

Passenger based Airport Charges

Airport charges should be charged on a per passenger basis.

SUMMARY

Most charges are absorbed directly by the airlines and therefore form part of the airlines cost base. Certain passenger charges are however directly recovered from the passenger on the ticket. This gives increased visibility to the passenger of the charges that they are paying.

IATA POSITION

Where possible and practical, IATA will seek to ensure that airport charges are on a per passenger basis rather than through other charges, subject to necessary legal and regulatory issues to be addressed.

KEY BENEFITS OF CHARGING ON PER PASSENGER BASIS

- 1** Transparency – Passengers would have increased visibility of the charges they are paying. This may encourage airports to maintain or reduce the level of charge through cost reduction and cost efficiencies.
- 2** Risk Sharing – Passenger fees are a means for sharing the risks and benefits of changes in passenger traffic between airports and airlines.
- 3** Airline saving – Passenger fees are (in most cases) a “pass through” cost for airlines rather than part of their direct cost base. Although overall costs do not change, this shift in cost-recovery has financial benefits for the airlines.

Overall, IATA recommends the progressive implementation of airport charges as passenger fees by:

- 1** Airport charges – re-balance from landing to passenger fees but ensure that cargo only carriers pay a fair share.
- 2** Airport concession fees – re-balance from non-cost related concession fees to passenger fees.