Promote Opening and Cooperation Among Many Nations through Civil Aviation

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The size of the industry in 2014

- 3.3 billion passengers
- 50 million tonnes of freight
- Over 1,000 scheduled airlines
- 26,700 aircraft in service
- More than 4,000 airports
- 170 air navigation centres

Traffic is for scheduled services
Since 2010:
Asia/Pacific ranks 1st

Since 2012:
Europe ranks 2nd

Middle East has gained market share every year and is the fastest growing region

Passenger traffic:
Worldwide distribution

Analysis

- 5 States of Asia and Pacific in the top 15
- China ranks second in RPK traffic

Source: ICAO Annual Report of the Council

* For statistical purposes, China includes Hong Kong SAR China and Macao SAR China
Future trends

- **Air traffic will continue to grow**
  (at 4.6% annual average growth rate to 2030)

- **International share bigger than domestic**
  (64% of total traffic in 2030)

- **Asia/Pacific traffic grow at higher rate**
  (at 6.2% to 2030 against world average 4.6%)

- **China =>Major market, huge potentials**

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Economic contribution of air connectivity

<table>
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<tr>
<th>Direct economic impacts of aviation sector</th>
<th>Direct, indirect, induced and tourism economic impacts of aviation sector</th>
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<td>8.5 million Direct jobs supported by aviation worldwide</td>
<td>58.1 million Jobs supported by aviation worldwide</td>
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<td>$700 billion Direct Global economic impact</td>
<td>$2.4 trillion Global economic impact</td>
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Source: ICAO, Economic Contribution of Civil Aviation and ATAG

2014 data

2012 data
Regulatory developments

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...)

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 laws and practices, exchange forum for dialogue/cooperation between air transport & competition authorities and stakeholders)*
- Supporting aviation system bloc upgrades (ASBUs), and infrastructure development and regulatory oversight *(exploring new funding/financing mechanisms)*
Challenges in APAC

1. Capacity in airspace
   • Improve ATS infrastructure to correspond to traffic growth

2. Civil/military Cooperation
   • Enhance coordination mechanism between civil and military

3. Capacity and demands
   • Establish air traffic flow management capability to balance demands with capacity.

4. ATC systems
   • Implement ATC systems/tools to enhance safety and to minimize ATC human errors and reduce ATC workload.

ICAO China Cooperation

• China – Important Partner with ICAO
• Support for RSO in Beijing
• Large No of Chinese Secondments to ICAO
• Close Cooperation in ICAO program
• Commitment for supporting NCLB initiative
ICAO China Cooperation


- ICAO has worked closely with CAAC and Zhengzhou Government in supporting the development of Zhengzhou Airport Economy Zone (ZAEZ)

- ZAEZ willing to actively participate in ICAO air cargo projects and share the statistics with ICAO

ICAO China Cooperation

ICAO/CAAC Symposium on Low Cost Carriers

- 1st one held in Beijing, 5-6 Nov. 2013
- 2nd one held in Kunming, 23-24 October 2014

- Attended by government policy makers, regulators, the airline industry, airports and air navigation service providers, and other interested stakeholders
- 1st LCC symposium. Reviewed industry and LCC developments, and exchanged experiences and views on issues relating to policy making, regulatory practices, business models and strategies, infrastructure requirements and consumer interests.
- 2nd LCC symposium. Building on 1st event, discussed ways to fostering the common development of LCCs and legacy airlines in China”
One Belt One Road

- 2000 years old Silk Road
- Path-Breaking Initiative by Chinese Government
- Enhancement of Infrastructure & Routes to bring Aviation closure to people of developing countries
- Aligned to Five UN Principles of Peaceful Co-existence
- ICAO committed to support this initiative

Conclusions

- Aviation would continue to be a major driver of Economy
- Liberalization-widespread and will continue
- Industry undergoing transformation with dynamic market
- Traffic especially in Asia will continue to grow,
- Growth needs policy support, favourable environment
- Policy makers/regulators, Industry need to quickly respond to challenges & opportunities
- The Key to success is cooperation and collaboration

*ICAO’s role: Uniting Aviation to create a better environment for sustainable development of air transport*
More information available at: www.icao.int

THANK YOU, 谢谢！