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AAPA 60th Assembly of Presidents / Resolutions

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AAPA Confronts Barriers to Air Transport Industry Growth and Profitability

Manila, Philippines – The economically dynamic and increasingly outward looking nature of the Asia Pacific region provides good cause for its carriers to maintain a broadly optimistic outlook on the future of the industry. However, barriers imposed by governments continue to threaten short-term profitability and maximum potential in the long-term.

AAPA remains resolute in its determination to confront these barriers and help deliver a more efficient industry that benefits their passengers. With no signs of traffic growth slowing despite global economic uncertainties and geopolitical instabilities, it is critical that such long-standing obstacles are finally removed. Leaders of AAPA member carriers gathered today at the 60th AAPA Assembly of Presidents meeting in Manila focused on a number of diverse issues, all of which are seen as serious obstacles to industry development in Asia and around the world.

On the aviation and the environment, Asia Pacific carriers have a long established reputation for investing in new generation aircraft that reduce CO₂ emissions and as a result, have good reason to celebrate the recent signing of the International Civil Aviation Organisation (ICAO) Carbon Offsetting & Reduction Scheme for International Aviation (CORSIA) agreement that will come into force in 2020. Key to its success will be ensuring that governments carry through with full support for the agreement to achieve global reach and minimise competitive market distortions. In addition, governments need to specifically commit to aviation infrastructure investments that keep pace with demand growth and environmental targets.

AAPA remains deeply concerned about safety oversight in the region, where carriers can sometimes find themselves subject to restrictions or even banned from operating to other countries, due to a lack of effective national regulatory oversight in line with accepted

international standards. As a result, the Association is re-iterating its call on governments to respect the primacy of ICAO standards and strongly support the 'No Country Left Behind' campaign which aims to address disparities in the quality of regulatory oversight amongst different states through improved implementation and compliance. In addition, AAPA remains opposed to the unilateral imposition of extra-territorial measures and operating restrictions, where airlines can find themselves being held responsible for the shortcomings of their national regulatory authorities.

Balancing the needs of passenger facilitation with security is a key issue where some government measures affect customer satisfaction and airline operations. Governments need to fundamentally rethink policies that should aim to strike a more reasonable balance between passenger facilitation and aviation security, such that unnecessary inconvenience and delays are minimised. The travelling public continues to be frustrated by a degraded travel experience as a result of increasingly complex, intrusive, onerous and inconsistent aviation security procedures. Advanced identity document technologies, including biometrics and machine readable travel documents have proved effective to help streamline passenger and crew processing, whilst strengthening aviation security. Unfortunately airport checkpoints continue to focus on high risk objects, but only provide limited capability to identify high risk travellers.

In addition to resolutions on these critical issues being adopted at the conclusion of the 60th Assembly of Presidents in Manila today, AAPA is making renewed calls on governments to avoid the imposition of unjustified taxes, and for much improved collaboration with the World Health Organisation in managing the impact of health pandemics, including Zika.

"Governments continue to misjudge the strength of negative sentiment held by Asian airline leaders about the unnecessary burden of misguided policies and unjustified taxation. Officials that continue to turn their back on repeated calls for a more reasoned approach are not only inflicting financial pain on Asian carriers that already operate under fiercely competitive conditions, but are also ultimately undermining their own national economic development and sustainability," said Mr Andrew Herdman, AAPA Director General. "Asia Pacific airlines have a unique opportunity to benefit from the economic and political rise of the region in the 21st century. To achieve this to its full extent, it is critical that governments work together with industry by removing barriers to industry growth and profitability."

RESOLUTIONS

Safety Oversight

Safety is the aviation industry's first priority, with national regulatory agencies responsible for the effective implementation of ICAO Standards and Recommended Practices (SARPs). AAPA is supportive of the ICAO 'No Country Left Behind' campaign which aims to address disparities in the quality of regulatory oversight amongst different states through improved implementation and compliance. Some states, including the United States and the European Union also evaluate the performance of other national aviation authorities in implementing effective oversight and compliance with international standards. As a result, some national regulatory authorities are taking punitive action against foreign air carriers when audits of their respective regulatory authorities identify deficiencies in the quality of regulatory oversight. AAPA does not believe the proliferation of multiple and overlapping international audits is the most effective way of achieving improvements in the quality of regulatory oversight and enhancing aviation safety.

AAPA calls on governments and their regulatory agencies to fully implement ICAO SARPs in a timely manner and also support the ICAO "No Country Left Behind" campaign to raise levels of regulatory oversight. The Association goes on to re-iterate the call on governments to respect the primacy of ICAO standards and guidance, whilst recognising that any additional restrictions should be based on transparent criteria and strong evidence, whilst taking into account their potential extra-territorial impact. AAPA also re-iterates the call on governments to allow foreign air carriers the opportunity to demonstrate that their safety systems and performance are in compliance with accepted international standards before imposing sanctions or restrictions on them.

Security

Air travel remains safe, secure and convenient for travelling passengers and air cargo. ICAO is recognised as the appropriate global organisation for formulating policies on aviation security, whilst individual states are responsible for ensuring that adequate and effective security measures are applied by government agencies, airports and aircraft operators. Strengthening aviation security remains a shared, global concern and addressing it effectively requires close cooperation and coordination between governments and other industry stakeholders. Governments need to fundamentally rethink their approach to aviation security, evaluating proposed measures within a proper framework of estimated costs and benefits to society.

AAPA re-iterates the call on governments to develop and implement risk-based, outcome-based aviation security regimes, which are more effective in matching the needs of the passenger and the air cargo supply chain. The Association goes further in calling upon governments to recognise the value of mutual recognition of respective security regimes to avoid unnecessary duplication of effort. Finally, AAPA urges governments and industry stakeholders to share data and information in a timely, transparent and open manner that enables the building of trust and the development of more cost effective security measures.

Environment

Governments meeting at the 39th ICAO Assembly in September 2016 agreed on a resolution to implement a global market based measure (GMBM) in the form of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) to address any annual increase in total CO₂ emissions from international civil aviation from 2020 onwards. Governments additionally committed to make further progress on aircraft technologies, operational improvements and sustainable alternative fuels. The aviation industry, coordinated by the Air Transport Action Group (ATAG), remains committed to ambitious environmental goals, to be achieved using a combination of technology, operations and infrastructure improvements, and alternative fuels supplemented by the GMBM. In the Asia Pacific region, which is already the world's largest aviation market, airlines have made significant fleet investments in the latest technology which will offer CO₂ emission reductions.

AAPA urges governments to fully support and participate in ICAO's CORSIA scheme to ensure it is global in scope, has environmental integrity and avoids competitive market distortions. The Association goes further in urging governments in Asia to commit the necessary investment in aviation infrastructure to keep pace with growth in demand to ensure improvements in operational efficiencies and reduction in environmental impact.

Passenger Facilitation

Governments meeting at the ICAO 39th Assembly in September 2016 agreed to further collaborate to define aviation security measures that are risk-based, appropriate and proportionate to the threat, with the implementation of efficient, operationally viable, economically and operationally sustainable measures that take into account the impact on passengers and on air cargo. Advanced identity document technologies, including biometrics and machine readable travel documents, and the mandatory provision of detailed information about passengers in the form of Advance Passenger

Information requirements, have proved effective to help streamline passenger and crew processing whilst strengthening aviation security. Security procedures are often cited as the least satisfactory aspect of the air travel experience, with airport checkpoints focusing on high risk objects and only limited capability to identify high risk travellers.

AAPA calls on governments to promote the use of available technologies and ensure that sufficient resources are allocated towards both inbound and outbound passenger and crew processing, so as to streamline passenger facilitation and enhance the overall travel experience. The Association goes further in calling on government agencies to work with all industry stakeholders, including airlines to maintain a practical balance between the need for effective security measures and the provision of efficient passenger facilitation. Finally, AAPA calls on governments to recognise the importance of effective implementation of measures in line with global standards established by ICAO and the benefits of mutual recognition of respective aviation security regimes, thereby responding more effectively to the needs of the passenger public.

Taxes and Charges

Airlines and the travelling public currently bear the burden of numerous taxes and charges imposed by governments, as well as monopolistic service providers and other agencies. Despite past exhortations, taxes on international air transport and charges on passengers continue to proliferate, several of which are clearly in contravention of ICAO policies on taxation. A number of airports and air navigation service providers (ANSPs) around the world have increased or are planning to increase user charges without proper consultation with stakeholders. In addition, a number of governments have recently introduced or increased taxes on air travel including Australia's Passenger Movement Charge and the UK Air Passenger Duty. The travelling public is often unaware of the variety and magnitude of such taxes or charges, especially when collected together with airfares.

AAPA renews the call on governments to carefully consider the overall economic effects of putting further financial strain on the travelling public and the aviation industry and to refrain from increasing the tax burden in any form. The Association calls on governments to adhere to ICAO policies on taxation and to avoid imposing unjustified or discriminatory taxes on international aviation. Finally AAPA calls on airport authorities and ANSPs to adopt transparent, fair and non-discriminatory charges in accordance with ICAO principles.

Health Pandemics

Health-related crises can have significant economic and social effects on all sectors of a country's economy, particularly travel-related industries including airlines, airports, hotels, restaurants, retailers, travel agencies and tourist sites. Past outbreaks of various viruses have demonstrated the need to manage both the direct and indirect consequences of a health pandemic. In response to recent virus outbreaks, the World Health Organisation (WHO) issued a strategic response plan which focused on preventing and managing medical complications caused by the Zika virus infection. Contrary to established global procedures, some countries require aircraft operators to put in place various measures with limited or no demonstrable public health benefit.

AAPA calls on governments and health authorities to collaborate and coordinate with WHO and other governments in managing the potential impact of health pandemics by focusing collective efforts and resources on fighting the spread of diseases at source and by properly informing and educating the travelling public. The Association additionally calls on governments and health authorities to avoid imposing measures on airlines that unnecessarily disrupt normal operations in ways that would have disproportionate impacts compared to the actual risk level.

ENDS

Association of Asia Pacific Airlines (AAPA)

The AAPA is the trade association for scheduled international airlines based in the Asia-Pacific region. The AAPA permanent secretariat is headquartered in Kuala Lumpur, Malaysia with international representation in Brussels and Washington, D.C. Collectively, the region's airlines carry 1,214 million passengers and 20 million tonnes of cargo, representing one-third of global passenger traffic and two-fifths of global air cargo traffic respectively, and thus play a critically important role in the ongoing development of global aviation.

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