



FORTY-SECOND PLENARY (TRIENNIAL) SESSION

(Strasbourg, 9-10 July 2024)

Agenda item 4: Presentation of the Focal Point reports

REPORT ON ECAC ACTIVITIES ON ECONOMIC MATTERS

(Presented by Damien Cazé, Focal Point for Economic matters)

SUMMARY

This paper presents the report on the 2022-2024 ECAC activities on economic matters, underlining the achievements of the various groups.

ACTION TO BE TAKEN

The Plenary Session is invited to note the main achievements in the economic field for the period 2022-2024.

Introduction

1. Economic activities in ECAC during the initial part of this triennium continued to focus on the broad-range of impacts of the COVID-19 crisis from a lessons learnt perspective and considering the recovery period for the aviation sector. Knock-on issues from the pandemic, including questions of longer-lasting turbulence in the labour market and the impact of this on the ability of the industry to operate services efficiently and without delays, were also significant features of the period. The result of this was that much discussion on economic matters, including stability and resilience, took place not only within the expert group, but also at Director-General level events such as the ECAC Forum and the 2023 ECAC/EU Dialogue with the air transport industry.

2. Wider economic and social issues also became a focus over this period, such as issues on the costs relating to sustainability and climate adaptation. These issues are likely to play a future role in the work of ECAC economic experts.

Organisation

3. The initial half of this triennial period saw the work continue as it had done under previous work programmes: with activities carried out by the Economic Working Group (ECO) and the Network of Chief Economists (NCE). In December 2023 (DGCA/161, 7 December 2023) Directors General agreed to the proposal of experts to merge the two groups for efficiency and to avoid unnecessary overlap in work and discussions. The activities are now consolidated under the Economic Working Group without change, to develop economic expertise in ECAC Member States and promote cooperation and mutual understanding with international partners, regional and international organisations. In addition, the European Coordination Group on Economic Matters aims at promoting pan-European priorities and positions in international meetings such as the ICAO Air Transport Regulation Panel and the Economic Commission of the ICAO Assembly.

4. Regarding the chairing of the Economic Working Group, Mr Mark Bosly (United Kingdom) entered his second and last mandate of chair in August 2023 and Ms Christine Mucina-Bauer (Austria) has remained throughout the period chair of the Economic Coordination Group on Economic Matters. Ms Ana Viera da Mata (Portugal) was chair of the Network of Chief Economics until December 2023.

5. The role of Focal Point for Economic matters has remained constant over this period, with Mr Damien Cazé (DGCA France) having held the role since his appointment in January 2021.

Implementation of the 2022-2024 work programme

6. The 2022-2024 work programme in the economic field identified the following objectives:

- To develop economic expertise in ECAC Member States; and
- To promote cooperation and mutual understanding with international partners, regional and international organisations.

Development of economic expertise in ECAC Member States

7. In line with this work programme, the Economic Working Group (consisting of Member States, and observers from IATA, ACI EUROPE, the European Commission and CANSO) continued to discuss the liberalisation of market access and established an informal group to put together a toolkit to provide ECAC Member States with guidance on

options to develop their own approaches to following the aspirational statement on liberalisation, under their own Air Services Agreements (ASAs). This toolkit will be presented to Directors General in 2024. The group also concluded its discussions started under the previous work programme period on the Multilateral Agreement on Commercial Rights of Non-Scheduled Air Services in Europe (Paris 1956), recommending no change to the existing arrangements.

8. Under the meetings of the Economic Working Group and Network of Chief Economists, and additional information sessions, information was shared and experiences exchanged in a number of economic matters including the financial and economic impact of COVID-19, airport charges, implementation of ASAs during COVID-19, implications for air services of Russia's invasion of Ukraine and labour and skills in aviation. In 2023, work was also started looking in more detail on business aviation and ground handling from an economic perspective; attempting to close gaps in the data that have made previous analysis difficult.

9. The Fifteenth ECAC Forum (Forum/15, 6 December 2022) considered whether the aviation sector had moved on from its crisis state during the COVID-19 pandemic and assessed the progress of its recovery. It discussed in detail challenges faced by the sector, in terms of capacity and in terms of operational and legal impacts of geopolitical events including the war in Ukraine.

10. The twelfth ECAC/EU Dialogue with the air transport industry, held in Valencia on 24-25 October 2023, continued the theme of sustainability from several points of view, taking a particular look at what is needed for the aviation sector to achieve long-term sustainability. The Dialogue was opened by the ECAC President Mr Alessio Quaranta, Mr David Benito (DGCA, Spain) and Mr Filip Cornelis (Director of Aviation, DG MOVE, European Commission). The discussion looked at the social, economic and environmental pillars of sustainability, in terms of practices already being put in place and considering whether this is enough to support the rhetoric. It was concluded that achieving true sustainability in European civil aviation requires a holistic approach. Main actions were captured in a formal outcomes statement published following the event.¹

11. Since 2022, two editions of ECAC News have included a focus on economic-related topics:

- ECAC News No 76 (Autumn 2022): Towards a Sustainable Aviation Recovery: Goals for the ICAO Assembly and beyond.
- ECAC News No 81 (Spring 2024): Adapting to Climate Change: building a resilient future for aviation.

Promotion of pan-European priorities and positions in international meetings

12. The European Coordination Group on Economic matters promotes pan-European priorities and positions in international meetings. The group, co-chaired by an ECAC Member State expert and the European Commission, coordinated the European contributions to ICAO events, including the Economic Commission during the 41st session of the ICAO Assembly (27 September–7 October 2022) and the 17th ICAO Air Transport Regulation Panel (ATRP/17, 16-18 April 2024).

13. The efforts ahead of the 41st ICAO Assembly in 2022 focused on developing strategies for ECAC, aligned where appropriate with the Economic Commission. The group

¹ <https://www.ecac-ceac.org/news/959-statement-of-the-2023-ecac-eu-dialogue-with-the-air-transport-industry>

prepared two working papers on: Future ICAO activities on economic matters; and ensuring ASAs continue to provide a predictable framework during crises impacting international aviation. Both papers were well supported at the Assembly and agreed to be considered under the Air Transport Regulation Panel (ATRP) work programme.

14. ECAC Member States did not submit any papers for the ATRP/17 (referenced above). However, five meetings between 2022 and 2024 were held to discuss inputs to be made by European members and observers, and the various proposals to be taken by the ATRP.

Action to be taken

15. The Plenary Session is invited to note the main achievements in the economic field for the period 2022-2024.

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