



A NATIONAL CIVIL AVIATION POLICY FOR SRI LANKA



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1. Executive Summary

The ‘National **Civil Aviation Policy for Sri Lanka**’ was developed in consultation with public and private stakeholders in the industry. The consultation process was inclusive and transparent enabling stakeholders to have full ownership of the policy.

The policy proposed in this document highlights the future direction and positioning of Sri Lanka as a leading aviation and transport hub in the South Asian region. The overarching objective of the policy is to transform the country into a superior air transport service provider that is connected to the global aviation network.

The National Civil Aviation Policy identifies the potential, air transport provides for economic and social development and the role regulatory oversight plays for quality assurance safeguards that ensure adherence to national legislation and global standards. The policy recognises the need for different levels of development and process of continuous improvement with multi-level of standards adopting ICAO standards as the minimum. Developing guidance, sharing best practices and working in collaboration with industry partners on the efficient use of infrastructure is important to achieve the policy objectives. It paves the way for mobilization of resources to overcome constraints and impediments to the partnership and financing for a sustainable aviation future.

The Policy identifies that timely modernising of Air Traffic Management (ATM) and upgrading and expansion of airport infrastructure are critical to cater for growth in traffic and to ensure efficient use of airspace and airports. Use of modern technology is key for modernization. Following the ICAO Aviation System Block Upgrade (ASBU) principles will be a catalyst in that regard. Although investing in ATM and airport infrastructure may not always make business sense, the benefits thereof fall to all airspace and airport users and national economies rather than the investor (Aeronautical Service Provider-ASP) himself. ATM and airport investments have long-lead time requiring long-term planning and stability and in this respect the Policy underscores that ASP shall operate as normal businesses within performance-driven frameworks based on solid business cases encouraging stable, long term investments.

The policy highlights the Flexible Use of Airspace (FUA) solutions, including impact assessments, should be collaborative and respectful of the needs of all air transport stakeholders in order to accrue optimum benefits out of the country’s airspace.

It also highlights need for encouraging internship-style programs in conjunction with conventional aviation training centres to develop much needed Next Generation Aviation Professionals. Industry could provide more real-world experience in partnership with both governmental and non-governmental education centres to ensure that future needs of aviation professionals would be adequately supplied to ensure unimpeded growth of the sector.

The policy identifies that the development of aerodromes in underserved or remote regions creates jobs, economic activity, greater connectivity and social integration to the national economy.

It is also important that revenues from taxes, fees and charges levied on aviation activities to be dedicated to funding key components of sustainable aviation system that is safe, efficient and capacity unconstrained.

Holistic view of infrastructure planning is key and it needs to take into account unique needs of all users in order to benefit comprehensively from wider range of aviation activity in localities around the country.

2. Acknowledgement

The Government of Sri Lanka (GoSL) would like to thank all stakeholders for their valuable input and active participation in the many discussion sessions of this policy.

The GoSL is grateful to the final drafting committee consisting of The Ministry of Transport & Civil Aviation, Civil Aviation Authority of Sri Lanka (CAASL), Airport & Aviation Services (Sri Lanka) Limited (AASL), Attorney General's Department, Sri Lankan Airlines, Sri Lanka Air Force, Board of Airline Representatives (BAR), Sri Lanka Association of Airline Representatives (SLAAR) and Domestic Aviation Representatives for their fullest cooperation in finalizing this policy paper.

3. Introduction

- 3.1. The aviation industry is of national strategic importance to Sri Lanka as the country depends on air transport to connect people and goods with the rest of the world. More importantly, aviation is a critical enabler for the broader economy. A safe, secure, efficient, regular and environmentally responsive aviation industry reinforces a range of trade and commerce, tourism, investment activities that contribute significantly to our economic prosperity.
- 3.2. With the right policy initiatives, aviation can be the wheel that spins out economic opportunities by expanding the existing markets, opening new markets, driving productivity and improving competitiveness.
- 3.3. Aviation's contribution to the Sri Lankan economy is undisputed. It contributes a total of 297,500 jobs and USD 3 billion to Sri Lanka's GDP as at 2016. Based on a recent IATA commissioned study (2015) that entails the Value of Aviation for Sri Lanka, this can potentially grow to 673,100 jobs and USD 7 billion to Sri Lanka's GDP 2035.
- 3.4. Sri Lanka's Aviation Sector has shown an average growth in passenger movements, cargo handling and aircraft handling by 5.5 percent, 8.0 percent and 7.7 percent respectively during 2012-15. In 2015, nearly 8.5 million passengers and 215,032 metric tonnes (MT) of cargo were transported by air.
- 3.5. Further, the travel and tourism sector, substantially aided by the aviation sector, is a significant contributor to the Sri Lankan economy. In 2015, the sector contributed LKR 1,107.1 billion to Sri Lankan GDP (10.6% of total GDP), which is forecast to rise by approximately 6.3% per year, on average, to LKR 2,128.4 billion in 2026. The broader travel and tourism sector also supported approximately 793,000 total jobs (direct and indirect jobs) in Sri Lanka in 2015 (9.7% of total employment), which is forecast to increase by roughly 1.7% per year, on average 949,000 jobs in 2026 (11.2% of total employment).

3.6 Future of Aviation in Sri Lanka

- As a result of the development initiatives of the GoSL, especially in the tourism sector, passenger air traffic (arrivals & departures) has been estimated to about 21 million by 2035 from the present figure of 8.5 million¹ in Sri Lanka.
- Domestic air travel demand is predicted to increase to 37,000 persons in 2035² from the current number of 137,000 persons. These numbers may even be higher with the country's tourism focus being more tuned towards upmarket tourists, who demand for safe, expeditious and comfortable travel.
- The industrial and trade and commerce policies of the GoSL aim to expand domestic production and market structure to gain maximum advantages from trade and commerce.

3.7 Prospects for Sri Lanka in the Asia Pacific Region and Globally

- The world's busiest international/regional air routes are located in the Asia Pacific region. Air traffic growth within the next 20 years will be driven by the Asia Pacific region. (36%³ of global air traffic will be from the Asia-Pacific region by 2034 compared to 21% from Europe)

¹ Options study for Private Sector Participation for the Development of the Domestic Airport Sector in Sri Lanka, World Bank, 2016

² Options study for Private Sector Participation for the Development of the Domestic Airport Sector in Sri Lanka, World Bank, 2016

³ Asia Pacific Aviation Competitive Challenges & Growth Dynamics, Andrew Herdman, Director General, Association of Asia Pacific Airline

- The Asia Pacific region is home to around 56% of the world’s population and a rapidly expanding middle class. This region generates 31% of global GDP.
- The global aircraft maintenance, repair and overhaul (MRO) industry is estimated to grow to US \$ 95 billion in 2024 from the present value of US \$ 64 billion⁴. The Asia Pacific MRO market is expected to nearly double to approximately \$32.2 billion by 2025. There will be a significant contribution from China and India to this growth with increased numbers of aircraft in operation. Meanwhile, the mega MRO hubs in the region such as Singapore, Hong Kong, China and Malaysia might reach saturation point.
- As global economies expand, airlines will take delivery of tens of thousands of new commercial jetliners. To meet this tremendous growth, Boeing, in its 2016 Pilot and Technician Outlook, projects a demand for nearly 1.5 million pilots and technicians over the next 20 years (2016 – 2035)⁵. The largest projected growth is in the Asia-Pacific region with 40%⁶ of the global need coming from the region due to the growth of the single-aisle market, driven by low-cost carriers.

3.8 Sri Lanka has the potential to leverage the advantages from the regional and global aviation markets and transform its aviation sector into a catalyst for economic growth, including new employment. Therefore, it is vital for GoSL to support and encourage the development of the aviation industry in order to contribute to the economic prosperity of the country.

3.9 The objective of national civil aviation policy is to actively pursue the continuous liberalization of air transport industry to the benefit of all stakeholders and the economy at large, whilst ensuring the highest levels of safety and security and the principle of fair and equal opportunity for all stakeholders.

3.10 The policy outlined below lays out the steps that need to be taken in order to position Sri Lanka as a leading aviation and transport hub in the South Asian region.

⁴ ICF MRO Market Forecast & Trends – Asia Pacific March 9-10, 2016 Airline E&M: China & East Asia

⁵ Boeing (NYSE: BA), “Boeing Forecasts Nearly 1.5 Million Pilots and Technicians needed by 2035”, accessed 20th October 2016, <http://boeing.mediaroom.com/2016-07-25-Boeing-Forecasts-Nearly-1-5-Million-Pilots-and-Technicians-Needed-by-2035>.

⁶ Boeing (NYSE: BA), “Extraordinary demand for pilots, technicians, and cabin crew”, accessed 20th October 2016, <http://www.boeing.com/commercial/market/long-term-market/pilot-and-technician-outlook/>.

4. Key Elements of the Policy

- 4.1 The National Civil Aviation Policy is based on the premise that airspace above Sri Lanka is a valued national asset with vast potential for economic development and social integration.
- 4.2 The key elements of the Civil Aviation policy are aligned accordingly to tap the full potential of the country's airspace, giving optimum freedom for its use for peaceful purposes that includes freedoms of the air recognized by the Chicago Convention (1944) as well as commercial, recreational, and educational activities with due regard to national security and GoSL's obligations under applicable international conventions for aviation safety, security, efficiency, regularity and environmental responsiveness.
- 4.3 The key elements of the policy enumerated below are aimed at laying a sound foundation for elevation of Sri Lanka's position as a leading aviation and transport hub in the South Asian region.
- 4.4 Central to the envisaged creation of Sri Lanka as a leading aviation hub in the region is the need for capacity-unconstrained and efficient airspace and international airports and strong home based airlines. Accordingly, the designated national airline (s) and the main international airport (BIA), will be mainstreamed to overall economic development of Sri Lanka.
- 4.5 Implementation strategy of the Policy will focus amongst other aviation activities, on establishment and operation of world-class Aircraft Maintenance, Repair and Overhaul (MRO) facilities for all modern commercial aircraft types, state of the art aviation training facilities, aerospace engineering services and manufacturing industries as well as enterprises engaged in aviation commerce (insurance companies, aircraft brokers etc.) which will be promoted through enabling legislation, where necessary, simplification of rules and procedures and by providing the required infrastructure facilities and services.

5. International Air Transportation

- 5.1 **Principles of accessibility:** GoSL is committed to the promotion of international air services in order to provide opportunities for development of employment, trade and commerce, investment and tourism in particular. Towards the realization of this goal, the GoSL will commit to fair competitiveness and equal and open access in entering into air services arrangements with other States on the basis of reciprocity with a view to harnessing the economic, trade, commerce, tourism, religious and social benefits that flow from opening of new international aviation markets and/or expanding existing international aviation markets resulting in wider accessibility and connectivity.
- 5.2 **Exchange of traffic rights:** GoSL will be open and flexible in the exchange of commercial traffic rights with bilateral or multilateral partner States underscoring the reciprocal and apparent benefits to Sri Lanka. Accordingly, applicable considerations for grant of new traffic rights or enhancement of existing traffic rights would include inter alia: –
 - a. Potential for accessing new tourist markets and/or expanding existing international aviation markets that generate tourist/business traffic to/from Sri Lanka;
 - b. Creation of new city pairs with which Sri Lanka has no existing direct air links;
 - c. Promotion of BIA as a hub airport while developing other local airports based on market demand;
 - d. Attracting and/or retention of reputed international carriers to Sri Lanka;

- e. Reciprocal enhancement of traffic rights and/or commercial opportunities for carriers of Sri Lanka;
 - f. Promotion of international aviation system based on competition among airlines in the marketplace with minimum governmental interference and economic regulation;
 - g. Expansion of international air services opportunities recognising that efficient and competitive international air services enhance trade, promote the welfare of consumers and job creation and economic growth of the country;
 - h. Making it possible for airlines to offer the travelling public a variety of service options at the lowest prices that are not discriminatory and do not represent abuse of a dominant position, and encouraging individual airlines to develop and implement innovative and competitive prices;
 - i. Ensuring the highest degree of safety and security in international air services whilst being mindful of the grave concerns about the acts or threats against the security of aircraft, which jeopardize the safety of persons or property and adversely affecting the operation of air services that undermine public confidence in the safety of civil aviation.
- 5.3 **Network Opportunities:** Every effort will be made to negotiate for expanded network opportunities and improve market access for designated carriers of Sri Lanka to international aviation markets in accordance with the requirements of such carriers and/or future interests of the country.
- 5.4 **Route Capacity:** Traffic capacity / frequency available to Sri Lanka's designated airlines engaged in international air transportation in terms of the applicable Air Services arrangements will be maintained well ahead of foreseeable demand to enable the respective airlines to plan for the long term growth of Sri Lanka's aviation market.
- 5.5 **Designation of Sri Lanka based airlines for international operations:** Designation of Sri Lanka based airlines to participate in the operation of international passenger and/or cargo services under the existing and/or future air services arrangements shall be subject to such airlines meeting the applicable legal, technical, operational, administrative and environmentally responsive requirements that conform to applicable national legislation and international standards.
- 5.6 **Traffic Rights for Sri Lanka based airlines:** A fair and transparent mechanism will be maintained for allocation of available or potential traffic rights and slot allocation amongst Sri Lanka based airlines for operation of international passenger air services.
- 5.7 **Airlines' Principal Place of Business:** The GoSL will promote the "Principal Place of Business (PPOB)" criteria as advocated by ICAO, in place of the substantial ownership and effective control principle in the designation of airlines to operate agreed international air services. The GoSL will propose to its existing Bilateral Air Service Partners to renegotiate the substantial ownership and effective control clauses in the existing Air Services Agreements to bring them in line with the Principal Place of Business principle.
- 5.8 **Passenger Charter operations:** Charter operations by both local and foreign airlines will be encouraged and supported with relaxation of economic regulations but with no compromise on safety, security and environmental considerations which will be maintained in accordance with applicable guidelines of Civil Aviation Authority of Sri Lanka (CAASL).
- 5.9 **Foreign Airline Representations in Sri Lanka:** Foreign Airlines operating into and out of Sri Lanka will be permitted to operate to Sri Lanka either through a locally registered General Sales Agent or by the airline incorporating a limited liability company in Sri Lanka or by operating directly with an adequate Bank guarantee from a Bank in Sri Lanka drawn in favour of the CAASL that safeguards the obligations of the airline to the customers.

- 5.10 **Ground handling:** Subject to airport space, safety and security constraints, and also environmental concerns, airlines shall have the freedom to self-handle where permitted or to select from available Ground Handling service providers. The GoSL will ensure that the Ground Handling Services at International Airports are provided on competitive pricing.
- 5.11 **Code Share Agreements (CSA)** A Code-Share Agreement between two airlines allows one airline ('Marketing airline') to sell seats on a flight operated by another airline ('Administering airline'), with the airline code and flight number of the marketing airlines. This helps in seamless connectivity for passengers. In this regard, the Policy will be as follows:
- a. Domestic Code-share Points within the country shall be liberalised within the framework of the Air Services Agreements (ASA).
 - b. Sri Lanka registered carriers will be free to enter into domestic code-share agreements with foreign carriers to any point in Sri Lanka available under the respective ASA.
 - c. For the designated carriers of Sri Lanka, international code-share arrangements with foreign carriers including 3rd Party Codesharing will be liberalized as per the provisions relating to code-share arrangements in the ASA with sufficient notice to CAASL prior to starting the codeshare flights.
- 5.12 **Airlines' Expatriate Staff:** Airlines will be permitted to employ expatriate management/technical workers based on sufficient justification and in accordance with applicable guidelines. In any event, a foreign airline may have two expatriate staff in the commercial area, and two in technical areas. Any additional expatriate staff may be employed subject to approval of the Director General of the Civil Aviation.
- 5.13 **Use of Cabotage rights:** GoSL will allow foreign airlines operating into and out of Sri Lanka to operate in to more than one international airport in Sri Lanka with commercial traffic rights between such international airports on a case by case basis.
- 5.14 **Traffic Rights at Mattala Rajapakse International Airport (MRIA)**
GoSL will allow designated foreign airlines to exercise all nine Freedoms of the Air at MRJA in respect of carriage of passengers and freight, without any restriction.

6 Domestic Air Services

- 6.1 **Investment in domestic aviation industry:** The GoSL supports the continuous development of a vibrant domestic aviation industry that would deliver economic and social benefits to the country. To this end, private sector investment in domestic airlines as well as aerodromes and other aviation facilities and services will be encouraged and supported.
- 6.2 **Use of domestic aerodromes:** All domestic aerodromes except those aerodromes exclusively owned by the military will be well maintained in accordance with the applicable civil aviation standards to promote domestic aviation. At aerodromes which are controlled by the military, clear segregation of land space, facilities and services between civil and military will be made to enable the civil operators to conduct of safe, efficient and economical air transport services under the regulatory control and supervision of the CAASL.
- 6.3 **Construction of new aerodromes:** Subject to technical feasibility, the construction of new domestic aerodromes may be pursued at locations based on tourism, trade, commerce, industrial and social needs. This will include construction of heliports and helipads. Private sector participation in this respect is encouraged and supported.

- 6.4 **Water Aerodromes:** The use of inland water bodies as water aerodromes for operation of floatplanes will be encouraged and facilitated in consultation with relevant authorities in charge of such water bodies without prejudice to their primary use.
- 6.5 **Regulation of Domestic Aerodromes:** Regulation of all matters inclusive of determination of all fees and charges levied at domestic airports used for civil aviation which includes water aerodromes and heliports/helipads will be vested in the CAASL.
- 6.6 **Multi-modalism:** In the development of airports, the need for integrating such facilities with other modes of transport such as rail, road and sea (multi-modal transport) to provide seamless travel will be given high importance and due priority.
- 6.7 **Helicopter landing sites:** Construction of Heli-pads at selected locations in major cities and by the side of Highways and Expressways will be promoted, to facilitate efficient transfers of needy passengers including medical evacuation.
- 6.8 **Private aerodromes:** Construction of private airstrips, heliports and helipads will be permitted and encouraged subject to conformity with published requirements by the CAASL.

7 Maintenance, Repair and Overhaul Organizations (MRO)

The GoSL will take following measures in respect of establishment and operation of MRO in Sri Lanka.

- a. The requirements of MRO such as parts, or orders from their client airlines will be facilitated through a speedy clearance process .
- b. Approval will be given for import of unserviceable parts including aircraft components like engines and landing gear by MROs in advance of the commencement of the planned work.
- c. Foreign aircraft brought to Sri Lanka for MRO work will be allowed to stay for the entire period of maintenance or up to 12 months, whichever is lesser, provided it undertakes no commercial flights during the aforesaid period. The aircraft may, however, carry passengers in the flights at the commencement and conclusion of the aforesaid period of stay in Sri Lanka.
- d. Subject to availability, adequate land would be provided for MRO, aircraft assembly/disassembly service providers at all airports where potential for such services exists.
- e. Airport royalty and additional charges will not be levied on MRO service providers for a period of five years from the date of commencement of provision of the MRO services.

8 General Aviation

- 8.1 **Development and Facilitation:** The GoSL recognizes the need for the development and facilitation of general aviation, private operations and recreational aviation, including aero sports whilst maintaining the required safety standards and security requirements to an acceptable level.
- 8.2 **Aero clubs:** Formation of rural or regional aero clubs to promote and administer recreational or educational aviation functions, activities or events will be encouraged and facilitated.
- 8.3 **Recreational Aviation:** Recreational aviation including aero-sports in the country will be allowed with due regard to national security and safety. Operation of hot air balloons, gliders, para-gliders and ultra-light aircraft etc. will be permitted subject to compliance with the code of conduct which is administrated by the CAASL.
- 8.4 **Operation of Drones / UAV:** GoSL recognises the multi-fold uses and associated benefits of drones /Unmanned Aerial Vehicles for the improvement of quality of life of the general public. However, in view of the potential threat posed by drones/UAVs to national security and safety of person and property, and the right of privacy of the

members of public, importation, exportation assembly, manufacture, sale, chartering, leasing and operation of a drone or UAV (unmanned aerial vehicle) within Sri Lanka

Airspace will be strictly controlled through the issuance of permits by CAASL in coordination with all state organisations concerned. The operation of drones / UAV above certain weight categories to be defined by the CAASL will require prior approval of Sri Lanka Police and the local police will reserve the right to immediately order the cessation of any operation which is deemed to create a safety and/or security hazard, interference with any equipment or activity in the area.

09. Stakeholder Participation in Aviation Development

- a. The GoSL recognizes that there would be stakeholders who may be affected by proposed development of aviation related activities. Accordingly, views of stakeholders will be sought and given due consideration in the process of planning and development of aviation related activities.
- b. Being a member State of ICAO, GOSL will honour and adhere to ICAO policies and guidelines on principles of non-discrimination, transparency, cost-relatedness and consultation with users in the determination of levies, fees and charges relating to civil aviation
- c. In the determination of charges, GoSL recognises the need to minimize costs of air travel and accordingly the views of the stakeholders who are likely to be affected will be sought and given due consideration.

10. Designation of Airspace for Special Use

Airspace of defined dimensions may be identified and designated for promotion of all or selected facets of the aviation spectrum, with minimum regulatory interventions.

11. Off-shore operations

The establishment of helicopter services to engage in off-shore operations to support off-shore installations and sea-going vessels will be encouraged and facilitated giving due consideration for national security and public safety requirements or other entities where necessary.

12. Airport Infrastructure

12.1 Airport development: Development of airport infrastructure is essential for the growth of the aviation and tourism sectors. Action will be taken to develop and maintain all existing and proposed domestic and international airports in Sri Lanka according to required standards and the foreseeable demand based on traffic forecasts.

12.2 Second Runway at Bandaranaike International Airport: A parallel runway which is well spaced with the existing runway at Bandaranaike International Airport will be constructed at an appropriate location paving way for independent and simultaneous operations of both runways aiming at enhancing handling capacity, efficiency and productivity of aircraft movements of the international airport.

12.3 Dialogue with local communities: In the development of new airports or renovation or expansion of existing airports, the GoSL will ensure that systematic planning, designing, development, implementation, operation and maintenance will take place through close coordination and proper dialogue with Statutory Service Provider; Airport and Aviation Services (Sri Lanka) Limited (AASL) and all other parties concerned. Effective and continued dialogue between local communities, aviation stakeholders and airport developers with AASL will be maintained during infrastructure development.

12.4 Regional airports: The GoSL will work towards setting up of and operating four (4) regional airports covering the North, East, South and West of Sri Lanka with a view to improving connectivity both internally and externally.

12.5 Segregation of land space: Other than at domestic airports which are exclusively owned and used by Sri Lanka Air Force for security reasons, all domestic airports shall be made available for joint civil/military use with clear segregation of civil and military activities. In this context, clear demarcation of one side for civil aviation and the other side for SLAF will be maintained with the option of land on the civil side being made available to prospective investors on long term lease for setting up and operation of civil aviation infrastructure. In all civil/military joint airports, civil standards will be applied and maintained including fees and charges.

12.6 Domestic terminal: Domestic terminal facilities to be initiated in international airports to accommodate passenger transfers to and from domestic airports in the country in order to strengthen and promote growth of domestic air travel.

12.7 Low cost terminal: The GoSL recognises the value of economic contribution made by passengers being transported by low cost airlines, which operate on the principles of minimizing the cost whilst maximizing the productivity and efficiency. In order to enable the business model of low cost airlines, the GoSL will facilitate / encourage construction of low cost terminal at international airports.

13. Airport Master Plan

13.1 Every airport used for civil aviation will be required to develop a Master Plan which will outline development strategies and options for its optimum use including the land use planning in the lands adjoining the airport. Airport master plans are aligned with traffic forecasts to develop in phases, in order to balance capacity and demand. A business case with capital costs, timeframes, and other considerations such as airspace capacity and environmental impact will be considered from an early stage. A work stream on users' requirements and affordability will also be included.

13.2 Therefore, future infrastructure needs for airports will be addressed through properly coordinated and integrated Airport Master Plans recognizing the importance of airports as key elements of the national economic infrastructure.

14. Air Cargo Trans-shipment

14.1 Air Sea Cargo: The air cargo industry is largely dependent on trans-shipment and it is necessary to promote cargo processing and trans-shipment of air cargo. Therefore, the development of air cargo handling facilities and capabilities will be planned and integrated with the handling of sea cargo in coordination with Ports Authorities and other concerned stakeholders such as Sri Lanka Customs.

14.2 Regulated Agents: All air cargo operators will be regulated through the CAASL. The concept of Regulated Cargo Agent will be introduced so that cargo containerized at a Regulated Cargo Facility will no longer be subjected to security checks at the airports, minimizing the ground delays in handling them at the airports. Freight Forwarders and Cargo Agents who opt to make use of this facility will be subject to the regulatory system by issuance of a license by the CAASL.

14.3 Global Supply Chain: The focus will be given to the promotion of value addition of air cargo trans-shipment which is a part of the global supply chain. Cargo charter carriers will also be encouraged and supported to operate with the approval of the CAASL.

15. Land Use Planning

- 15.1 **Effective use of airspace:** Land use planning is essential to optimize the use of limited land resources. Therefore, particular emphasis will be placed on demand and future passenger and cargo growth forecasts. Proper land use planning will be carried out for effective use of the airport and its environs.
- 15.2 **Obstacle Limiting Areas and Surfaces:** Airspace associated with airports including the certified government controlled/licensed water aerodromes and heliports will be preserved by establishing an effective obstacle limiting areas and surfaces (zoning requirements) according to applicable international safety standards laid down by the International Civil Aviation Organisation (ICAO).
- 15.3 **Private water aerodromes / heliports:** In regard to water aerodromes or heliports owned or operated by private parties, the responsibility of preserving the required Obstacle Limiting Areas and Surfaces shall rest with the respective owner or operator of the water body or heliport, in liaison with the owners of land adjoining the facility. In the event, the requirements of Obstacle Limiting Surfaces are infringed by surrounding constructions, the validity of aerodrome certificate or heliport certificate will become null and void.

16. Air Space Management

- 16.1 **Airspace:** Recognizing that Sri Lanka's air Space is an invaluable public asset which has immense potential for socio economic growth, the effective and efficient management and use of air space for civil aviation purposes will be ensured with due regard to national security and safety.
- 16.2 **Flexible use of airspace:** The GoSL will not prohibit use of any airspace permanently for civil aviation activities but adopt flexible use of airspace depending on the operational /security needs. Accordingly, currently established permanent restricted areas and prohibited areas will be done away with and new areas will be established for activation depending on the need taking into account of the national security requirements.
- 16.3 **Linkage with Global Air Navigation Plan:** The GoSL supports the implementation of international best practices in Air Traffic Management within Sri Lanka's airspace to provide a safe and efficient service, in line with the Global Air Navigation Plan of ICAO which is supplemented by Aviation System Block Upgrade (ASBU). This will be achieved by developing a coordinated national air traffic management programme with the CAASL, AASL, designated national airlines and SLAF, having due regard to the safety of the traveling public, the needs of the air space users , optimization of economic gain for the country and national defence requirements. GoSL will support and facilitate flight operations on user defined trajectories in keeping with international standards and applicable regional air navigation plans and commitments. The ICAO Global / Regional Air Navigation Plan will be used as the basis for planning, designing, equipping and managing Sri Lanka's airspace. Accordingly, Sri Lanka's airspace will be managed keeping pace with ICAO advocated policy of Aviation System Block Upgrade (ASBU) that fulfils the requirements identified by the national air traffic management programme

- 16.4 **Provision of Air Traffic Control Service:** Provision of Air Traffic Control Service at all airports where civil flights operate to, shall be made by Air Traffic Controllers holding appropriate Air Traffic Control (ATC) Licenses issued by Director General of the CAASL.
- 16.5 **Airspace classification:** Further to the concept of open airspace policy by the CAASL, a procedure is required to be laid down to maximize the opportunities afforded by this policy within the country while recognizing the establishment of air space classes including air corridors within the Colombo city and international runways. Air Space classifications and designs will be guided by ICAO policy and the needs of the airspace users.

17. State Aviation Safety Programme (SASP)

- 17.1 An acceptable level of freedom from risk when engaged in aviation activities is the corner stone of aviation safety. A State Aviation Safety Programme will thus be developed in line with international standards and industry best practices and implemented as a measure of fulfilling the State's obligation for effective safety oversight of aviation activities of Sri Lanka.
- 17.2 **Place Holder Organization:** The designated Place Holder organization responsible for the development, implementation and maintenance of State Aviation Safety Programme will be the CAASL and it will be provided with necessary human and financial resources for the effective implementation of the State Aviation Safety Programme in commensuration with the size and complexity of the local aviation industry.
- 17.3 **State Aviation Safety Coordination Platform:** State Aviation Safety Coordination Platform will be established with participation from all relevant State aviation regulatory and administrative organizations. This mechanism may be in the form of a committee headed by the Secretary to the line Ministry. Its function is to coordinate the implementation and subsequent administration of the SASP amongst the various State aviation regulatory and administrative organizations to ensure that the development, periodic review and decision and policy making pertaining to SASP activities such as safety policy, safety indicators, enforcement policy, safety data protection & sharing, SMS regulatory requirements, internal SSP review and findings etc. are carried out in an integrated and coordinated manner. This on-going SSP platform should involve senior management of the various organizations, with the SASP Accountable Executive as the coordinator.
- 17.4 **Human and Financial Resources:** The CAASL's technical competency and operational capability which is vital for it to be an effective safety regulator will be ensured by providing requisite financial resources and necessary administrative flexibility. This will include the authority to effect necessary organizational and structural reforms including human resources requirements to satisfy the State's obligations and meet the current and expanding industry demands, pertaining to aviation safety.
- 17.5 **Technical Competence:** The CAASL's capacity to plan and act strategically in response to growth and changes in the global aviation industry will be reinforced with adequate administrative arrangements. The CAASL's capabilities in development, introduction and enforcement of technical standards and regulations will be strengthened and its capacity in supporting an expanded surveillance programme will be enhanced.

- 17.6 **Regulation of the industry:** The mandate of CAASL to certify and regulate the operations of international and domestic air operators and other aviation service providers such as Airport Operators, Maintenance and Repair Organizations, Training Organizations and Aerospace Manufacturing Organizations, will be strengthened to ensure that safety standards formulated by the CAASL in accordance with accepted international standards are complied with.
- 17.7 **Safety Management Systems (SMS)** the aviation industry is required to comply with formulated safety standards and is encouraged and supported to develop systems to establish, maintain and update Safety Management Systems (SMS).
- 17.8 **Safety culture:** The GoSL will promote the creation of a sound 'safety culture' amongst aviation entrepreneurs and insist on implementation of appropriate Safety Management Systems (SMS) in the respective areas they are engaged in, conforming to the State Safety Programme of the CAASL. A culture of self-reporting by operators and service providers in a non-punitive environment will be encouraged affirming the obligation of Air Operators Certificate (AOC) holders and certified operators to notify the CAASL immediately of any failures in safety compliance.
- 17.9 **Protection of Safety Data:** Arrangement will be made in an SSP-SMS environment, the State's regulatory enforcement policy and procedures (in an SSP-SMS environment) to ensure that no information obtained from a voluntary/ confidential reporting system or equivalent restricted operational data monitoring systems operating under an SMS will be used for enforcement action. Safety data will not be disclosed for any purpose other than the purpose of aviation safety promotion unless a court of law decides otherwise in accordance with the applicable ICAO standard.
- 17.10 **Institute for Conducting of Investigations on aircraft accidents and incidents:**
A separate and independent Bureau for the conduct of investigations on aircraft accidents and serious incidents will be established.
- 17.11 **Aviation Disaster Management Plan:**
Action will be taken to implement an Aviation Disaster Management Plan in coordination with the relevant authorities responsible for national disaster management. In order to maintain the highest standards in safety investigations, the principle of the independence of investigations of accidents and major incidents will be protected and upheld. This will include development of an Aeronautical Search and Rescue Plan that will address the needs of search and rescue obligation of the State in respect of aircraft in distress within the airspace that is delegated to Sri Lanka for provision of air navigation services. It will also include Public Health Emergency Response requirements at airports.

18. Aviation Security

- 18.1 Aviation Security is defined as safeguarding civil aviation against acts of unlawful interference. This objective will be achieved by a combination of measures with human and material resources.
- 18.2 The GoSL maintains a zero-tolerance policy with regard to "air rage" and an act by any person which may endanger an aircraft, its passengers and/or crew, will be prosecuted under domestic and/or international law.
- 18.3 In conformity with applicable international conventions and domestic legislation, all necessary steps will be taken to ensure that aviation is safeguarded against acts of unlawful interference by terrorists and other perpetrators of violence against aircraft or airports.
- 18.4 Priority will be given to the consistent implementation of the approved National Civil Aviation Security Programme (NCASP). Timely action will be taken to affect the

necessary amendments to the NCASP based on periodical threat assessments to ensure measures of control commensurate with the risk factor.

- 18.5 The regulatory agency for aviation security of the State will be the CAASL. The CAASL is required to ensure that surveillance of all civil aviation security functions is conducted by a quality control mechanism. All stakeholders performing aviation security functions should manage their tasks by an internal quality control system.
- 18.6 Steps will be taken to ensure implementation of aviation security measures and controls stipulated in the NCASP on a continuous basis and to a consistent standard. All civil airports and aerodromes shall maintain Aviation Security Services certified by the CAASL.
- 18.7 Adequate training for all personnel involved in civil aviation security in conformity with the National Civil Aviation Security Training Programme will be carried out.
- 18.8 Civil aviation security measures and requirements will be integrated into the architectural design and construction of new facilities and alterations to existing facilities at airports and aerodromes.
- 18.9 In order to ensure passenger confidence and convenience and to avoid an uneasy environment at airports, action will be taken to provide sufficient information to the traveling public regarding screening processes together with appropriate signage.

Effective screening technologies and techniques where appropriate will be introduced to improve passenger convenience and address security concerns, with due regard to individual privacy. In partnership with the industry, guidance for handling complaints, screening passengers with special needs and other aspects of the screening process will be developed.

- 18.10 To be in readiness for unforeseen aviation security contingencies, an Airport Security Contingency Plan will be developed with agencies responsible for national security and regularly updated. Action will also be taken to establish a fully equipped Emergency Operation Centre to meet any security contingency.

19. Civil-Military Coordination

- 19.1 The GoSL recognizes that the Sri Lanka Air Force (SLAF) has valuable assets in terms of personnel, equipment and infrastructure to provide supporting services such as search & rescue operations which could be shared for the benefit of the country's aviation sector.
- 19.2 The GoSL recognizes that the Sri Lanka Navy has qualified Naval personnel to engage in water rescue missions in the event of an aircraft alighting on water and in addition to carry out water borne security during the arrival and departure of VVIP aircraft.
- 19.3 A Joint Civil-Military Coordination Committee will be established with a view to facilitating a harmonious working environment, where unimpeded civil aviation operations will take place in close coordination and cooperation with the military.

20. Facilitation at Airports

- 20.1 The GoSL recognizes that Airport Facilitation consists of the efficient management of the flow of passengers, baggage, cargo and mail through the airport facilities, ensuring that services are delivered in a healthy, safe and secure environment, and meeting and exceeding when possible the needs and expectations of customers. This should be applicable for all scenarios, under normal operations and situations of flight disruption.
- 20.2 Passenger facilitation is not just achieved by airport operators in isolation. It requires a high level of interaction and coordination with partners and stakeholders that are

responsible for the different steps of the end to end passenger process, from the time of booking to the time the passengers arrive at their final destination.

- 20.3 In view of the foregoing a National Air Transport Facilitation Committee is established comprising of the Heads of Organization of the agencies involved to help airports improve their terminal flows and processes by providing a set of recommendations, guidelines and best practices, together with measuring and benchmarking opportunities provided through the Airport Service Quality (ASQ) programmes.

21. Development of Human Resources

- 21.1 The GoSL recognizes the importance of constant availability of a trained, qualified, experienced and skilled aviation workforce to steer the industry forward, safely and professionally. In this context, the GoSL will join hands with the ICAO in promoting Next Generation Aviation Professional (NGAP) Programme in Sri Lanka whereby future human resources are identified and appropriate training provided in an ongoing basis.
- 21.2 To this end the GoSL will encourage the development of Aviation Training Centres capable of delivering a variety of training programmes related to the field of aviation. Training in the areas of flying, aircraft maintenance, aerospace, airport related technical areas, safety management systems, airline and airport marketing, air transport Economics, airport master planning, human resource development and aviation law will be accorded the highest importance and due priority.
- 21.3 The GoSL will encourage the commencement and continuation of Degree / Diploma programs on Aviation related subjects that will provide employable young professionals that would enhance the Aviation Industry.
- 21.4 Training establishments are thus encouraged and supported to share synergies and benefit from each other's resources in order to optimize the quality of training and to gain international acceptance through certification and accreditation by leading international training establishments.
- 21.5 All aviation related organizations will be required to address training needs through a comprehensive training plan for employees and implement it through systematically designed training programmes, by induction and in-service training.
- 21.6 It is necessary to have in place a National Plan for career succession in aviation starting within schools to create awareness among the younger generation and assist in defining career pathways from school into aviation related occupations.
- 21.7 Action may be taken to include aviation in the school and vocational & training curriculum and will be included in the selected streams of university education with a view to upgrading aviation studies leading to degrees in aviation.
- 21.8 Industry partners will be required to facilitate this education process by providing in-house/industrial training and internships for undergraduates following aviation degree / diploma / certificate programmes conducted by the universities and other aviation institutions.

- 21.9 A National Civil Aviation Training Co-ordination Centre will be set up with a view to global marketing of local aviation training facilities and services.
- 21.10 Scholarship programmes will be arranged under the ICAO Third Country Training Programme so that more foreign students are attracted through the Foreign Ministry and the Department of Commerce under joint trade agreements with other States.
- 21.11 A special fund will be set up to initiate, channel and facilitate local and foreign training for aviation related skills development projects and improvement and upgrading of training facilities in the private sector.

22. Promotion of Research and Development in Civil Aviation

- 22.1 The GoSL will promote and support investment in research and development (R&D) in the field of civil aviation by public and private entities. GoSL will encourage the creating of awareness among key aviation stakeholders regarding the benefits of problem solving and scientific advancement of the industry through research and will assist in the development of a platform to share research ideas relevant for stake holders. This would include submitting related problems in planning, designing, operational and management aspects of air transportation or ideas believed to have a potential to advance current practices. Researches may also identify existing social, economic, operational, environmental or technical issues affecting the industry adversely or new or emerging new areas that may influence the industry and find viable solutions therefor for its unimpeded the growth.
- 22.2 The collection and dissemination of relevant data for research purposes consistent with national security will be promoted. For this purpose, National Air Transport Statistical Programme will be established under the CAASL to enable the interested researchers to have ease of access to vital data and statistics.
- 22.3 GoSL will encourage an environment to promote active participation in national aviation Research &Development by academic and other institutions with required capability. Corporation between industry and academic institutions that will create talented, creative and innovative academic community dedicated to aviation disciplines will be promoted.
- 22.4 State agencies engaged in aviation activities are encouraged to allocate required funds out of its annual budget for aviation research purposes.

23. Public Private Participation and Investment Promotion

- 23.1 The GoSL supports a competitive environment for aviation related businesses such as multiple ground handling service providers, airline caterers at airports in line with demand for such facilities with a view to enhancing the efficiency, productivity and economies of scale in offering such services.
- 23.2 Opportunities for the setting up of Aircraft Maintenance, Repair and Overhaul (MRO) facilities will be provided to potential investors who would operate such services in accordance with the international safety standards such as EASA (European Aviation Safety Agency) or FAA (Federal Aviation Administration).

- 23.3 Foreign investment up to a 90% of share capital in public-private partnerships (PPPs) for the development, operation and maintenance of new aviation related projects and/or new airports / heliports/ water aerodromes will be permitted. Foreign investment and PPPs in areas such as establishment and operation of airlines, maintenance, repair and overhaul organizations, manufacturing organizations, catering and aviation training centre's etc will be encouraged.
- 23.4 Concessions at airports and services which are deemed as a monopoly will be subjected to the same regime of economic regulatory framework as mentioned in Section 11.

24. Consumer Protection

- 24.1 While the GoSL is committed to ensure safety, security and sustainability of the aviation sector through the use of technology and effective monitoring, action will also be taken to implement and enforce an Airline Accident Victim Relief Programme which is the responsibility of the respective airlines to provide relief to the victims and survivors of aviation accidents and next of kin to meet their immediate needs.
- 24.2 Provided that where any airline operating to/from or through Sri Lanka already includes and maintains compensation benefits for injury and/or loss of life in accordance with applicable international standards as part of its Conditions of Carriage (CoC), such airline(s) shall be excluded from the ambit and purview of the proposed Airline Accident Victim Relief Programme, as contemplated in the preceding paragraph in order to prevent dual exposure of airlines to liability for injury and /or loss of life and/or damage to property.
- 24.3 The GoSL will take measures to prevent unfair trade practices of airlines and safeguard the common interests of the industry and the travelling public.
- 24.4 GoSL recognizes the need to protect air transport consumers and will take appropriate measures to safeguard the rights of air transport consumers by introducing necessary rules that includes but not limited to denied boarding and flight delays or cancellations.

25. Regulation of air cargo industry

The GoSL recognize the potential of air cargo transport in satisfying the need for efficient connection of distant markets for expeditious and reliable means for global supply chain. In this context, the GoSL will completely liberalise capacity related matters in the carriage of cargo by air, without any limitation whatsoever. It will also facilitate the air cargo handling procedures in line with the applicable international conventions.

26. Access for Persons with Reduced Mobility and Special Needs

The GoSL recognizes the difficulties experienced by people with reduced mobility and special needs in accessing air travel. This strategy will involve a range of measures adopted from the best international aviation industry practices, underpinned by a commitment to

more inclusive and ongoing consultation on reduced mobility issues with relevant parties in keeping with international obligations undertaken by the GoSL.

27. Multi Modal Transportation

- 27.1 The GoSL will promote multi modal transportation wherever possible to enable the growth of the industry and the national economy.
- 27.2 The airport infrastructure will be integrated with other modes of transport such as, rail, road and sea ports where possible.

28. Environmental Safeguards

- 28.1 The GoSL recognizes the importance of addressing the impact of aviation activities on the environment and the need to take appropriate mitigation measures.
- 28.2 Accordingly, the GoSL will implement the ICAO-approved basket of measures, including GMBM (Global Market Based Measures)*.

29. International Conventions

In the fulfilment of its international obligations, the GoSL will also take steps to accede to International Conventions and Instruments as deemed applicable and necessary, including the Montreal Convention (1999) and Cape Town Convention (Aircraft Protocol).

30. Taxation and Related Issues

The GOSL will take it into account industry stakeholder views as well as the development of the aviation industry in Sri Lanka in its taxation Policy.

31. Implementation, Monitoring and Amendment of the Policy

- 31.1 The GoSL will ensure that there shall be a review mechanism to monitor the implementation of this policy document.
- 31.2 The GoSL shall also ensure that this policy will be updated in a timely manner to keep pace with the technological and industrial development

32. Glossary

Table of Acronyms

Acronym	Title
GoSL	Government of Sri Lanka
ICAO	International Civil Aviation Organisation
CAASL	Civil Aviation Authority of Sri Lanka
AASL	Airport & Aviation Services (Sri Lanka) Limited
BIA	Bandaranayke International Airport
PPB	Principal Place of Business
PPP	Public Private Partnership
DGCA	Director General of Civil Aviation Authority of Sri Lanka

SMS	Safety Management Systems
SLAF	Sri Lanka Airforce
ASBU	Aviation System Block Upgrade
ATC	Air Traffic Control
AOC	Air Operators Certificate
NCASP	National Civil Aviation Security Programme
VVIP	Very Very Important Person
NGAP	Next Generation Aviation Professional Programme
EASA	European Aviation Safety Agency
FAA	Federal Aviation Administration
CoC	Conditions of Carriage
GMBM	Global Market Based Measures
MRO	Maintenance, Repair & Overhaul