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**Economic and Social Commission for Western Asia**

Expert Group Meeting on WTO Agreement  
on Maritime and Air Transport Services  
in the Arab Region  
Beirut, 9-11 June 1999

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10 JUN 1999  
SECRET SECTION

**AIR TRANSPORT SERVICES:  
THE POSITIVE AGENDA FOR  
DEVELOPING COUNTRIES**

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**TRANSPORT SECTION  
 SECTORAL ISSUES AND POLICIES DIVISION  
 ECONOMIC COMMISSION FOR WESTERN ASIA**

Expert Group Meeting on WTO Agreement  
 on Maritime and Air Transport Services in the Arab Region  
 9-11 June 1999  
 UN House, Riad El-Solh Square  
 Beirut, Lebanon



**Arab Civil Aviation  
 Commission  
 (ACAC)**



**International Civil  
 Aviation Organization  
 (ICAO)**

**Air Transport Services:  
 The Positive Agenda for  
 Developing Countries**



**Arab Air Carriers  
 Organization  
 (AAO)**



**United Nations  
 Conference on Trade  
 and Development  
 (UNCTAD)**

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 Chief Trade in Services Section  
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**Arab Academy for Science,  
 Technology and Maritime  
 Transport**



**The Arab Federation  
 of Shipping**



**World Trade  
 Organization  
 (WTO)**



**International Chamber  
 of Commerce  
 in Lebanon**



**IATA  
 International Air  
 Transport Association**



**Ministry of Transport  
 Lebanon**



**MEA  
 Middle East Airlines**



# Development concerns ATS

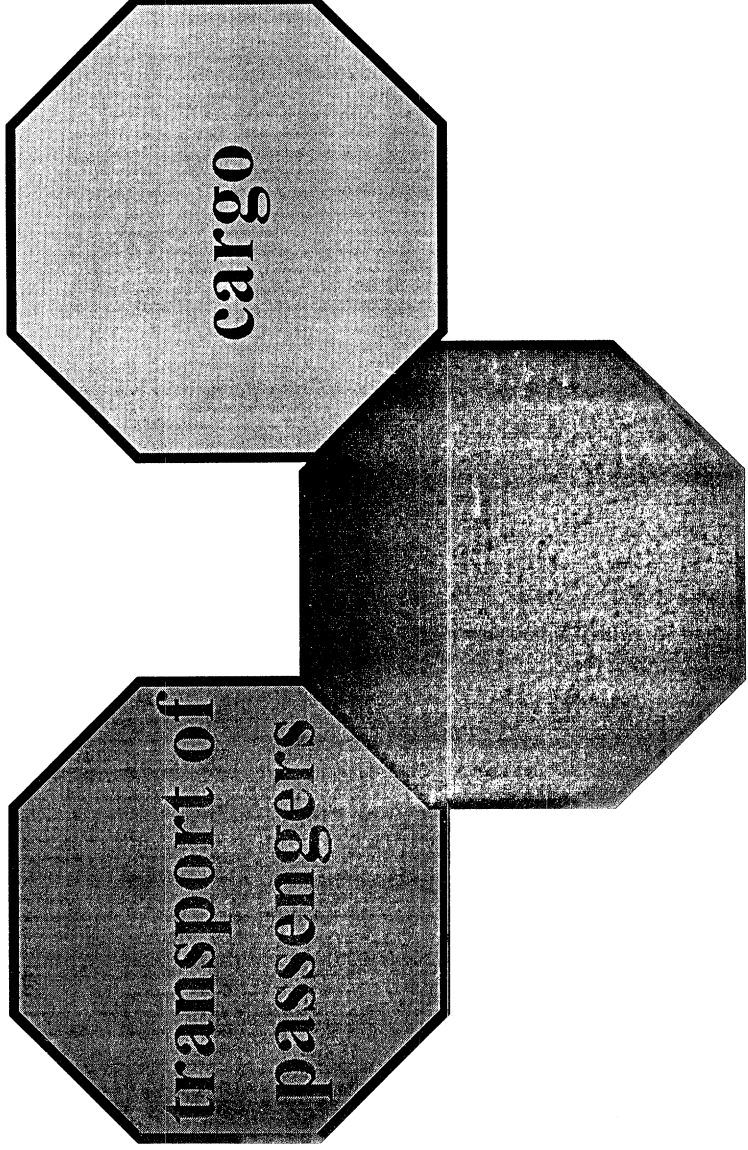
- National security
- Granting supply of domestic services
- Support to tourism
- Being connected with the rest of the world

# Challenges of developing countries

- Reconciling conflicting interests
- Increase their participation in international trade in goods and services
- Effective participation in future negotiations on services
- Positive agenda on ATS

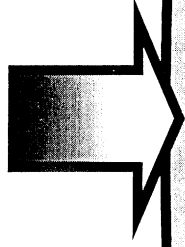
## EXPERT MEETING ON AIR TRANSPORT SERVICES

Trade in Air Transport Services  
(ATS) encompasses:

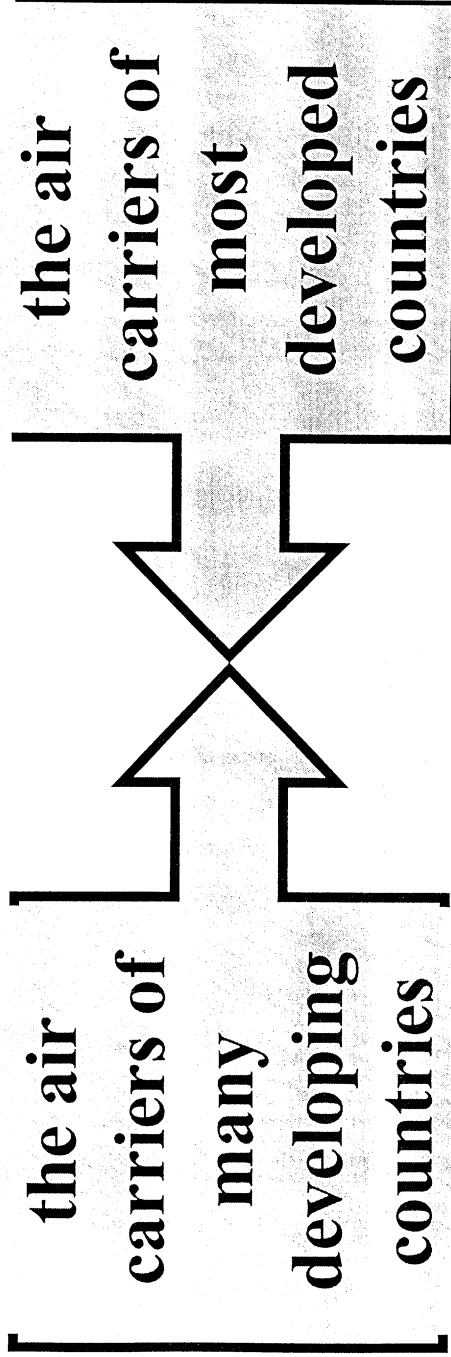


**EXPERT MEETING ON AIR TRANSPORT SERVICES**

Past and future trends in ATS:



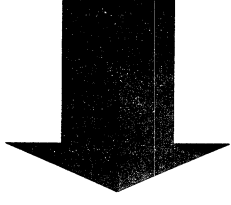
**disparity in the competitive situations  
between:**





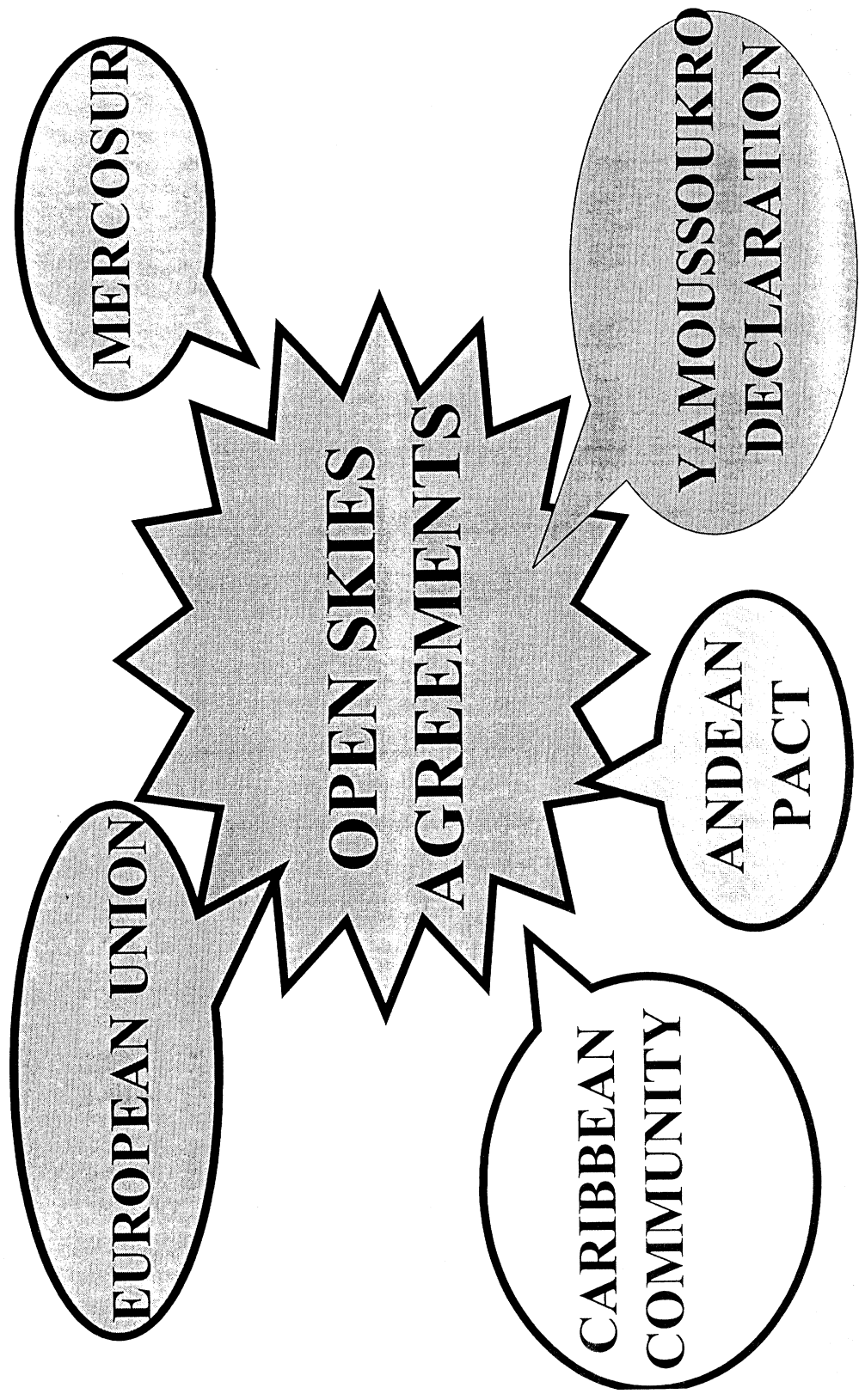
**EXPERT MEETING ON AIR TRANSPORT SERVICES**

**governmental  
decisions, notably  
those determining  
the type and  
extent of  
economic  
regulation of  
airlines**



**The shape  
and size of  
air transport  
systems are  
affected by**

**EXPERT MEETING ON AIR TRANSPORT SERVICES**

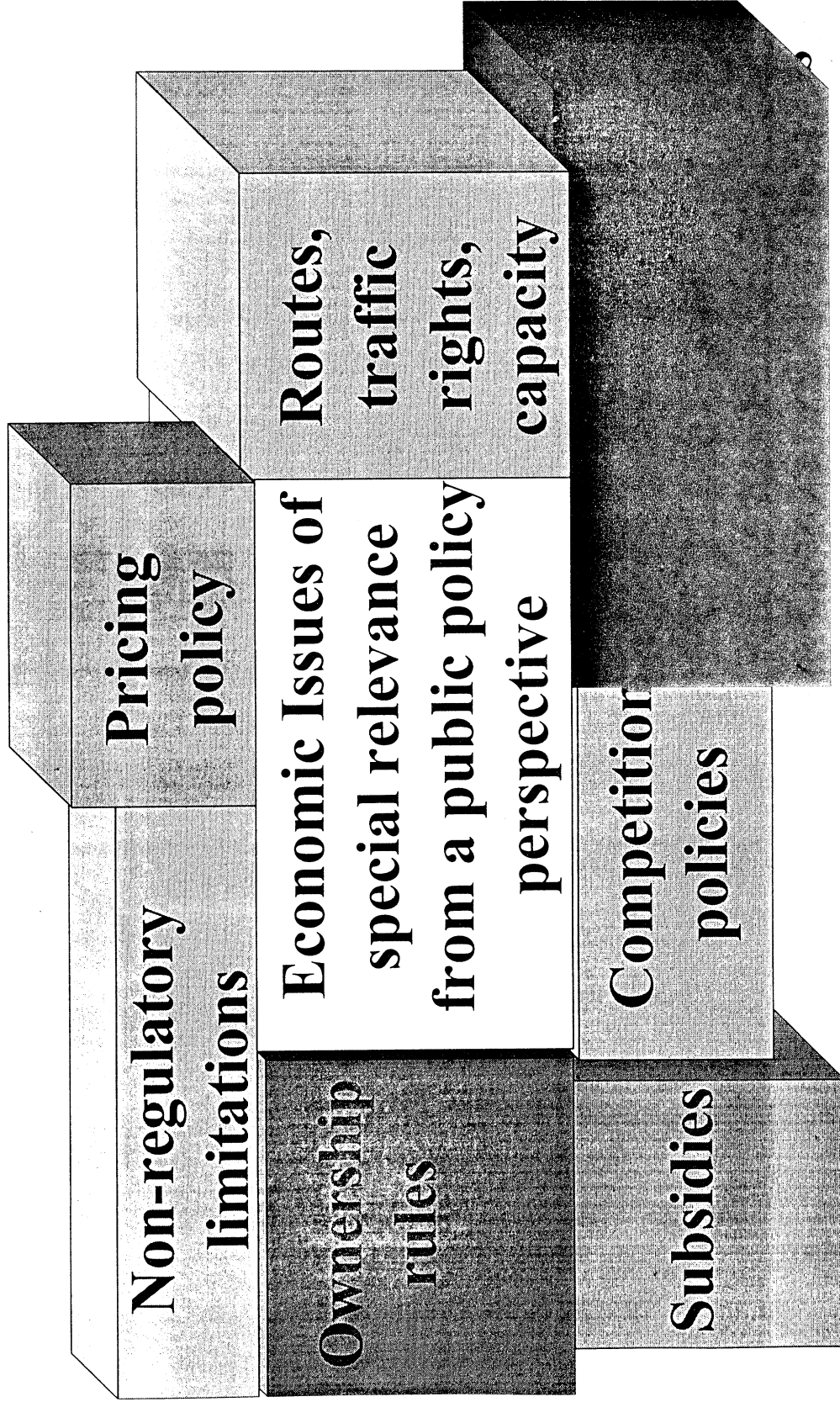


**EXPERT MEETING ON AIR TRANSPORT SERVICES**

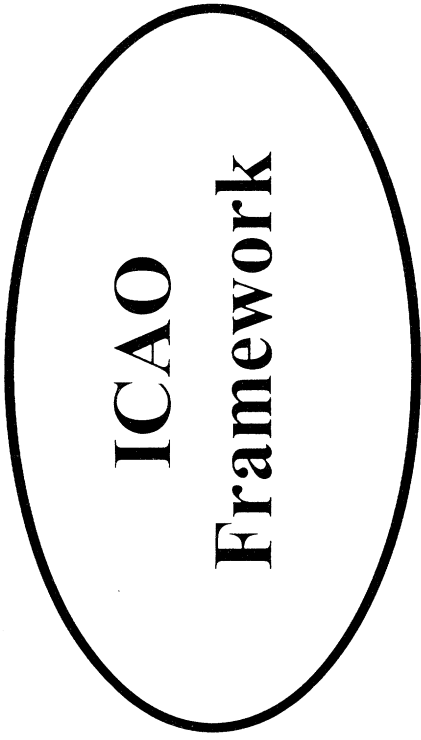
**Expansion of  
participation of  
developing  
countries in trade**

**Pro-active attitude on  
several fronts at the  
domestic and  
international markets**

**EXPERT MEETING ON AIR TRANSPORT SERVICES**



**EXPERT MEETING ON AIR TRANSPORT SERVICES**



**Increasing participation rather than providing protection**

**Non preferential measure and safeguards**

# *Potential preferential measures*

- Asymmetric market access;
- More flexibility in relation to capacity, code sharing, etc.;
- Trial periods;
- Longer phase-in of market access arrangements; ...

# *Potential preferential measures*

- Accelerated liberalization among developing countries;
- Waiver of ownership and effective control requirements;
- Waiver of restrictions on use of leased aircraft; ...

# *Potential preferential measures*

- Preferences in the use of airport slots;
- Longer phase in periods for liberalization in the areas of ground handling, currency conversion and remittance, employment of nationals and CRS.



EXPERT MEETING ON AIR TRANSPORT SERVICES

REVISION OF THE ANNEX:

MAIN ISSUES

~~“The Council for Trade in services shall review periodically, and at least every five years, developments in the air transport sector and the operation of this Annex with a view to considering the possible further application of the agreement in this sector.”~~

EXPERT MEETING ON AIR TRANSPORT SERVICES

**What can be done under  
the existing parameters?**

**EXPERT MEETING ON AIR TRANSPORT SERVICES**

**POSITIVE AGENDA OF ATS FOR  
DEVELOPING COUNTRIES**

**Key points**

- **Parameters for further liberalization;**
- **GATS disciplines: competition (Art. IX), Safeguards, Subsidies (Art. XV);**
- **Effective link between Art IV and XIX;**

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**EXPERT MEETING ON AIR TRANSPORT SERVICES**

- **Incorporation of certain air traffic rights**
- **Dispute settlement mechanisms that would be applied to ATS**

**UNCTAD  
EXPERT MEETING ON AIR TRANSPORT  
SERVICES  
GENEVA 21-23 JUNE 1999**

**“Clarifying Issues to Define the  
elements of the Positive Agenda of  
Developing Countries  
as regards both the GATS and the  
specific sector negotiations of interest  
to Them “**

