

Statement

by

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at the 9th Working Group on Civil Aviation and Director-Generals Meeting

18-19 May 2015, Kuala Lumpur - Malaysia

Honourable Chief Guest,

Distinguished Delegates,

Ladies and Gentlemen,

On behalf of the Developing Eight Organization for Economic Cooperation (D-8), I would like to welcome you all to the *9th Working Group on Civil Aviation and Director-Generals Meeting*. It is a great honour for me to participate in this important Meeting.

At the outset, I would like to extend my heartfelt gratitude to the Government of Malaysia, especially to the Department of Civil Aviation of Malaysia, for their warm hospitality and this well-prepared Meeting, providing us with this wonderful venue in the capital city of Kuala Lumpur. We are looking forward to a good meeting, fruitful discussions, and a solid outcome.

Distinguished Delegates,

To begin with, I would like to highlight on the global aviation industry. The global airline industry continues to grow rapidly, but consistent and robust profitability is elusive. Measured by revenue, the industry has doubled over the past decade, from US\$369 billion in 2004 to a projected \$746 billion in 2014. Much of that growth has been driven by low-cost carriers (LCCs), which now control some 25 per cent of the worldwide market and which have been expanding rapidly in emerging markets; growth also came from continued gains by carriers in developed markets.

That is largely due to the complex nature of the business, manifested in part by the significant degree of regulation and the vulnerability of airlines to exogenous events that happen with great regularity, such as security concerns and volatile oil prices.

Given these unique circumstances, D-8 civil aviation cooperation must continue to focus on top-line growth because the limited profitability depends almost solely on revenue gains, while increasing productivity in order to shore up and perhaps even increase margins.

Looking back to our past performance, I can say that we have made some progress at the Eighth Meeting in August last year particularly by proposing Multilateral Agreement on Air Service among the D-8 Member States. If this is concluded, it will set up necessary institutional framework and foundation for the future activities of the D-8 civil aviation cooperation.

The Meeting also provided the opportunity for each civil aviation authority from D-8 Member States to exchange their views on capacity building which we all hope would be utilized along the way. Drawing on the past work, we have a few specific issues to address here at the 9th Meeting as follows:

- Encourage each Task Force to create a viable action-plan along with concrete projects and programmes/capacity building with specific timeframe; Task Force to take a strategic systems approach-linking progress in respective Task Forces For instance, capacity building on safety and security, workshops on commercial issues (e.g. low cost carrier), air services management, etc.
- Discuss and conclude the draft of the multilateral agreement on air services among D-8 Member States;
- The selection of new chair of the Working Group for the next one year period and Date and venue of the 10th Meeting of D-8 DGCA.

These are issues which required attention among the D-8 Member States to ensure continuity in the future work of the D-8 Civil Aviation cooperation. Moreover, the assessment of our previous works and creating workable action plan to implement of Memorandum of Understanding (MoU) on D-8 civil aviation cooperation are vital in order to evaluate the progress development as well to streamline the way of works in the field of D-8 civil aviation.

Distinguished Delegates,

My last word would be to urge all of you to focus on developing a good set of concrete project proposals and, once again, workable action plans in order to strengthen our civil aviation cooperation.

Finally, once again I thank the Government of Malaysia, especially to the Department of Civil Aviation of Malaysia for warm hospitality and arrangement of this meeting and I thank you very much for your attention and wish all of you every success in this Meeting.