

**ASSOCIATION OF ASIA PACIFIC AIRLINES  
RESOLUTION NO. 5  
Series of 2009**

**A RESOLUTION AGAINST UNFAIR TAXATION**

The AAPA ASSEMBLY OF PRESIDENTS, in its 53<sup>rd</sup> meeting duly assembled,

RECOGNISING THAT:

- I. The global air transport industry is facing one of its most challenging and difficult periods, with unprecedented falls in traffic demand as a result of the global recession and weak consumer confidence undermining revenues, even as oil prices keep rising and represent the industry's largest cost item;
- II. Airlines have made strenuous efforts to reduce costs and streamline operations to match capacity with changes in demand;
- III. The International Civil Aviation Organisation (ICAO), which provides guidance on taxation on international air transport as set out in Doc 8632, "ICAO's Policies on Taxation in the Field of International Air Transport", discourages levies on international air services as these would inhibit further economic development;
- IV. AAPA has in the past adopted resolutions calling on governments to refrain from increasing the burden of aviation levies in any form, including Resolution No. 4, Series of 2008, "A RESOLUTION RENEWING THE CALL TO REFRAIN FROM MEASURES PUTTING FURTHER FINANCIAL STRAIN ON THE AIRLINE INDUSTRY";

NOTING THAT:

- V. The losses suffered by the global airline industry in 2008-2009 far exceed those experienced in previous downturns;
- VI. Airlines today already bear the burden of numerous taxes and excessive charges imposed by governments, as well as monopolistic service providers and other agencies;

- VII. In many cases taxes account for 15 per cent or more of the price of a typical ticket;
- VIII. A number of governments have announced plans to increase existing taxes, such as the UK Air Passenger Duty (APD) or introduce new ones, such as the US fee on foreign travellers from visa waiver countries;

**BELIEVING THAT:**

- IX. Punitive taxes on aviation in any form contravene ICAO's policies on taxation;
- X. Unwarranted taxes harm the travelling public by making air travel less affordable, and impose unwarranted costs on societal mobility and global trade;

**RESOLVES:**

- XI. TO RENEW THE CALL on governments and aviation service providers to carefully consider the overall economic effects of putting further financial strain on the aviation industry;
- XII. TO CALL on governments to refrain from unjustified tax increases and any further taxes that undermine aviation's vital role both in fostering global tourism, and acting as a positive driver of social and economic development;

APPROVED this 20<sup>th</sup> day of November 2009.

Certified correct:

Attested by:

ANDREW HERDMAN  
Director General

CHEW CHOON SENG  
AAPA Chairman – 2009