



International Civil Aviation Organization

ATConf/7-WP/109¹
9/10/26

WORKING PAPER

SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF/7)

Montréal, HQ, 16 to 20 November 2026

Agenda Item 2: Fostering aviation growth and air connectivity through investments in infrastructure, human capital and partnerships
2.2: Investment for the development and modernization of civil aviation infrastructure

ENABLING AIRPORT INFRASTRUCTURE INVESTMENT AND LONG-TERM FINANCING

(Presented by Airports Council International (ACI))

EXECUTIVE SUMMARY

Airports are strategic assets and critical infrastructure that support connectivity, trade, tourism and economic development. Global passenger traffic is projected to nearly double by the mid-2040s compared with 2025 levels. Meeting this long-term growth in demand will require substantial investment in airport infrastructure.

The consistent implementation of the International Civil Aviation Organization (ICAO) Assembly Resolution A42-26 and *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) is imperative to enable and incentivize long-term airport infrastructure investment and financing through stable, predictable and transparent institutional, legal and regulatory frameworks, transparent, effective and proportionate economic oversight, and greater liberalization of market access.

Action: The conference is invited to:

- a) reaffirm the recognition of airports as strategic assets and competitive businesses that should be allowed to recover their costs and finance their development;
- b) encourage States to continue to implement Doc 9082, supported by transparent, effective and proportionate economic oversight;
- c) urge States to put in place stable, predictable and transparent institutional, legal and regulatory frameworks and promote a transparent, stable and predictable investment climate, consistent with ICAO Assembly Resolution A42-26; and
- d) encourage States to pursue the liberalization of market access, consistent with *ICAO's Long-term Vision for International Air Transport Liberalization* in view of its socio-economic benefits to all stakeholders.

*Strategic
Goal:*

This working paper relates to Strategic Goal: *The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.*

¹ English, Arabic, Chinese, French, Russian and Spanish versions provided by ACI.

<i>Financial implications:</i>	N/A
<i>References:</i>	ICAO Assembly Resolution A42-26: <i>Consolidated statement of continuing ICAO policies in the air transport field</i>, 2025. Doc 9082, <i>ICAO's Policies on Charges for Airports and Air Navigation Services</i>, Tenth Edition, 2024. Doc 8632, <i>ICAO's Policies on Taxation in the Field of International Air Transport</i>. <i>ACI World Airport Traffic Forecasts 2025–2054</i>, 2026. <i>ACI Global Airport Capital Expenditure (CAPEX) Needs 2026–2055</i>, 2026. <i>ACI World Airport Economics Report</i>, 2016, 2026. <i>ACI Airport Development Models</i>, 2026. <i>ACI Airport Development Concession Agreements: Global Approaches and Guidelines for Public-Private Partnerships</i>, 2025. <i>ACI Creating Fertile Grounds for Private Investment in Airports</i>, Policy Brief, 2018.

1. INTRODUCTION

1.1 Airports are strategic assets and competitive businesses that play a fundamental role in supporting connectivity, trade, tourism and economic development. Sustaining these benefits requires airports to remain financially viable and capable of attracting long-term investment to develop, modernize and expand airport infrastructure.

1.2 The International Civil Aviation Organization (ICAO) Assembly Resolution A42-26 urges States to “*establish good governance, for example, the creation of enabling institutional, legal and regulatory frameworks*” and encourages States to “*establish a transparent, stable and predictable investment climate to support aviation infrastructure development, for example, by engaging stakeholders, diversifying funding sources and elevating the role of private sector, including through private investment, business reform, private finance initiatives, public-private partnership and various incentive schemes*”.

1.3 *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) establish airport charges as the principal means of recovering the costs of providing airport facilities and services and supporting airport infrastructure development. However, in many States, the inconsistent implementation of ICAO's charging principles limits airports' ability to recover their costs and finance long-term infrastructure investment. This hinders airport infrastructure development and limits the ability of airports to meet future demand and support connectivity, economic development, and broader social benefits.

1.4 According to Airports Council International (ACI) World's long-term demand forecasts, global passenger traffic is projected to nearly double by the mid-2040s compared with 2025 levels. Meeting this long-term growth in demand will require substantial investment in airport infrastructure.

1.5 ACI's Global Airport Capital Expenditure (CAPEX) Needs 2026–2055 study estimates that airports will require approximately US\$4.1 trillion in capital investment by 2055, underscoring the importance of enabling policy and stable and predictable regulatory frameworks for long-term airport infrastructure investment and financing. These include proportionate economic oversight, fair and transparent taxation, liberalization of market access and greater connectivity.

2. AIRPORT INFRASTRUCTURE INVESTMENT: NEEDS AND FINANCING

2.1 Airports worldwide are expected to require approximately US\$4.1 trillion in capital investment over the period to 2055 to accommodate long-term passenger demand through capacity expansion, asset modernization and asset renewal. Capital investment requirements are distributed across all regions, reflecting differences in projected passenger demand, airport capacity requirements and infrastructure development needs. Asia-Pacific is expected to require approximately US\$1.55 trillion, followed by North America (US\$1.27 trillion), Europe (US\$0.75 trillion), the Middle East (US\$0.23 trillion), Latin America and the Caribbean (US\$0.18 trillion), and Africa (US\$0.14 trillion).

2.2 Airport capital investment comprises both greenfield and brownfield projects. Greenfield investment, estimated at US\$0.35 trillion, supports the development of new airport infrastructure to accommodate long-term passenger demand, while brownfield investment, estimated at US\$3.77 trillion, supports the expansion, modernization and rehabilitation of existing airport infrastructure. The balance between greenfield and brownfield investment varies across regions, reflecting differences in airport network maturity, capacity requirements and development priorities.

2.3 Airports are competitive businesses that generate revenues primarily from two sources: aeronautical and non-aeronautical activities. Aeronautical revenues, derived primarily from airport charges, represent the largest source of airport revenues globally, accounting for approximately 54 per cent of total revenues. Non-aeronautical revenues, generated through commercial activities, account for approximately 37 per cent. Airports also generate revenues from non-operating activities, including interest income, grants and subsidies, and property or asset sales, which account for the remaining 9 per cent of total revenues.

2.4 Doc 9082 define an airport charge as *"a levy that is designed and applied specifically to recover the costs of providing airport facilities and services for civil aviation."* Airport charges are therefore the primary mechanism for financing airport development, enabling airports to recover operating costs, depreciation and debt servicing, maintain financial sustainability and support long-term investment.

2.5 Recognizing the long planning and investment cycles of airport infrastructure, Doc 9082 provides that pre-funding of projects through airport charges may be accepted in specific circumstances to assist in financing long-term, large-scale investment, subject to effective and transparent economic oversight, consultation with users, and appropriate accounting safeguards. Pre-funding can reduce reliance on other sources of capital and associated financing costs, thereby supporting timely infrastructure development.

2.6 Non-aeronautical revenues have become an increasingly important source of airport infrastructure financing. Under the dual- and hybrid-till approaches, commercial (non-aeronautical) revenues are fully or partially excluded from the determination of airport charges and retained by the airport, strengthening incentives for commercial development, financial sustainability and airport infrastructure investment. Under the single-till approach, commercial revenues are fully included when determining airport charges, effectively using commercial revenues to offset aeronautical charges rather than finance future infrastructure investment.

2.7 ACI analysis indicates a continued global shift towards dual and hybrid till approaches, with their share of global passenger traffic increasing from approximately 60 per cent to 76 per cent over the past decade. Europe provides a notable example, with 84 per cent of passenger traffic handled under these approaches. In addition, 42 per cent of commercial airports involve private-sector participation,

representing approximately 81 per cent of regional passenger traffic². These trends reflect the evolution of airports into commercially oriented businesses and demonstrate that commercially oriented regulatory frameworks provide stronger incentives for long-term airport infrastructure investment and private-sector participation.

3. AIRPORT DEVELOPMENT MODELS

3.1 Airport infrastructure may be developed through a range of ownership, governance and financing arrangements, including public ownership and operation, corporatized public ownership, private ownership, and private-sector participation through airport development concession agreements and other public-private partnership (PPP) arrangements. Private-sector participation may take various forms, including management contracts, build-operate-transfer (BOT) models, and trade sale or lease arrangements.

3.2 As airport infrastructure investment requirements continue to grow, governments, recognizing that government funding alone is often insufficient to finance airport development, are increasingly considering private-sector participation as one option to mobilize capital, operational expertise and innovation. Today, more than 850 airports in over 90 countries, accounting for approximately 49 per cent of global passenger traffic, involve some form of private-sector participation.

3.3 It is imperative that governments enable and incentivize long-term investment in airport infrastructure by establishing institutional, legal and regulatory frameworks that create a transparent, stable and predictable investment climate and attract public and private capital.

4. POLICY ENABLERS FOR LONG-TERM AIRPORT INFRASTRUCTURE INVESTMENT AND FINANCING

4.1 ICAO Assembly Resolution A42-26 recognizes the importance of promoting a transparent, stable and predictable investment climate to facilitate financing for air transport infrastructure, supported by appropriate institutional, legal and regulatory frameworks, diversified sources of funding, and private sector participation, where appropriate. Consistent with these principles, several policy enablers support long-term investment and financing of airport infrastructure.

4.2 Economic oversight, where required, should be appropriate to the circumstances of the airport, proportionate, transparent and effective, consistent with Doc 9082. It should enable airports to recover costs, earn a reasonable return on investment, and support long-term infrastructure development.

4.3 Taxation should remain fair, equitable, transparent and non-discriminatory, consistent with *ICAO's Policies on Taxation in the Field of International Air Transport* (Doc 8632). A clear distinction between taxes and charges should be maintained to support investment, connectivity and sustainable growth. Further policy recommendations are contained in ACI's Working Paper on Advancing ICAO Policies on Taxes in International Air Transport.

4.4 Liberalization, connectivity and market access are important enablers of tourism and economic development. Liberalization translates into formalized market access through bilateral agreements that remove restrictions on air transport among States. Greater connectivity, competition and

² ACI World Airport Economics Report, 2016, 2026

traffic growth strengthen the commercial viability of airport infrastructure and support long-term investment and financing.

5. CONCLUSION

5.1 As strategic assets and competitive businesses, airports must remain financially viable and be able to finance their development to meet future air transport demand.

5.2 ICAO's existing policies provide a strong foundation for airport infrastructure investment and long-term financing. Their consistent implementation, together with stable, predictable and transparent legal and regulatory frameworks, proportionate and effective economic oversight, and commercially sustainable airport business models, will strengthen airports' financial viability and incentivize long-term investment.

5.3 Strengthening these enabling conditions will support the safe, secure, efficient and economically sustainable development of international civil aviation, enhance global connectivity, and maximize the economic and social benefits of air transport for States.

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