

**ASSOCIATION OF ASIA PACIFIC AIRLINES
RESOLUTION NO. 8
Series of 2016**

A RESOLUTION ON TAXATION AND CHARGES

The AAPA ASSEMBLY OF PRESIDENTS, in its 60th meeting duly assembled,

RECOGNISING THAT:

- I. Aviation is a key driver for social and economic development for all countries worldwide, supporting nearly 63 million jobs and \$2.7 trillion in economic activity;
- II. The International Civil Aviation Organisation (ICAO), which provides guidance on taxation of 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;
- III. Air transport pays for its own infrastructure costs;
- 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. 8, Series of 2015, "A RESOLUTION AGAINST UNFAIR TAXATION";

NOTING THAT:

- V. The 39th ICAO Assembly passed a resolution urging States to follow ICAO policies on taxation and to avoid imposing discriminatory taxes on international aviation;
- VI. Airlines and the travelling public today already bear the burden of numerous taxes and charges imposed by governments, monopolistic service providers and other agencies;
- VII. Despite past exhortations, taxes have been increasingly imposed by various States in respect of certain aspects of international air transport and charges on air passengers, several of which can be categorised as taxes on the sale or use of international air transport in contravention of ICAO policies on taxation;

- VIII. 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, further increasing the cost burden on airlines;
- IX. 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;
- X. The travelling public is often unaware of the variety and magnitude of such taxes or levies, especially when collected together with airfares;

BELIEVING THAT:

- XI. Airport and air navigation charges are often not subject to effective market competition;
- XII. Punitive or discriminatory taxes on aviation in any form contravene ICAO's policies on taxation;
- XIII. Excessive taxation on international air transport for the sole purpose of generating State revenues has a significant negative impact on society and the national economies of individual States;
- XIV. Unjustified taxes penalise the travelling public by making air travel less affordable, and undermine aviation's vital role in fostering global mobility and broader economic and social development;

RESOLVES:

- XV. TO RENEW THE CALL on governments to carefully consider the overall economic effects of putting further financial strain on the travelling public and on the aviation industry, and to refrain from increasing the burden of aviation levies in any form;
- XVI. TO CALL on governments to adhere to ICAO policies on taxation and to avoid the imposition of unjustified or discriminatory taxes on international aviation; and
- XVII. TO CALL on airport authorities and ANSPs to set charges which are transparent, fair and non-discriminatory in accordance with ICAO principles.



APPROVED this 18th day of November 2016.

Certified correct:



ANDREW HERDMAN
Director General

Attested by:



JAIME BAUTISTA
AAPA Chairman – 2016

