



Fact Sheet

Aviation Charges, Fees and Taxes

Driving commitment for greater cost-efficiency and operational improvements from industry partners and achieving a more balanced customer-supplier relationship between airlines on the one hand and airports and Air Navigation Service Providers (ANSPs) on the other, has always been a priority for IATA's member airlines.

ATC and airport charges already represented some 15% of the global cost of air transport in 2019, and with some providers pressing to recover losses incurred in 2020-2021, this proportion is likely to increase. In addition, investments needed to accommodate growth will likely weigh significantly on the airlines in the coming year.

Increasing infrastructure charges, fees and taxes will slow a sustainable industry recovery and damage international connectivity. Unfortunately, airports and ANSPs do not face much competitive pressure, and many seek to recover the revenue they estimate was "lost" during the pandemic. IATA therefore calls for immediate action from infrastructure providers and decision makers to play their part in the recovery of air connectivity instead of placing the financial burden of this crisis on the back of their customers. Airports and ANSPs need to:

- **Implement sustainable cost control measures and follow best practice examples to maintain cost cutting measures for the present and in the future.**
- **Review infrastructure proposals to balance capacity and demand and maximize the efficient use of existing infrastructure before considering new investments.**
- **Target reasonable longer term returns rather than short-term unjustified gains**

IATA is directly engaged with airports, ANSPs as well as governments and tax authorities to mitigate the impact of increasing infrastructure cost.

A key priority for IATA continues to be achieving effective economic regulation of airports and ANSPs, in order to drive cost efficiencies and prevent providers from abusing their market power. This also includes advocating with governments to assume their responsibilities for [Border Control Costs](#) and [Health Measures](#) rather than shifting the responsibility to airlines.

Unnecessary or unwarranted capital investment can easily lead to a higher level of charges, which adversely impacts airlines that are struggling to restore weakened balance sheets even as they bring back capacity to meet returning demand. This results in reduced long-term economic and financial gains. This vicious cycle can be avoided by designing

investments in agreement with the airline community, balancing impact, demand, service and cost. ¹²

Aviation charges, taxes & climate change

The introduction of new airport or airspace user charges, or the modulation of existing charges, to address aviation's CO2 emissions, undermines the progress achieved to establish a coherent and effective policy framework to address aviation's impact on climate change. The emergence of a patchwork of charges purporting to address climate change will obstruct the multilateral cooperation required for global progress and may impede sustained climate actions through more appropriate mechanisms.

Such charges also fail to meet agreed international policies, notably the principles that emissions should only be accounted for once and that charges should be related to the provision of infrastructure and services provided.

IATA strongly urges airports and ANSPs to stay within the remit of their role as infrastructure and services providers. Through existing carbon pricing instruments and the cost of fuel, airlines are already strongly incentivized to utilize fuel-efficient aircraft and to operate those aircraft efficiently. Any unilateral action by individual actors, will result in limited or no additional environmental benefit. Also, it is important to be aware that the modulation of charges on the basis of so many variables will make the charges meaningless and could lead to undesirable trade-offs. It is well-established that there can be trade-offs and interdependencies between various environmental measures. For example, some measures which mitigate the noise impact of aircraft may result in an increase of CO2 emissions.

The need for airports and ANSPs to become more sustainable and resilient to climate change is also reflected in their capital expenditure plans. While every effort must be made to support aviation's sustainability goals, the same scrutiny and justification is required for investments with an environmental tag, as it is for any other project. Environmental sustainability is a strategic imperative for airport infrastructure and is part of an ongoing effort to secure the future of the aviation industry aiming to protect the environment in a way that is financially sustainable for airports and airlines.

While support from all parties to lower CO2 emissions and encourage SAF production are welcome, one of the major benefits of SAF is that airports do not need new infrastructure to allow airlines to use SAF. Airports and ANSPs often have significant market power and should not use that market power to introduce modulated charges or incentives based on SAF or CO2 which have a high risk of distorting the market and ultimately do not bring any new investment to the industry.

IATA does support transparent and efficient programs to [reduce noise at airports](#) or [mitigate local air quality emissions issues](#) which may include cost-related charges. These local problems are best addressed by local mechanisms – however global issues such as CO2 or SAF production cannot and should not be addressed through airport and ANSP charges.

To support the industry in this effort, IATA has developed guidance on airport sustainability in its [Airport Development Reference Manual](#) (ADRM) 12th Edition to highlight key considerations, and [IATA Airport Environmental Sustainability position paper](#) to help airports prioritize so called "green investments" that should be subject to the same scrutiny and rigor as any other investment.

Recent aviation fuel and energy tax initiatives, including a move towards taxing fuel for intra-EU flights, are worrisome. ³ The effectiveness of taxation as a means to mitigate emissions or to incentivize decarbonization is at best negligible and only serves to distract from more sustainable and effective measures. The financial impact of a tax on airlines will limit their ability to invest in newer, cleaner and quieter aircraft and technology, delaying fleet renewal and the associated environmental benefits. We will continue to mobilize against taxation measures that unjustly target aviation and urge governments to review their strategy, particularly where the resulting tax revenues are not reinvested in air transport-related services and infrastructure.

¹ [IATA Position Paper – Airport Infrastructure Investment – User consultation](#)

² [IATA Position Paper – Airport Infrastructure Business Cases](#)

³ [Taxes and the Environment](#)