

Opening Remarks by the Secretary General of the African Civil Aviation Commission (AFCAC) Mr.

Adefunke Adeyemi during the ICAO/IATA/AFRAA/AASA/CANSO Regional Workshop on Airports and Air Navigation User Charges Held in Nairobi, Kenya from 29th to 30th October, 2024

The Regional Director ICAO-ESAF,
The Secretary General of AFRAA,
The Chief Executive Officer AASA,
The Secretary General of ACI-Africa,
The IATA RD Airports, Passengers, Cargo, SEC-FAL,
The CANSO Regional Director Africa,
Esteemed colleagues,
Distinguished guests,
Ladies and gentlemen,

It is both an honor and a privilege to welcome you all to this pivotal regional workshop aimed at addressing the pressing concerns surrounding aviation charges and fees for airports and air navigation service providers. Your presence underscores our collective commitment to fostering a sustainable and efficient aviation sector, which is crucial for economic growth, connectivity, and global integration. As we gather here today, we come together not just as representatives of our respective organizations, but as a community committed to shaping an equitable future for air transport. Thus, I would like to express my deep appreciation for each of your contributions to this important event.

The aviation sector plays a vital role in the global economy. It facilitates trade, fosters tourism, and connects people across continents. However, to maintain and enhance this connectivity, we must address the evolving challenges that face our industry—especially when it comes to financing our airports and air navigation services. User charges are a foundational aspect of this financing. They ensure that airports and navigation systems can operate efficiently, invest in infrastructure improvements, and deliver high-quality services. However, the appropriate structure and level of these charges remain subjects of ongoing debate. The challenge lies in balancing the need for sufficient revenue with the imperative of affordability for airlines and passengers alike.

The increasing burden of taxes, charges, and fees levied on the aviation sector can have adverse effects not only on airlines but also on consumers, economies, and the environment. These mounting burdens put financial pressures on the sector and does deter travel, inflate ticket prices, and ultimately limit the economic potential of commercial aviation. Additionally, excessively high costs can deter airlines from entering certain markets, limiting routes and choices for consumers. The cumulative effect can hinder economic growth and development, particularly in regions that rely heavily on tourism and trade.

One of the core issues we face is the lack of transparency in the imposition of taxes, charges and fees. Increased transparency can lead to more informed decision-making and can help ensure that the revenues generated are used effectively to support and enhance the aviation industry. We must



advocate for a framework that not only rationalizes existing charges but also considers the broader economic benefits of a thriving aviation sector.

Furthermore, while it is important to acknowledge the necessity of certain taxes, charges and fees for funding infrastructure and safety improvements, we must also recognize the need for balanced approaches that do not stifle growth or deter air travel. The potential of the aviation industry can only be fully realized if we work together to minimize burdens that inhibit its development. We must also consider the post-pandemic recovery phase that our industry is currently navigating. The crisis has significantly altered passenger behaviors and operational demands. User charges must adapt to reflect these changes, ensuring resilience and support for the industry's recovery. Your insights into this evolving landscape will be invaluable as we explore how our policies can remain relevant and effective.

Addressing the adverse effects of high taxes, charges and fees requires a multi-faceted approach involving policymakers, international organizations, and the private sector. Governments should consider reforming tax structures that impact international aviation. Approaches could include lowering aviation taxes or, where applicable, abolishing them altogether. This would not only reduce ticket prices but also incentivize travel, which can lead to increased tax revenues in other areas, such as tourism and hospitality industries. Also, airports should adopt transparent fee structures that delineate costs associated with landing, take-off, and passenger services. The introduction of a cost-benefit analysis for these fees can help justify their necessity and offer airlines clarity on their financial commitments. Such transparency would contribute to fair competition and might incentivize investment in airport infrastructure.

By advocating for tax reform, transparent fee structures, collaborative international agreements, we can create a more conducive environment for air transport. These strategies not only protect the interests of airlines but ultimately promote affordability and accessibility for travelers worldwide. By addressing these issues comprehensively, we can turn the tide on the negative effects of high costs and foster a thriving international aviation sector.

Thus, AFCAC through support provided by a financial partner has instituted a consultancy to assess the level of aviation charges, fees, and taxes in each Member State and their compliance to ICAO rules and procedures; evaluate the impact on cost of operation and on economic growth of air transport sector; compare the situation of aviation taxes fees and charges in Africa with the other regions of the world; develop a compendium and draft Text on Common Policy on Aviation Taxes Fees and Charges, for AU Member States.

It is expected that the efforts will result in harmonization of national legislations and regulations on aviation taxes, fees and charges; promote the reduction of operating cost of airlines and air fares for passengers; promote operations of Low Cost Airlines in the African region; provide advocacy tool for States to remove all government taxes on air transport in Africa, adopt ICAO's policies on user charges and fees including consultations with users; and to develop a continental action plan to address aviation high charges, fees and taxes on air transport in Africa.



As we embark on this workshop, I therefore, urge each of you to engage with an open mind and a collaborative spirit. The success of our discussions depends on our collective willingness to explore new ideas and challenge traditional thinking. Together, we can develop strategies that not only address the immediate needs of our air transport systems but also lay a foundation for long-term sustainability and growth. I encourage all participants to share their insights and experiences, as diverse perspectives are crucial for understanding the complexities of this issue.

We have a unique opportunity to share insights, explore innovative solutions, and identify best practices that have been successful in various contexts. By fostering an open and respectful dialogue, we can bridge the gaps between stakeholders and develop comprehensive strategies that benefit all parties involved—from governments and aviation authorities to airlines and passengers.

In conclusion, I urge each of you to engage openly and constructively throughout our time together. Let us embrace the spirit of goodwill that brought us here today, remembering that our collective objective is to enhance the aviation industry while ensuring its sustainability and accessibility for future generations. I look forward to the fruitful discussions ahead and to the innovative solutions that will emerge from our collaborative efforts.

Thank you.