

## **Abstract**

This thesis discusses the development of the regulatory order of international air transport liberalization and its impact on China. The study is timely in view of two major issues: the development of regulatory order of international air transport liberalization and the evolution of China's air transport liberalization. Under the global force of economic liberalization, diversification of the regulatory order of world air transport system exists. Back to the root where the international air transport rules came from, the Chicago Convention of 1944 constitutes the basic multilateral framework for the public law regime of international air transport regulation. However, for the reason that the Chicago Convention sticks to the principle of air sovereignty, the negotiation of more freedoms of air failed. Although universal agreement on the issue of freedom of air could not be achieved, states desire to establish and regulate international flights and commercial air services between and beyond their territories. They usually gravitate towards bilateral negotiations. Bilateral agreements play an important role for exchanging air commerce rights.

However, for the requirement of globe efficiency, the traditional model of bilateral negotiation is not enough to meet the need of air transport liberalization. The liberalization level is much higher than the one that Chicago Convention and bilateralism have achieved. Some big aviation countries, for example, U.S., Canada, EU, and some economic entities, for example, COMESA and CARICOM are calling for the further liberalization of international air transport. The so-called full liberalization has come forth, for instance, the EU-US "Open Skies" agreement, the air transport liberalization project of COMESA, and multilateral air services agreement of the CARICOM. Moreover, liberalization of international air transport has a much broader meaning in the framework of GATS. The "progressive liberalization" of international air transport is under the GATS negotiation process. All these liberalization issues have come forth. And the level of liberalization of air

transport needs to be higher under the wave of globalization. However, the regulatory order of the international air transport lacks efficiency and still faces obstacles and challenges.

Obviously, the international environment has more and more impacts on China's air transport system. In the meanwhile, China, as a huge potential aviation market of Asia, will undoubtedly play a more important role in world air transport system. The newest process on issues of modification of Sino-US air transport agreement of 2007, the recent negotiations of the China-US open skies deal in Washington D.C., air transport sectoral dialogues between China and EU, and the development of China, South Korea, and Japan aviation relationship, all these show that China's decisions are having great effects on the world's air transport order, and China is under pressure to provide greater market access and align its regulations with liberalized standards to assure a more level playing field for foreign carriers. The world needs China's participation into the campaign of international air transport liberalization. However, China as a developing country, many factors and reasons from the domestic market and aviation industry becomes barriers to the further liberalization. And after China entered into the WTO, more and more international obligations need to be fulfilled.

All these issues mentioned above are analyzed in the thesis. In dimension of the development of regulatory order of international air transport liberalization, several major questions are investigated in this thesis, for instance, what are the obstacles and challenges to the further liberalization, how to overcome these difficulties, and whether a universal agreement is needed in order to achieve the higher level of international air transport liberalization. Meanwhile, some major practical issues are analyzed in this thesis, for example, traffic right, market access, competition rules, code sharing and so on. In dimension of the evolution of China's air transport liberalization, several major questions are investigated in this thesis, for instance, what are the impacts of global air transport liberalization on China, what are the main barriers to the further liberalization of China, whether the legislation on air transport

are still weak and what are the legal challenges of Chinese air transport liberalization, and what are the international obligations of air transport liberalization that China is undertaking. Relevant findings and conclusions are made in the final chapter of the thesis.

### **Keywords**

International air transport liberalization, freedom of air, bilateral air service agreement, air transport deregulation, market assess, competition rules, code sharing