



Japan Solidarity Tax: letter from the Director General & CEO of IATA to the Minister of Foreign Affairs of Japan, Mr Seiji Maehara

Geneva, 5 October 2010

Dear Minister Maehara,

I am writing to express my concern following recent reports on ongoing discussions for a levy on airline tickets to generate funds for world poverty reduction efforts.

The International Air Transport Association (IATA) and its members, together with the International Civil Aviation Organization (ICAO), are firmly opposed to any taxes on the sale and use of international air transport. Any additional charge on aviation should follow the ICAO principle on charges, *i.e.* that a charge should have as its purpose cost recovery for civil aviation services (ref: ICAO Doc 8632). As an ICAO contracting state and as a recently re-elected and long-term member in good standing of the ICAO Council, Japan should not ignore this fundamental principle.

While IATA applauds the honorable goal of funding economic and social development, this proposed levy ignores the substantial contribution that air transport already makes to economic development and social cohesion. Air transport connects people and businesses to each other, as well as the global economy. It contributes greatly to the Japanese economy through tourism and other sectors. In 2010, the air transport industry and its dependent sectors are expected to generate around 6 million jobs in Japan. Export earnings from international visitors and tourism goods are expected to generate USD12.1 billion in 2010 while travel and tourism investment is estimated at USD59.6 billion (ref: World Travel & Tourism Council).

Current visitors arriving to Japan are less than 10 million per year though your Government has a goal of 20 million visitors by 2016 and an ultimate goal of 30 million per year. In addition, both airlines and the Government have been working hard on increasing the number of Japanese travelling overseas to 20 million a year but this would be put at serious risk with the introduction of a new levy on air tickets. Passengers are highly price-sensitive and a levy on aviation would discourage overall passenger traffic. It would also add a considerable burden to your whole export-oriented economy that is highly dependent on being internationally connected in an affordable manner. Japanese aviation, tourism and the overall economy would suffer.

I firmly believe that these are among the many compelling reasons for not pursuing any further the discussion of the air ticket levy. Any subsequent introduction of such a levy by the Japanese government will conflict with national interests and will not have the support of the Japanese aviation industry, including the airlines that IATA represents.

I look forward to your urgent intervention on the issue.

Sincerely,

Giovanni Bisignani
Director General and CEO
IATA – International Air Transport Association
Montreal – Geneva

cc: Mr. Sumio Mabuchi, Minister of Land, Infrastructure, Transport & Tourism
Mr. Masaru Onishi, President and COO - Japan Airlines
Mr. Shinichiro Ito, President and CEO - All Nippon Airways
Mr. James Mueller, Chairman - Board of Airline Representatives in Japan