Relations with the Russian Federation and China in the field of air transport

2005/2085(INI) - 11/03/2005 - Document attached to the procedure

PURPOSE : to develop a Community civil aviation policy towards the People's Republic of China with a view to strengthening co-operation and opening markets.

CONTENT : following EU enlargement in 2004, the EU is now China's largest trading partner. The Chinese air traffic market is among the fastest growing in the world. The average annual growth rate of air travellers in China has been approximately 16% between 1958 and 2002 and high growth rates are expected to prevail until 2020. China therefore offers a strong potential for growth also for airlines, aircraft manufacturers and service providers in Europe.

China is therefore expected over the next 10 years to become the largest Asian market and leading hub for air passenger traffic as well as for international cargo traffic thereby taking over Japan's current leading position.

As a consequence of the "open skies" judgements of the European Court of Justice on 5 November 2002, the bilateral agreements between Member States and China are unsustainable and need to be amended. The Commission has been given a "horizontal" mandate to negotiate with third countries such necessary corrections to bilateral agreements.

However, in view of (i) the growing importance of the Chinese aviation market, (ii) the difficulties encountered by individual Member States in seeking to bring bilateral agreements into conformity with Community law and (iii) the benefits of replacing the fragmented European approach in its relations with China with a co-ordinated and liberal approach, the Commission is of the view that it is now time to develop a wider range of opportunities between China and the Community in air transport.

In parallel to this Communication, the Commission therefore recommends that the Council would authorise the Commission to negotiate, on behalf of the European Community, a comprehensive Open Aviation Agreement with China. Positive exploratory contacts between the General Administration of Civil Aviation of China (CAAC) and the services of the European Commission were initiated in May 2004, which may serve as a good basis for entering into formal negotiations with China.

This agreement should establish an ambitious framework integrating industrial co-operation and wider aviation issues such as co-operation in the fields of aviation safety, security, air traffic management, technology and research as well as "doing-business" issues.