

**60th CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGIONS**

*Sendai, Japan
28 July - 1 August 2025*

AGENDA ITEM 4: AIR NAVIGATION

MONGOLIA’S ANS CHARGE REFORM IN CRISIS

(Presented by Mongolia)

INFORMATION PAPER

SUMMARY

Facing a 75% overflight decline from pandemic and conflict, Civil Aviation Authority of Mongolia (CAAM) implemented a 10% ANS charge increase in JULY 2024 via transparent IATA mediated consultations. This crisis-response model balanced safety investment with airline concerns, achieving full acceptance.

MONGOLIA’S ANS CHARGE REFORM IN CRISIS

1. INTRODUCTION

1.1 The Civil Aviation Authority of Mongolia (CAAM) regulates Air Navigation Service (ANS) charges to ensure the safety and sustainability of Mongolian airspace operations. In line with ICAO global best practices, CAAM's pricing policy balances cost-recovery principles with user-centric affordability for airlines.

Challenge faced between 2020-2024

1.2 CAAM confronted a 75 percent collapse in overflight traffic due to the COVID-19 pandemic and Russia-Ukraine conflict's economic impacts, creating severe revenue shortfalls as ANS charges fund over 90 percent of Mongolia's aviation infrastructure. Economic disruptions from these reasons, which further reduced revenue. As ANS charges constitute the primary funding mechanism for Mongolia’s aviation sector, these shocks threatened the continuity of air navigation services. Despite limited resources, CAAM adhered to ICAO standards and practices, optimizing internal capacities to mitigate risks. However, long-term financial sustainability demanded proactive measures.

Policy Response & Stakeholder Collaboration

1.3 In JULY 2024, CAAM implemented a 10% increase in ANS charges to address financial instability while enhancing safety infrastructure. This adjustment followed transparent consultations with IATA and airline operators. Multi stakeholder meetings to present Mongolia’s economic challenges and justify the revised rates. The proposal gained acceptance due to CAAM’s evidence-based approach and IATA’s coordination, underscoring the aviation community’s shared commitment to resilience and safety.

2. DISCUSSION

2.1 Expand on how the 10% increase aligns with ICAO’s cost-recovery principles. It is recommended that States facing ANS charge adjustments during crises adopt Mongolia's transparent, data-driven consultation model featuring early IATA mediation and phased airline briefings as outlined in ICAO Doc 9161 (Manual on Air Navigation Services Economics).

- a) Develop contingency templates for ANS charge adjustments during unexpected situations.
- b) Create a risk sharing mechanism for States experiencing more than 50 percent traffic declines.
- c) Create a national Air navigation funds for mitigation of risk.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to note the information contained in this Paper.

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