

Speech of Mr. Margus Rahuoja

- I am delighted to be here today among such esteemed speakers, addressing such an impressive audience. I wish to thank the CAAC for organising this prestigious event that this year again brings together global aviation leaders and provides a valuable podium for cross fertilisation of ideas.
- China is one of EU's most important strategic partners and we attach a lot of importance to our excellent transport relations. Obviously, we are interested in looking into how to better connect our two continents and how to make it easier to move goods, services and people.
- The recently launched One Belt One Road (OBOR) initiative is a testimony of the importance of improving connectivity between countries and regions. Within that context, it seems essential to jointly study and consider long-term Asia-Europe transport development plans in order to establish an efficient integrated transport system covering all transport modes. It is obvious that aviation is key in improving connectivity and linking our continents.
- Through this Forum event, the CAAC creates an excellent aviation platform for exchange of ideas that nurtures our reflections on responding to the global challenges and paves the way for further cooperation.

- And I know you will agree with me that the aviation market is going through profound changes these years which represent significant challenges. It is absolutely critical to develop and implement, jointly and individually, adequate responses to those challenges.
- [Jointly, because it is a small world and we are connected. Jointly, because we have a lot to gain from coordinated solutions.
- Individually, because we need everyone to engage and because we have specific areas where one size would not fit all and local fine-tuning would be needed.]
- Safety, market liberalisation ensuring a level playing field, sustainable development, connectivity, innovation, technological development and competitiveness are only some of the key challenges that we face in the aviation world today. Most of these issues should be handled with great care to ensure that they do not turn into two edged knives.
- Growth should not come at the expense of environmental deterioration. New technologies should speak to each other and be interoperable if we are to remain efficiently connected. Yesterday's successful business models may stop to deliver if they are not revised to take into account the changing conditions.

- In Europe, we are now working on addressing the challenges for the European aviation in a comprehensive way through an "Aviation Package" – with the aim to turn the challenges into new opportunities for growth.
- This Aviation Package/Strategy is expected to be adopted towards the end of this year and be complemented with measures and concrete proposals addressing both external and internal dimensions with the overarching aim of bolstering the competitiveness of the EU aviation sector.
- Nowadays the EU is an integrated aviation market and the regulatory matters are mainly decided at EU level. Therefore, we are of the opinion that the EU, as a whole, would have more to offer to key partners like China than what could be achieved through bilateral links with individual EU MS. Hence, one of the concrete proposals of the Aviation Strategy work could be a package of requests for new negotiating mandates for comprehensive air transport agreements with a number of key aviation partners.

- China and the EU have already established a solid aviation relationship which was reconfirmed and deepened by the signature in 2013 of a Letter of Intent (LoI) on cooperation in a wide range of areas between CAAC and the European Commission. The implementation of this significant engagement from both sides is on-going in parallel tracks of work.
- On the safety front, the awareness of the benefits that could be achieved through enhanced technical collaboration, has spurred discussions to explore how best to take this forward. And whereas an initial focus has been given to airworthiness it cannot be excluded that other areas of mutual interest may also be pursued. I think this forum presents a good opportunity to thank all those concerned (COM, EASA, CAAC) for their efforts, and to encourage them to continue on this path.
- We also came a long way in our discussions related to the EU designation of airlines and have come very close to reaching a common understanding. There are still some loose ends to tie but we hope to be able to initial a Horizontal Agreement in the near future. That would be an important and symbolic step forward in our relationship – but we wish to go much further with China in aviation.

- Taking into account the growth potential in the EU-Chinese aviation market for the benefit of both sides' aviation industry, we are now ready to launch a comprehensive €10m new EU-China Aviation Cooperation project.
- The new project – much more ambitious than previous cooperation projects - aims to enhance the aviation partnership between the EU and China through a broader set of activities and with a stronger involvement of the industry of both sides. Supporting the mutual development of our aviation industry and enhancing connectivity will be among the objectives of the new project.
- All of these developments are encouraging and should pave the way for further cooperation in a more formal framework. The next logical step for us would be to envisage a comprehensive air transport agreement between the EU and China.
- You will now see that this also nicely ties up (both in context and in timing) with the Aviation Strategy initiative that we are working on. It is perhaps too early to tell, but I believe that it would make a lot of sense to include key Asian partners among the potential candidates for new mandates for EU level negotiations. We have been conducting interesting and in-depth discussions over the past year or so with the 10 ASEAN Member States within the scope of the

EU-ASEAN Aviation Working Group. I am delighted to announce that ASEAN – with which China already has an air transport agreement – has expressed a strong interest in a bloc-to-bloc agreement with the EU.

- An EU-China comprehensive aviation agreement would also generate significant mutual benefits. We stand ready to jointly explore the mutual benefits of such an agreement and to see how it could best be structured to meet the needs of both sides and responds to any concerns there may be.
- It is our sincere belief that such agreement will facilitate the attainment of our common goals on connectivity and enable developing better and coordinated responses to the global challenges of the aviation world.
- Thank you for your attention.