

**59th CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGIONS**

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AGENDA ITEM 6: ECONOMIC DEVELOPMENT OF AIR
TRANSPORT

**VIET NAM'S POLICY ON AIR TRANSPORT TO ENCOURAGE
AND FACILITATE AIRLINES TO OPEN NEW ROUTES,
ESPECIALLY CONNECTING TO TOURIST
DESTINATIONS IN VIETNAM**

(Presented by Vietnam)

INFORMATION PAPER

SUMMARY

This Paper is to share Viet Nam's policy on air transport to encourage and facilitate airlines to open new routes, especially connecting to tourist destinations in Viet Nam with other States for reference, including policy on air services arrangements, slot coordination, preferential policy on airport and air navigation services charges.

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1. INTRODUCTION

1.1. Policy on air transport to encourage and facilitate airlines increase operations to/from Vietnam, especially connecting to key tourist destinations have been approved by the Prime Minister of Viet Nam in Decision No. 105/QĐ-TTg dated January 22, 2019. Therefore, Viet Nam will liberalize the designation of airlines, the routes structure, facilitate the allocation of slots as required by airlines, apply preferential policy on landing and air navigation services charges for airlines operating new direct routes between key tourism markets and increase the frequency of existing international routes to international airports and domestic airports permitted to receive international flights.

1.2. Pursuant to the Prime Minister's Decision, the CAA of Vietnam promulgates and applies policy on air transport to encourage and facilitate airlines to increase operations to/from Vietnam as follows.

2. DISCUSSION

2.1. Policy on Air Services Arrangements

a) Allowing multiple designation of the airlines to conduct scheduled air services;

b) Liberalizing the route structure in the direction of not restricting originating points, intermediate points, destinations and beyond points and not restricting capacity provided (liberalizing 3rd and 4th freedom traffic right) between Vietnam and contracting countries/territories for combined flights, also considering the exchange of 5th and 7th freedom traffic rights on the basis of balancing the interests between the two parties;

c) Allowing airlines to cooperate in code sharing with airlines of the same country, between two countries and airlines of a third country, code sharing on domestic routes and multimodal transport for passenger services;

d) Allowing airlines to operate charter flights and non scheduled flights on routes where there are no scheduled air services operation.

2.2. Slot Coordination Policy

Regarding slot coordination, in order to encourage and facilitate Vietnamese and foreign airlines to increase their operations to/from Viet Nam, the requested slots for flights of the following airlines will be given priority when considering slot confirmation (this policy has been specified in Circular No. 52/2023/TT-BGTVT dated December 31, 2023 of the Minister of Transport amending and supplementing a number of articles of Circular No. 29/2021/TT-BGTVT dated November 30, 2021 of the Minister of Transport detailing the management and operation of the airports):

a) The airline is operating to Viet Nam or to the airport for the first time; or

b) The airline has flight(s) to/from the new country;

c) The airline has flight(s) to/from the new airport (s).

2.3. Preferential Policy on Airport and Air Navigation Services Charges

The preferential policy on airport and air navigation services charges is specifically stated in Circular No. 13/2024/TT-BGTVT dated May 15, 2024 of the Minister of Transport regulating the mechanism and policy for managing domestic air transport services prices and aviation specialized services charges, accordingly, airlines will receive the following incentives:

a) For airlines operating scheduled international flights to/from Vietnam at a time when no other airline operates scheduled for at least 12 months:

(i) At Noi Bai, Tan Son Nhat, Da Nang international airports: apply 90% of landing charges and air navigation services charges as prescribed by the Ministry of Transport; the applicable period is 12 months from the date of commencement of the operation;

(ii) At other airports: apply 50% of landing charges and air navigation services charges as specified by the Ministry of Transport; the applicable period is 24 months from the date of commencement of the operation.

b) For Vietnamese airlines participating in the air transport market for the first time: apply 50% of landing charges and air navigation services charges as specified by the Ministry of Transport; the application period is 36 months from the date of commencement of the operation.

2.4. Achievements and Policy Orientation in the coming period

2.4.1. Achievements

a) Bilateral and Multilateral Agreements and Arrangements

By the end of July 2024, Viet Nam signed 69 bilateral air services agreements with countries/territories in the most regions of the world such as Southeast Asia, Northeast Asia, South Asia, Eastern Europe, Western Europe, Scandinavia, North America, North Africa, and the Middle East. In addition, Viet Nam has also signed 07 multilateral air services agreements, including: 01 Cambodia-Laos-Myanmar-Viet Nam Sub-Regional Air Transport Agreement (CLMV), 03 ASEAN Multilateral Air Services Agreements, 01 ASEAN-China air transport agreement, 01 Viet Nam-EU Horizontal Agreement on Air Services and 01 Comprehensive Air Transport Agreement between ASEAN and the EU (AE-CATA). Currently, Viet Nam and other ASEAN countries are continuing to complete the negotiation process of the multilateral air services agreement between ASEAN and New Zealand, Japan, South Korea, and the UK.

Vietnam's system of bilateral, multilateral air services arrangements has satisfied the operation needs of Vietnamese airlines as well as foreign airlines, especially multilateral air services agreements with the liberalization of 3rd/4th freedom traffic rights and 5th freedom traffic right of specified routes.

b) The Flight Network

Regarding the international flight network, there are currently 65 foreign airlines (from 25 countries and territories) and 5 Vietnamese airlines operating 169 international routes connecting Vietnam with the world.

The international flight network has been restored to the same level as before the Covid-19 pandemic and continues to expand to many new markets, especially operating many routes to Central Asia, India, and Australia.

Up to now, Vietnamese airlines continue to maintain the domestic flight network with 50 routes connecting Hanoi, Ho Chi Minh City and 20 airports nationwide.

Currently, international flights to tourist destinations such as Da Nang, Cam Ranh, Phu Quoc, Da Lat are all operated by airlines with high capacity and frequency.

c) Air Traffic Volume

In the first 7 months of 2024, the total passenger transport volume of the market reached more than 44.6 million passengers (up 4% over the same period in 2023 and equal to 96% over the same period in 2019); of which, domestic transport reached approximately 20.9 million passengers (equal to 82% over the same period in 2023 and equal to 93% over the same period in 2019); international transport reached more than 23.7 million passengers (up 35% over the same period in 2023 and equal to 99% over the

same period in 2019).

Thus, despite difficulties due to the consequences of the Covid-19 pandemic and the lack of aircraft and thanks to the application of incentive policy and appropriate solutions, in the first 7 months of 2024, international passenger transport recorded very positive growth compared to the same period in 2023 and basically recovered to the level before the Covid-19 pandemic, reaching almost the same level as in 2019.

2.4.2. Policy Orientation in the coming period

Continuing to maintain the above policy, Viet Nam will continue to exchange, negotiate, and amend agreements with partner countries and territories in the direction of modernization of the agreements such as multiple designation, liberalization of route structure, gradually liberalization of 3rd/4th freedom traffic rights. The goal is to create a comprehensive legal framework for airlines to operate new direct routes, increase frequency and capacity, connecting Viet Nam with more and more destinations around the world.

3. ACTION BY THE CONFERENCE

3.1. The Conference is invited to note the information contained in this Paper.

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