



REPUBLIC OF THE FIJI ISLANDS

AVIATION POLICY

SECOND EDITION – MAY 2024

FOREWORD

It has been more than a decade since the adoption of the Aviation Policy known as the Draft Aviation Policy. A lot has evolved in that time. I take note that many challenges have been overcome during this period. In particular the COVID-19 pandemic that significantly limited passenger movements and severely affecting airlines. While the downturn has hampered economic growth, the recovery in air travel has been most rapid driven by the pent-up demand phenomenon which many believe will remain for some time. Fiji has benefitted greatly from the growth in air travel evident today – post pandemic.

Government believes that aviation needs to be well established for any eventuality given the global dynamics in air travel.

Some of the challenges faced since 2006 remain to-date.

Government appreciates the global shift and the economic benefits of liberalisation and recognises the benefits of a gradual transition towards open skies where possible and appropriate.

In recognizing the potential advantages of open skies and its specific challenges, Fiji has re-affirmed its commitment to evaluate opportunities for bilateral and multilateral open skies agreements on a case-by-case basis. This is guided by our national interests and any decision to adopt open skies with any like-minded allies will be based on careful consideration of economic, strategic and operational factors.

Government will continue to play a major role in the provision and coordination of the strategic policy direction of air transport and services throughout the country. This is essential in order for the government to properly plan its future directions.

As it is, this document represents the national policy guidelines to refer to on aviation for international and domestic; and when the need arises will be reviewed in future through an established consultative framework as outlined in **Appendix 2** of this document.

Fiji will continue to be aligned to the International Civil Aviation Organisation ('ICAO') requirements in the formulation of national laws.

A handwritten signature in black ink, reading "Viliame R. Gavoka". The signature is written in a cursive style with a prominent flourish at the end of the name.

[Hon. Viliame R. Gavoka]

Deputy Prime Minister and Minister for Tourism and Civil Aviation

Contents

1.0	Overview	5
2.0	Market Access	6
3.0	Safety and Security	6
4.0	Liberalisation	7
5.0	National Carrier/Designated Airline(s)	7
6.0	New Entrants	7
7.0	Tariffs	8
8.0	Capacity	8
9.0	Commercial Agreements	8
10.0	Carrier Alliances	9
11.0	Air Cargo	9
12.0	International Charter Operations	9
13.0	Service Providers	10
14.0	Infrastructure	10
15.0	Industrial Relations	10
Appendix 1		
	AVIATION SAFETY AND SECURITY GUIDELINES	11
Appendix 2		
	CONSULTATIVE MACHINERY TO ACCOMMODATE CHANGES TO THE DRAFT AVIATION POLICY	12

AVIATION POLICY

FOR THE

REPUBLIC OF THE FIJI ISLANDS

1.0 Overview

The Aviation Policy (**'Policy'**) for the Republic of the Fiji Islands is based on the following general guiding principles:

- (i) Development and growth of Aviation in Fiji shall be on an economically sustainable basis;
- (ii) Safety and security shall remain paramount;
- (iii) Service Delivery must be reliable, affordable and meet the reasonable expectations of customers;
- (iv) Aviation liberalisation is supported, but at Fiji's pace;
- (v) Harmonisation of aviation rules and regulations at global or regional level is supported where applicable and appropriate to Fiji;
- (vi) Development of accessible, affordable, cost effective and sustainable aviation infrastructure in support of the aviation and tourism industry.
- (vii) Supporting infrastructure is to be provided at justifiable cost especially where service providers enjoy monopolistic positions;
- (viii) The interests of all stakeholders in both international and domestic aviation, including airlines, airports, ground handlers, consumers, labour, accommodation providers, tourism travel service providers and other interest groups will be considered.
- (ix) Economies of scale will be encouraged by consolidation of resources.

2.0 Market Access

- 2.1 The Air Transport Licensing Board will continue to be the Licensing Authority for domestic air service providers.
- 2.2 For international air services, Fiji will continue to use bilateral Air Service Agreements (ASA) as the prime vehicle for determining traffic rights between Fiji and other countries to encourage economic activity especially in trade and tourism.
- 2.3 Fiji will support Air Services Agreements that observe open skies as highlighted in Clause 4 (Liberalisation).
- 2.4 Fiji will encourage a wide range of bilateral agreements even when its designated carrier(s) cannot initially commence operations on specified routes.
- 2.5 Airline designation shall continue to be based on substantial ownership, effective control, and principal place of business guideline. Fiji supports multiple designations within this caveat, for Fiji owned airlines.

3.0 Safety and Security

- 3.1 Fiji is committed to develop, implement and enhance appropriate strategies, safety management systems and processes to ensure that Civil Aviation operations in Fiji meet safety and security standards set by International Civil Aviation Organisation ('ICAO').
- 3.2 Fiji will abide by ICAO standards and recommended practices where appropriate or practicable.
- 3.3 Fiji shall implement appropriate safety and security measures in such a manner that facilitates the flow of passengers, freight, mail or aircraft
- 3.4 This Policy shall include the Aviation Safety and Security Guidelines set by the Civil Aviation Authority of Fiji ('CAAF') as per **Appendix 1**.

4.0 Liberalisation

- 4.1 **Introduction:** Fiji recognises the evolving dynamics in the global aviation landscape and acknowledges the international trend towards liberalisation of air traffic rights. Fiji acknowledges that open skies policies lead to economic benefits such as increased trade, investment, and tourism.
- 4.2 **Position on Open Skies:** Fiji traditionally does not support a comprehensive open skies air services framework as the South Pacific Region air traffic is marginal, and routes are long and thin. However as relationships develop with countries embracing open skies, Fiji will engage with such countries on a case by case basis to ensure the viability of the routes; maintain trade, investment and the sustainability of Fiji's tourism industry.
- 4.3 **Consideration of Open Skies on a Case-by-Case Basis:** Fiji shall evaluate opportunities for bilateral and multilateral open skies agreements on a case-by-case basis, guided by national interests.
- 4.4 **Gradual Transition:** Fiji recognizes that the transition shall be gradual and will actively engage with relevant stakeholders to develop and implement strategies for a phased approach to open skies, ensuring a smooth transition.
- 4.5 **Conclusion:** This policy aims to strike a balance between the global trends favoring open skies and Fiji's unique regional context, emphasizing flexibility, pragmatism, and a commitment to safeguarding national interests.

5.0 National Carrier/Designated Airline(s)

- 5.1 Fiji places priority on the national economy which includes promoting, not protecting, the economic sustainability of its designated airline(s), as the key vehicle for ensuring Fiji's sustained participation in the supply of tourism, trade and communication lifelines of the country.
- 5.2 As such, the designated airline(s) remain an imperative consideration in the underlying Aviation policy of Fiji.

6.0 New Entrants

- 6.1 New entrants will be welcomed by Fiji provided they can:

- Comply with the provisions of ASA's relating to ownership, control and principle place of business.
 - Demonstrate adequate economic and financial resources, capable and proven management and the capacity to deliver services on a sustainable, safe and reliable basis.
 - Fully comply with the safety and security requirements of CAAF.
 - Prove that they will add to traffic flows for Fiji and not merely "poach" or cherry pick from incumbent operators.
- 6.2 New entrants must be able to operate commercially. No subsidy will be granted by any government agency, ministry or government controlled entities / companies to any new entrant.
- 6.3 For domestic scheduled services, Government will move away from providing subsidies as soon as economic activities in the outer islands can support air services on their own.

7.0 Tariffs

- 7.1 In recognition of consumers' interests, Fiji supports regulatory control over tariffs to safeguard against predatory pricing.
- 7.2 The International Air Transport Association (IATA) tariffs are recognised as the official guide for tariffs for most airlines in the world. IATA tariffs require Government approval.
- 7.3 Tariffs and special fare initiatives are to be filed for approval by Government prior to public release. Fiji will not support predatory pricing.

8.0 Capacity

- 8.1 Capacity must be driven by market demand. Government will encourage airlines to be mindful of creating excessive supply of capacity, which could make routes unsustainable.

9.0 Commercial Agreements

- 9.1 Fiji encourages airlines and other service providers to enter into commercial agreements for mutual benefit to both parties and Fiji's interests.

- 9.2 Areas of common interest that this policy will support shall include, but not be limited to, air traffic management and air navigation service providers, airport operations, aircraft leasing, ticket interchange, baggage interchange, codeshare, ground handling, maintenance and support agreements, spare part pooling and joint reservations systems.

10.0 Carrier Alliances

- 10.1 Alliances amongst airlines will be encouraged to facilitate the consolidation and integration of airline resources to promote efficiency and profitability.
- 10.2 Fiji supports commercial alliances as a solution for provision of viable International Air Services within and between Forum island countries.

11.0 Air Cargo

- 11.1 The policy on air cargo is to encourage the provision of adequate capacity for Fiji exporters and producers to export their product at competitive prices
- 11.2 Dedicated freighter services will be encouraged by Fiji.

12.0 International Charter Operations

- 12.1 Fiji supports passenger and freight charters within the following guidelines:-
- International charter operations, by definition, involve transport of a specified number of people to Fiji and taking the same people back. Charter operations are not allowed to pick up passengers or freight in Fiji. That function is for scheduled carriers who meet all State obligations.
 - International charter operators, which are not designated airlines of the originating country, are required to provide a bank guarantee equivalent to the delivering aircraft economy fare seating capacity. This is to ensure that in the event that the charter operator is unable to take back their passengers, Government can transport passengers through normal commercial flights.
 - Charters from Fiji utilising non-Fiji registered aircraft are permitted for the carriage of Fiji citizens for cultural, sporting or international

obligation travel e.g. United Nations duties. Such charters may not be utilised for the carriage of non-Fiji citizens into the country.

13.0 Service Providers

- 13.1 Service providers that enjoy monopolistic positions in Fiji such as, but not limited to, Airports Fiji Limited and Air Terminal Services, must provide efficient services at economically sustainable and justifiable cost
- 13.2 All services are to be fully compliant, appropriately equipped and have sufficient aviation insurance liability cover, with staff who are adequately trained, experienced and certified. This is to ensure that all services are handled professionally and that accountabilities are in place to safeguard Fiji as a safe destination.
- 13.3 Affected stakeholders must be consulted for any price variations.

14.0 Infrastructure

- 14.1 Fiji shall promote the development and provision of aviation infrastructure through Public Private Partnership (PPP) that will encourage expansion of the aviation industry taking into account the environmental, economic and cultural issues involved.

15.0 Industrial Relations

- 15.1 Fiji recognizes the aviation sector as an essential service. It therefore encourages the maintenance of a sustainable aviation industry with harmonious industrial relations.

Appendix 1

AVIATION SAFETY AND SECURITY GUIDELINES

CAAF together with aviation industry, is committed to ensure that:-

- safety and security culture is developed and practiced throughout the industry by means of Safety Management Systems.
- adequate training is provided to aviation personnel to achieve a high degree of safety and security in all aviation activities;
- sufficient skilled and trained staff are available, who are fully competent in work they do;
- CAAF and the industry will establish and measure aviation safety and security performance against agreed benchmarks;
- a learning environment is fostered so that the industry continually improves its safety and security performance in accordance with international standards and practices;
- Quality Assurance is integrated into all work processes; and
- risks and hazards are identified and Risk Management is practiced by the industry to eliminate or minimize risks and hazards.

Appendix 2

CONSULTATIVE MACHINERY TO ACCOMMODATE CHANGES TO THE DRAFT AVIATION POLICY

Aviation stakeholders considered how best to accommodate new additions, amendments and changes to the draft aviation policy document in the future, should a need arise. It was felt that with the growing calls for liberalization of air services all over the world, and with the adoption of new air services management initiatives, there may be credible reasons for bringing further changes to the agreed aviation policy document sooner than later.

The aviation stakeholders agreed to recommend that:

For the consideration and adoption of any amendments or additions to the draft aviation policy, key aviation stakeholders be invited to meet and discuss the proposed amendment and recommend any changes to the Minister for Civil Aviation.