**Concept Note on the Ministerial Conference in Asia Pacific Region 2018**

**(Beijing, China, from 31 January 2018 to 1 February 2018)**

1. Air transport plays a major role in driving sustainable economic and social development. It directly and indirectly supports the employment of 63.5 million people, contributes over $2.7 trillion to the global Gross Domestic Product (GDP), and carries over 3.5 billion passengers and $5.3 trillion worth of cargo annually. The Asia Pacific (APAC) region with 32% of global passenger traffic and a growth rate of 9% in 2016 is now the largest, and fastest growing region. In terms of passenger traffic 11 airports of the Asia Pacific region are amongst the top 25 in the world. Similarly for cargo traffic, 7 of its airports are amongst the top 15.

2. Since the 1980s, the opening of formerly closed countries in Asia to global trade has massively stimulated the movement of both goods and people in the region. Demand for commercial aviation continues to be fuelled by a rapidly expanding middle class from emerging economies, which is predicted to grow passenger numbers from 2.2 billion people today to more than 5 billion in the next two decades. APAC is already home to 40% of the world’s middle class. This percentage is predicted to go up to above 65% by 2033. Free trade agreements (FTAs), air services liberalization, growth of low cost airlines, development of green field airports and capacity increase of existing airports as well as development of new tourism destinations in the region are some of the developments which have resulted in significant increases in flights between capital cities, and should enable the opening up of many secondary airports to intra-region flights in the near future.

3. Aviation achieves its impressive level of macroeconomic performance by serving communities and regions through clear cycles of investment and opportunity. Infrastructure development generates initial employment and the ensuing airport and airline operations generate new supplier networks, tourism influxes and access for local producers to distant markets. These burgeoning trade and tourism economies then continue to expand, fostering wider and more sustainable regional growth. It’s no mystery then why air traffic growth has so consistently defied recessionary cycles since the mid-1970s, expanding two-fold once every 15 years. Over the last few decades, aviation has transformed itself from a means of transport restricted for the rich and famous to a key driver of economic growth and employment.

4. But even as the speed and efficiency of the development of air transport significantly facilitates economic progress, its growth, under certain circumstances, can be a double-edged sword. In those circumstances when it outpaces the regulatory and infrastructure capacity needed to support its air traffic growth will lead to increased safety, security and other operational risks that will undermine confidence of the public, and negatively affect the States access to the economic benefits of aviation.

5. While the aviation industry in the Asian Region is growing at an unprecedented rate, the Universal Safety Oversight Audit Programme (USOAP) of ICAO and reviews by other international bodies indicate that several Contracting States in the region have not yet been able to establish an effective national safety oversight system. At the time of writing 19 out of the 36 States in the Asia Pacific region which were audited had an Effective Implementation (EI) of ICAO Standards lower than the global average. One State also had Significant Safety Concerns (SSC). This seeming contradiction that the APAC region represents both the highest traffic and the highest number of low EI states is a difficult challenge which needs to be addressed.

6. In the area of air navigation many States in Asia Pacific region have developed their own infrastructure plans tailored only to suit their own national needs. There was no regionally coordinated future plan or Air Traffic Management modernization programme, like the SESAR in Europe or NextGen in USA. With about 40 Civil Aviation Administrations providing Air Navigation services (ANS) in 50 Flight Information Regions (FIRs) with different equipment and varying levels of technology the need for regional harmonization in ANS is paramount. After several years of discussions, an Asia/Pacific Seamless ATM Plan was developed and endorsed by the 25th Session of the Asia Pacific Air Navigation Planning and Implementation Regional Group (APANPIRG/24) in June 2013. However, the realization of this plan is behind schedule and is not meeting the challenges of the huge traffic growth. The slow progress made in the areas of: development of new ATS routes; PBN implementation; Civil Military cooperation; and transition to AIM as well as the uneven pace of ATM/CNS modernization are a risk to the safe and orderly growth of traffic.

7. To meet the challenges of safe, efficient and sustainable aviation system, ICAO has developed the Global Air Navigation Plan (GANP) and the Global Aviation Safety Plan (GASP). The GANP enables integrated aviation planning at both the regional and national levels and implements a consensus-driven Aviation System Block Upgrade (ASBU) systems engineering modernization strategy tailored to the regional needs. In addition, it identifies non-technical issues, such as financial aspects, that need to be addressed in the near future. The GANP, along with the regional planning and implementation group that is tasked to coordinate its implementation, utilizes increased collaboration and partnership between all Stakeholders as it is critical to addressing the multidisciplinary challenges.

8. The GASP aims to assist States and regions in their aviation safety policy, planning and implementation activities in several ways: Firstly, it sets out the risk-based aviation safety objectives including specific goals and targets at the global level, providing safety managers and planners with clear, achievable and measurable goals to apply at regional and national levels. Secondly, it provides a framework to assist States and regions to make improvements in safety through the use of the four Safety Performance Enablers: standardization, collaboration, resources and safety information exchange. And thirdly, it outlines implementation strategies and best practice guidance material to assist States and regions in their efforts to tailor State and regional solutions to address the global objectives and priorities. The GASP calls for all States to have implemented effective safety oversight capabilities by the year 2017. This requires all Member States to have the resources as well as the legal, regulatory and organizational structures necessary to fulfill their fundamental safety oversight obligations. Regional safety priorities and targets have been endorsed at a high-level for most other regions as included in the Abuja, Bogota, Doha and Port of Spain Declarations for the Africa, Americas and Middle East regions. Attainment of these regional targets will establish a baseline of fundamental safety oversight maturity throughout all Member States, assuring consistency in the certification and ongoing safety surveillance of all aviation service providers, for the global implementation of the GASP priorities.

9. The No Country Left Behind initiative of ICAO has brought about a paradigm shift in our focus from striving for individual State excellence to a scenario where States and industry partners need to cooperate and collaborate to bring about collective improvements in safety and security standards. This sense of cooperation and collective focus is being established in most regions and is often reinforced in their regular Ministerial level meetings. Unfortunately Asia Pacific region has never had a Ministerial level regional meeting to discuss common issues relating to the critical and important aspects of safety and air navigation in order to foster cooperation and collaboration at the highest level of policy making.

10. Furthermore it is seen that while the regional targets and priorities have been formulated by the APANPIRG and RASG in the areas of air navigation and safety, the implementation of these targets is not consistent with the fast growth of traffic in the region. One of the reasons for slow rate of implementation may be attributed to a lack of strong ownership of these regional targets and priorities at the highest levels of individual State Administrations. To boost the implementation, it would be useful and timely to organize a Ministerial Level Meeting in 2018 to obtain high level commitment from all States to implement the safety and air navigation priorities of the region within a fixed time frame.

11. Some of the intended objectives for holding this Ministerial Conference are listed below:

1. The Ministerial Conference is expected to discuss and finalize a high level Declaration which would lend a clear direction and focus towards speedy development of safe and sustainable civil aviation in Asia Pacific region.
2. This would give a strong support to the Civil Aviation Authorities in the States to implement the priority programmes in terms of enhanced availability of resources.
3. The Declaration would send a very positive signal to the travelling public, industry partners and potential investors about the high level commitment from the States in the region in the areas of safety and efficiency of operations and air navigation services.
4. The Conference would also provide an unprecedented platform for a high level interaction between States Leaders which would potentially lead to building long lasting relationships between States especially in the areas of technical cooperation and assistance on a bilateral or multilateral basis.
5. The Conference would also agree to commit to elevate the priority of aviation the national development plans of all States in the region (in accordance with Assembly Resolutions A39-23 and A39-25).

12. The Conference is envisaged to be a two day event. The detailed program for the conference is being developed and would be shared very soon. As per the decision of the 53rd DGCA Conference, a draft Declaration has been developed in consultation with a Small Working Group comprising of Administrations representing China, India, Japan, Malaysia, New Zealand, Papua New Guinea and Singapore. The designated Small Working group presented their recommendations on the draft Declaration at the 54th DGCA conference in Mongolia in August 2017 which was fully supported by the DGCA Conference.

13. China has offered to host this Conference in Beijing, China from 31 January 2018 to 1 February 2018. Both the President of the ICAO Council and the Secretary General of ICAO have confirmed their participation. The ICAO Regional Office in Bangkok is closely working with CAA China to develop and finalize the programme and other logistics for this Conference.