



ASSEMBLY — 38TH SESSION

ECONOMIC COMMISSION

Agenda Item 40: Economic Development of Air Transport — Policy

CORE PRINCIPLES ON CONSUMER PROTECTION
SINGAPORE'S PERSPECTIVE

(Presented by Singapore)

EXECUTIVE SUMMARY

The Sixth Worldwide Air Transport Conference recommended that ICAO develop a set of high-level, non-prescriptive core principles on consumer protection, which strikes an appropriate balance between protection of consumers and industry competitiveness, and which takes into account the needs of States for flexibility, given their different social, political and economic characteristics. These core principles should be consistent with existing instruments, in particular the Convention for the Unification of Certain Rules for International Carriage by Air, adopted in Montréal on 28 May 1999.

To contribute to deliberations at ICAO on the development of the proposed set of core principles, this paper presents a set of core principles for consideration based on Singapore's experience.

Action: The Assembly is invited to:

- a) note the core principles on consumer protection outlined in this paper; and
- b) request ICAO to take them into consideration in its development of a set of high-level, non-prescriptive core principles on consumer protection in line with the recommendation of ATConf/6.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective C – <i>Environmental Protection and Sustainable Development of Air Transport.</i>
<i>Financial implications:</i>	No financial implications.
<i>References:</i>	Doc 10009, <i>Report of the Sixth Worldwide Air Transport Conference (ATConf/6)</i> A38-WP/56, <i>Outcome of the Sixth Worldwide Air Transport Conference</i>

1. INTRODUCTION

1.1 The Sixth Worldwide Air Transport Conference (ATConf/6) recommended that ICAO develop a set of high-level non-prescriptive core principles on consumer protection, which strikes an appropriate balance between protection of consumers and industry competitiveness, and which takes into account the needs of States for flexibility, given their different social, political and economic characteristics. These core principles should be consistent with existing instruments, in particular the *Convention for the Unification of Certain Rules for International Carriage by Air*, done at Montréal on 28 May 1999 (Doc 9740).

1.2 To contribute to the deliberations at ICAO on the development of a set of core principles on consumer protection, Singapore would like to propose for consideration a set of core principles based on our experience.

2. CONSUMER PROTECTION IN SINGAPORE

2.1 At ATConf/6, Singapore tabled a paper outlining our three-pronged approach to safeguard the consumer interests of air passengers. First, under a national-level consumer protection framework, the government has enacted legislation that balances the interests of consumers and businesses, and the costs of regulatory enforcement¹. This approach encourages the travelling public to be pro-active, self-reliant and discerning in the purchase of air transport services, which is a more sustainable consumer protection approach in the context of resource-scarce Singapore.

2.2 Secondly, Singapore advances consumer interests through its liberal air services policy that has fostered a vibrant and competitive air transport market² that compels airlines to promptly and effectively respond to customers' needs and expectations on service quality. The market in Singapore has thus proven able to match consumers with airlines that offer their desired service standards, with consumers having enough choice in different fare-service trade-offs offered by various airlines.

2.3 Thirdly, as the growth of low cost carriers (LCCs) stimulates new demand for air travel amongst consumers who may not be fully familiar with the LCC product or have mismatched service standard expectations, the Civil Aviation Authority of Singapore has been working with the Consumers Association of Singapore to educate consumers on the key aspects of air travel, including what to look out for when purchasing air tickets and the avenues of recourse in the event of airline service lapses. Consumer education thus forms a key thrust that helps the travelling public make more informed choices so as to narrow the gap between consumers' expectations and LCC service levels.

¹ In line with this national approach, the Civil Aviation Authority of Singapore does not impose additional sector-specific consumer protection regulatory measures beyond the implementation of the 1999 Montréal Convention. Consumers affected by airline service lapses have various means to seek resolution. They can take up the matter directly with the airlines; and if transactions were carried out in Singapore, seek assistance from the Consumers Association of Singapore (CASE, a non-profit, non-governmental mediation body that looks at promoting fair and ethical trade practices), or lodge a claim with the Small Claims Tribunal, a Subordinate Court of Singapore established to provide a quick and inexpensive forum for the resolution of small claims (less than S\$20,000 made within a year of purchase) as provided under the Consumer Protection (Fair Trading) Act.

² Served by more than 100 scheduled airlines with more than 6,000 weekly flights.

3. **SOME SUGGESTED CORE PRINCIPLES**

3.1 Based on our experience, Singapore would like to contribute the following high-level, non-prescriptive principles for ICAO's further consideration in the development of core principles for consumer protection. These cover three key areas, namely (i) optimising consumer benefits through market competition; (ii) providing passenger access to information and consumer education; and (iii) ensuring compatibility with the national consumer protection regime and international agreements.

3.2 **Competition**

3.2.1 A competitive air transport market should be fostered to harness market forces to improve carriers' fare and service offerings, as well as to provide passengers more choice in fare-service trade-offs to select a product that best meets their expectations.

3.3 **Information & Consumer Education**

3.3.1 Information relating to fares, taxes and charges (including for any special travel assistance), passengers' contractual rights and actual operating carrier (for code-share services) should be made available to passengers prior to the purchase of tickets. In the event of service disruptions such as flight delays and cancellations, relevant information should be provided promptly to affected passengers. This could include the nature and duration of the delay, the nature of the cancellation and, where applicable, any compensation, care & assistance, re-routing or refunds.

3.3.2 To help air passengers make informed choices, consumer education efforts should be undertaken to increase awareness of the variety of airline products in the market, different airlines' policies on passengers' contractual rights, and the available avenues for recourse should disputes arise.

3.4 **Compatibility with National Consumer Protection Regime and International Agreements**

3.4.1 The consumer protection framework for air passengers should be compatible with any international regimes (such as the 1999 Montréal Convention), and also with national consumer protection regimes that have been developed in accordance with States' different social, political and economic characteristics.

4. **CONCLUSION**

4.1 The above core principles on consumer protection are Singapore's contribution for consideration as ICAO works with Member States and international organisations to develop a set of core principles on consumer protection

5. **RECOMMENDATION**

5.1 The Assembly is invited to:

- a) note the core principles on consumer protection outlined in this paper; and

- b) request ICAO to take them into consideration in its development of a set of high-level, non-prescriptive core principles on consumer protection in line with the recommendations of ATConf/6.

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