



**AUSTRALIAN FEDERATION OF INTERNATIONAL FORWARDERS**

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## **Announcement from Dotars re air services arrangements with the EU**

The Department of Transport and Regional Services recently concluded initial air services negotiations with the European Commission and scoping discussions with the UK.

A draft 'horizontal' agreement between Australia and the EC has now been initialled. The initialled 'horizontal' agreement contains a so-called 'no-disadvantage clause' that will ensure that Australian carriers are not disadvantaged vis a vis European carriers. Aviation fuel taxes were not included in this agreement, as it was agreed that it would be more appropriately addressed in any future negotiations on a full aviation agreement.

During the talks the Australian delegation re-confirmed that the EC would seek a suitable mandate from EU Member States for comprehensive negotiations with Australia. Australia is now in a good position to move towards a liberalised agreement covering all aspects of air services arrangements with the EU.

Australia also confirmed that in the meantime, it is able to undertake full bilateral negotiations with key European countries, which had been blocked by the EC until the horizontal agreement issues were resolved.

Scoping talks were held with the UK to facilitate future formal talks to address capacity constraints, possible liberalisation of route and traffic rights via intermediate points, regional access arrangements and more flexible code sharing provisions. Given the imminence of the UK elections, formal negotiations with the UK were not possible on this occasion and scoping discussions were held instead. Australia however gained a commitment from the UK to engage in full negotiations as soon as the current UK elections are complete, subject of course to election outcomes.

Best Regards

**Brian Lovell**

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