A CIVIL AVIATION POLICY FOR MALTA
2014 - 2020

MINISTRY FOR TOURISM
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FOREWORD by the Minister for Tourism

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ABBREVIATIONS

AAC – Aviation Advisory Committee
ANSP – Air Navigation Service Provider
ATRP – Air Transport Regulation Panel
ASA – Air Services Agreement
BAAI – Bureau of Air Accident Investigation
CAA – Civil Aviation Authority
CAD – Civil Aviation Directorate
CAEP – Committee on Aviation Environmental Protection
EEA – European Economic Area
ETS – Emissions Trading Scheme
EU – European Union
FABs – Functional Airspace Blocks
FIR – Flight Information Region
FIT – Flight Inclusive Tour
FSC – Full Service Carrier
GDP – Gross Domestic Product
GIS – Geographic Information System
ICAO – International Civil Aviation Organization
LCC – Low Cost Carrier
MATS – Malta Air Traffic Services Ltd
MBMs – Market Based Measures
MCAST – Malta College of Arts, Science and Technology
MCST – Malta Council for Science and Technology
MCCAA – Malta Competition and Consumer’s Affairs Authority
ME – Malta Enterprise
MHAS – Ministry for Home Affairs and National Security
MIA – Malta International Airport plc
MICE – Meetings, Incentives, Conferences and Events
MIP – Malta Industrial Parks
MOT – Ministry for Tourism
MTA – Malta Tourism Authority
MRO – Maintenance, repair and overhaul
NAC – National Aerospace Centre
OLS – Obstacle Limitation Surfaces
ORS – Occurrence Reporting System
PPP – Public Private Partnership
PSO – Public Service Obligation
RPA – Remote Pilot Aircraft
SARPs – Standard and Recommended Practices
SES – Single European Skies
UNWTO – United Nations World Tourism Organization
In April of 2013, as Minister for Tourism with responsibility for Aviation, I set up an Aviation Advisory Committee (AAC) with the following terms of reference:

1. To give advice to the Minister on all matters concerning aviation leading to the effective and efficient management and development of the aviation in Malta as a key growth sector in Malta’s economic growth and social development.

2. To co-ordinate between and consult with all stakeholders in aviation including public, private and civil society organisations.

3. To turn Malta into a Mediterranean centre of excellence in aviation matters especially in the areas of operations and education.

4. To protect Malta’s national interest and sovereignty in its own airspace.

5. To monitor and advice the Minister on Global and EU developments in aviation.

This committee of experts in the Aviation field immediately set out to achieve two primary objectives, namely:

1. The formulation of a Civil Aviation Policy for Malta.

2. The setting up of a Civil Aviation Authority (CAA) for Malta.

Opinion and technical papers by the AAC members towards the Policy and the draft CAA Act were discussed and moreover, developed together with other feedback derived from several stakeholder consultation meetings held on the basis of increased:

- Collaboration with the industry, regulators, experts, and the aviation community at ALL levels. This identified workable solutions to the challenges ahead.

- Transparency between stakeholders in order to facilitate improved collaboration. It is crucial to have clear and independent information and processes in place. Those involved in and affected by aviation need to be assured of both ways communication and the reassurance that appropriate action will be taken at the local, national and international levels.

We are now also giving the general public the opportunity to contribute through public consultation. It is intended that following finalisation of this Civil Aviation Policy, a Civil Aviation Authority Act, updating the Authority for Transport in Malta Act (Cap 499) with regard to Aviation will be tabled in the House of Representatives at the earliest opportunity.
1 THE VISION

1.1 INTRODUCTION

Insular by nature, the Islands of Malta require efficient means of transportation that are regular and robust linkages with the rest of the world. Since time immemorial, the realisation of this requirement was the catalyst of sustainable development of this Nation in economic and social terms. It was this realisation and exploitation of efficient transport modes that distinguished these Islands from other less developed albeit bigger islands in the Mediterranean.

Already some 4 million passengers per year make use of Malta’s one and only international airport. This includes almost 1.5 million tourists who fly in and out plus near 400,000 Maltese who take at least one return flight per year according to their needs. Also relevant is the fact that about 18,000 tonnes of freight and mail pass through Malta’s airport per annum. It has been estimated that aviation contributes 2.5 percent of direct GDP and accounts for around 5,500 direct jobs or 3.4 percent of the total workforce.
1.2 AIMS AND OBJECTIVES

It is the function of Government to ensure:

a. **Communication**: a high quality, safe, reliable and continuous means of communication with the rest of the world.

b. **Coordination**: the various aviation stakeholders already present in Malta, plus other new areas of activity that may be attracted, require strict coordination in order to achieve the greatest possible synergistic value.

c. **Value added**: to encourage Maltese owned and/or Malta based aviation enterprises to create local added value and economic multiplier effect particularly through increased local and foreign investment opportunities.

d. **Employment**: Maltese owned and/or Malta based aviation enterprises create substantial job opportunities especially in highly skilled areas that give Malta a competitive advantage.

e. **Consumer protection**: in accordance with local and EU directives will upgrade legislation to ensure that consumers are protected particularly in the case of airline insolvency and mistreatment of passengers.

f. **Enterprise development**: all industry, whether manufacturing or service providers, require access to efficient modes of transport of people and freight at a reasonable price.

1.3 ROLE OF STAKEHOLDERS

Government is determined to stimulate and strive for better cooperation, coordination and continuous synergy between the major aviation stakeholders. The most important stakeholders at present are:

a. **Government**: to ensure a long term vision and policy is in place and to act as coordinator and facilitator.

b. **Civil Aviation Directorate (CAD)**: currently Malta's regulatory body.

c. **Malta Air Traffic Services Ltd (MATS)**: as the designated air navigation service provider for the four levels of air traffic control, i.e. ground movement, aerodrome, approach and area control service.

d. **Malta International Airport plc (MIA)**: the operator of Malta’s one and only airport and gateway to the world. A listed company on the Malta Stock Exchange.

e. **Air Malta plc**: mature destination airline committed to the Islands of Malta.

f. **All Other Airlines**: especially those that operate to Malta on a regular basis.

g. **Malta Tourism Authority (MTA)**: required to coordinate its role, functions and tactical actions with those of the major aviation stakeholders for optimum use of resources.

h. **Ministry for Home Affairs and National Security**: to ensure continued cooperation with the CAA, and in keeping abreast with international obligations and in the interest of National Security at our borders.

i. **Safi Aviation Park**: Currently driven by Malta Enterprise and Malta Industrial Parks, the project is set to give a further boost to the growing aviation industry as an MRO base, an aviation research centre and aviation business incubator.

j. **Private Operators**: This class of stakeholder includes small, medium and large private investment in MRO, flying schools, passenger ground handlers, cargo handlers, and many other suppliers of products and services to the aviation industry.
1.4 AVIATION DEVELOPMENT PLAN

Within the directives and in respect of the aviation policies of the ICAO and the EU with respect to the following basic principles, the Government of Malta shall promote:

a. **Safety**: Above all other considerations the safety of air travellers, aviation employees, and collateral third party responsibility.

b. **Single European Market**: Allowing all EU and EEA airlines access to all markets within the area provided that operations are to the highest standards of safety and efficiency.

c. **External Relations**: Extra community aviation relations are today primarily the prerogative of the EU. The Government will however endeavour to strengthen diplomatic, technical and air services agreements with countries outside the EU, particularly long haul such as the USA, Australia, Brazil, Russia, India and China.

d. **Single European Sky**: Whereas the Government is committed to support any bilateral and international programmes that improve the efficient use of air routes over Europe, it will continue to do so without compromising the ultimate national interest and that which is ours today.

e. **Environment**: Government will support all programmes that support the mitigation of negative Environmental and Climate Change impacts such as the Clean Sky project by the EU and Destination Green by ICAO.

f. **Security & Facilitation**: In close cooperation with the MHAS, the CAA will ensure the maintenance and strengthening of national security and border control functions.

g. **Capacity & Efficiency**: Government supports ICAO’s Global Air Navigation Capacity & Efficiency Plan aimed at enhancing global aviation safety, an increase in air navigation capacity and efficiency, security and facilitation, whilst aiding the economic development of air transport and environmental protection.

h. **Economic Development**: Through best use of a knowledgeable and efficient workforce, fostering their abilities and providing capabilities, in helping to achieve and maintain a sustainable Aviation industry.
Government, through its Aviation Policy, will promote a sustainable and balanced growth of air transport services since it believes that all current major airline business models have an important role to play in Malta’s sustainable development. Moreover these services may have different and possibly conflicting strategies and requirements and it is Government’s role to ensure that policies adopted at a national level recognise and address these diverse interests:

Typical airline models are:

a. **NETWORK CARRIERS (FSCs):** Government will ensure that the current Network carriers, also known as Full Service Carriers, that already operate on Malta routes not only maintain but increase their services. Government will strive to attract more such carriers to operate to Malta since without this type of airline, that normally operate year round, there cannot exist such growth markets such as MICE (meetings, incentive, conferences and events).

   It is only this type of carrier that offers the frequency and the interlining opportunities at major hub airports that are required by the business community. It is also only this carrier type that carries cargo and mail which are important to Malta as an island nation and assist in raising the Brand value and global awareness of Malta.

b. **LOW COST CARRIERS (LCCs):** Also known as Limited Service Airlines, this type of air carrier are without doubt a reality across the globe and Government will continue to create the space for low fares airlines as an ever increasing number of holiday makers and other travellers prefer a basic air transport service at the cheapest price possible in their quest for Dynamic Packaging. It is a fact that this type of carrier have opened up new routes and markets for Malta in recent years and opened up new route opportunities for the Maltese travelling public. These should be encouraged and sustained primarily by lower market-based supplier costs at Malta.

c. **CHARTER CARRIERS (FIT):** This type of air transport activity provided by a number of airlines is primarily used by the major or specialist tour operators selling Flight Inclusive Tours (FIT) and in particular major tour operators owning and controlling their own airline and hotels and distribution systems. This type of traditional operation is still popular in Germany and the Nordic countries and, to some extent, in the United Kingdom, particularly within the Family market. This market also includes an element of consolidated charters used particularly by the specialist tour operators. There are also a number of charter flights consolidated by Maltese operators to cater for Maltese outbound traffic. Incoming operations will continue to be targeted by MTA marketing activities as they provide a welcome commitment to Malta as a destination.

d. **LONG HAUL CARRIERS:** Government and the major stakeholders will strive to turn Malta into an international hub for long haul carriers as a gateway to Europe and Africa particularly for those carriers that are growing exponentially in the Gulf Area and the Far East including China.

e. **FREIGHTER AIRCRAFT SERVICES:** A concerted effort will be made to encourage and promote freighter services on a regular scheduled basis as it is believed that air cargo capacity at economic prices is an essential part of Malta’s industrial and commercial infrastructure.

f. **DOMESTIC SERVICE:** In the context of the commitment to improve transport links between Malta and Gozo, Government is encouraging air operators to operate fixed wing or helicopter services between the two islands. This is being done primarily by improving facilities, including runway length if necessary, at the Gozo Heliport to facilitate the resumption of scheduled air services between the two islands possibly under a PSO.
2 THE POLICY

2.1 INTRODUCTION

Government’s primary objective is to assist in the long-term economic growth of the Nation through a Civil Aviation Policy and subsequent Plan for the coming decade. The Aviation sector is a major contributor to the economy and Government supports its growth within a framework that maintains a balance between the benefits of aviation and its costs.

Malta has always been an outward-looking nation: an island economy that for centuries has owed its prosperity to the transport and trade routes linking it with the rest of the world and to the benefits accruing from inter-modality. With the increasing globalisation of our economy and society, the future of Malta will continue to be shaped by the effectiveness of its international transport links.

Aviation benefits the Maltese economy through its direct contribution to Tourism, consequently the gross domestic product (GDP) and employment, by facilitating trade and investment, aviation provides better access to markets, enhances communication and business interactions, improves business efficiency through time saving, reduced cost and improved reliability for business travellers and air freight operators. It also facilitates travel for urgent medical reasons which can be challenging for an island community.
Government supports competition as an effective way to meet the interests of air passengers and other users and will legislate accordingly. Through Government incentives support should continue primarily to be in the form of Public Private Partnership (PPP) and private investment schemes. Such incentives will not distort the market mechanism nor will they dampen the public benefits of competition.

Malta’s connectivity is of paramount importance. Aviation connectivity is a combination of destinations served, frequency and regularity of flights on a year round basis: the broader the range of destinations served and the higher the frequency of flights to and from those destinations, the better connected the country. The value of connectivity is affected by other characteristics, such as the relative importance of the destinations served, the cost of accessing them, the end-to-end journey time and cost including the price of air travel, the level of facilitation to travellers with regard to the issuance of visas and the reliability of the air service provided.

Frequent flights to hub airports play an important role in providing international connectivity, especially to long-haul destinations including emerging economies. Although there is no single agreed definition of a hub airport, a key characteristic of hub airports across the world is that they are able to serve more destinations and have higher frequencies than other airports. This is because a hub airport supplements local demand with transfer passengers, providing traffic volumes which support higher frequencies of services on more popular routes, and enabling services on more marginal routes that would not otherwise have proved viable with fewer passengers. This does not mean that the promotion of services to and from regional airports will be neglected.

Excellent connectivity helps sustain clusters of specialised high-value industries that Malta attracted in past years such as the financial, maritime, legal, e-gaming and business management sectors which are knowledge intensive and increasingly global in operations.

People in these industries travel widely in the course of their business and for personal reasons and account for a good percentage of all aviation business travel. Ship and aircraft registration also strengthened the latter due to various companies opening and/or transferring their operational offices to Malta. Malta’s hub connectivity and long haul services can be substantially improved. Priority will be given to ensure that Malta is well connected to all EU capitals and major cities by direct on-line services that provide passenger and cargo capacities. Similar connectivity is desirable for non-EU cities in the Mediterranean littoral. Major industrial and financial centres in the Americas, Middle East, the Gulf states and Asia should be accessible to Malta through appropriate and convenient interline or code-share connections.
2.2 POLICY OBJECTIVES

2.2.1. A CIVIL AVIATION AUTHORITY FOR MALTA

Whilst recognising that in the national interest, the formulation of and updating of a Civil Aviation Policy for Malta is Government’s prerogative and responsibility, the tactical implementation of and regulation of the Aviation sector in Malta shall be entrusted to a Civil Aviation Authority (CAA) to be known as the Civil Aviation Authority of Malta whose primary objectives, inter alia, shall be:

a. To regulate the civil aviation functions and activities in the territory of Malta.

b. To license all the Aviation activity and personnel.

c. To act as the National Supervisory Authority, including on Aviation Security issues.

d. Carry oversight of the Regulatory function.

The CAA shall also have as subsidiary functions such measures as:

- Ensuring that seat capacity is maintained in the National Interest to maintain Malta’s role as an important aviation centre and identify and evaluate how any need for additional capacity should be met in the short, medium and long term.

- There is already established an Airport Charges Regulatory Board in accordance with the Airport Economic Regulations, 2001, (L.N. 299) as amended under L.N. 132 of 2011 to be re-established under the CAA, charged with monitoring airport charges as well as the quality of service provided by aviation service providers.

- Given that Malta has only one international airport the Government, through the CAA, shall ensure that the management of the infrastructure passed to the airport operator by means of the Deed on Transfer of Property between the Government of Malta and MIA (dated 26th July, 2002) is transparent, objective and non-discriminatory and, in particular, that it does not hinder access to airport users, such as suppliers, small aircraft operators, ground handling services providers, self-handlers, and other aviation related businesses.

- Insist that the overall aviation activity shall be maintained to the highest safety standards with seamless operational processes and procedures at all times.

- Ensure that non-aeronautical land use and commercial developments on airport sites do not compromise or constrain the ability of the airport to undertake its core aviation business. A non-aeronautical development will only be consistent with the airport planning framework where it places no unnecessary restriction on aviation operations at the airport and where the economic spin-off is used also to the advantage of the aviation operators of the airport.

- Protects and promotes the national interest.
2.2.2. CONSUMER PROTECTION

In conjunction with the Malta Competition and Consumer’s Affairs Authority (MCCAA) and as an EU member state it shall be ensured that passenger’s welfare standards conform to Regulation EC 1008/2008, furthermore to EC1346/2000 which covers cross-border insolvency, apart from passenger rights under Regulation EC 261/2004.

Just as airlines are expected to have contingency plans in case of disruptions, it is expected that likewise airports shoulder their responsibilities, plan for operational disruptions and become more customer-centric. Government will embrace developments by the EU meant to develop a set of core principles on consumer protection, with the assistance of experts from the ATRP, member states of ICAO and regional bodies and other related UN agencies such as the UNWTO.

2.2.3. AVIATION AND TOURISM

The UNWTO Conference on Sustainable Tourism Development in Islands held in La Reunion in September 2013 concluded that:

4. Connectivity of islands as a prerequisite for success in tourism.
   Island destinations are dependent on air transport to provide effective access to source markets. Tourism and transport policies must be coordinated to pursue optimal growth in connectivity and secure economic benefits for island communities.

This declaration followed immediately after the background paper on Tourism and Air Transport Policies presented at the 20th Session of the UNWTO (Victoria Falls, 24-29 August 2013) which concludes that “Air transport is key for tourism”.

Accessibility by air is at the core of Government’s Tourism Policy for the Maltese Islands. Whilst it is essential to maintain positive trends in our core tourism markets such as the UK, Italy, Germany and France, further diversification into new and emerging source markets is strongly advisable. Source market diversification is crucial particularly into non-EU markets and long-haul. Policy changes allowing for increased hotel beds will necessarily require increased availability of airline seats on Malta routes. Moreover, particular attention will be given to those source markets, such as the Nordic markets, that help reduce seasonality being predominantly winter-sun markets.

Malta has seen a steady growth in airline passenger movements as shown in Table 1. Global demand for air travel is forecast to increase in the coming years. It is projected, however, that growth in the European scenario will be at a slower rate than in recent years reflecting the anticipation of market maturity across different passenger market segments. It is also projected that Europe will see a slow-down in the long-term decline in average fares seen in the last two decades. However, huge opportunities for growth in air traffic and aviation related activities are developing in the Middle East, Gulf Area and Africa, and Malta is strategically well situated to exploit these opportunities.
## PASSENGER MOVEMENTS

<table>
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<tr>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
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</thead>
<tbody>
<tr>
<td>Arrival/Departure</td>
<td>2,753,572</td>
<td>2,696,034</td>
<td>2,970,830</td>
<td>3,109,868</td>
<td>2,918,664</td>
<td>3,293,524</td>
<td>3,506,521</td>
<td>3,649,938</td>
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<tr>
<td>Transit</td>
<td>25,372</td>
<td>5,590</td>
<td>5,742</td>
<td>11,818</td>
<td>7,692</td>
<td>6,887</td>
<td>3,692</td>
<td>4,345</td>
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<tr>
<td>United Kingdom</td>
<td>1,079,523</td>
<td>1,016,491</td>
<td>1,118,179</td>
<td>1,071,346</td>
<td>999,631</td>
<td>1,032,610</td>
<td>1,086,123</td>
<td>1,106,436</td>
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<tr>
<td>Italy</td>
<td>371,369</td>
<td>401,882</td>
<td>466,974</td>
<td>484,518</td>
<td>498,413</td>
<td>641,811</td>
<td>616,666</td>
<td>619,575</td>
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<tr>
<td>Germany</td>
<td>376,320</td>
<td>362,852</td>
<td>424,719</td>
<td>477,134</td>
<td>416,583</td>
<td>422,498</td>
<td>539,119</td>
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<td>Libya</td>
<td>48,834</td>
<td>45,221</td>
<td>45,634</td>
<td>46,040</td>
<td>55,034</td>
<td>59,651</td>
<td>16,684</td>
<td>71,383</td>
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<td>Other EU</td>
<td>619,496</td>
<td>617,161</td>
<td>687,959</td>
<td>800,917</td>
<td>756,934</td>
<td>872,571</td>
<td>942,546</td>
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<tr>
<td>Other</td>
<td>258,030</td>
<td>252,427</td>
<td>227,365</td>
<td>229,913</td>
<td>192,069</td>
<td>264,383</td>
<td>305,383</td>
<td>330,461</td>
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</tbody>
</table>

Table 1: Passenger Movements (source: MIA plc)

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![Figure 1: Passenger Movements](image-url)
2.2.4. TRADE FACILITATION

Although only a small proportion of Maltese external trade (by weight) is carried by air, it is particularly important for supporting growth in sectors where goods produced or imported are of high value or time critical. Air freight is a key element in the supply chain within the manufacturing sector as well as in the maintenance and repair sector in which Malta is looking to continue building on competitive advantage in areas such as pharmaceuticals and the micro-electronics segment. Key components to keep factories working are often brought in from specialist companies from around the world.

To keep production lines rolling this often has to be done at short notice, and access to such services is vital to keeping Malta’s manufacturing capability efficient and competitive in the global marketplace. Also, fast, efficient and regular mail and courier services to and from the EU major cities, as well as important industrial and financial centres elsewhere are essential for Malta’s commercial interest.

2.2.4.1 AIR FREIGHT

The air freight segment in Malta needs to come of age. Exports and imports by air have been stable for a number of years as can be seen in Table 2. The overall local market is relatively small and could benefit more from a ‘coopetition’ approach between the various operators. It is also recognised that a limitation exists given that there is no feed-in business from trucking and railway links as is the case on the continent. There could very well be, however, a clear window of opportunity crying out for development in terms of inter-modal exchange between sea and air transport given improved facilities and reduced bureaucracy between Malta airport and freeport.
### CARGO

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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
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<tbody>
<tr>
<td>Import</td>
<td>7,954,192</td>
<td>8,341,985</td>
<td>8,016,187</td>
<td>8,503,662</td>
<td>7,929,559</td>
<td>8,182,419</td>
<td>6,690,774</td>
<td>7,071,527</td>
</tr>
<tr>
<td>Export</td>
<td>8,528,943</td>
<td>8,816,542</td>
<td>8,835,723</td>
<td>8,455,136</td>
<td>8,151,284</td>
<td>7,225,071</td>
<td>8,192,096</td>
<td>8,033,227</td>
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<tr>
<td>Mail</td>
<td>1,053,171</td>
<td>1,103,988</td>
<td>1,146,175</td>
<td>1,268,381</td>
<td>1,422,938</td>
<td>1,436,410</td>
<td>1,348,314</td>
<td>1,383,011</td>
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<th>2005</th>
<th>2006</th>
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<th>2012</th>
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**Total (kgs)**: 17,536,306 18,262,515 17,998,085 18,227,179 17,503,781 16,843,900 16,231,184 16,487,765

Table 2: Cargo (source: MIA plc)

### Figure 2

- **TOTAL**
- **IMPORTS**
- **EXPORTS**
2.2.4.2 TAXATION AND OTHER LEVIES

Government acknowledges that a proliferation of taxes and duties on air transport could have a detrimental economic impact and on the sustainable development of air transport and its customers. A revaluation exercise of all current aviation duties and taxes will be carried out in order to streamline the charging system and embrace the user-payer principle whereby the user/s of a facility, resource or service pay directly for the amount they use, rather than the cost being shared by all the users or a community equally.

2.2.4.3 LIBERALIZATION AND INCLUSION

The Government of Malta supports the liberalization of global trade and aviation is considered to be a pivotal enabling function. Whilst welcoming and aiding private sector participation, Government has an obligation to protect and maintain strategic State assets under its control as Guardian of future generations. A policy of inclusion will be maintained ensuring strong cooperation between different economic segments that support the growth of the Aviation industry such as banking and financial services, lessors, legal, and other business support functions.

2.2.5 INNOVATION, SKILLS AND ADVANCED TECHNOLOGY

In September 2013, The Malta Council for Science and Technology (MCST) launched for public consultation a draft Research and Innovation Strategy for Malta 2020. This updated strategy document includes thematic areas identified through the Smart Specialisation process which is at the core of the EU’s Horizon 2020 strategy. The strategy identifies eight (8) thematic areas of Smart Specialisation, with research and innovation in Aviation and Aerospace, as well as Tourism, ranking highest.

The Government, through the Ministry responsible for Aviation, has already manifestly demonstrated its commitment to Aerospace research and innovation through the setting up of a National Aerospace Centre. This initiative will further enhance the opportunity to attract foreign direct investment in the aerospace manufacturing and components industry.
Investment in higher education and skills development by Government through higher education institutions such as the MCAST and the University will contribute towards rebalancing the economy making it less dependent on specific sectors that may be vulnerable. Through Malta’s tertiary education institutions there exists the possibility of deeper involvement in the design, development, and manufacture of a wide range of aircraft products and services. Past and present investments in major maintenance repair and overhaul (MRO) facilities, such as that of Medavia, Lufthansa Technik, SR Technics and MCM amongst others, have shown that the Maltese are in the forefront in aviation service standards. Advanced aviation technology research will be directed particularly towards those areas that help reduce the environmental impact of aviation and assist in the creation of Green jobs.

Stemming from the consultation process carried out in connection with this Policy, the urgent need for a Human Resource Audit in the Aviation sector emerged. This will be one of the priority functions of the CAA.

New and emerging technologies, such as Remote Piloted Aircraft (RPAs), offer significant opportunities in the civil aviation field, for example in oil, gas and mineral exploration, search and rescue, data gathering and scientific research, as well as opportunities for technology transfer to the wider aviation sector.

2.2.5.1 QUALITY CONTROL

Innovation, skills and technology bring along distinction, which in turn leads to a sustainable and safe air transport industry. A sustainable industry cannot exist without SARPs for the holistic industry managed by people of quality. Malta shall offer prospective investors a skilled and cost-effective labour force. In cooperation with the ETC and the Labour Office, Government will ensure that the pool of hard working and skilled workers remain a pillar of the Maltese Aviation industry.

2.2.6 GENERAL AND BUSINESS AVIATION

The sector delivers flexible accessibility options and important services, including ambulance flights, aerial survey, as well as the training of future pilots, ground-based aircraft engineers and technicians. The sector also covers a wide range of activities, from corporate business jets and commercial helicopter operations through to recreational flying in small private aircraft, micro-light aircraft and even gliders. Consultation meetings held as part of the drafting process of this Policy acknowledged the growing economic importance of this sector. Government is conscious of the potential and increasingly important role of Business Aviation. The forecast of in-service Business Jet aircraft in Europe shows an increase from 2,180 units in 2010 to 3,975 in 2020. Government is therefore actively encouraging and working together with the airport operator to identify the ideal location for a General and Business Aviation Terminal.

Government will also implement any EU legislative decisions affecting the General Aviation sector and any EASA directives that may emerge in the future and will seek to ensure that they are appropriate for the type of operation to which they apply. In addition, Government will support a regulatory approach to recreational aviation.
2.2.7 AIRCRAFT REGISTER

The Aircraft Registration Act (CAP. 503) of 2010 was an important step forward in the development of a globally recognised Malta jurisdiction for the registration of aircraft with all the benefits, and responsibilities, that this activity entails. Combining the individual forecast for passenger, freighter and business aircraft, it is expected that the number of aircraft in operation worldwide will triple by 2040. Properly managed, and given high levels of legal, professional, technical and ethical standards, this activity can generate collateral activity in financial services opportunities, legal advice, MRO and other employment opportunities. Having said that, Government is committed to ensure that it and its agencies strive for a quality register that adds value to all concerned and not mere volume.

2.2.8 AIR NAVIGATION SERVICE

The designated air navigation service provider for Malta is the Malta Air Traffic Services Ltd. (MATS). Its remit covers both the sovereign airspace of Malta and the airspace over the high seas allocated to Malta by the ICAO. Together, these two segments of airspace make up the Malta Flight Information Region (FIR). Malta is a member of EUROCONTROL and plays an active role in the Blue Med FAB, which is an integral part of the SES Initiative.

MATS continuously invests in improving the skills of its professional staff to ensure competency in their respective roles. MATS also invests heavily in air traffic management, communication, navigation and surveillance equipment in order to keep abreast of, and compliant with, ICAO, EU Regulations and EUROCONTROL standards. Government will seek to empower the service provider to widen its portfolio and partner with other entities including the NAC in Research and Innovation programmes.

Government intends to maintain ownership and control of air navigation services. MATS shall retain all the air navigation service competences and responsibilities that it holds today. The ultimate objectives of MATS shall always be those of achieving and maintaining a high level of aviation safety and efficiency in a cost-effective manner.
Advanced planning is in hand for enhancing the facilities and runway on Gozo in order to re-establish adequate communication by air between the two main islands and further afield whilst creating space on Gozo for other Aviation related activities that will create jobs and give residents the opportunity to specialise in new skills, creativity and innovation.
The opening up of air services to competition has driven down the cost of air transport and improved the range of services. Government will continue to liberalise the bilateral air services agreements that govern flights outside of the EU to enable airlines to provide services on the basis of commercial considerations particularly to/from those countries where demand for improved accessibility and connectivity with Malta has increased considerably.

Government will continue to work closely with the European Commission and other EU member states in seeking to develop liberalised EU-level air transport agreements with third countries and to seek the relaxation of restrictions on cross-border investment in order to allow improved access to foreign capital and to allow potential Maltese AOC holders freedom to invest further.
Government is committed to ensure that the aviation sector makes a significant and cost-effective contribution towards reducing global emissions. Global issues require action at a global level as the best means of securing the common objective, with action within Europe the next best option and a potential step towards wider international agreement. Government will lead by example at a local and international level particularly through the National Aerospace Centre as a leader in high level research in green aviation technologies.

Given that under the Most Likely Scenario (central forecast), world passenger traffic expressed in terms of revenue passenger-kilometres (RPKs), is expected to grow from five billion to more than 13 billion RPKs over the 2010-2030 period, representing an average annual growth rate of 4.9% (Source: CAEP/9), the industry must remain committed to stay in the forefront of mitigation technology and operating procedures to reduce its impact on the environment and climate change.

The ICAO General Assembly of October 2013 reached an agreement on developing a global market-based measures (MBM) scheme for aviation emissions by 2016 to be implemented in 2020. Malta’s strategy will continue to strongly support these measures on a global level in order to achieve a level playing field between small and large countries and small and large airlines.
The EU also agreed a comprehensive strategy to tackle aviation-related climate change emissions based upon four pillars: reduction of emissions at source; research and development; modernisation of air traffic management and market-based measures. Two of the key components of the EU strategy were the inclusion of aviation in the EU Emissions Trading System (EU-ETS) as from 2012, and improving EU airspace use efficiency through the Single European Sky (SES) programme. The original EU-ETS scheme encountered severe opposition and was suspended by a “stop the clock” provision in early 2013 though it remained applicable to intra European flights.

The SES initiative aims to enhance the design, management and regulation of airspace across the EU by moving from airspace divided by national boundaries to the use of ‘functional airspace blocks’ (FABs), the boundaries of which are designed to maximise the efficiency of airspace. Malta has reservations regarding the latter that, however, are being addressed. It is important to mention, however, that in supporting European and other initiatives on these issues nothing is done to prejudice Malta’s interests in taking into consideration the size of the country, its insularity, geographical location, its dependence on one airport, and its aim to have an economically viable national airline. ICAO’s resolution in 2010 during the 37th Assembly was further advantageous to Malta given that it agreed a framework of MBMs which take into account the specific circumstances of member States and potential impacts on the aviation industry and markets.

From global to local action Government will ensure that individual work and habitation environment is respected by limiting and controlling emissions by airport ground equipment to safeguard passengers and airport workers alike. The operation of modern ground equipment particularly by the current and any new fuel supplier plus improvements to ground vehicle tracks at MIA must be undertaken to reduce holding time at runway lights which contributes to increased pollution levels. Malta will keep abreast of developments in CAEP/9 in order to raise local standards on non-volatile Particulate Matter (nvPM).
Collaboration and transparency are important at every level: local, national and international, since Government recognises that what happens in the day to day aviation scenario has an impact on several people ranging from aviation workers to the end aviation services consumer. A national aviation policy can only be successful if it provides a sensible approach to addressing the concerns of all.

- Responses to the consultation meetings confirm that there is the will for collaboration and many examples of good practice exist if stakeholders are working well together.

- Government’s objective is to encourage the aviation industry and local stakeholders to strengthen and streamline the way in which they work together.

- Local stakeholders have the experience and expertise to identify issues and provide solutions tailored to their specific circumstances.

- However, there is scope to enhance the existing tools with the aim of improving the quality of information produced, increasing the breadth of representation, avoiding duplication of activity and reducing the consultation burden on all concerned through the setting up of a central Authority.

Further consultation will be sought with financial, legal and technical services experts with industry experience and able to spot the bottlenecks and deficiencies that are today impeding growth in this sector.
6 PLANNING FOR OPTIMAL USE OF RESOURCES

6.1 THE PLANNING FUNCTION

Policy and planning are sequential functions and, respecting the accepted practice, policy formulation is and will remain a Government prerogative whereas the implementation and enforcement of such Policy will be entrusted to an Authority that will, on its formation, draw up a Strategy and Plan aimed at implementing the stated Policy.

The Authority will also have as a primary role that of regulator of the various stakeholder operators operating on the territory or under the Malta jurisdiction. Government will continue in its role as facilitator in assisting through private and private public partnership initiatives, maintain stability, and promote business through incentives; furthermore Government will ascertain that any agreements with the private sector add value to the National interest. Malta is a full member of the International Civil Aviation Organization (ICAO), a United Nations (UN) agency, and Malta’s Government is determined to actively participate in ICAO as well as in other multilateral Government level fora.

A major stakeholder in Aviation is the airport operator. Government recommends that the Authority, in consultation with Government and the airport operator, produces an Airport Zone Master Plan of a minimum of ten years in order to streamline airport zonal planning and engagement processes. This will be discussed with Government, after it is confirmed to be in conformance with the aviation regulator’s requirements and airport operator’s aspirations, as well as airport users. It is Government’s vision that this Master Plan takes into consideration the safeguarding of the National interest for current and future generations, ensuring for posterity an airport zone that is truly an Aviation hub.

The Planning process of the CAA, holistically inclusive of the Airport Zone Master Plan, will include a long term exercise arrived at after extensive and informed stakeholder consultation, including but not limited to such issues as future land use, transport and economic planning processes, and in support of prospective planning applications.
These should address the following ‘core’ areas:

- aviation industry growth and quality enhancements;
- long term forecasting;
- proposals for improved infrastructure;
- the safeguarding of Government land and property;
- environmental and social impact assessments; and
- proposals to minimise and mitigate impacts.

This Airport Zone Master Plan should include information on existing airside and terminal infrastructure and their current state. It is to include a statement of their adopted planning standards and include issues such as gate utilisation and queue lengths for normal passenger throughput. These plans are not expected to take the form of detailed engineering or architectural designs, but to incorporate sufficient information, including drawings where appropriate. In addition to airside and terminal development and surface access infrastructure, plans for the next ten years might usefully include landside development (e.g. car parking, servicing and support areas, environmental features, landscaping and other mitigation measures), clearly identifying what is new and what already exists.

6.2 LAND RESOURCES

The apprehension amongst stakeholders in relation to aviation land use planning in the long term was corroborated during the consultation meetings. This is understandable given that land is such a scarce resource on this small island. The abandoned sites on the airfield, the restrictions due to Obstacle Limitation Surfaces (OLS), and the absence of an aviation policy and plan, the lack of administrative responsiveness in previous years, resulted in underutilised and/or mismanaged land property. The management of Government property and facilities at the airport is to be inspected by officials from the Ministry responsible for Aviation and a land inventory drawn up using GIS.

Land that is outside existing airports but may be required for airport development and/or aviation related activity in the future should be protected against incompatible development until the Government, through the Authority, has established the relevant sub-policies and proposals for use of this land. Malta Enterprise, and Malta Industrial Parks will work in parallel with the Ministry responsible for Aviation in a coordinated strategy in connection with Safi Aviation Park thus ensuring best use of limited land and other resources.

Government will make sure that future growth will not be constrained by inappropriate land use inside and around airports.
The global nature of air transport requires that the industry operates in a complex network of bilateral and multilateral inter-Governmental agreements, apart from the Acquis Communitaire. Aspects of Aviation policy and regulation in Malta are considered as a reserved matter, spanning responsibility between the Ministry responsible for Aviation, the Civil Aviation Authority (CAA), the Ministry for Home Affairs and National Security, the Ministry for Foreign Affairs, and the Ministry for Consumer Protection amongst others. Reserved matters include issues of national security, aviation security, safety regulation; economic regulation; competition issues; and international obligations of aviation.

The Ministry for Home Affairs and National Security will co-ordinate with the CAA on Security issues. The Ministry responsible for Consumer Protection and Competition will work in parallel with the CAA under the Competition Act in relation to aviation competition and passenger rights issues. The Government suggests that the following committees will continue to operate and report to the Ministry responsible for Aviation as stipulated in the appropriate Legal Notices:

- Airport Economic Regulations Board
- Airport Users Committee
- Aviation Security Committee
- Airport Scheduling Committee
Through continued oversight by the authority, the Government will ensure that all activities are and will be conducted in a manner that satisfies regulatory compliance and that the highest level of safety is achieved and maintained. The State Security Programme (SSP) will be updated on a regular basis to ensure it remains effective and current at all times.

8.1 BUREAU OF AIR ACCIDENT INVESTIGATION (BAAI)

As per legal notice 16/2013, Government will ensure that a fully functional independent office is maintained for the purpose of investigating air accidents and incidents in order to determine the circumstances and causes of such accident or incident with the main objective of learning from the event, disseminating and applying lessons learnt in order to protect the general public, passengers and aircrews.

Government is already working on giving further autonomy to this ‘Bureau’ including adequate premises to carry out its functions independently as per international practice. As things stand today, the BAAI operates within the structure and premises of the CAD which is not ideal in terms of institutional and operational freedom of action. Government will explore global best practices as to the best relationship attainable between the rightful role of the judiciary in investigating air accidents and a formal and recognized role in air accident investigations by the BAAI. The BAAI is manned by highly qualified and experienced professionals from a number of aviation disciplines. Consequently, the BAAI should be at the forefront of air accident investigations, without prejudice to the role of the judiciary. The Just Culture principle is enhanced by a reporting system, known as the Occurrence Reporting System (ORS) which is non-punitive. Government will, through the CAA, further promote a ‘just culture’ amongst aviation professionals as this encourages those in the frontline of aviation operations, including but not limited to pilots, to report incidents without fear.
With reference to the Inter-Ministerial responsibility in point 7 of this policy, the CAA will cooperate closely with the Ministry for Home Affairs and National Security, through the Armed Forces of Malta, Customs, Immigration and Police. Malta supports the new SARPS in Annex 17 of the Chicago Convention and new security guidance materials which were developed, such as air cargo security and the screening at airports of persons other than passengers serving international civil aviation.

As things stand, Aviation Security is currently the responsibility of the Office of the Manager Airport Security (OMAS).

In the face of new threats and new challenges, the culture of aviation security requires significant reform. Appropriate training of security specialists is needed by industry and regulators alike, whilst the move from one-size-fits-all to risk-based procedures needs to accelerate. The cost of aviation security needs to be reviewed, the industry needs to be sure that this money is being well spent. The respective responsibilities of Governments and industry for the cost of security procedures also needs to be better understood.

It is Government policy to constantly seek new opportunities in aviation as well as in other areas of Smart Specialisation as identified in the draft National Strategy For Research and Innovation 2020 and in the Programming of European Funds for Malta: 2014 – 2020 road-map whilst working to protect current output and jobs in the sector.
This Aviation Policy extends to the year 2020 in parallel to and intrinsically part of other major Government initiatives that also span till 2020 such as the National Reform Programme. Nevertheless, the planning initiatives that will arise out of this policy will not stretch that far. The Aviation industry is such a dynamic phenomenon that what may be medium or long term in other spheres of activity is tomorrow in the Aviation world. Therefore, this Aviation policy will be kept under review and refreshed as needed particularly in the light of any major local or global changes to those enabling factors meant to support the policy objectives contained herein. Any major changes to the Policy will be subject to fresh public and/or stakeholder consultation.

This Policy Framework seeks to achieve a clear strategy for the future. We are today as a Nation encouraging a clear policy and planning of aviation-related objectives for the benefit of current and future generations.