

**ASSOCIATION OF ASIA PACIFIC AIRLINES
RESOLUTION NO. 6
Series of 2005**

**A RESOLUTION CALLING ON GOVERNMENTS TO CAREFULLY CONSIDER THE
ECONOMIC EFFECTS OF PUTTING FURTHER FINANCIAL STRAIN ON THE
AIRLINE INDUSTRY AND TO EXERCISE RESTRAINT IN INCREASING THE BURDEN
OF LEVIES ON AIRLINES AND PASSENGERS**

The AAPA ASSEMBLY OF PRESIDENTS, in its 49th meeting duly assembled,

RECOGNISING THAT:

- I. Air Transport is essential for global business and tourism, and plays an essential role in facilitating economic growth;
- II. Aviation's global economic contribution to world Gross Domestic Product (GDP) amounts to USD330 billion a year, and 5 million jobs globally are generated directly from the air transport industry;
- III. The global airline industry has undergone massive upheavals in recent years due to worldwide crises that have had a profound impact on international air traffic;
- IV. The commercial viability and stability of airlines is vital to the interest of global commerce and the economic progress of individual countries, including but not limited to tourism development, social, and trade development;
- V. ICAO provides guidance on taxation on international air transport set out in Doc 8632 "ICAO's Policies on Taxation in the Field of International Air Transport";
- VI. To promote sustainable growth, ICAO recommends that international air services should remain exempt from levies such as fuel taxes and similar charges, since these would simply be barriers to further economic development;

NOTING THAT:

- VII. A proposal for a mandatory tax on airline tickets to help developing nations in Africa was submitted at the 2005 UN World Summit, despite the existence of various other programmes to tackle poverty in the developing world through numerous organisations and agencies;
- VIII. The European Union's working paper released in September 2005 estimates that a mandatory tax on airline tickets as proposed above could curb demand for air travel and significantly hit airline profitability;
- IX. Airlines already have to bear the burden of many other charges imposed by uncompetitive service providers and other agencies; and

RESOLVES:

- X. TO CALL ON GOVERNMENTS to carefully consider the overall economic effects of putting further financial strain on the aviation industry, and to refrain from increasing the burden of aviation levies in any form.

APPROVED this 18th day of November 2005.

Certified correct:

Attested by:

ANDREW HERDMAN
Director General

PHILIP CHEN
AAPA Chairman – 2005