



**Opening address
by the Secretary General of the
International Civil Aviation Organization (ICAO),
Dr. Fang Liu,
to the Second ICAO Air Cargo Development Forum**

(Zhengzhou, China, 5-7 September 2018)

Good morning everyone.

1. It is an honour for me to join you here in Zhengzhou, for this Second ICAO Air Cargo Development Forum.
2. 首先，我要感谢郑州市人民政府。这是郑州市第二次与国际民航组织合作，主办航空货运论坛。我还要感谢民航干部管理学院、郑州航空港经济区和振威会展公司。
3. 近年来，郑州大力建设航空枢纽，航空客运和货运都得到快速发展。空中交通的优势带动了郑州航空偏好型产业的快速发展，从而把郑州嵌入了全球产业链，促进了这个城市在经济、社会等各方面的蓬勃发展。我衷心希望郑州发展得越来越好，建成面向全球的航空新都市。
4. Zhengzhou's development is indeed another good example on how aviation provides the rapid worldwide transportation network to support the expectations of 21st century global commerce.
5. The safety, dependability, and speed of modern commercial aircraft permits businesses to be more responsive to the needs of their customers, which leads to greater international trade, economic growth, and job creation.

6. The air transport industry today supports more than 62.7 million jobs globally, generates over 2.7 trillion dollars in economic activity.
7. ICAO's latest data tells us that some 56.1 million tonnes of freight were transported by air in 2017.
8. This represents a growth rate of 7.3 per cent compared to 2016, which is the highest annual growth since 2011.
9. This makes 2017 quite a remarkable year for global air cargo, and one whose successes we much continue to emulate.
10. Growth here in the Asia Pacific region was even more impressive, at 7.9 per cent, and as we're here in Zhengzhou we may also wish to recognize that China's freight-tonne kilometres (FTKs) grew at a very impressive 11.5 per cent last year.
11. It is further noteworthy to add that while aircraft transported only 0.5 per cent of the total volume of goods traded internationally last year, this small volume nonetheless translated to 34.6 per cent of the total value of all goods shipped through all modes of transport.
12. This signifies for us that while the demand for air freight may be limited by cost, the commodities shipped by air have a much higher value per unit density.
13. In terms of the longer-term outlook, ICAO forecasts indicate that air freight volumes should grow at a robust annual rate of 4.2 per cent through to 2032.
14. Managing this growth effectively will require more collaborative and concerted efforts in three key areas, and ones which have seen some dramatic changes since we met here together four years ago.
15. The first of these areas pertains to the modernization of the regulatory framework to help remove impediments which can hinder the flow of global trade.
16. This has been being addressed by the increasing number of liberalized agreements which have further generated increased opportunities for growth in air cargo services.

17. Nevertheless, air cargo operators continue to face many regulatory and operational constraints.
18. These include limited market access or traffic rights under a large number of traditional air services agreements, focused mainly on passenger services and a combination of services, night curfews, and limited ground-handling rights.
19. While acknowledging the efforts being made by States and Regional bodies in liberalizing air cargo services, ICAO is also developing a specific international agreement to further facilitate this dynamic.
20. Our objective with this instrument is to help States modernize and harmonize their regulatory frameworks on a multilateral basis. With the support of Member States and the industry, I hope ICAO could expedite the process to develop such an international agreement.
21. We have also been taking advantage of global events to promote the benefits of liberalization.
22. One such event is the unique ICAO Air Services Negotiation event, commonly known as "ICAN" we hold annually.
23. ICAN's not only permit multiple air services negotiations to be conducted in a single location among diverse partners, but also feature workshops, interactive panel discussions, and seminars which are organized to promote the benefits of liberalization.
24. By the end of 2017, 142 States representing 74 per cent of ICAO's membership had utilized this facility on at least one occasion, and we expect a similar high-level of participation at this year's ICAN event in Nairobi, Kenya, this December.
25. The second key area we need to take note of is infrastructure.
26. There has been increased sensitization and focused efforts toward the development, expansion and modernization of aviation infrastructure based on the targets and long-term objectives we reflect in ICAO's Global Plans.
27. These activities have largely been in response to the tremendous growth now being forecast for global air transport, and to manage and mitigate any threats to the safety, security and efficiency of international aviation due to future airport or airspace capacity constraints.

28. ICAO has been working with States and industry to address current aviation development and infrastructure gaps.
29. Our goal is to help States to gain access to and address the needs and concerns of the donor and investment community, whether through more effective business case proposals or by establishing stable and predictable regulatory regimes.
30. With current consumer expectations for same day or next day delivery driving a great deal of today's growth in e-commerce and air freight, we cannot allow the speed and efficiency of commercial operations to be impeded due to network capacity shortfalls or other infrastructure-related risks.
31. The third key area is emerging technologies, and more specifically the use of unmanned aircraft to perform such tasks as parcel delivery.
32. Cargo drones may also be seen as preferred solutions for States which need to provide supplies and services to remote communities, as well as to transport high-value cargo at a low cost.
33. No matter the technological or operational innovation being considered, ICAO's role is to assure it is implemented safely and in line with our consensus-based Standards and Recommended Practices (SAPRs).
34. By focusing on and addressing these three key areas, on a collaborative and harmonized basis, we can improve the efficiency and cost-effectiveness of the air cargo operating environment and achieve or surpass the forecasted growth of these services.
35. But we can also do more to maximize related benefits, for example by modernizing and streamlining today's complicated customs and supply chain processes.
36. Another clear objective must be to evolve away from slow and costly paper-based documentation processes by employing new and much more efficient e-Air Waybills.

37. ICAO has been collaborating toward this aim with the World Customs Organization (WCO), through various initiatives including:
- The *Single Window concept*;
 - Optimized use of preload air cargo information (PLACI) data for risk analysis and aviation security purposes;
 - And greater harmonization with respect to the *Regulated Agent*, *Know Consignor*, and *Authorized Economic Operator* functions.
38. We must also remain cognizant of the fact air cargo operations are highly dependent on the availability of accurate data, in addition to communications and IT systems which are resilient against possible cyber-attacks.
39. As the recent events and developments we have prioritized in the face of cyber threats clearly attest to, ICAO is committed to addressing cybersecurity issues proactively, through a collaborative and harmonized global approach.
40. We must also continue to focus our attention on the ratification of the legal framework for global cargo operations.
41. The Montreal Convention of 1999, or ‘MC-99’ as it is often referred to, establishes a modern, fair and effective regime for air cargo transport.
42. As of today, however, only 132 out of the 192 ICAO Member States are parties to this important international legal instrument.
43. ICAO continues to advocate for swift government action in this regard, and I would therefore call on all States present here, and which have not yet done so, to ratify MC-99 at their earliest convenience.
44. The last issue I wish to highlight today relates to the proliferation of taxes and duties on aviation operations, including air cargo.
45. These have many negative long-term impacts, on both operators’ bottom lines and the ability of air services more generally to foster sustainable economic development.

46. The proliferation of these taxes is clearly at odds with ICAO policies, which seek to foster a reasonable and dependable generation of government revenues.
47. We must avoid the implementation of taxes and fees which can negatively impact the economic viability of air transport operators, and the value expectations of air transport customers.
48. Ladies and gentlemen, in concluding today I would like to encourage you all to take full advantage of the unique opportunity this forum offers to share your experiences and engage in insightful, results-driven discussions.
49. Considering the caliber of our speakers, I am confident that far reaching conclusions and recommendations will be determined here by the end of this event, and that they will help ICAO and your States and companies to define a practical, efficient and profitable future for air cargo operations.
50. Thank you.