

**Declaration**  
**AACO/ IATA Aeropolitical Forum**  
**January 16, 2012**  
**Abu Dhabi**

Sponsored by 

AACO and IATA held an Aeropolitical forum under the kind sponsorship of Etihad Airways on 16 January 2012 in Abu Dhabi. More than 100 representatives of Arab Civil Aviation Authorities and Arab airlines attended the forum.

Forum discussions stressed the *importance of coordinating air transport relations with Europe, enhancing air transport relations among Arab states through the Damascus Convention, and the need for Arab airlines to train and invest in Aeropolitical specialists.*

On the other hand, the forum included a number of presentations on the *latest aviation regulations in Europe and the United States, and their impact on Arab airlines' operations in those two regions.*

The agenda of the forum was both delivered and moderated by industry experts from various domains from *Arab Civil Aviation Authorities, IATA, AACO, Association of European Airlines, and aviation academics.*

The forum was inaugurated by the opening speech of Mr. James Hogan, President and CEO, Etihad Airways, who highlighted the industry's current status, threats and opportunities.

**Messages from the Forum:**

**Outlook on the Arab Air Transport (Mr. Abdul Wahab Teffaha, AACO Secretary General)**

- Mr. Abdul Wahab Teffaha called for governments of the world to stop the re-regulation movements towards air transport, mainly in the EU and the US, especially regarding restrictions on market access, ownership & control of airlines, taxation and individual schemes, and highlighted the lack of effort to improve the infrastructure.
- On the Arab scene, AACO Secretary General called for ACAC to adopt a more aggressive approach towards implementing the Damascus Convention, consolidating the Arab position to have a unified set of interests in relations with Europe, and towards ownership of airlines, and the infrastructure in the Arab world in terms of air traffic management.
- Finally the Secretary General highlighted the shortage for Aeropolitical specialists in the Arab air transport industry.

**Threats and Opportunities in the International Economic Environment (Mr. Brian Pearce, Chief Economist, IATA)**

- Mr. Brian Pearce highlighted threats and opportunities of the industry, noting major threats that mainly reside in Governments' Policy costs, mainly taxation especially by European states seeking to raise revenues to try to compensate for the difficult economic situation in the Eurozone.
- Mr. Brian Pearce called the industry to make governments aware of the adverse effect of adding costs to the industry that result in damaging the economic development that air transport is a major driver of.

### **Business Impacts of Aeropolitical Affairs (Mr. Fathi Atti, Head of Government Affairs, Etihad Airways)**

- Mr. Fathi Atti shed light on the business opportunities created by a healthy aviation sector, and the contribution of this sector to the GDP quoting the UAE success story.
- Mr. Fathi Atti urged for addressing the shortage in human capital in the aviation sector, and for adopting new regulatory reforms to address the industry's cyclical demand by more stable regulations to support the aviation sector and enhance its benefits to the economy.

### **Discussion Session about Pan Arab Aviation Relations (Moderated by Dr. Majdi Sabri, IATA Regional VP MENA).**

- Prof. Dr. P.M.J. Mendes de Leon, Director International Institute of Air and Space Law, Leiden University, showed the benefits that liberalization in Europe brought to the consumer, and the EU aviation policy with Arab states that is a differentiated approach driven step by step and country by country, while there's a lack of an "EU Formula" i.e. there's no comprehensive or vertical approach for the EC to deal with the Arab world or Arab states.
- Mr. Abdullah Mohamed Anani, Director of Air Transport, ACAC, talked about the Damascus Convention and the need for its implementation, and relevant policy issues that need to be resolved.
- Mr. Juan Carlos Salazar G., Air Transport Advisor to D.G/ Acting Director of Air Transport, UAE GCAA, highlighted the UAE experience in Liberalization and called for multilateral liberalization movements like the Damascus Convention, Agenda For Freedom and others to be applied following a successful liberalized UAE policy and the benefits that policy brought to the economy.
- Mr. Vijay Poonosamy, Vice President International & Public Affairs, Etihad Airways, and Chair – IATA Industry Affairs Committee, called for governments to stop inhibiting airlines' ability to compete effectively, be it by charges and taxes, industry burdens, restricting access and cross border investments or their ability to have infrastructure access. Mr. Poonosamy asked for refocusing on the benefits that the aviation sector brings to national economies.

### **EU Passenger Rights & EU Airports Package (Mrs. Monique de Smet, Director, Government & Industry Affairs – Europe, IATA)**

- Mrs. Monique de Smet, Director, Government & Industry Affairs – Europe, IATA, highlighted the new EU "Airports Package" which is a set of three proposals for revised regulations one of which (on ground handling) reflects the interference of the EC at the micro level in the relations between contractors and airlines.
- In their slot proposal, the EC are diverging from the worldwide slots guidelines of IATA: the proposed changes of usage would add extra burdens to airlines at EU airports.
- Though there are some steps in the right direction, however there are mostly elements that add extra burden and restrictions to the operations of airlines at European airports.

### **Discussion session about Arab Aviation Relations with Europe (Moderated by Mr. Anthony Frances, Partner, Gates & Partners).**

- Dr. Raphael von Heereman, Vice President Aeropolitical Affairs, Qatar Airways, presented the pillars of the EU External Aviation Policy focusing on the divided approach towards Arab countries (Mediterranean and non-Mediterranean ones). Dr. Von Heereman concluded that only as a BLOCK would ACAC have a negotiation power.

- Capt. Aysha Al Hamili, Permanent Representative of the UAE on the Council of ICAO, ACAC Council Members Coordinator, showed the importance of liberalization for the airlines and ultimately for the consumer, and the hassles that are crippling the benefits of liberalization. Capt. Aysha called for more coordination between the Arab countries and the EU for the future conference on air transport to be held in 2013. Capt. Aysha strongly urged to move forward with the IATA Agenda for Freedom.
- Eng. Osama Mazahreh, Executive Director of Competition and Corporate Control, Jordan CARC, talked about the Jordanian experience in opening the skies with the EU and noted that it is too early to assess the economic impact of this liberalization to the Jordanian economy.
- Mr. Michel Adam, Manager Environmental Affairs, AEA, shed light on the lack of vision in airport capacity planning in Europe, and the cost of regional EU policies; highest airport charges in the world, annual ATM inefficiency of nearly 5bn Euros, annual ticket taxes of 5bn Euros, passenger rights legislation costing 4bn Euros annually, and the new cost item driven by the EU ETS. Mr. Adam called for an effective global regulatory framework in order to avoid damaging and distortive regional policies.

#### **European Regulations and State Aid**

- Mr. Jim Callaghan, General Counsel & Company Secretary, Etihad Airways, highlighted the fact that European carriers have traditionally and in some cases still are heavily supported by their governments.
- European state aid rules have been used as a barrier to competition, while allegations of state subsidies against the gulf carriers are false and anti-competitive.
- Mr. Callaghan urged European carriers to work with Gulf carriers to improve connectivity and offer better services to consumers.

#### **US DOT Regulations and Aviation Conventions Updates**

- Mr. Jeff Poole, Director Government and Industry Affairs, IATA, briefed the audience on US DOT regulations pertaining to passenger rights, safety, security, slots, and user fees and taxations that add burdens on the cost base of airlines.
- Mr. Michael Gill, Senior Legal Counsel, IATA, talked about three important conventions in aviation, their status in terms of implementation, and suggestions for reforming these conventions to extract maximum benefits.

#### **Aeropolitical Human Capital - The Next Generation**

- Mr. Ismail Albaidhani, Head of GLOBAL Partnership and Learning Innovation in IATA, Montreal, called for investing in Aeropolitical and industry affairs experts.

**Following the above mentioned regional and global messages by aviation experts, the forum agreed to call for the following:**

1. Arab states to enhance the pan-Arab aviation relations and to have a more sense of urgency and more leadership in implementing the Damascus Convention.
2. Arab states to work towards having a comprehensive approach for aviation relations with Europe, and regional industry stakeholders to work on developing a roadmap for these relations, while working on a comprehensive approach towards competitive cooperation between Arab and European airlines.
3. Industry Stakeholders to work on lobbying for moving forward with the Agenda For Freedom to ensure that 2012 is a new starting point for the Agenda For Freedom.
4. The forum strongly called as well for the development of an urgent curriculum to address the serious need and shortage of human capitals in the field of Aeropolitical and industry affairs professionals worldwide.

***Signed by:***

***- Ms. Manal Fares,  
AACO Manager Industry Affairs***

***- Mr. Jeff Poole,  
IATA Director Government and Industry Affairs***

***- Mr. Fathi Atti  
AACO/IATA Aeropolitical Forum Director 2012***