



Advanced Passenger Information Systems (APIS) charge and ATC charges: letter of the Director General & CEO of IATA to the Minister of Transport of Malaysia, YB. Dato' Seri Kong Cho Ha

18 July 2011

YB. Dato' Seri Kong,

I would like to draw your attention to the impact of recent initiatives related to passenger screening and air traffic control in Malaysia. While IATA supports the overall objectives of these efforts, there are some concerns on the implementation and we look forward to your intervention to address these issues.

Firstly, IATA supports Malaysia's efforts to secure its borders with the introduction of biometric scanning and Advanced Passenger Information Systems (APIS). Unfortunately the implementation of the biometric system was not optimal as airlines and the airport were not consulted on the impact of changes in process. The resulting delays in passenger screening were problematic for all. We hope that in future, the key stakeholders – airlines and airports – will be consulted well in advance of any changes in airline passenger processing.

Secondly, it has come to our notice that there is a proposal by the Ministry of Home Affairs for a MYR35 charge per airline passenger to fund the APIS system. IATA does not support this as governments are responsible for a nation's security and the provision and cost of security should be borne by the State. Other modes of transport do not pay such costs and aviation should not be discriminated against. Airlines already bear significant costs in the preparation and transmission of data and it would therefore be unreasonable for the Malaysian government to charge aviation for compliance with its own APIS mandate. Moreover, ICAO guidelines clearly state "States are responsible for ensuring the implementation of adequate security measures at airports" and "Civil aviation should not be charged for any costs that would be incurred for more general security functions performed by States such as general policing, intelligence gathering and national security" (ICAO Doc 9082/8 Section 37). It is for these reasons that an APIS charge has not been implemented by any other government in the region. We look to Malaysia to uphold the principles of the ICAO given that it is an ICAO Council member.

Lastly, we have been informed that Malaysia is considering an overhaul of ATC charges. While IATA acknowledges the efforts to date of the Malaysian DCA in ensuring the charges are reasonable, we are concerned about the impact of any sudden and drastic changes to these charges. IATA urges the Ministry of Transport to ensure that due consultations, in line with ICAO principles, are held with airline users and key stakeholders to develop a pricing outcome that meets both DCA and industry expectations. Airlines operating in Malaysia and elsewhere are already suffering from the rising price of jet fuel. Any further increase in aviation costs will worsen the situation and could have a negative impact on air travel, tourism, hotels and other segments of the Malaysian economy.

Aviation is a key contributor to the economy of Malaysia through its impact on employment, transport and tourism. I am pleased to inform you that IATA is in the process of developing a comprehensive study on the impact of aviation on Malaysia's economy. We will be working with the various aviation bodies including the Malaysian DCA to compile this study and the output will be shared with your ministry and other key stakeholders. We hope this study will assist in aviation policy deliberations and planning in Malaysia.

I hope you are able to support the IATA view on the APIS and ATC charges issues. I also look forward to introducing myself to you on my next trip to Malaysia. In the meantime, please do not hesitate to contact Mr. Maunu von Lueders (IATA's Regional Vice-President for Asia-Pacific) or Ms. Christine Au Yong (IATA's representative in Malaysia) if we can be of any assistance.

Sincerely,

Antony Tyler
Director General & CEO
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