Fact Sheet

Infrastructure Charges

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 represent some 15% of the global cost of air transport[1] and major airports and ANSPs globally are increasing charges while benefiting from higher traffic. Announced or published changes in some charges are often in the double digits, with some airports in Africa and Asia even increasing by more than 100% in 2024.

Airlines, as competitive businesses, invest in new technology and infrastructure to improve service quality and grow – getting their payback over time if customers buy their products. Many airports and ANSPs are increasing prices before new infrastructure and better service is in place. This has yielded record returns for infrastructure shareholders, with the 90th percentile of airports earning over 20% return on invested capital in 2022 according to ACI.[2]

Geopolitical events have impacted ANSPs, with some airspaces losing all traffic and others seeing massive increases. Some increases in charges makes sense in airspaces with lower traffic – but in airspaces benefiting from significantly more volume, we do not see the corresponding charges reductions.

In both airport and ANSP markets, IATA advocates for effective economic regulation to prevent market power abuse by monopoly providers.

Airports and ANSPs or their regulators need to

- **Target reasonable stable long term returns rather than abusing regulation to extract maximum profit in the short term, hurting consumers**
- **Implement sustainable cost control measures and target right-sized and efficient infrastructure to lower costs**
- **Invest in technology to maximize capacity and efficiency – and only charging for it once the real benefits are seen**
- **Lower charges enabling all airlines to invest in fleet renewal, SAF and technology instead of playing with "greenwashing" incentives**

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[1] 2019 figure based on ACI, Eurocontrol, FAA and IATA data

[2] 2024 ACI KPI report, Annex 50

IATA's actions in this space

IATA is directly engaged with airports, ANSPs as well as governments to advocate for these objectives alongside our member airlines.

- IATA has successfully advocated for the introduction of economic regulation in some countries or the strengthening of such regulation in others. Recent achievements include the introduction of regulation in Saudi Arabia. IATA continues to advocate with the European Commission to reform the antiquated and ineffective Airport Charges Directive. Many of the world's larger airports, notably, are back to earning more than their cost of capital.[3] Similarly, IATA has attended numerous consultation meetings in the Single European Sky area as well as others globally, pushing for ANSPs to have healthy profits – but not too healthy – and for efficiency to be improved.

- ANSP cost bases are often driven by staffing choices and airports by investment choices. We engage in ensuring that staff are paid fairly and levels are appropriate. Our airport development team also engages with government and airport planning teams to promote efficient airport design and operations.

- IATA regularly hosts workshops in collaboration with ICAO where we emphasize the need for transparency. This applies to financial aspects, but also to infrastructure projects where airlines need to be involved early in any major project.

- IATA has successfully convinced some airports and governments to focus on true investments and changes that actually reduce aviation infrastructure's CO2 impact. Rather than token incentive schemes such as "CO2 modulation" or "SAF incentives" – ANSPs and airports need to consider more fundamental reforms such as redesigning airspaces to be more efficient, reducing delays and optimizing use of existing airport infrastructure. IATA has notably engaged with several European countries who understand that discussions on this kind of modulation distracts from the global initiatives including CORSIA.

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. [4] [5]

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[3] See McKinsey Aviation Value Chain report. Figures for North America do not reflect the fact that airports in Canada and the USA operate on an equity-free model with significantly lower capital costs.

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

[5] IATA Position Paper – Airport Infrastructure Business Cases