



**Address by the Secretary General  
of the International Civil Aviation Organization (ICAO),  
Mr. Raymond Benjamin,  
to the  
Seventh Annual ICAO Air Services Negotiation Event (ICAN/2014)**

*(Bali, Indonesia, 17 November 2014)*

Honourable Minister of Transportation  
Secretary General of the Association of Southeast Asian Nations,  
Honourable Director General of Civil Aviation of Indonesia,  
Distinguished guests and delegates to ICAN2014,

Ladies and Gentlemen,

It is an honour for me to present opening remarks to you today as we convene our seventh ICAO Air Services Negotiation Conference, (ICAN), here in one of Indonesia's major centres of tourism and air transport.

I am pleased to note that a record number of States have gathered here in Bali, and that the World Tourism Organization is participating for the second time at ICAN, highlighting the enhanced cooperation between our two organizations.

I would also take this opportunity to welcome the participation here of the Association of the Southeast Asian Nations, ASEAN, which is participating for the first time in this meeting.

And last but certainly not least, let me please express my deepest appreciation to the Government of Indonesia for hosting this event in such a beautiful and supportive location.

I would like to begin by highlighting some of the key indicators and projections that are the focus of ICAO's strategic planning at the moment, both with respect to our dynamic host region, the Asia-Pacific, and from a more global perspective.

In contrast to many of the world's developed States, Asia-Pacific State GDP results were impressively 2.2 per cent above the world average in 2013.

This admirable performance, and the potential to which it points, are serving to bolster region-wide development and prosperity while supporting similarly strong growth projections for Asia-Pacific air transport.

ICAO currently projects that your Region's passenger traffic will grow at an annual rate of 6.2 per cent through 2030, in terms of revenue passenger kilometres (RPKs) performed. Freight traffic kilometres (FTKs) are projected to grow at a rate of 5.7 per cent annually during this period.

We may wish to note that this number represents international traffic almost exclusively, and that it is indicative of how aviation is helping to expand global market access for Asia-Pacific businesses.

An important aspect of air transport development in this region is the continued influence of low cost carriers (LCCs), which has grown rapidly in the past ten years. The LCC share in terms of seats offered increased from 4 per cent in 2004, to 21 per cent in 2013. This trend shows no signs of abating.

This level of growth supports what ICAO is projecting for the wider global context, where scheduled international air traffic is expected to double between now and 2030. Airlines and airports will need to carry 6 billion passengers on more than 60 million flights a year by that time, meaning that over 200,000 flights a day will need to be safely and efficiently managed by our global system, compared to the 100,000 we handle today.

Let me also remind you that aviation currently supports around 60 million jobs worldwide, generates more than two trillion dollars in economic activity, and on a yearly basis carries more than half of the world's one billion international tourists.

On the air cargo side we transport 35 per cent of world freight when measured by value.

The tremendous level of growth now being projected for our sector through 2030 points to the likelihood that more and more air service agreements will need to be reached between a greater number of States in the coming years, further supporting the essential value of ICAO's ICAN approach.

There is no doubt that Asian skies have drastically changed over the last few decades with the emergence of new carriers, and boosted by regional liberalization programmes. Between 2004 and 2013, progress in the liberalization of traffic rights, coupled with the 5 per cent compound annual economic growth rate for the Asia-Pacific, resulted in over 500 new international routes.

And let us not forget that the ASEAN air transport liberalization agreement, aimed at achieving a single open sky market by 2015, has paved the way for traffic growth in the region.

Key to much of this expected progress, here but also globally, will be the development under ICAO of new international agreements to facilitate the liberalization of market access, air carrier ownership and control, air cargo services, as well as ICAO's continued provision and enhancement of the ICAN facility to support States' efforts in international air transport liberalization.

As many of you are aware, ASEAN concluded a liberalized air transport agreement in 2011 with the People's Republic of China.

In addition, the European Commission and ASEAN adopted a Joint Declaration earlier this year in support of a new and comprehensive air transport agreement between the 28 EU members and 10 ASEAN States. This dialogue and cooperation pertaining to the Asia-Pacific aviation market is very encouraging, but we must also acknowledge that the market here remains segmented and that, in the face of globalization and increasing competition, there is still room for improvement.

I am encouraged that a growing number of States are looking to ICAO for leadership in modernizing the economic framework governing air transport liberalization, while safeguarding fair competition.

This is precisely why the 2014 ICAN programme includes a special panel session on the fostering of compatible regulatory approaches. I am certain that this new segment will encourage fruitful exchanges between competition authorities on desirable regulatory practices, the impact of different regimes, and on the development of more effective means to generate regulatory convergence.

Ladies and gentlemen, the agreements you will forge over the coming days will doubtless contribute to an improved economic environment for our industry. This, in turn, will lead to expanded commercial opportunities for air transport operators everywhere.

Our Organization is responding to the growing demand for greater freedoms for the industry, and for a multilateral approach to replace, eventually, the current bilateral system. We will also pursue more flexible measures for airline designation and authorization, foreign investment in national airlines, and airline access to international capital markets.

This goal, in the context of our wider ambitions to constantly enhance air transport connectivity and end-user satisfaction, will be an essential aspect of ICAO's continuing efforts to improve and refine the civil aviation economic framework.

In closing, I would like to mention that at last year's ICAN, which was held in Durban, South Africa, ICAO was able to facilitate more than 485 bilateral meetings and 450 bilateral air service agreements.

Without the centralizing aspect of the ICAN framework, these talks would have been much more logistically and financially burdensome for States.

Based on the number of attendees here today I am very confident that this year's event will enjoy a similar level of success.

Let us take full advantage of this opportunity then to share our experiences, exchange our views and engage in the most productive discussions possible.

Once again, I wish to thank the Ministry of Transportation of Indonesia for so graciously providing us with the venue for ICAN 2014, and I will take this opportunity to also thank the Ministry of Transport in Turkey for the kind offer to host our next ICAN in 2015.

I wish you, ladies and gentlemen, very successful negotiations.

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