

SECOND ICAO MEETING ON THE
SUSTAINABLE DEVELOPMENT OF AIR TRANSPORT IN AFRICA
28 – 31 March 2017, Accra, Ghana

SUS-DEV/AT2017

Session 6

OPTIMIZING THE AIR TRANSPORT OPERATING ENVIRONMENT

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THEME OF SESSION 6

- ✓ ICAO's policies on charges and taxation?
- ✓ impacts of excessive levies on aviation growth?
- ✓ How can States adhere to these Policies and ICAO's meaningful advocacy
- ✓ WAYFORWARD

CONVENTION AND MANUALS

Doc 7300/9



Convention on International Civil Aviation

Convention relative à l'aviation civile internationale

Convenio sobre Aviación Civil Internacional

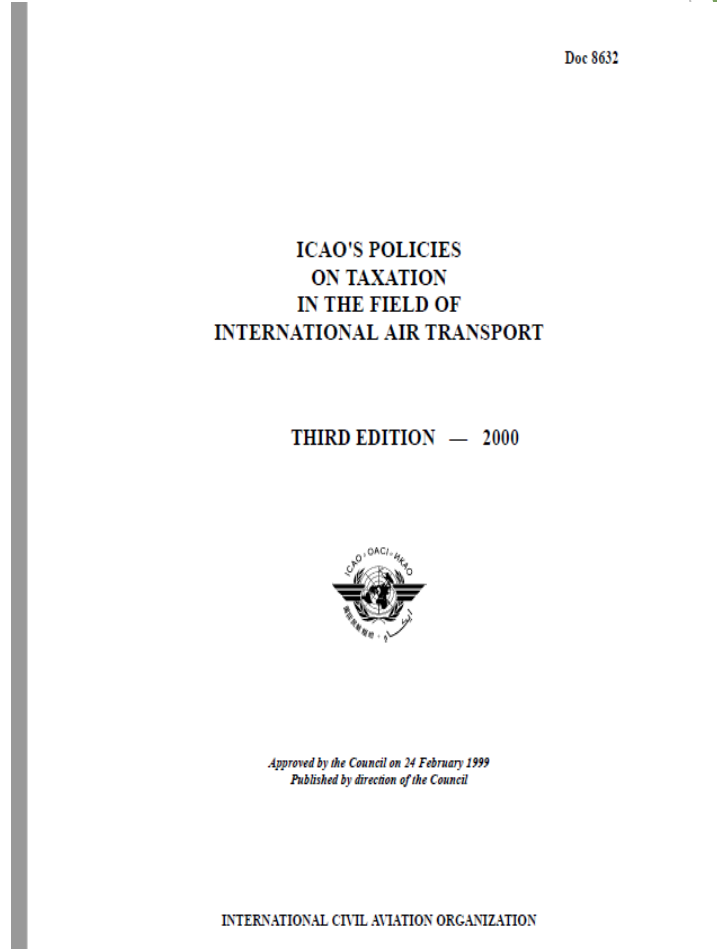
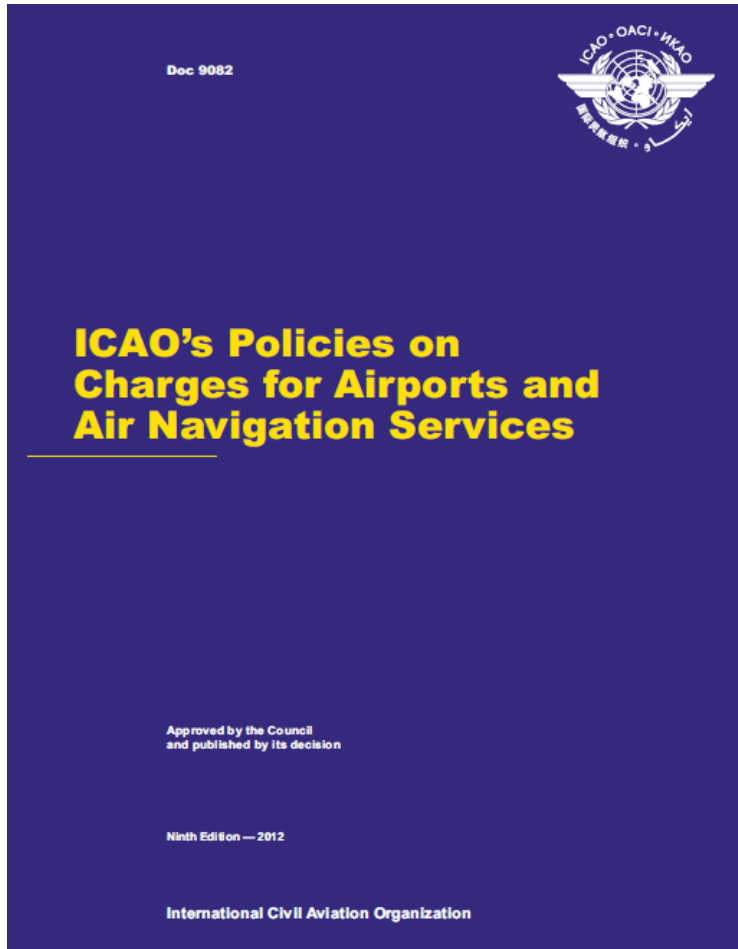
Конвенция о международной гражданской авиации

This document supersedes Doc 7300/8.
Le présent document annule et remplace le Doc 7300/8.
Este documento reemplaza el Doc 7300/8.
Настоящий документ заменяет Doc 7300/8.

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International Civil Aviation Organization
Organisation de l'aviation civile internationale
Organización de Aviación Civil Internacional
Международная организация гражданской авиации

ICAO POLICY DOCUMENTS



A39-15: Consolidated statement of continuing ICAO policies in the air transport field on Airport & ANSPs Charges



Whereas the Council has been directed to formulate principles on ... charge to recover the costs of their provision and derive other reasonable revenue therefrom;

A39-15: Consolidated statement of continuing ICAO policies in the air transport field on Airport & ANSPs Charges

- ❑ principles set forth in Article 15 of the Convention and in Doc 9082,
- ❑ charges are applied towards defraying the costs of providing facilities and services for civil aviation;

A39-15: Consolidated statement of continuing ICAO policies in the air transport field on Taxation



- conceptual distinction between a charge and a tax
- Whereas the imposition of taxes on international air transport,.... have an adverse economic and competitive impact on international air transport operations;

A39-15: Consolidated statement of continuing ICAO policies in the air transport field on Taxation



A39-15: Consolidated statement of continuing ICAO policies in the air transport field on Taxation



- **Urges Member States** to follow the ICAO's **Policies on Taxation** in the Field of International Air Transport as contained in **Doc 8632**, and to avoid imposing discriminatory taxes on international aviation;
- Urges Member States to **avoid double taxation** in the field of air transport; and
- Requests the Council to continue to promote ICAO's policies on taxation, monitor developments, and update its policies as required.



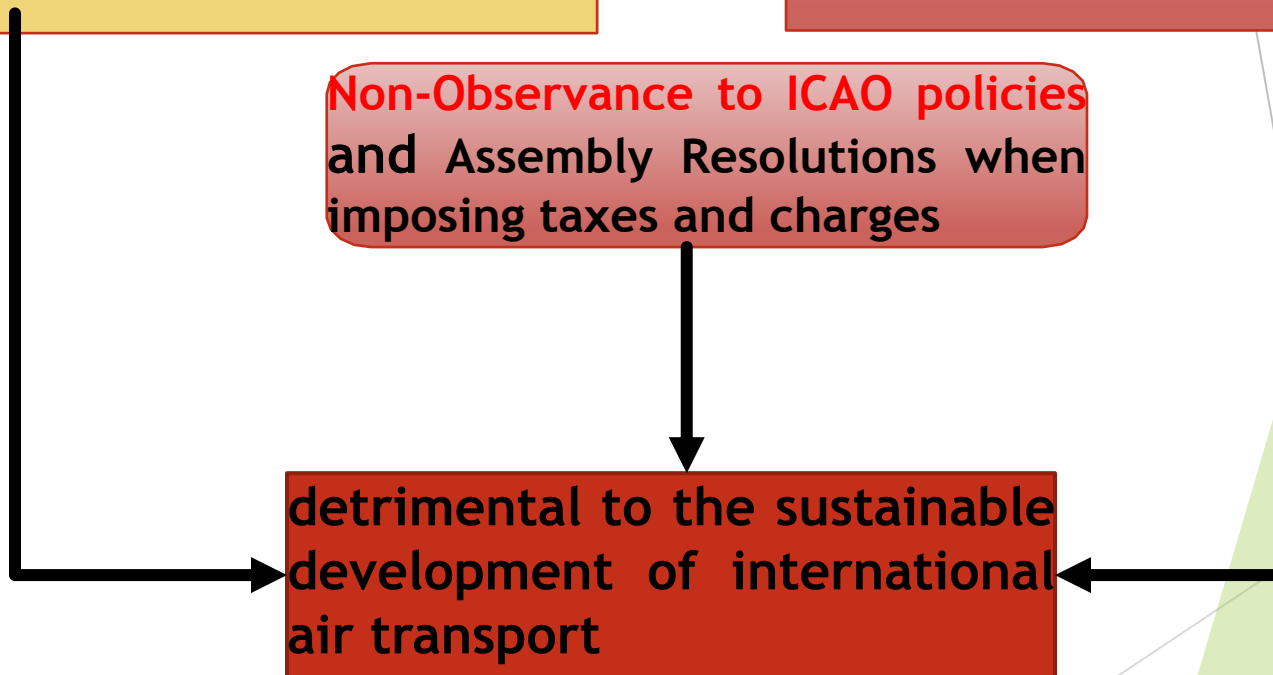
CHALLENGES BEING OBSERVED IN AFRICA as presented by AFCAC to A39

the prevalence of monopoly of service providers and their **lack of transparency and consultation** with OPERATORS (Users)

excessive taxation, the **proliferation** of taxes under the form of charges

Non-Observance to ICAO policies and Assembly Resolutions when imposing taxes and charges

detrimental to the sustainable development of international air transport

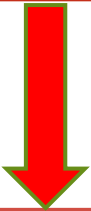


CHALLENGES BEING OBSERVED IN AFRICA

1

Passenger charges
at many stations

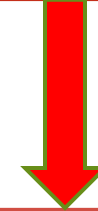
vary B/N \$40-\$120 way
above world average of
about \$25



2

The price of fuel

2.5 times the world
average



- Negatively affects the competitiveness of African aviation
- Direct influence on the cost of products and indeed on the consumers
- Competitiveness on an equal footing with 3rd Party Airlines ???



WAYFORWARD

(10)

- States to give due regard to **ICAO policies on charges and taxation** of international air transport ;
- Airport and Air Navigation services' charges should be **applied towards defraying the costs of providing facilities and services** for civil aviation;
- Service providers' should use best practices of good corporate governance, including **transparency** and **consultation with users**;
- Airports and ANSPs should apply management best practices in all areas of their business

WAYFORWARD

- ❑ ICAO to continue promotion of its policies on economic regulation of Int'l Air Transport ,incl. Charges and taxation,
- ❑ ICAO to continue to sensitize Member States through regional seminars
- ❑ ICAO to reinstate its capacity building of national Experts on Economic Regulation of aviation Svcs, etc.

THANK YOU

