



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.

As aviation continues to rebuild from the unprecedented decline in passenger demand as a consequence of governments' response to the COVID-19 pandemic, recovery and repair of damaged balance sheets is a priority, and the focus on cost-efficiency is more important than ever.

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 in and beyond 2023**
- **Adjust infrastructure requirements to balance capacity and demand and maximize the efficient use of existing infrastructure before considering new investments**
- **Manage expectations and obligations of shareholders who benefitted from good returns and dividends paid before the crisis**

IATA is directly engaged with airports, ANSPs as well as governments and tax authorities to mitigate the impact of increasing infrastructure cost and work towards a sustainable recovery of the industry.

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.

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.

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.

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.

Recent aviation fuel and energy tax initiatives, including a move towards taxing fuel for intra-EU flights, are worrisome. 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.