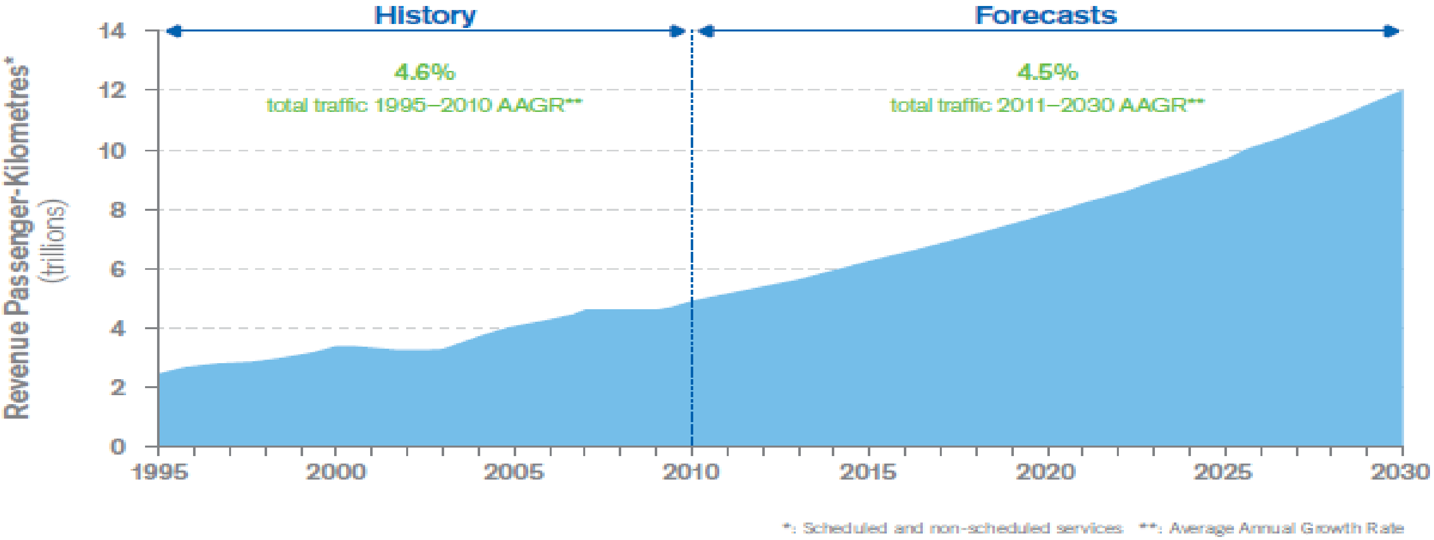
An encouraging outlook

World scheduled passenger traffic



ATConf/6

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

Current and 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

Economic Development

Work Programme 2014-2015-2016

- Harmonize global air transport regulatory framework
- Develop international agreements to liberalize market access, ownership & control and air cargo; core principles on consumer protection; a compendium of competition policies etc. (follow-up to ATConf/6)
- Develop policies and guidance to facilitate access to funding for aviation infrastructure and financing of air transport operations
- **Enhance ICAO Air Services Negotiation (ICAN) events in support of a long-term vision for international air transport liberalization**
- Provide accurate, reliable and consistent aviation data, statistics and economic analysis
- Develop a single harmonized set of long-term traffic forecasts for global and regional use

ICAO's current work in economic regulation

Leadership role in:

- **Developing policy guidance** *(e.g. long term vision for liberalization, core principles for consumer protection)*
- **Modernizing regulatory framework** *(developing international agreements for liberalizing market access, air carrier ownership and control, air cargo services)*
- **Facilitating liberalization** *(e.g. enhanced ICAN facility, global & regional forums to address topical issues)*
- **Fostering regulatory harmonization and compatibility** *(updating ICAO policy guidance, compendium on competition policies & rules, exchange forum for dialogue/cooperation between air transport & competition authorities)*
- **Supporting aviation system bloc upgrades (ASBUs), and infrastructure development and regulatory oversight** *(exploring new funding/financing mechanisms)*

Regulatory changes:

- **Regulatory regimes become more open and liberalized**
- **Liberalization progress uneven**
- **Regulatory/liberalization approaches varied**
  [national, bilateral, regional, multilateral; heavy, light, off-handed]

ICAO to facilitate and assist (forum, policies and guidance, multilateral agreements…)

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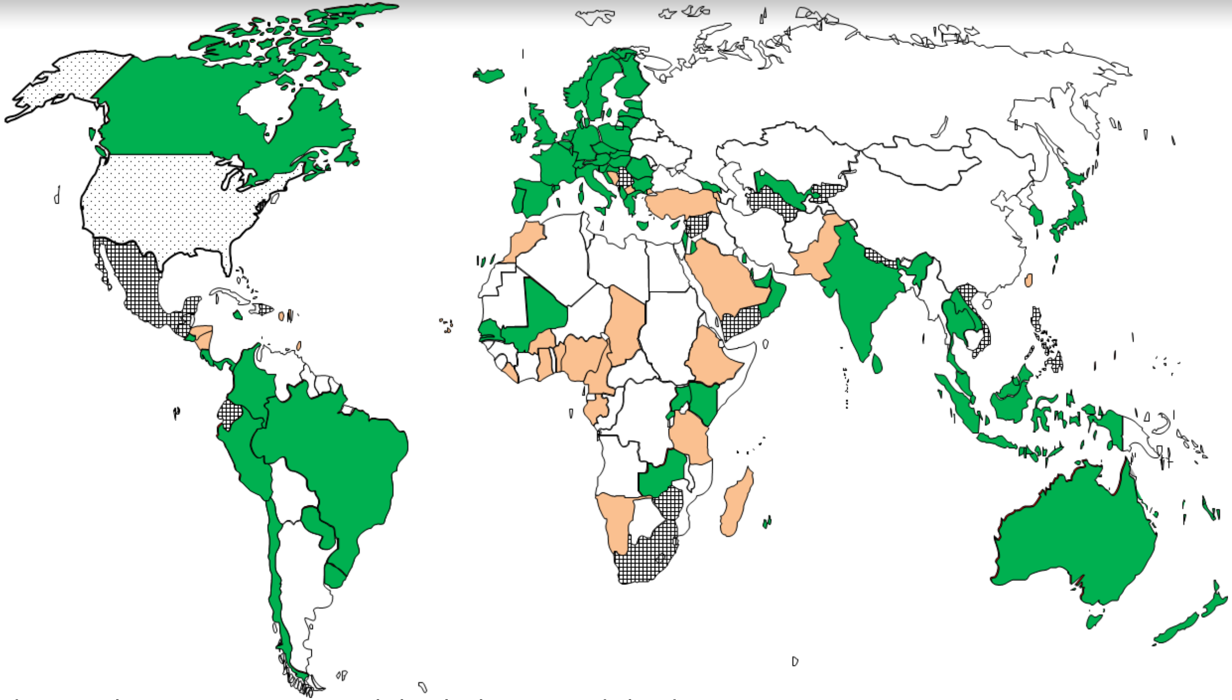
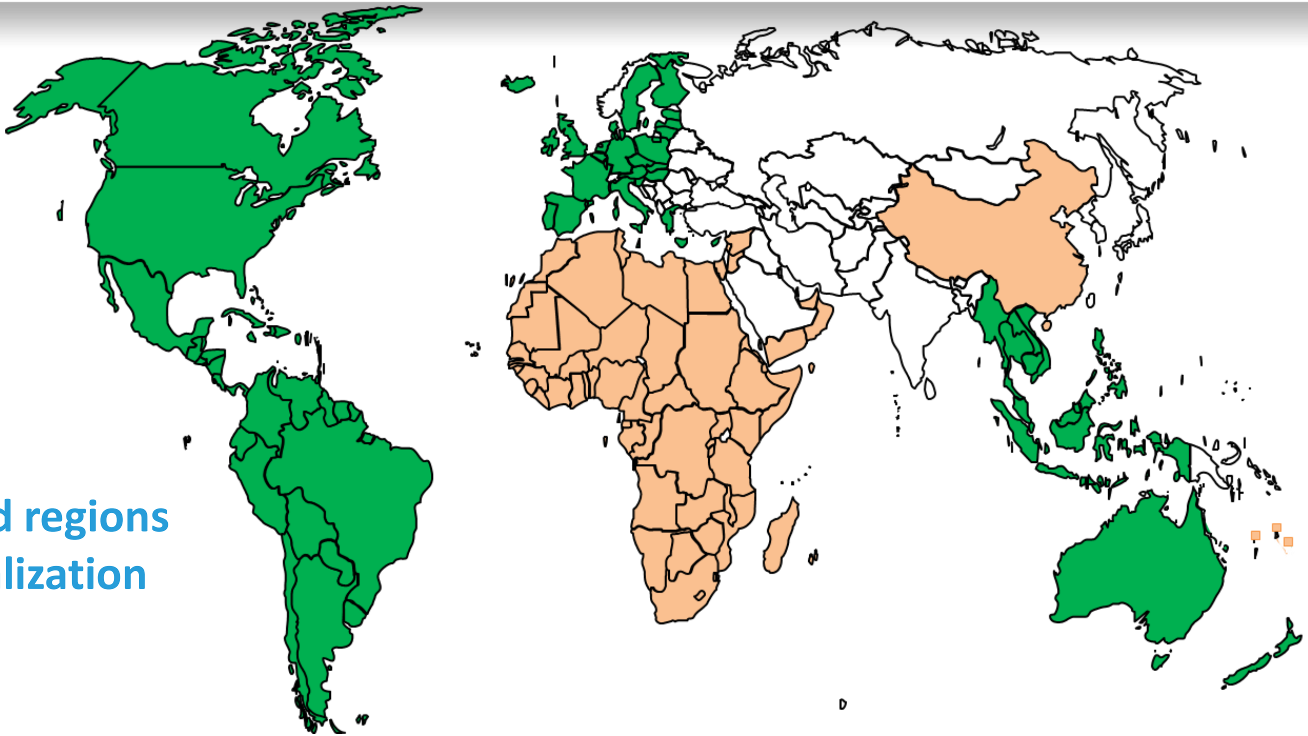
Bilateral Open Skies (by March 2013)



- States which signed open skies agreements with both the US and third countries
- States which signed open skies agreements with the US only
- States which signed open skies agreements with the third countries only

400+ OSA involving 145 States

Regional Liberalization



Most world regions have liberalization programs

- Full liberalization arrangements (ASEAN, CARICOM, EU, LACAC. Trans-Tasman cooperation)
- Gradual liberalization arrangements (AFCAC, Damascus Agreement signatory states, South Pacific Islands)

Conclusions

- Liberalization-widespread and will continue
- Industry undergoing transformation
- Marketplace dynamic, competition intensified
- Traffic will continue to grow, but vulnerable to impacts
- Growth needs policy support, favourable environment
- Policy makers/regulators, Industry facing many challenges & opportunities
- Need to cooperate and work as a community

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

ICAO | UNITING AVIATION

ICAN 2014
Bali, Indonesia (17-21 Nov 2014)

ICAO website

ICAN Benefits

Venue Year	2008 Dubai, UAE	2009 Istanbul, Turkey	2010 Kingston, Jamaica	2011 Mumbai, India	2012 Jeddah, Saudi Arabia	2013 Durban, South Africa
Number of participating States	27	52	38	64	62	73
Number of bilateral meetings held	100	200	200	370	350	486
Number of agreements signed	20	60	60	120	130	458

➢ 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

➢ Save time and money for States

ICAN 2015: Turkey

ICAN 2016: Latin America

Outlook on new ICAN features (in progress)

- B2B – Meetings with the Industry
  - For the first time this year in Bali
- Possible future "ICAN Cargo" perspective:
  - Component during future ICAN events to specifically address air cargo issues; or
  - specific "ICAN Cargo" event in cooperation with TIACA
- Promoting negotiations between States, International Organizations and the Cargo Industry

شكرا, Shukran

谢谢, Xie Xie

Thank You

Merci

Спасибо, Spasiba

Gracias