

Closing Remarks

Your Excellencies,

Vice Minister for Civil Aviation, Mr Yang Guoqing

Mr Wang Ronghua, Director General of the Department of
International Affairs, General Administration of Civil Aviation
of China

Fellow Directors General

Industry Leaders

Distinguished guests

Ladies and Gentlemen,

All of us will agree that the proceedings have been of great value in putting forth a wide cross section of very interesting views/exchanges from our eminent speakers and have given us all a better appreciation of the various points of views and experiences on liberalization of international air transport in Asia/Pacific.

Please allow me to highlight some of the key points that emerged from the Symposium, including that we have good reasons to believe that there are promising prospects for traffic and revenue for continue growing strongly in Asia/Pacific in 2005 and beyond.

However, attention was focused on the impact of rising fuel prices on the industry's economic health, and IATA's appeal for close cooperation among all concerned parties was acknowledged. In that context the documentation on fuel conservation measures that IATA presented to the Symposium was a valuable contribution.

Our attention was drawn to “low-cost airlines” making their mark now in Asia/Pacific - but we learned that perhaps a more accurate description is “low-fare airlines”. It appears that these airlines are likely to remain a feature of the competitive landscape, but the special conditions present in Asia/Pacific were highlighted and views were expressed that travelers in this Region want minimum facilities/quality of service and that they should not be considered as “low cost travelers”. The rich discussions that we have had about plans for dedicated passenger terminals for these airlines have added greatly to our understanding of the demands placed on airport infrastructure by these new entrant airlines.

We also considered how positioning of the New Larger Aircraft (NLA) will have an impact on the pattern of traffic and on competition in Asia/Pacific and I draw your attention to the Regional Seminar on ICAO Requirements for the New Larger Aircraft to be held in Bangkok, Thailand from 6 to 8 June 2005.

The continued need for States to participate in aviation by providing a healthy regulatory role was brought out very strongly and the very positive role that bilateral air services agreements have played in the development of the industry to its present scale was stressed very much.

A great deal of interest was expressed in ICAO’s study on maintaining safety and security in a liberalized environment and this was welcomed as timely and opportune. The Symposium also acknowledged that liberalization is proceeding in a context of high traffic growth and that this is giving rise to emerging and serious problems manifested in a severe shortage of pilots, dilution of skill levels, and increases in costs. As safety has zero tolerance all of the administrations and industry participants will have to accord this matter top priority. We also heard from experts that there is no suggestion that liberalization, of itself, should result in lower safety standards and performance. Moreover, we heard that the low-fare airlines have demonstrated the same high standards of safety that prevail generally in the international air transport industry.

The tremendous growth in civil aviation in China was highlighted and the rationale for China’s approach of a gradual and phased process of liberalization was explained to us. The United States of America also explained its approach to liberalization, highlighting the increasingly strong interest by other States in “open skies” agreements and the progress

being made on the MALIAT agreement as a plurilateral approach to open skies.

Geography was brought out as a key factor in the global economy and views were expressed that closer cooperation is required in Asia/Pacific to formulate common grounds. As a result of the informative discussions about the value of regional, plurilateral and multilateral approaches to liberalization the participants have gained a deep appreciation of the different models. We also learned a great deal about developments with the European Union's single aviation market and we explored the implications of bloc negotiations.

We have heard a strong case put to make more rapid progress in liberalizing all-cargo operations to support economic development and aimed at reducing air cargo transit time costs by as much as 20 to 25%.

In closing, I draw your attention to the many cooperative approaches being taken to the development of international air transport in Asia/Pacific. The States show their commitment to this cooperation through the work of the Asia/Pacific Air Navigation Planning and Implementation Regional Group (APANPIRG), the Annual Conference of the Directors General of Civil Aviation in Asia Pacific, the Cooperative Development of Operational Safety and Continuing Airworthiness Programme (COSCAP), and the Cooperative Aviation Security Programme, Asia/Pacific (CASP-AP). Together with the proven foundation provided by the International Convention on International Civil Aviation, these initiatives continue to serve the industry well as we proceed down the path of liberalization.

Finally, on behalf of the ICAO team let me offer my deep felt gratitude and sincere appreciation on to H.E. Minister Yang, Vice Minister Mr. Yang Guoqing, our Chairman of the Session Mr. Wang Ronghua, Director General of the Department of International Affairs, General Administration of Civil Aviation of China and his colleagues for their excellent support. We owe our gratitude to Minister Yang particularly for spending time with us and for commitment he has given to this event. I should like to thank all the sponsors - China Eastern Airlines, Air China, Shanghai Airport Authority and Shanghai Airlines for their generous and hospitable support. ICAO also thanks IATA very much for its support and partnership in the event and its contribution to the proceedings. Let me also express my appreciation to our own ICAO Secretariat, Mr. Wang, Mr.

Gunther and Dr. Hooper who have greatly contributed to the success of this event. Finally, thank you to all of the participants who have gathered here and have freely shared their views and knowledge in this timely and meaningful dialogue on liberalization

- END -