



International Civil Aviation Organization

**WORKING PAPER**

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EC/13  
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(Information paper)

## ASSEMBLY — 38TH SESSION

### ECONOMIC COMMISSION

#### Agenda Item 40: Economic Development of Air Transport — Policy

#### ECONOMIC TREATMENT OF INTERNATIONAL BUSINESS AVIATION

(Presented by the United States)

#### EXECUTIVE SUMMARY

The Sixth Worldwide Air Transport Conference recognized that business aviation is an important component of a comprehensive international air transportation system, and called on ICAO to develop relevant policy guidance. Compatible economic treatment among States will allow for the safe, secure, and orderly development of the business aviation industry at the global level. Recently, Asia Pacific Economic Cooperation's (APEC) Transportation Working Group (TPTWG) reached consensus on Core Principles for best practices in the economic treatment of business aviation operations.

**Action:** The Assembly is invited to take this information into consideration.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective <i>Environmental Protection and Sustainable Development of Air Transport</i> .
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	A38-WP/56, <i>Outcome of the Sixth Worldwide Air Transport Conference</i> ATConf/6-WP/64, <i>Facilitating the Development of International Business Aviation</i> ATConf/6-WP/104, <i>2.1 Final Report</i> APEC TPTWG/38, <i>AEG Final Report</i>

1. **DISCUSSION**

1.1 A robust international business aviation sector is an important component of a comprehensive international air transportation system, and helps to maximize the air transport sector's contribution to the global economy. The Sixth Worldwide Air Transport Conference recognized that business aviation is an important component of a comprehensive international air transportation system, and called on ICAO to develop relevant policy guidance.

1.2 Recently, Asia Pacific Economic Cooperation's (APEC) Transportation Working Group (TPTWG) reached consensus on Core Principles for best practices in the economic treatment of business aviation operations, with adoption anticipated by APEC Transportation Ministers at the APEC Transportation Ministerial Meeting in Tokyo. The relevant section of the TPTWG/38 Report is reproduced in the Appendix.

1.3 The Assembly is invited to take the above information into consideration.

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## APPENDIX

### EXTRACT OF REPORT OF APEC TRANSPORTATION WORKING GROUP (TPTWG/38) AVIATION EXPERTS GROUP Bali, Indonesia, July 1-5, 2013

#### Business Aviation Core Principles

Recalling that APEC Transportation Ministers, in the APEC 7<sup>th</sup> Transportation Ministerial Joint-Statement, urged the APEC Transportation Working Group (TPTWG) to focus expeditiously on identifying the benefits of business aviation and then work to develop and implement an APEC-wide set of agreed core principles that will apply to business aviation operations;

Appreciating the role business aviation can play in advancing APEC's broader goals of economic integration, trade facilitation, and development;

Noting that, for the purposes of this statement, the term 'business aviation' refers to the non-commercial use of aviation to facilitate and conduct business, examples of which include:

- a) an individual using his or her own aircraft;
- b) a corporation using its own aircraft(s) to transport employees and/or individuals with whom it is engaged in business; and
- c) the use by individuals or corporations of aircraft in which they possess an ownership interest;

Recognizing that the key commonality among these various types of operations, in terms of distinguishing them from commercial aviation operations, is that they are not held out for remuneration or hire;

Acknowledging that this is not a legally-binding document;

APEC Economies have reached consensus on the following core principles:

1. *“Business aviation operations should be treated, from an economic regulatory standpoint, as non-commercial, not-for-hire aviation. As such, they may have the freedom to fly within and between any points in all Economies, in accordance with an Economy's applicable requirements.”*
2. *“Any operating permissions for business aviation operations should be considered and acted upon in a timeframe suitable to their operational needs.”*
3. *“Consistent with ICAO standards and recommended practices, all governmental entities, e.g. customs, immigration, security, safety, etc, with jurisdiction over business aviation operations ought to recognize and treat these operations as part of non-commercial aviation.”*