Fact Sheet

Aviation Charges and Fees

Driving Cost-Efficiency and Fair Partnerships

IATA member airlines have long prioritized cost-efficiency and operational improvements across the air transport ecosystem. A more balanced customer-supplier relationship between airlines, airports, and Air Navigation Service Providers (ANSPs) is essential to achieving this goal.

However, rising infrastructure charges and fees threaten competition and global connectivity. Unlike airlines, airports and ANSPs often operate without competitive pressure, which can result in excessive charges, subpar service quality, and inefficient investments.

In 2019, airport and ANS charges accounted for approximately 15–16% of global air transport costs. As of 2023, these costs remain the third-largest expense category after fuel and labor. Looking ahead, the capital investments required to support growth are placing increasing financial strain on airlines.

Specifically, airports and ANSPs should:

- **Implement sustainable cost control measures, drawing on best practices to ensure long-term efficiency**
- **Review infrastructure proposals to align capacity and demand and optimize the efficient use of existing infrastructure before considering new investments**
- **Aim for reasonable longer term returns instead of short-term exceptional unjustified profits**
- **Engage meaningfully with airlines on investment plans and consult transparently before revising charges or fees**

IATA continues to work with airports, ANSPs, governments, and charging authorities to mitigate the impact of rising infrastructure costs.

The Need for Effective Economic Regulation

Effective economic regulation is critical to prevent abuse of market power and ensure cost efficiency. While infrastructure providers should recover their cost of capital, their risk profile is significantly lower than that of airlines. Excessive profits must be regulated.

For example, 2023 data from Airports Council International (ACI) shows that the third quartile of airports achieved a Return on Capital Employed (ROCE) of 16.8%—well above the global cost of capital, which remains in the single digits.

Unnecessary capital investments can lead to higher charges, undermining airlines' financial recovery and long-term sustainability. Collaborative investment planning with airlines can help avoid this cycle and ensure balanced outcomes in terms of demand, service, and cost.[1] [2]

Aviation charges & 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 often violate international principles, including

- Emissions should only be accounted for once
- Charges must relate to the 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 Sustainable Aviation Fuel (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 supports:

- Transparent, cost-related programs to reduce airport noise or address local air quality issues
- Local solutions for local problems—global challenges like CO2 emissions and SAF production should not be addressed through airport or ANSP charges

To guide sustainable development, IATA has published:

- Airport Development Reference Manual (ADRM) 12th Edition, with sustainability guidance
- IATA Airport Environmental Sustainability position paper which outlines how to prioritize and evaluate "green investments". The 13th edition of the ADRM is currently in development.

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

[2] IATA Position Paper – Airport Infrastructure Business Cases