

NATIONAL AVIATION POLICY – 2000

a. Objectives of the Policy

- (i) To ensure safe and efficient civil aviation operations in the country, facilitate operations in the domestic market of the safest standards, in conformity with ICAO standards by an optimum number of airlines to encourage competition without dissipating the market. For international operations, the conditions will be provided to allow fair and reasonable competition to the Pakistan carriers with sufficient encouragement to the foreign airlines to continue to serve Pakistan in the most efficient manner and in largest number possible.
- (ii) To contain predatory pricing and unfair competition, both internationally and domestically, through a system of filing of tariffs and compliance thereof.
- (iii) To improve terminal facilities and remove bottlenecks for passengers, making Pakistani airports passenger friendly.
- (iv) To promote and encourage tourism in Pakistan through integration of the tourism policy with the aviation policy.

b. Open Skies Policy

Unlimited Open Skies Policy would not be adopted for the present. However, selective Open Skies Policy would be implemented by having agreements on the principle of reciprocity and bilateralism with maximum number of countries.

c. Airlines Licence

The airline licences would be issued strictly in accordance with the provisions of CAA Rules.

d. Conditions for operations by Airlines

- (i) Minimum fleet requirement will be at least three aircraft to avoid inconvenience to the traveling public.
- (ii) Pakistani airlines will be permitted to induct aircraft on wet or dry lease subject to conditions laid down by Government/CAA.

(iii) Fleet registration in Pakistan will be mandatory for Pakistani airlines. Within one year of implementation of policy, at least one aircraft must be registered in Pakistan.

(iv) The restrictions on age and origin of aircraft inducted by private airlines to be as follows:

In case of Eastern origin/Russian aircraft, maximum age at the time of induction shall not be more than 15 years and airworthiness criteria specified by CAA shall apply.

In case of Western/European aircraft, there shall be no age limit. However, airworthiness would be the criteria.

e. **Domestic Operations**

(i) PIA and private sector airlines will continue to freely operate on domestic routes.

(ii) Eight destinations i.e. Chitral, Gilgit, Skardu, Gawadar, Panjgur, Turbat, Pasni and Jiwani would continue to be treated as socio-economic routes and the fares would be deregulated.

(iii) Private airlines shall operate flights on the following domestic routes as a minimum:

(1) Minimum of two trunk routes one of which should include Peshawar, Quetta, Multan or Faisalabad.

(2) Minimum two frequencies per week on one socio-economic or one tertiary route.

In case of their inability to service socio-economic or tertiary routes, private airlines to pay a royalty to PIA @ Rs.500,000 per month.

f. **International Operations**

(i) PIA would continue to operate on all routes presently being operated by it.

(ii) Private sector airlines alongwith PIA would also be eligible to operate to countries where open skies or multiple designation of airlines is available.

(iii) Where PIA is not operating to its full entitlement, the surplus capacity of PIA on these routes would be given to private airlines.

- (iv) While finalizing new ASAs, Pakistan would opt for multiple designation of airlines, particularly for cargo and charter services.
- (v) Under the ASA's wherever PIA has no plans to operate, private sector airlines, if they so desire, would be designation to operate on such routes and PIA's designation would be withdrawn.
- (vi) Operation by private carriers on the international routes shall be allowed on the basis of their continued operation on domestic routes for at least one year and meeting all mandatory conditions of domestic operations to justify acquisition of international route.
- (vii) 5th freedom rights shall be granted strictly on the basis of reciprocity, ensuring balancing of rights in terms of market value and that the commercial interests of Pakistan are not compromised. Selective concessions could be made for quality airlines.

g. **Government Taxes & Duties**

- (i) For levy of Government duties & taxes on import of aircraft and spares, both PIA and Private airlines would be treated at par.
- (ii) On import of aircraft, engines and spares a uniform duty of 10% would be levied. The airlines may pay 5% as down payment and the remaining 5% in two years in installments.
- (iii) Used aircraft engines/spares are allowed to be imported on the duty to be 10% of the value of the item.
- (iv) The ramp area at airports is declared as duty free area/zones.

h. **Opening up of Northern Gateways of Pakistan to Foreign Airlines**

Northern gateways will remain open without compromising foreign airlines frequencies to the Southern gateways. Additional frequencies to Lahore airport will be granted upon completion of the new terminal facilities. Grant of access will be permitted to quality carriers on the basis of reciprocity, available capacity and terminal handling facilities.

j. **International Cargo Services**

- (i) Pakistan will continue to allow open skies policy for foreign airlines, while simultaneously trying to convert the unilateral policy into bilateral open skies with major destinations of the world.
- (ii) Private sector will be encourage to establish cargo airlines including charter in future.

k. **International Charter Operations**

No restrictions would be placed on international charter services.

l. **CAA's Aeronautical Charges**

The CAA Pakistan's aeronautical charges for domestic and international operations would be reviewed from time to time in consultation with users.

m. **Construction of Airports**

New airports will be constructed on BOT basis unless otherwise specified by the Government of Pakistan. Private sector participation in the construction of airports would be encouraged.

n. **Monitoring & Implementation of Aviation Policy**

The aviation policy will be implemented by DG CAA. Review and monitoring of the policy will be carried out by the Ministry of Defence.

o. **Market Clean-up Board**

In order to regulate tariffs, a market clean-up board will be established by the Civil Aviation Authority, with one representative each from PIAC, AOC, private airlines and travel agents. The Board will meet as and when required to review the tariffs filed by airlines, investigate complaints and impose penalties on violators.

