



# Symposium on Liberalization of Air Transport in Asia/Pacific

*(Shanghai, 25 – 27 May 2005)*

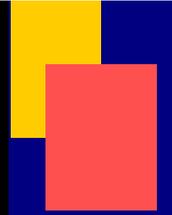


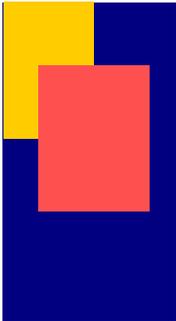
John Gunther  
Chief, Economic Policy Section  
ICAO

# Session 1

## Topic 4:

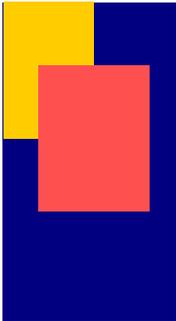
“Ensuring the continued participation of less-developed country airlines, and especially, land-locked and island-developing countries in a liberalized environment”





# An ICAO/WTO Regulatory Scheme for Airline Support in a Liberalized Environment

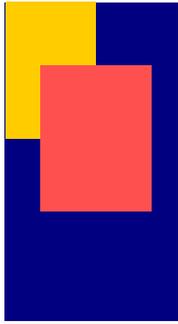
- 
- for “essential service” routes
  - for tourism development routes



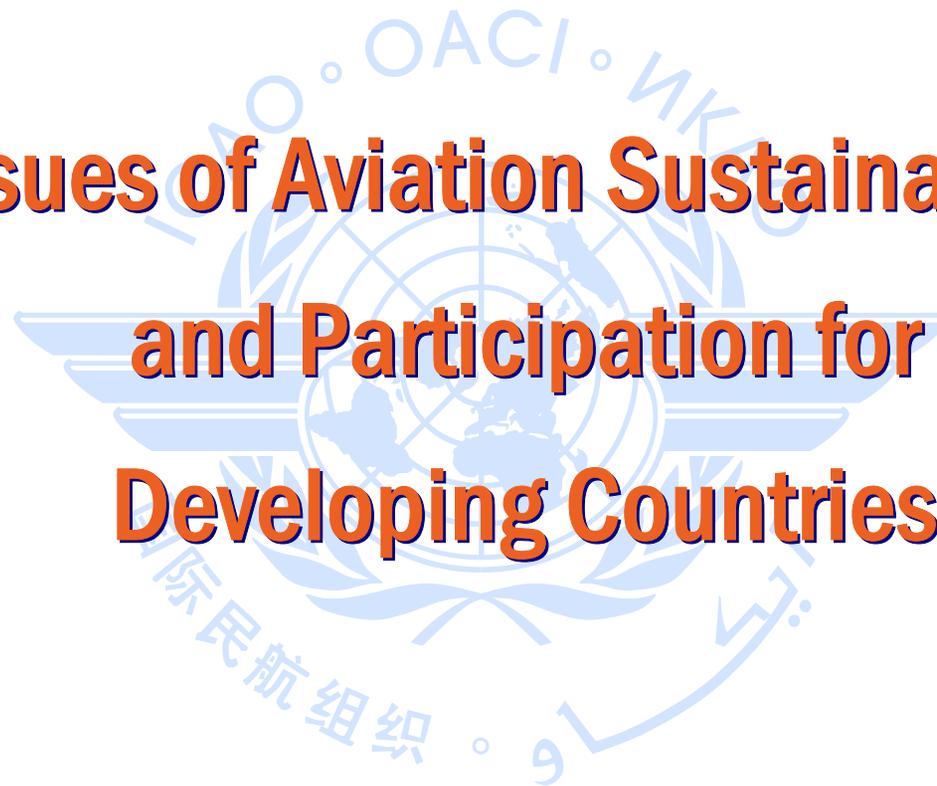
# Aviation as an Economic Development Catalyst through:

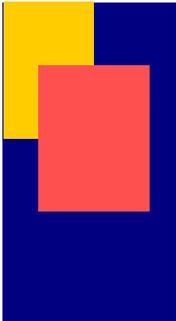
- access to/from remote destinations
- tourism development



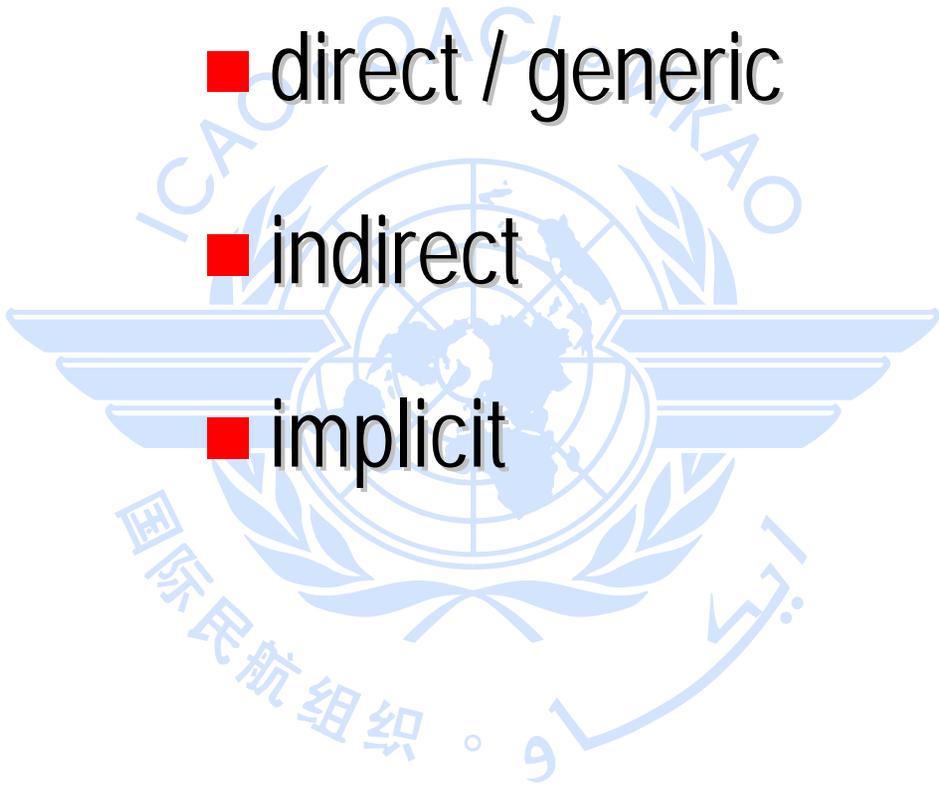


# Issues of Aviation Sustainability and Participation for Developing Countries





# Existing State aid, subsidies and other support for airlines

- direct / generic
  - indirect
  - implicit
- 



# Is there a better way to use airline subsidies :

- to improve access
- to stimulate economic development



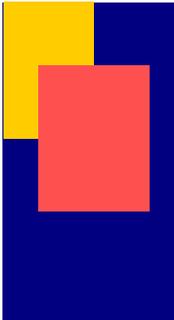
# The Challenge

Essential Air  
Services (EAS)  
Concept



Essential Tourism  
Development  
Route (ETDR)  
Concept

A regulatory scheme  
to apply each concept



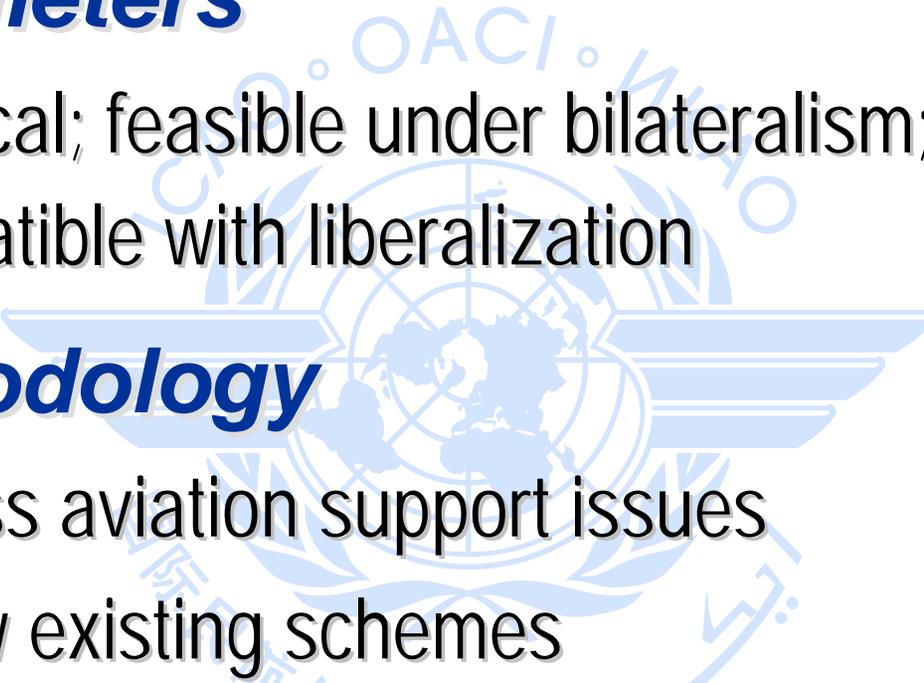
# Study of an Essential Service and Tourism Development Route (ESTDR)

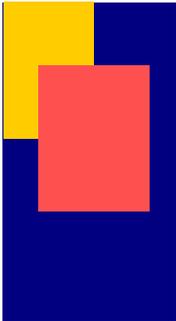
## Scheme

### *Parameters*

- practical; feasible under bilateralism;  
compatible with liberalization

### *Methodology*

- discuss aviation support issues
  - review existing schemes
  - construct regulatory scheme for States to use  
(including model clause)
- 
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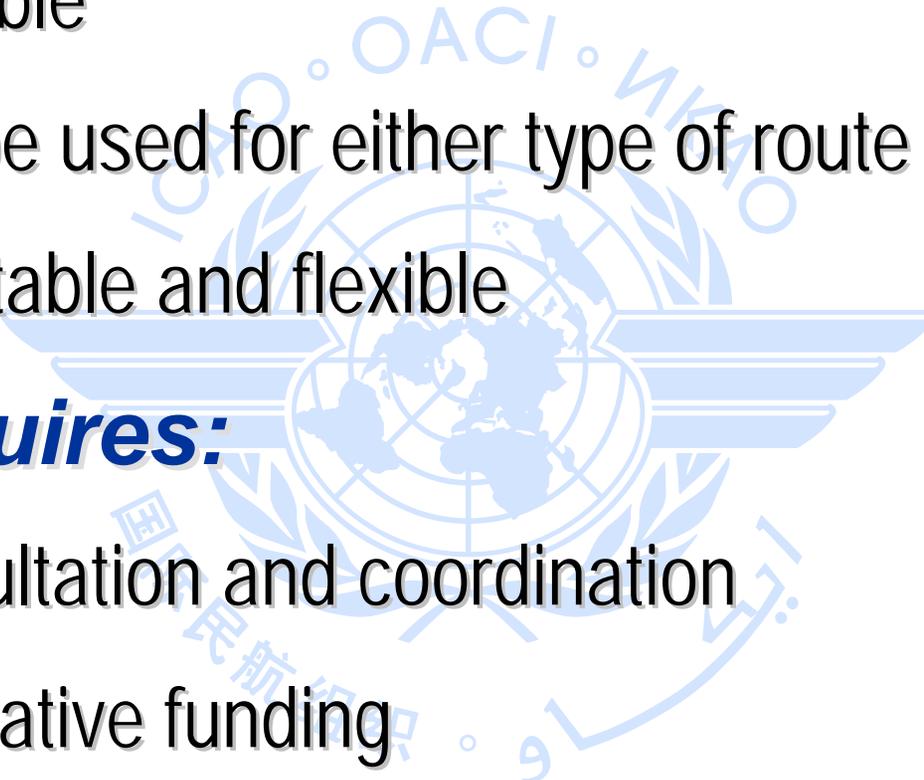


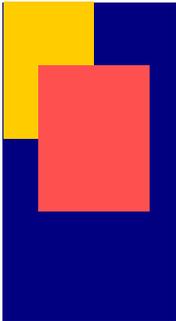
# Findings

## *It is:*

- possible
- can be used for either type of route
- adaptable and flexible

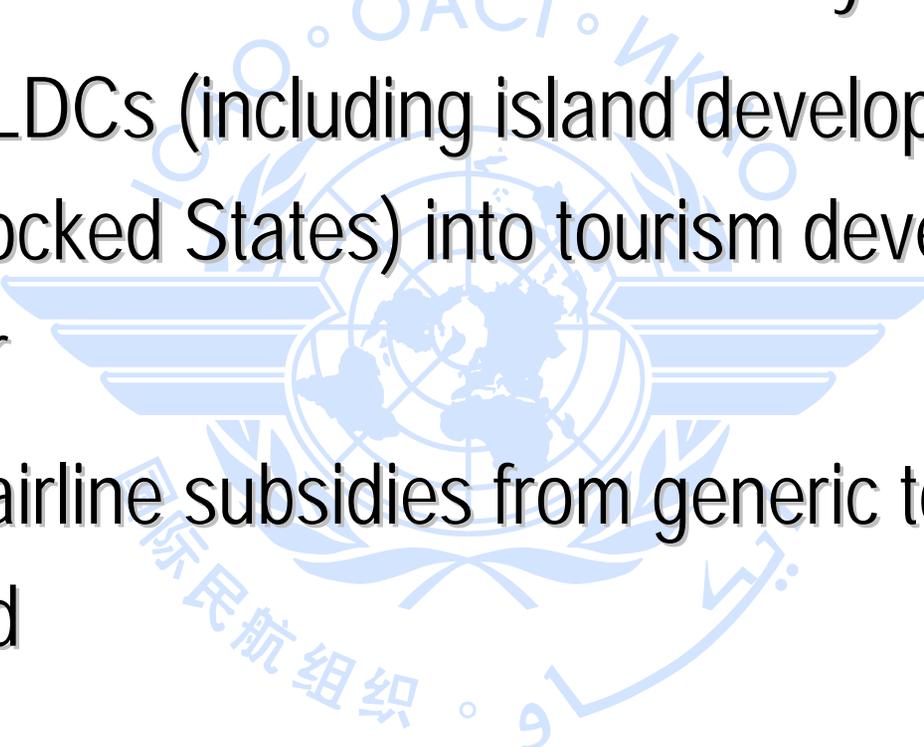
## *It requires:*

- consultation and coordination
  - innovative funding
- 



# Benefits

## *It should:*

- improve access and sustainability
  - plug LDCs (including island developing and landlocked States) into tourism development better
  - shift airline subsidies from generic to route-based
- 



**Study available by end June 2005 on  
ICAO website**

<http://www.icao.int/icao/en/atb/ecp>

