



ROUND TABLE DISCUSSION

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Director, Air Transport Bureau, ICAO

Aqaba, Jordan
2 December 2019



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

Article 44

d) Meet the needs of the peoples of the world for safe, regular, efficient and economical air transport



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UNITING AVIATION

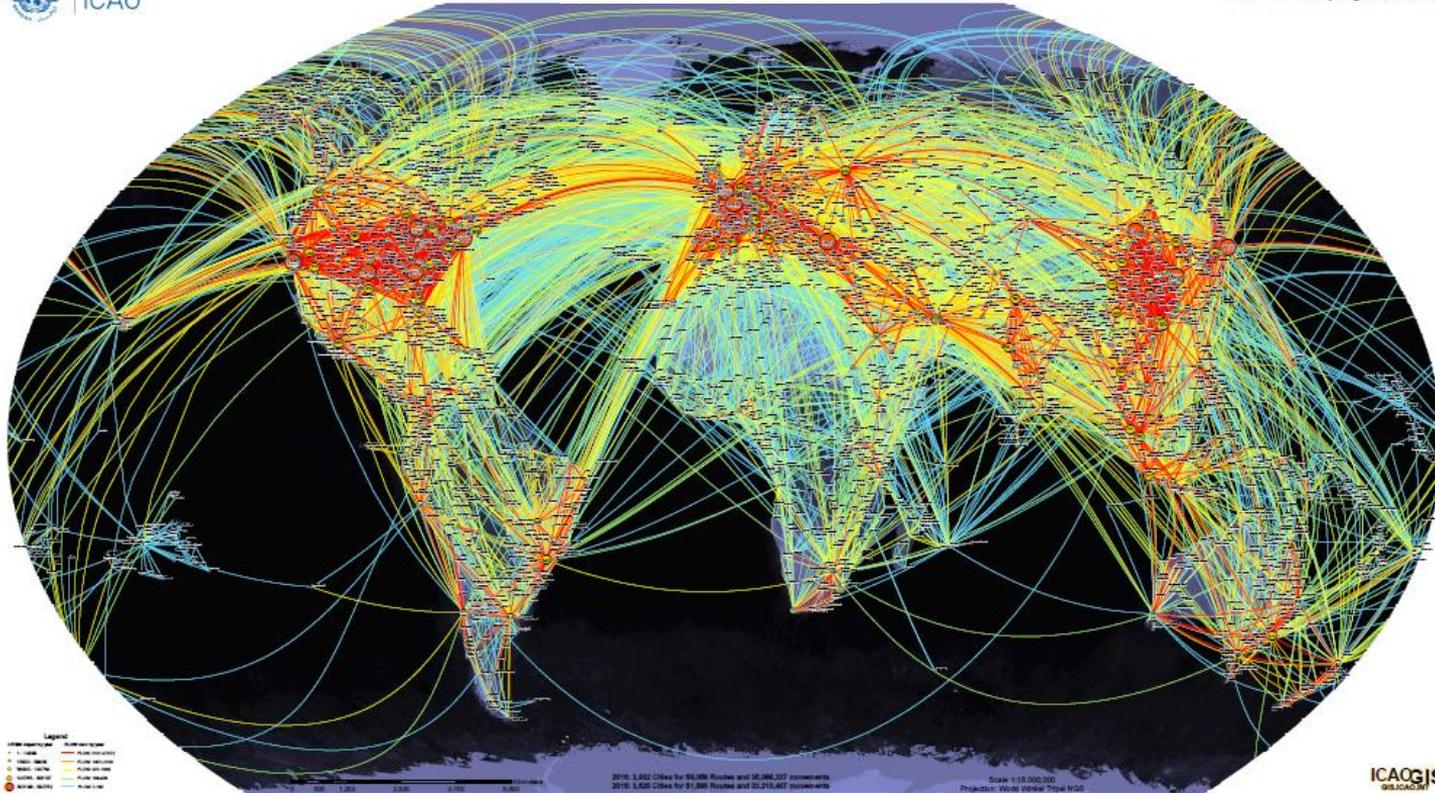
STATE OF THE INDUSTRY

2018: GLOBAL FIGURES



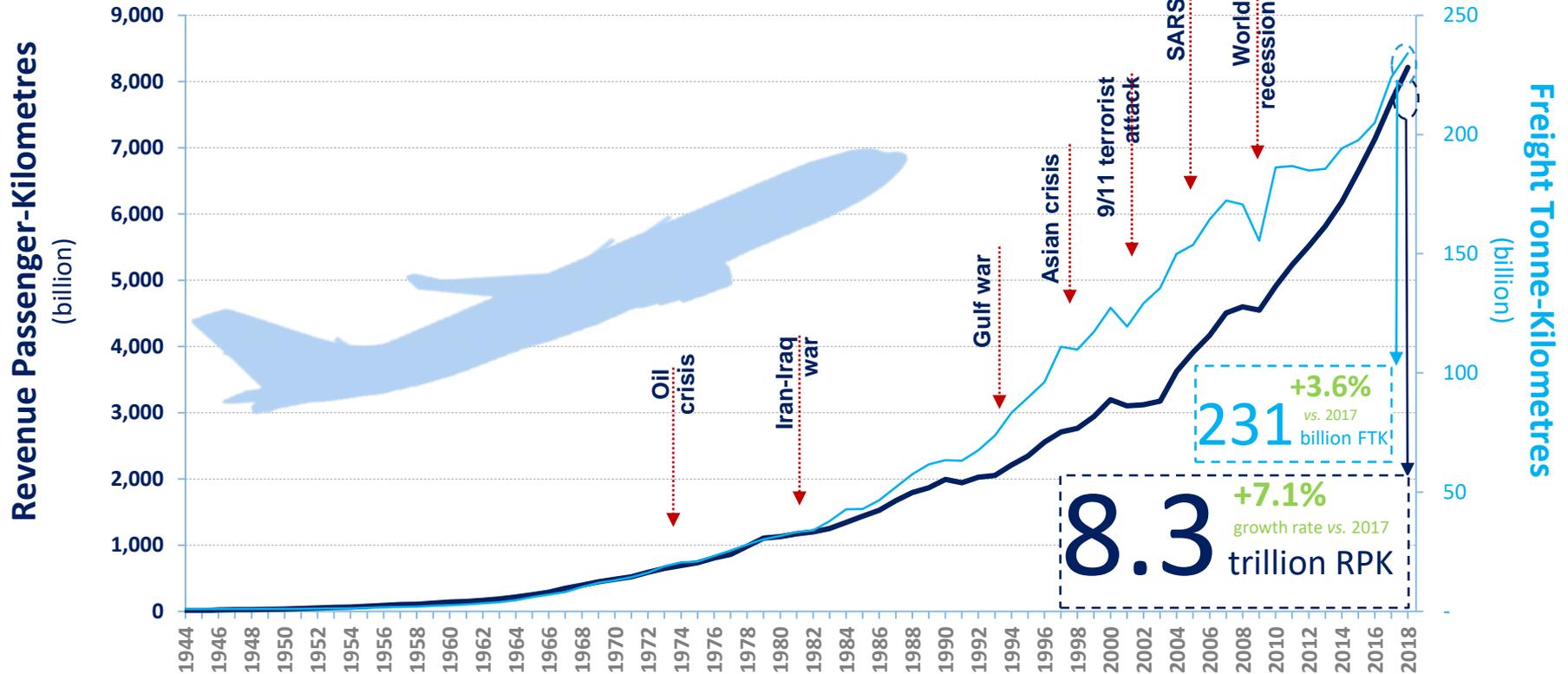


- **4.3 billion passengers**
- **38 million aircraft departures**
- **58 million freight tonnes carried**
- **Over 1 400 scheduled airlines**
- **More than 26 000 aircraft**
- **More than 3 900 airports**
- **173 air navigation centres**
- **360,000 pilots and 86,000 air traffic controllers**



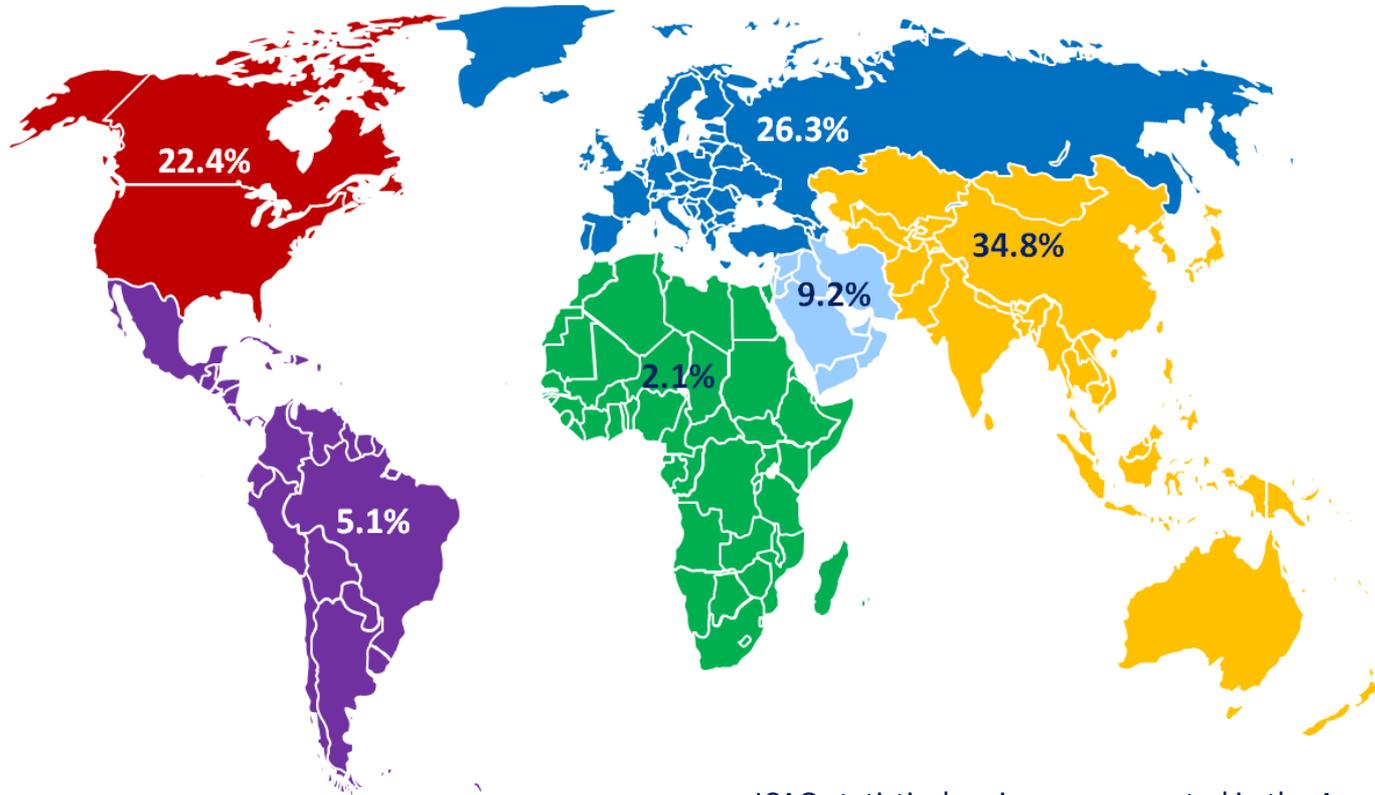


Growth of air transport in 2018



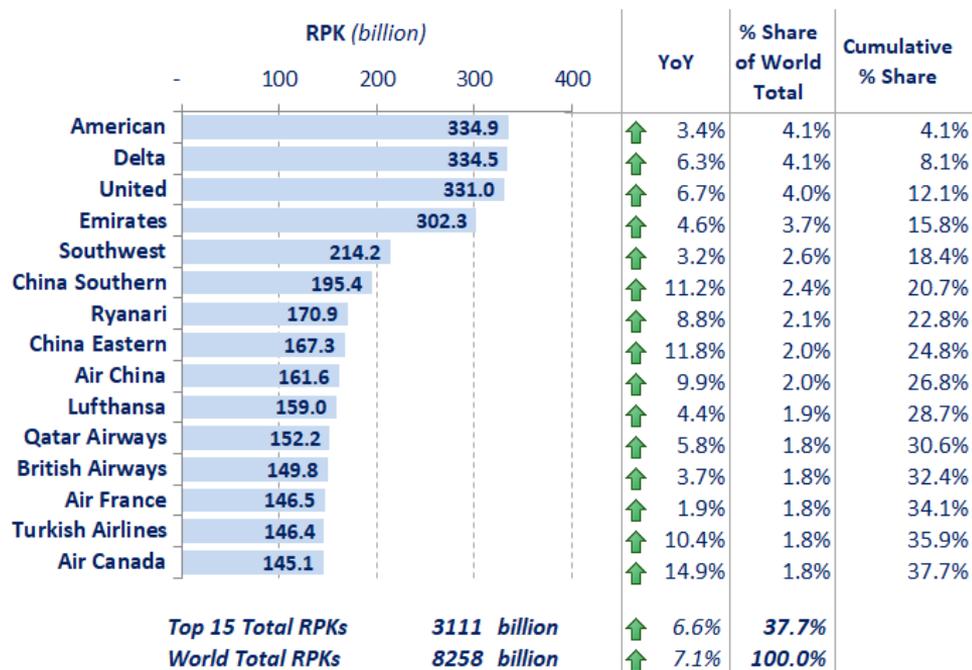


Share of total scheduled RPK by region (2018)



ICAO statistical regions as presented in the Annual Report of the Council

Top 15 airlines in total Revenue Passenger-Kilometres (RPK)

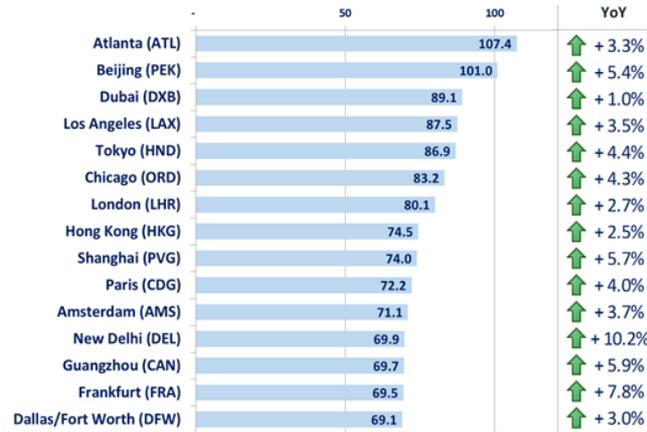


Top 15 Airports in 2018

Departures (thousand)



Passenger (millions)



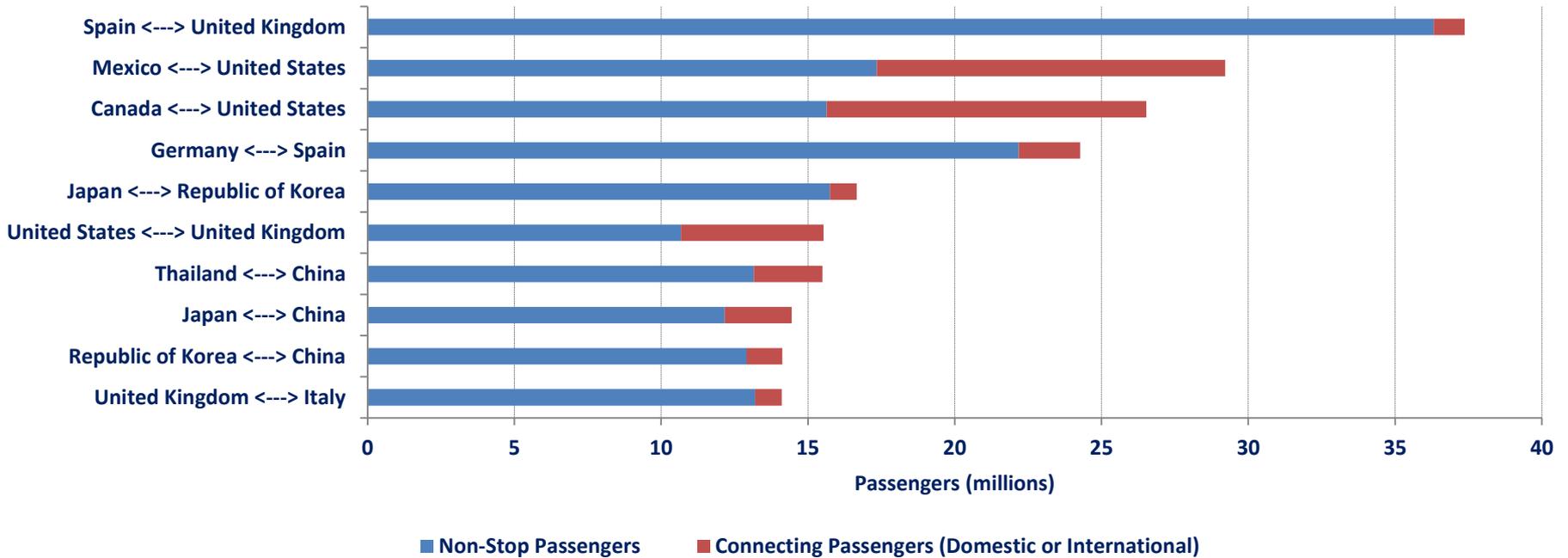
Freight Tonnes (thousand)



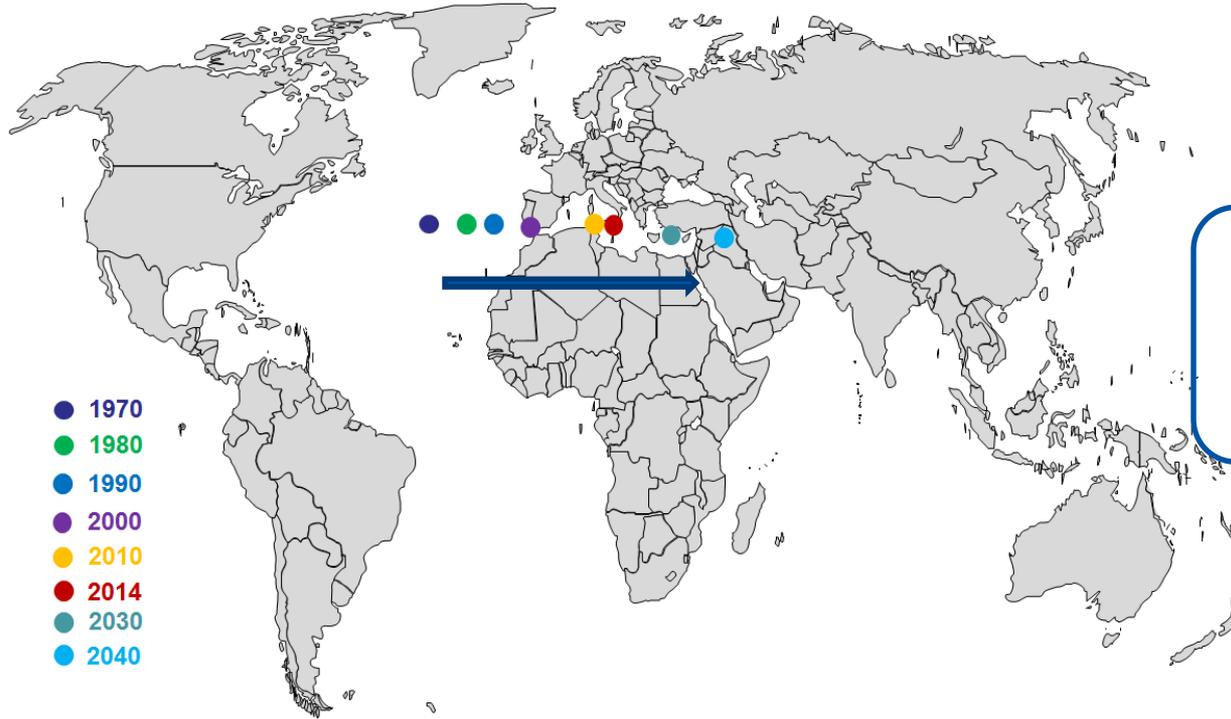


Top 10 country-pairs by international passengers (2017)

Top 10 Country Pairs by International Passengers (Two Ways)



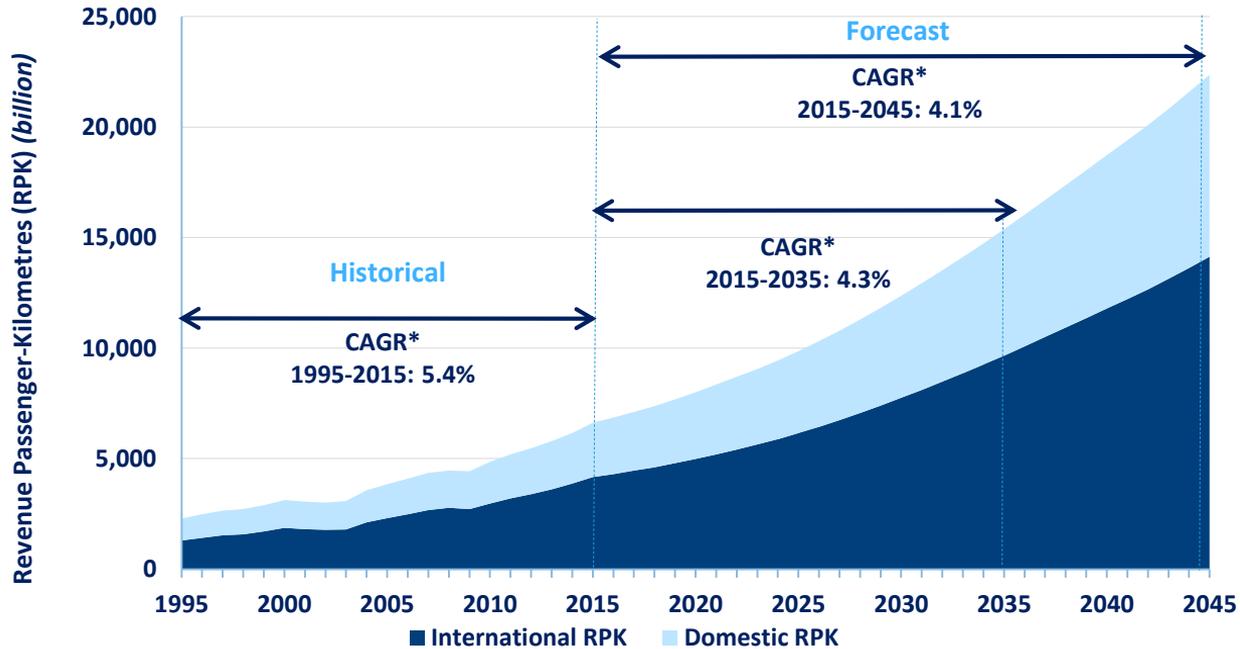
Movement of centre of gravity



The centre of gravity has been steadily moving from the middle of North Atlantic to the middle of the Mediterranean sea in the last four decades. It is expected to move further east by 2040.

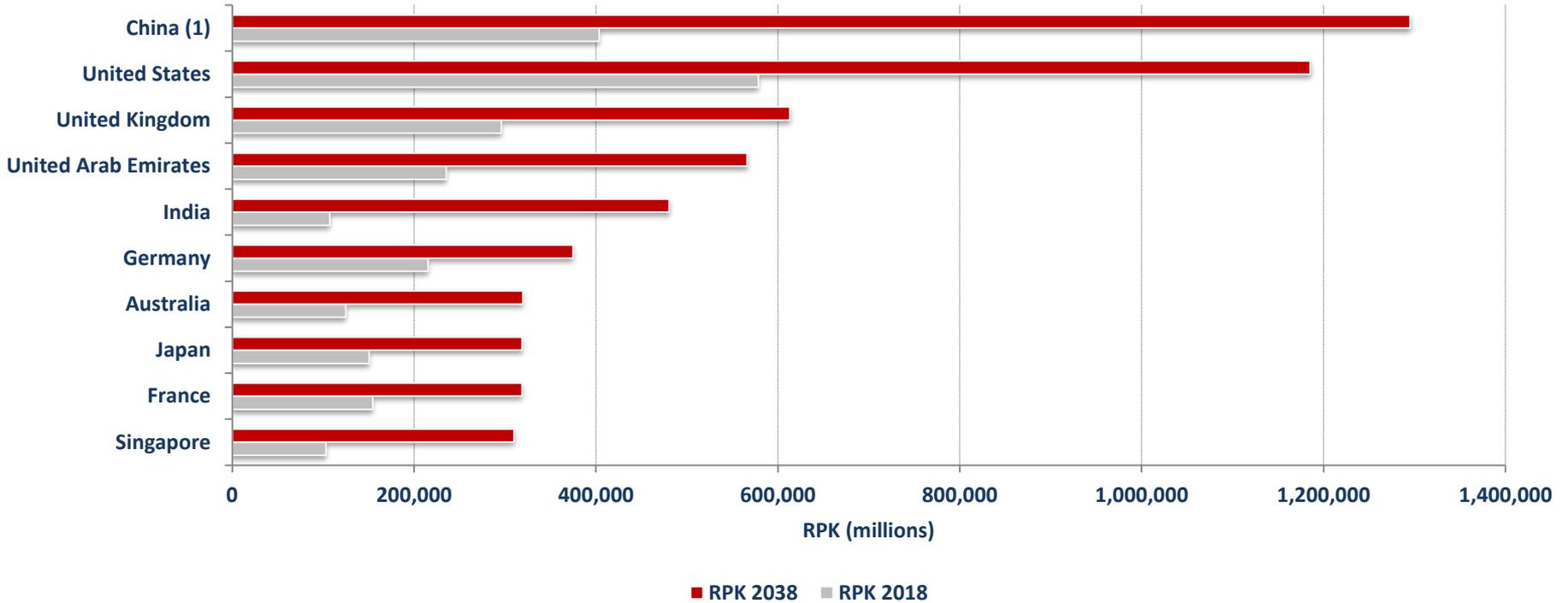
Geographical centre of gravity of departing/arriving passengers

Annual Growth of Scheduled Passenger Traffic





Top 10 Countries by Forecasted International RPK 2038





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THE BENEFITS OF AVIATION





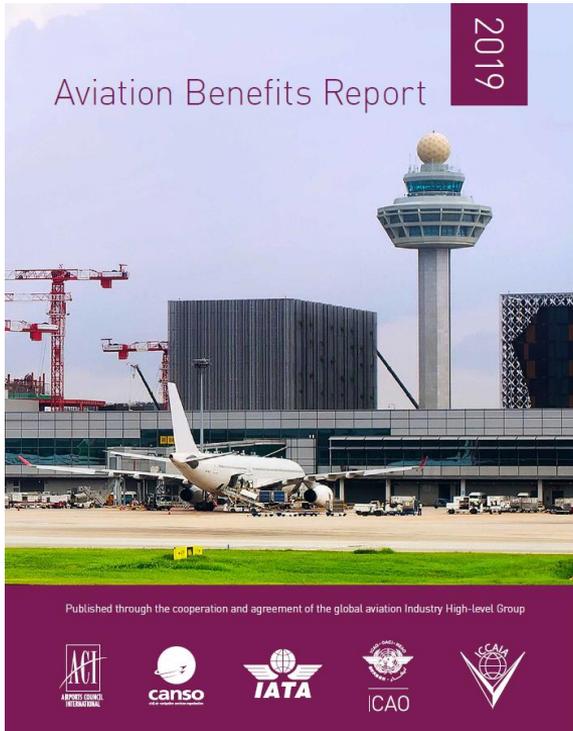
Air Transport Industry has become:

- ✈ **A Catalyst for economic development**
- ✈ **A vital engine of global socio-economic growth**
- ✈ **One of the greatest contributors to the advancement of modern Society.**

Countries now place Aviation at the centre of their National Development

Advanced collaboration through Industry High Level Group (IHLG)

Aviation Benefits Report



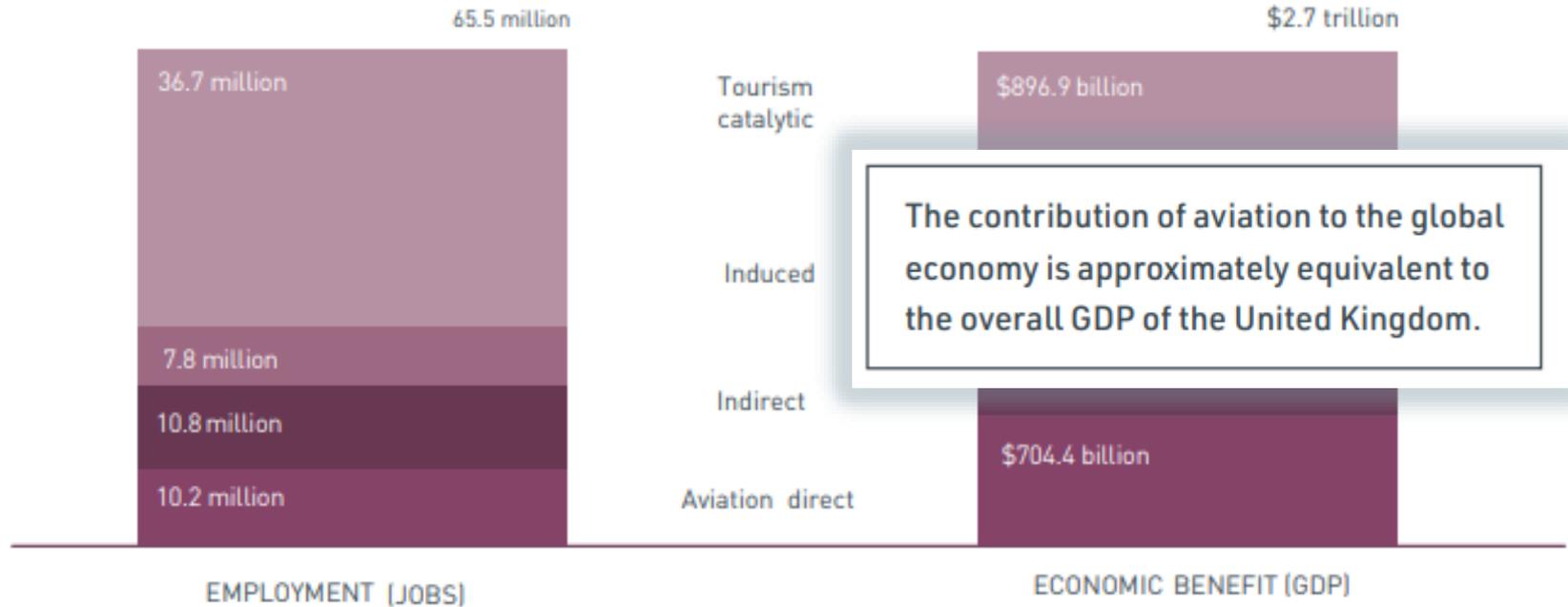
DOWNLOAD YOUR FREE REPORT AT:

<https://www.icao.int/sustainability/Pages/IHLG.aspx>

- Rich combined data sources from the IHLG's members: ICAO, IATA, ACI, CANSO, ICCAIA;
- Illustrates the benefits of the aviation sector on a global scale and across regions;
- Most accurate available industry figures and forecasts;
- Insights into challenges and opportunities on a global scale as well as at regional level.



Aviation Is a Major Contributor to Global Economic Prosperity



Aviation's global employment and GDP impact, 2016

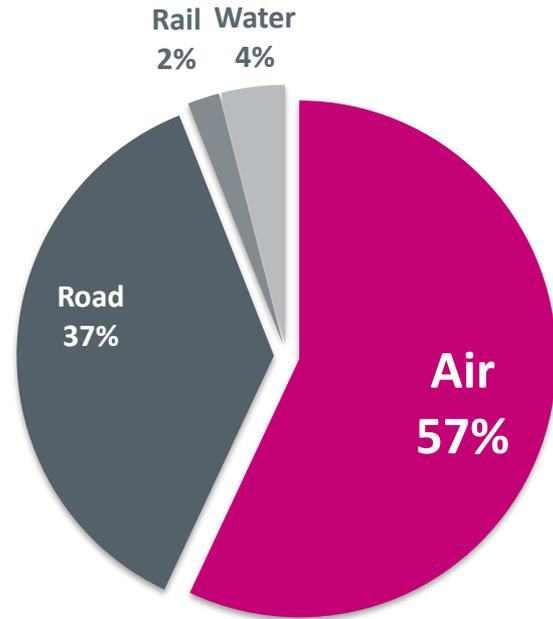
Aviation Provides Significant Social benefits



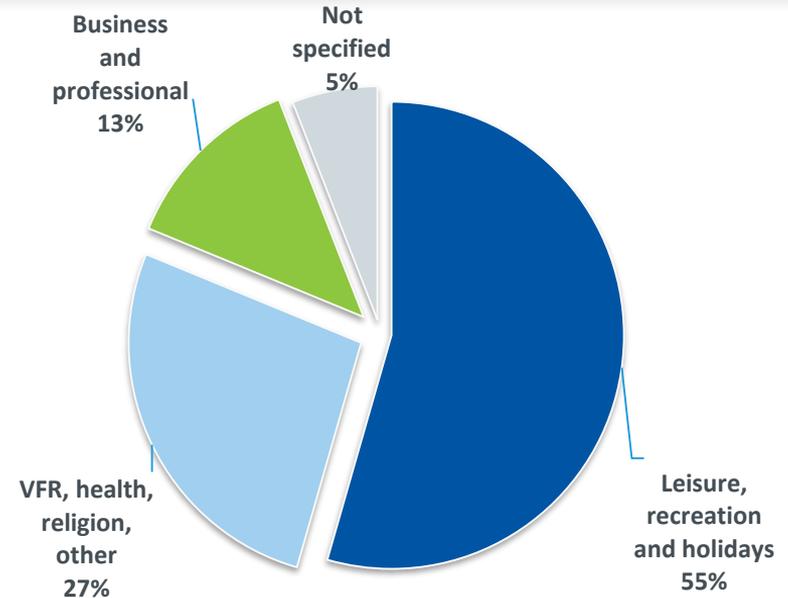
Availability of **reliable air transport services** provides people with access to their basic and extended needs:

- Food
- Healthcare
- Better living standards
- Education
- And many others

Aviation supports tourism



Inbound tourism by mode of transport, 2017



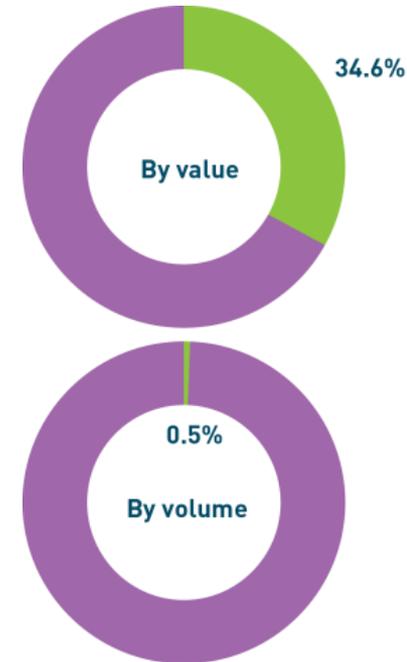
Inbound tourism by purpose of visit, 2017

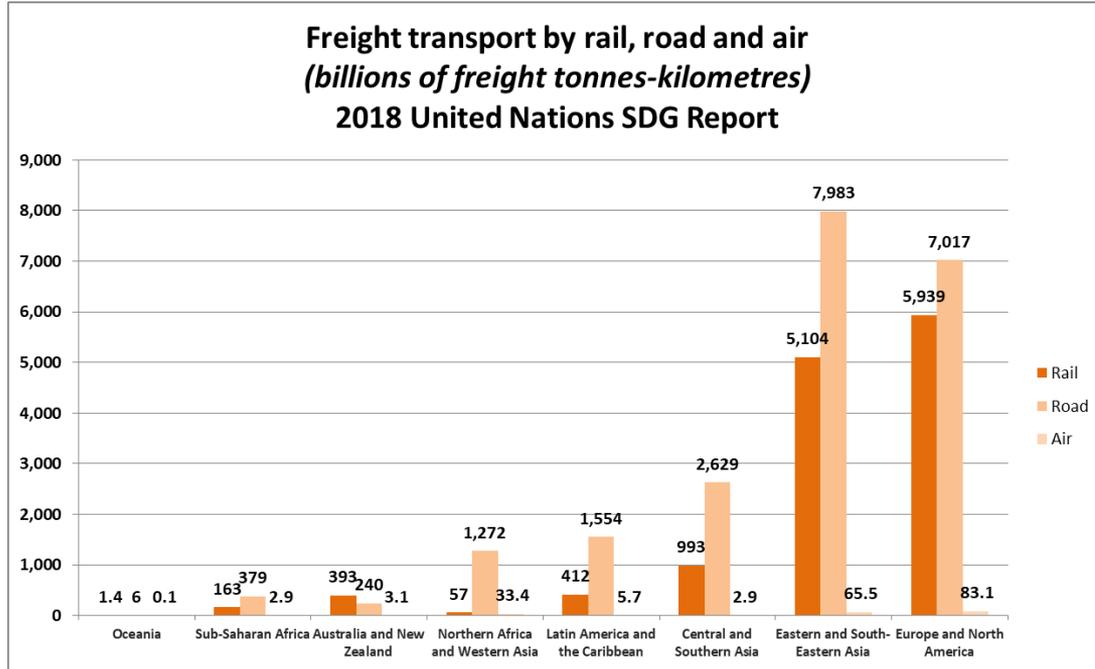
International tourists arriving by air increased from 47% in 2007 to 57% in 2017

Aviation as a Driver of Global Trade and E-Commerce

- Cargo load factor (in terms of combination of belly and freighter capacity) improved from 50% in 2008 to 55% in 2018.
- 62% of the FTK are carried in the belly of passenger aircraft
- Belly hold of a 777-300ER passenger aircraft carries more cargo than traditional freighters

Air Cargo represents





ICAO is a custodial agency responsible for the global indicator (passenger and freight volumes by mode of transport) of the **SDG target 9.1** – Develop quality, reliable, sustainable and resilient infrastructure with a focus on affordable and equitable access for all.

<https://unstats-undesa.opendata.arcgis.com/search?groupIds=688e20ebffb74d43b40ffbf297e3cf72&page=2>



| ICAO

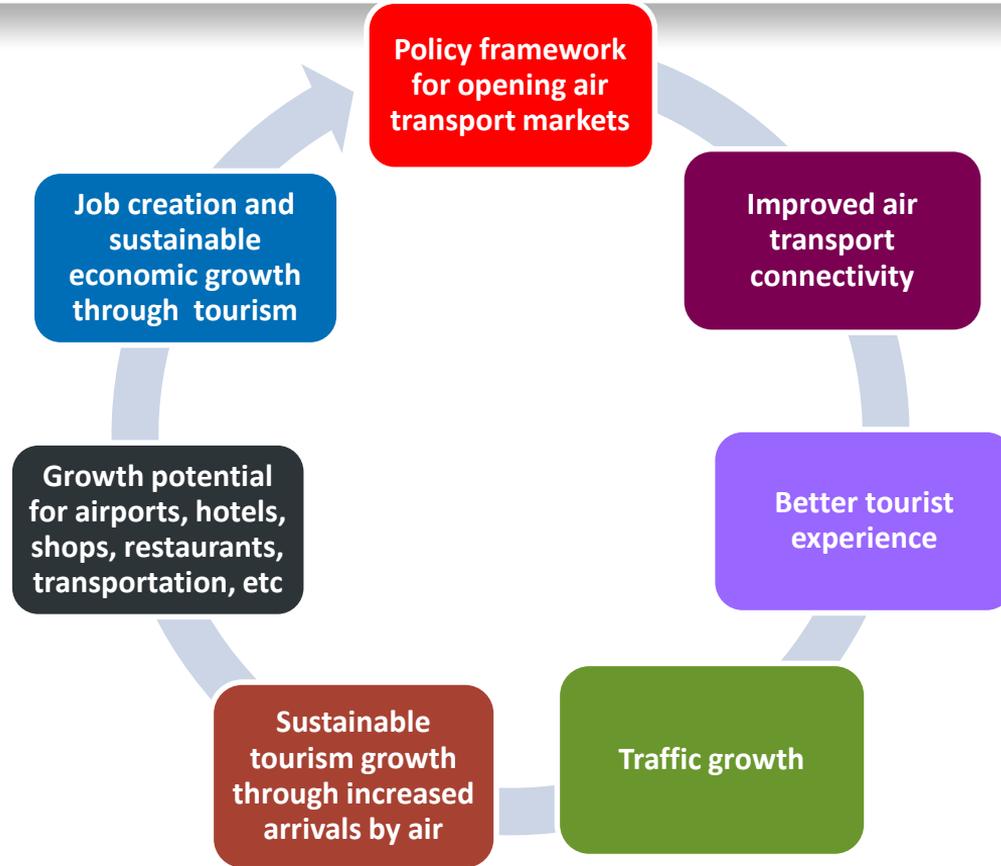
UNITING AVIATION

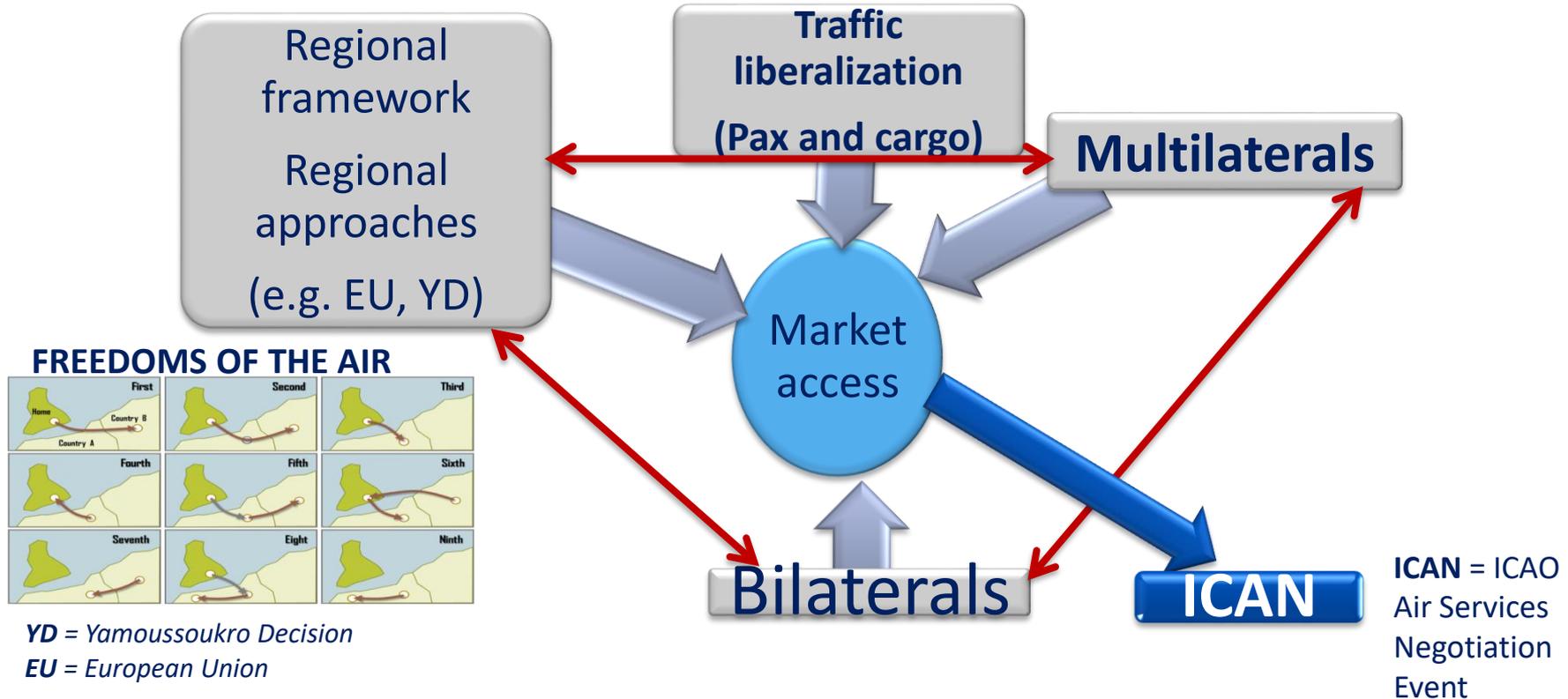
LIBERALIZATION OF MARKET ACCESS



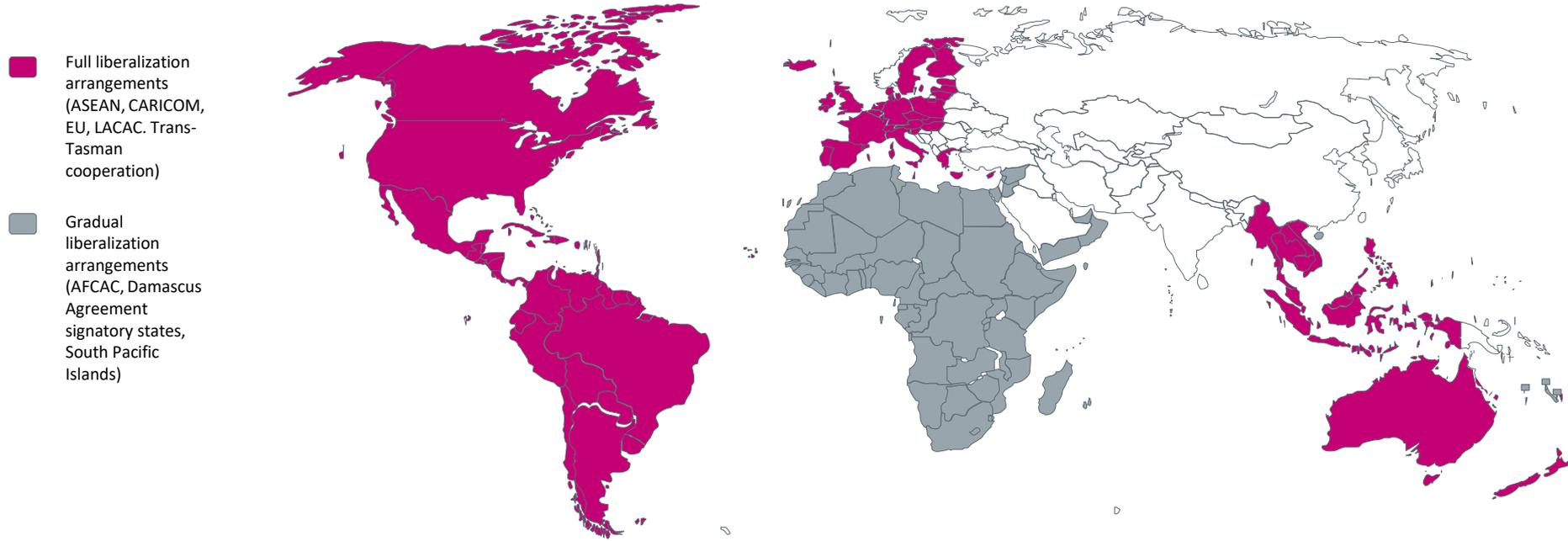


Liberalization increases Air connectivity





Regional Liberalization: Most world regions have liberalization programs

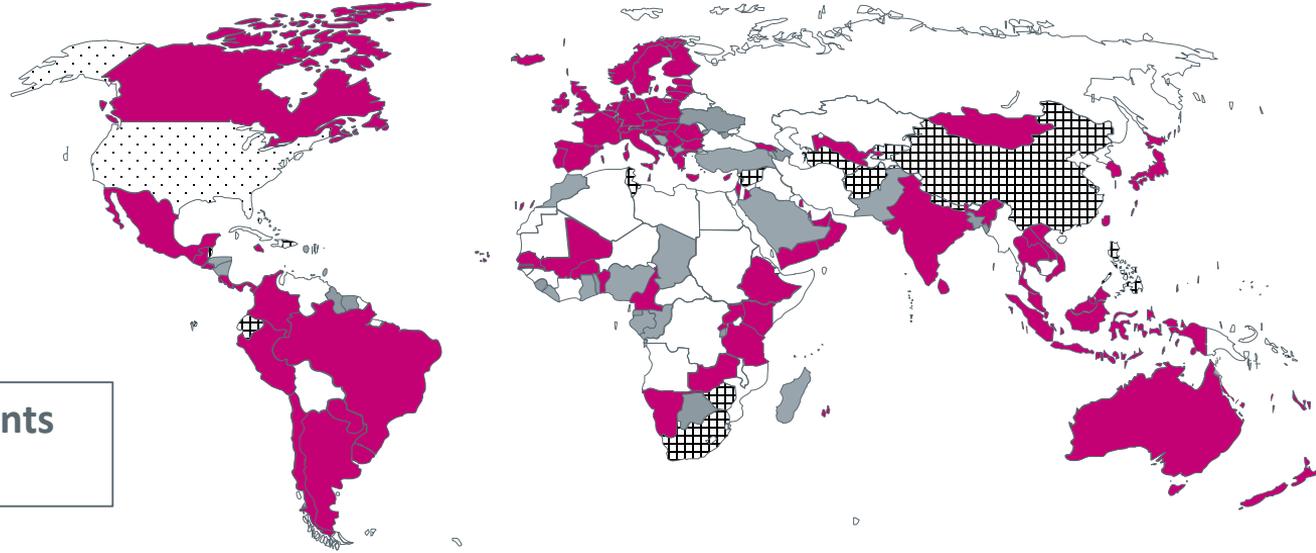




Bilateral Open Skies (as of June 2018)

-  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

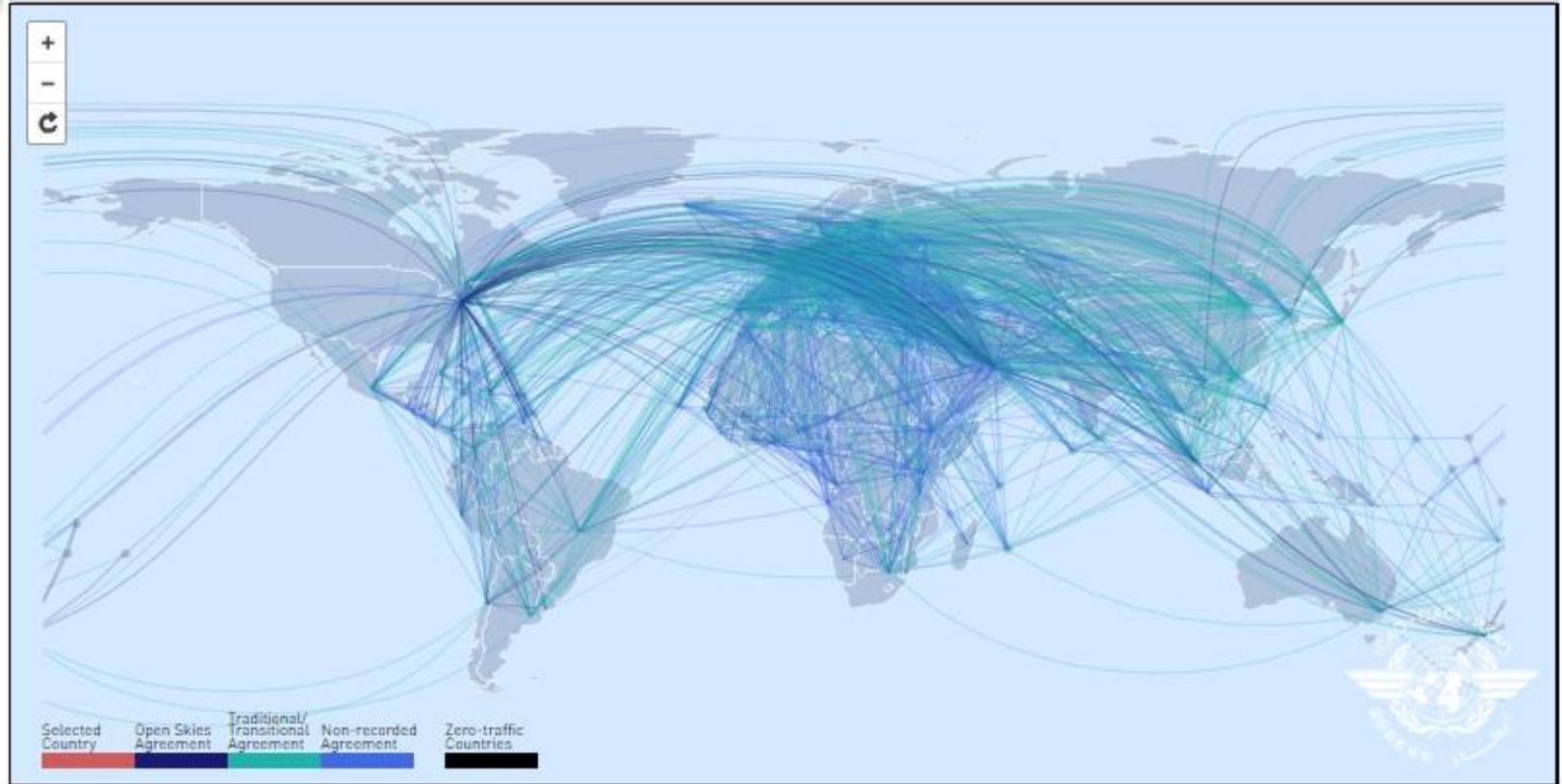
**~300+ Open Skies Agreements
involving 163 States**



*open skies agreement for *all-cargo only* for Argentina, Mongolia, Vietnam



World Map of bilateral air services agreements





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Regional Efforts

REGIONAL EFFORTS ON LIBERALIZATION





The African aviation market has the most potential for growth out of all global regions

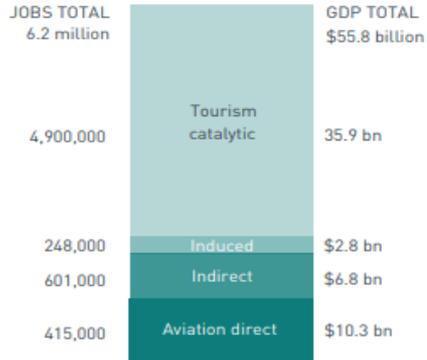
4.3%

Annual growth of pax traffic

3.9%

Annual growth of freight traffic

Total jobs and GDP supported by aviation in Africa, 2016



The Yamoussoukro Decision (YD)

The slow implementation creates regulatory impediments to operational freedom and investments in aviation

-> lower connectivity & less competitiveness of African airlines.



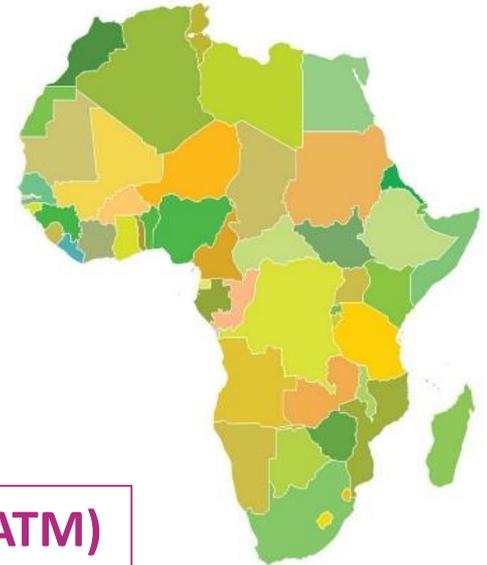
Notable progress made at sub-regional group level – the Regional Economic Communities of the African Union

COMESA – Air Transport Liberalization Program

CEMAC – Agreement on Air Transport

WAEMU : Common Program on Air Transport

BAG : Multilateral Air Service Agreement



The Single African Air Transport Market (SAATM)



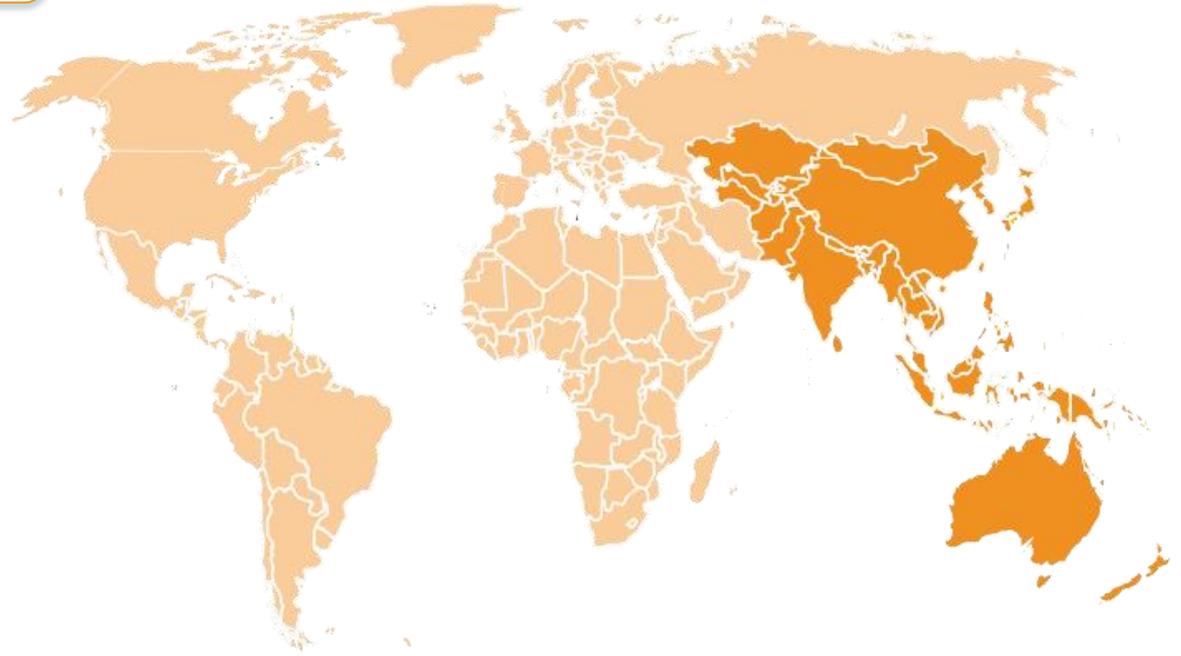
Asia and Pacific emerged as a centre of traffic growth in aviation since 2009

5.3%

Annual growth of pax traffic

3.9%

Annual growth of freight traffic



Total jobs and GDP supported by aviation in Asia and Pacific, 2016

| JOB TOTAL | | GDP TOTAL |
|--------------|-------------------|---------------|
| 30.2 million | | \$684 billion |
| 20,500,000 | Tourism catalytic | \$287.8 bn |
| 3,300,000 | Induced | \$127.9 bn |
| 3,100,000 | Indirect | \$119.9 bn |
| 3,300,000 | Aviation direct | \$148.7 bn |

States in this regions have the most diversified policies on air transport – Ranging from very liberal open skies policies to traditional protectionist approaches.



Liberalized policies in the past 20 years have led to rapid growth of air traffic



ASEAN Multilateral Agreement
on the Full Liberalization of Passenger Air Services
ASEAN Multilateral Agreement on Air Services



Liberalization Efforts in EUROPE

Today, almost half of international passengers worldwide are carried by European airlines

3.3%

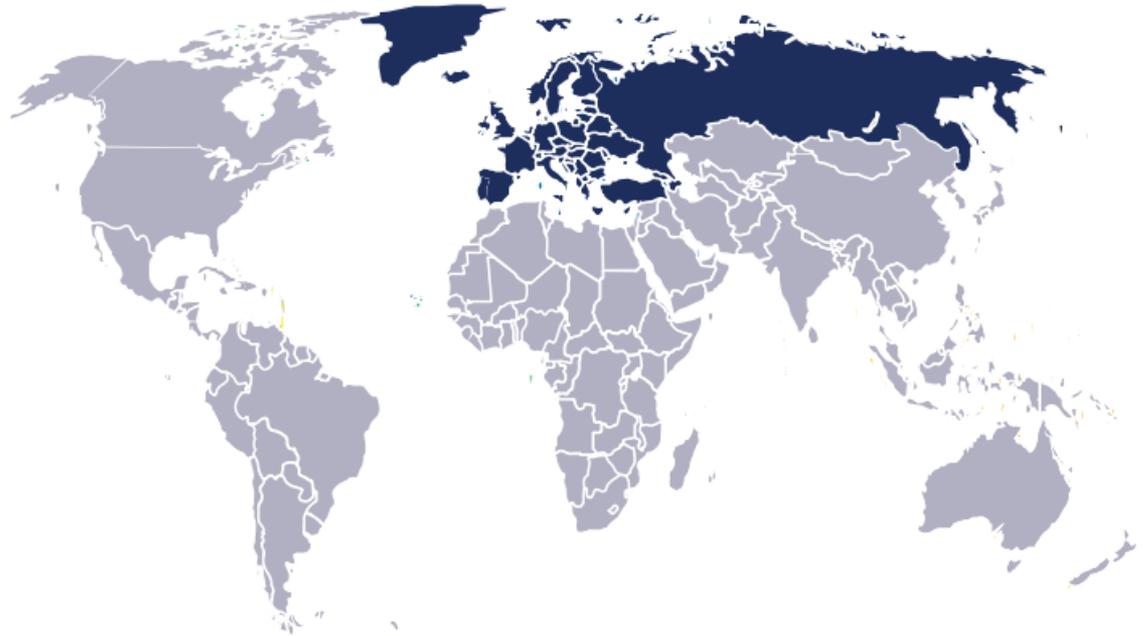
Annual growth of pax traffic

2.5%

Annual growth of freight traffic

Total jobs and GDP supported by aviation in Europe, 2016

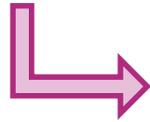
| JOB TOTAL | | GDP TOTAL |
|--------------|-------------------|---------------|
| 12.2 million | | \$823 billion |
| | Tourism catalytic | |
| 5,100,000 | | \$293.6 bn |
| | Induced | |
| 1,500,000 | | \$111.4 bn |
| | Indirect | |
| 3,000,000 | | \$225.5 bn |
| | Aviation direct | |
| 2,600,000 | | \$192.6 bn |





Europe is one of the most liberalized regions in terms of air transport policies and activities

Single Aviation Market of the European Union



**Multilateral Agreement on the Establishment of
*A European Common Aviation Area (ECAA)***

Europe has the highest percentage of seats offered by LCCs – over 40%

Despite relative maturity and limited airport capacities, Europe's air traffic growth is expected to grow and in turn drive growth in the economic output and jobs supported by the industry – 18 million jobs supported by air transport by 2036.



Liberalization Efforts in LATIN AMERICA & CARRIBBEAN

Characterized by liberalization of several domestic and regional markets, combined with a consolidation of airlines

3.8%

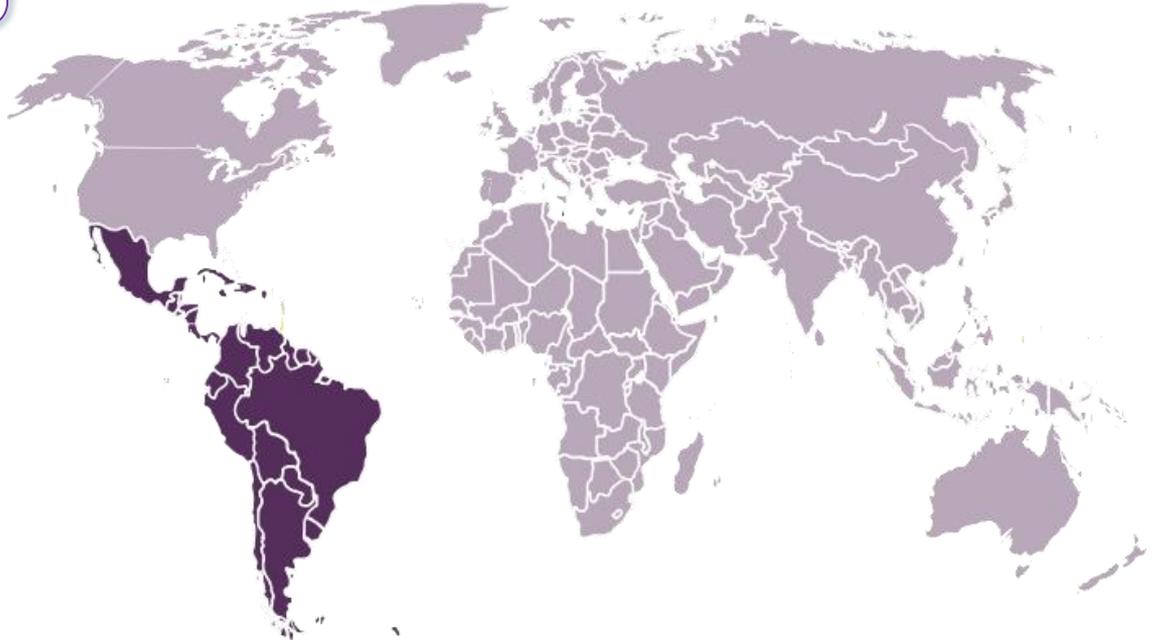
Annual growth of pax traffic

1.6%

Annual growth of freight traffic

Total jobs and GDP supported by aviation in Latin America/Caribbean, 2016

| JOB TOTAL | | GDP TOTAL |
|-------------|-------------------|---------------|
| 7.2 million | | \$156 billion |
| 3,600,000 | Tourism catalytic | \$64.7 bn |
| 1,000,000 | Induced | \$21.5 bn |
| 1,800,000 | Indirect | \$36.9 bn |
| 813,800 | Aviation direct | \$33.2 bn |





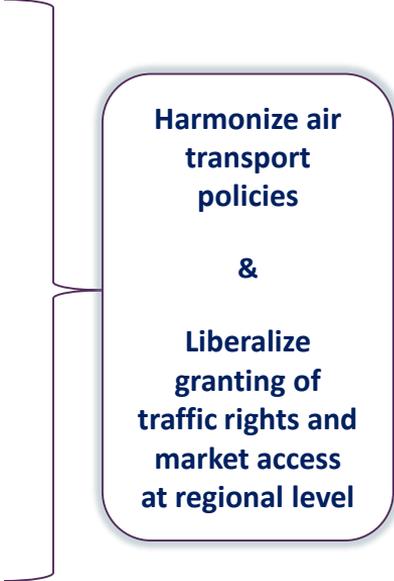
Regional air transport liberalization initiatives

Decision on Integration of Air Transport of the Andean Community (CAN)

Multilateral Air Services Agreement (MASA) of the Caribbean Community (CARICOM)

Air Transport Agreement among the Members States and Associate Members of the Association of Caribbean States (ACS)

Agreement on Sub-regional Air Services (Fortaleza Agreement) of the Southern Common Market (MERCOSUR)





The Middle East had been the fastest growing region for passenger and cargo traffic since 2011. However, it has moderated to the slowest growing region in 2018

4.6%

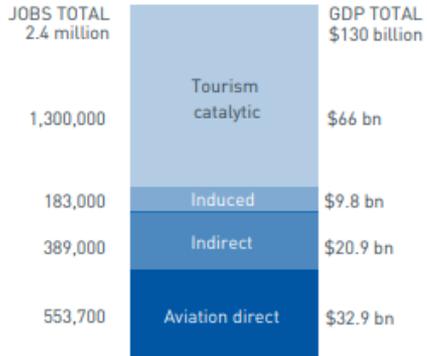
Annual growth of pax traffic

5.4%

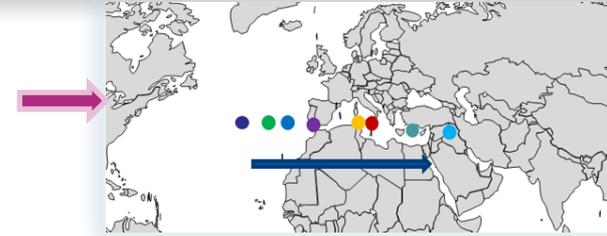
Annual growth of freight traffic



Total jobs and GDP supported by aviation in the Middle East, 2016



The **geographic centre of gravity of air transport operations** has been steadily shifting towards the Middle East region



The rapid expansion of some Middle Eastern airlines was also spurred by **more unilateral liberal policies**

Need for political commitment to market liberalization :

Agreement on the Liberalization of Air Transport between Arab States
– **the Damascus Agreement** – has been accepted by only 8 countries



The only region with higher volume of domestic traffic: more than twice the international pax traffic in terms of RPKs

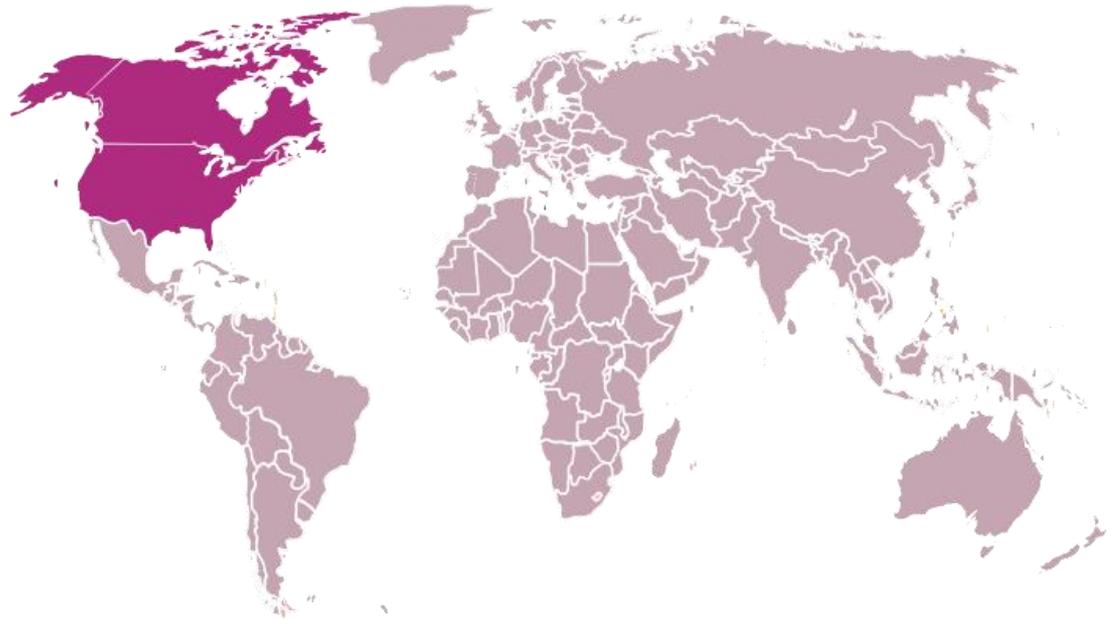
3.1%

Annual growth of pax traffic

2.6%

Annual growth of freight traffic

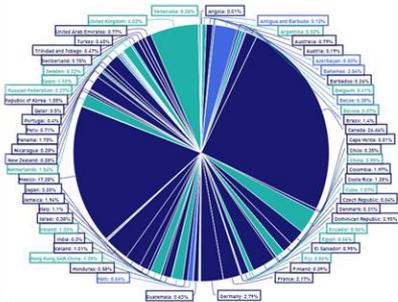
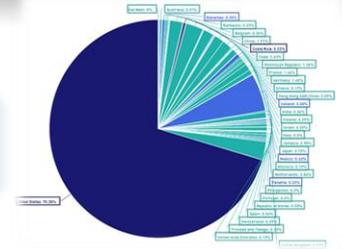
Total jobs and GDP supported by aviation in North America, 2016



Fully liberalized and very consolidated market

The only region where airlines have a larger domestic than international market

Airlines in the region generated around half of the total industry net profits since 2015





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ICAO EFFORTS ON LIBERALIZATION





ICAO Long-term Vision for Liberalization

(Assembly Resolution A39-15)

“We, the Member States of the International Civil Aviation Organization, resolve to actively pursue the continuous liberalization of international air transport to the benefit of all stakeholders and the economy at large.

We will be guided by the need to ensure respect for the highest levels of safety and security and the principle of fair and equal opportunity for all States and their stakeholders”.



Assembly Resolution A40-9

- *Encourages* Member States to **pursue liberalization of market access** at a pace and in a manner appropriate to needs and circumstances [...].
- *Requests* the Council to undertake further work to **build a better understanding of the benefits and challenges of liberalization and barriers to opening market access**, so that further consideration could be given to the development of a multilateral approach at the appropriate time.

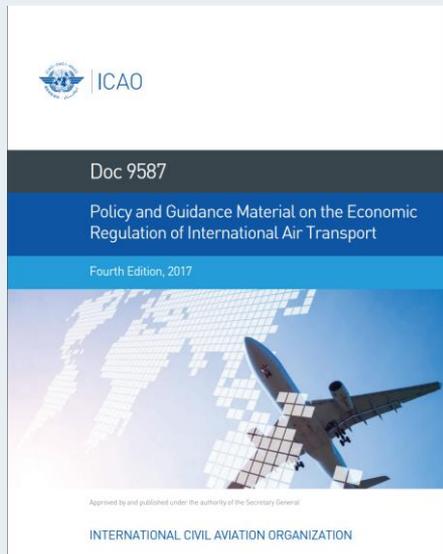


Assembly Resolution A40-9

- **Requests** the Council to continue to **enhance dialogue and exchange of information with Member States and industry**, taking into account the goals of the ICAO Long-term Vision for International Air Transport Liberalization, concerning the past experience and achievements of States [...].



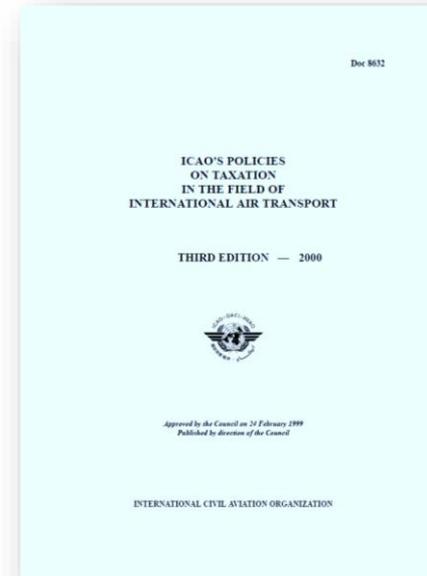
Harmonizing global regulatory framework by developing policies and guidance materials



Doc 9587

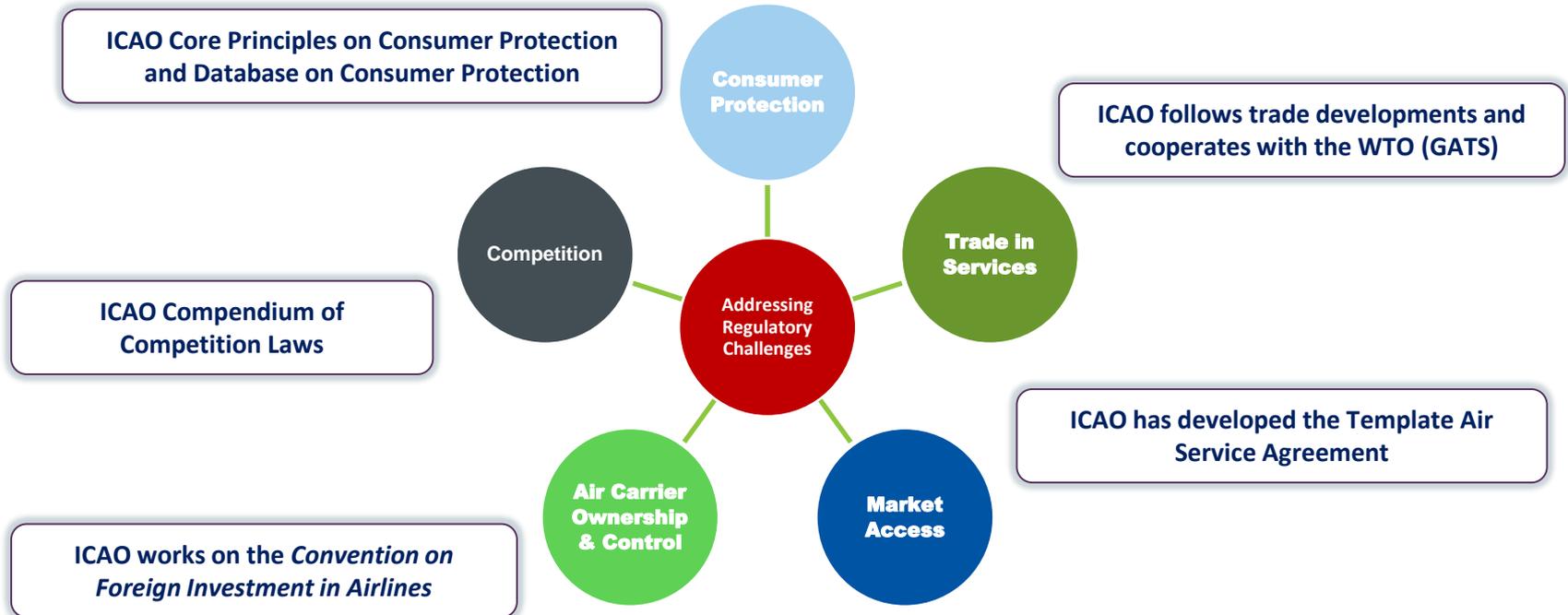


Doc 9626



Doc 8632

Assisting States in Addressing Regulatory Challenges





ICAO will continue to work and cooperate with States and regional bodies to pursue the liberalization of market access in line with the ICAO Long-term Vision for International Air Transport Liberalization

International cooperation: key for successful implementation



A central world map in blue is surrounded by logos of various international organizations. The logos are arranged in a grid-like fashion around the map, representing global partnerships.

- unicef**
- CTED** (UNITED NATIONS SECURITY COUNCIL, COUNTER-TERRORISM COMMITTEE, EXECUTIVE DIRECTORATE)
- ICAO** (ICAO • OACI • ИКАО)
- World Customs Organization** (Organisation Mondiale des Douanes)
- UNWTO**
- IATA**
- ACI** (AIRPORTS COUNCIL INTERNATIONAL)
- PATA**
- CLIA** (COUNCIL OF LEISURE TRAVEL ASSOCIATIONS)
- WORLD TRADE ORGANIZATION**
- UNODC** (United Nations Office on Drugs and Crime)
- UNHCR** (The UN Refugee Agency)
- INTERPOL**
- ILO**
- WORLD BANK GROUP**
- WORLD ECONOMIC FORUM**
- ICAO** (ICAO • OACI • ИКАО)
- WORLD HEALTH ORGANIZATION**
- INTERNATIONAL ORGANIZATION FOR MIGRATION**



شكرا, Shukran

Thank You,

Merci,

Gracias

Спасибо, Spasiba

谢谢, Sie Sie