Main conclusions

1. The creation of the Customs Union, the Common Transport Space and the Common Economic Space within EurAsEC opens up new opportunities for the development of cargo traffic, including transit, within the region and with third countries. Civil aviation is a key element of transport systems of EurAsEC member states. Therefore, the development of air transport potential is an important means of boosting economic integration and attracting transit cargo flows to EurAsEC’s Common Transport Space.

2. At present, civil aviation is the most dynamically developing mode of transport in most EurAsEC member states. This progress has been achieved through the harmonization of aviation standards, rules and procedures, and the consistent implementation of the Agreement on Civil Aviation and Use of Airspace signed in 1991 by all EurAsEC member states. The most dynamic sector is passenger transportation. The number of people transported within EurAsEC increased 2.5 times, while passenger kilometres grew 2.8 times in 2000-2010.

3. EurAsEC’s airfreight traffic is developing at a slower pace. Between 2000 and 2010, the freight turnover and traffic increased by 1.8 and 1.7 times respectively. Russia accounts for more than 90% of all air cargo traffic. Despite the significant distances between the states, the potential of civil aviation in this area is not fully exploited. In 2010, air transportation accounted for a mere 0.03% of the total tonnage of freight transported between EurAsEC member states (excluding by pipeline).

4. EurAsEC’s airlines play only a small role in Europe-Asia cargo transportation. Only one or two airlines, e.g., Aeroflot and AirBridgeCargo, regularly transport freight on these routes. AirBridgeCargo is the only carrier in EurAsEC that has a sufficiently modern fleet of Boeing-747 freighters to perform cargo operations between Europe and Asia via Moscow. AirBridgeCargo accounts for 42% of all cargo traffic in EurAsEC. The EurAsEC cargo transportation market is significantly smaller than those of many developed and developing countries. For example, in 2010 the Hong Kong airline Cathay Pacific transported twice as much freight as all of EurAsEC’s air carriers put together.

5. Foreign airlines are actively expanding their presence in EurAsEC’s cargo market. They account for one third of all freight loaded at EurAsEC airports. Transit through the region is constrained by a number of factors, the most significant of which is the condition of groundbased infrastructure.

6. The development of international airfreight traffic and transit in EurAsEC depends directly on the availability and condition of aerodrome infrastructure. Other problems that prevent the full utilisation of EurAsEC’s cargo traffic potential include the lack of modern cargo aircraft and government incentives to purchase and overhaul them, as well as the inability of EurAsEC logistics chains to accommodate air cargo traffic. Other obstacles include regulatory barriers, in particular restricted access to the market for airlines from other EurAsEC member states. These regulatory barriers result from the provisions of bilateral intergovernmental air traffic agreements entered into by EurAsEC member states.
7. EurAsEC's integration bodies need to pay much greater attention to the development of scheduled commercial cargo traffic. It is particularly important to begin implementing the Blueprint for the Formation of EurAsEC’s Common Transport Space with regard to air cargo transportation and the creation of a common transportation services market. The success of foreign integration associations in this regard suggests that practical steps to advance air transport potential (taking into account the establishment of the Customs Union and the Common Economic Space) should include the expansion of cooperation between EurAsEC member states in the area of civil aviation and the use of airspace, the implementation of joint programmes and the attraction of investments in the air transport sector. The key elements of this cooperation are described in the document *Main Areas of Developing Civil Aviation and Measures to Improve Flight Safety in the CIS Member States* approved by the CIS Council of Heads of Governments on November 22, 2007. The development of commercial cooperation between EurAsEC’s air carriers, in particular via aviation alliances, is also crucial. EurAsEC’s efforts to form the Common Transport Space should include, to a more significant extent, the development of air cargo traffic and transit within EurAsEC and with third countries.
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