



WORKING PAPER

**SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE
(ATCONF/7)**

Montréal, HQ, 16 to 20 November 2026

**Agenda Item 3: Strengthening regulatory and institutional frameworks
3.4: Levies on international air transport**

**AFFORDABILITY OF AIR TRANSPORT: RATIONALIZING TAXES,
FEES AND CHARGES TO UNLOCK CONNECTIVITY**

(Presented by Côte d'Ivoire on behalf of 54 Member States of the African Civil Aviation Commission (AFCAC)²)

EXECUTIVE SUMMARY

Africa supports improved air transport affordability through transparent, proportionate and development-sensitive taxation and charging practices. Evidence from the recent African Civil Aviation Commission (AFCAC) Study on Aviation Taxes, Charges and Fees and the Economic Community of West African States (ECOWAS) regional reform demonstrates that excessive or poorly designed levies, and charges not established consistently with the International Civil Aviation Organization (ICAO) principles, increase fares, suppress demand, weaken connectivity and limit the development benefits of Single African Air Transport Market (SAATM).

Stronger economic oversight, meaningful consultation, impact assessment, regional harmonization and transition measures are therefore needed to balance affordability with legitimate fiscal objectives and sustainable infrastructure financing. Attention is also required to evolving international and environmental taxation to avoid double, discriminatory, overlapping or duplicative cost burdens. ICAO is requested to strengthen the global framework for aviation taxes and charges, develop practical guidance, common indicators and implementation support for developing States and regional organizations, and support the preservation of residence-based taxation of profits derived from international air transport within the United Nations (UN) system.

Action: The Conference is invited to:

- a) recognize that excessive or poorly designed aviation taxes and other government-imposed levies, as well as fees and charges that are not established consistently with applicable ICAO principles, can adversely affect affordability, connectivity and sustainable economic development, particularly in developing regions;

¹ English and French versions provided by AFCAC.

² Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Togo, Tunisia, Uganda, United Republic of Tanzania, Zambia, Zimbabwe.

b) request ICAO to strengthen and develop global guidance and a model harmonized policy framework on aviation taxation, fees and charges, while promoting transparent, non-discriminatory and cost-related charging practices consistent with ICAO policies; c) request ICAO to develop common affordability and connectivity indicators and cost-effective tools for assessing the economic and connectivity impacts of aviation taxes, fees and charges; and to support developing States and regional organizations, through capacity-building and proportionate revenue-transition measures, in reviewing and reforming excessive or poorly designed aviation taxes and other government-imposed levies and charges that are not established consistently with applicable ICAO principles; d) request the ICAO to strengthen coordination with States, relevant UN bodies and regional organizations on evolving international and environmental taxation, promote adherence to relevant ICAO's policies and guidance and avoid double, discriminatory, overlapping or duplicative cost burdens; and e) request ICAO to assist States and regional organizations in developing transition measures that safeguard essential revenue streams while enhancing affordability and promoting air transport growth.	
<i>Strategic Goal:</i>	This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
<i>Financial implications:</i>	The proposed actions are expected to be pursued within ICAO's existing and future work program and available resources, subject to priorities established by the Organization.
<i>References:</i>	AFCAC Study on Aviation Taxes, Charges and Fees, 2025 Doc 8632, <i>ICAO's Policies on Taxation in the Field of International Air Transport</i> Doc 9082, <i>ICAO's Policies on Charges for Airports and Air Navigation Services</i> Doc 9161, <i>Manual on Air Navigation Services Economics</i> Doc 9562, <i>Airport Economics Manual</i> Doc 7300, <i>Convention on International Civil Aviation</i> (Chicago, 1944), Art. 15 and 24 ECOWAS Supplementary Act A/SA.2/12/24 relating to the Common Policy on Aviation Charges, Taxes and Fees in ECOWAS Member States United Nations, Model Double Taxation Convention between Developed and Developing Countries, Article 8 (2025 revision) United Nations, Framework Convention on International Tax Cooperation AFRAA Study on Taxes Charges and Fees 2024 Doc 10227, <i>Assembly Resolutions in Force (As of 3 October 2025)</i>, A42-26 (Appendices B and C), A42-21 and A42-22 ICAO State letter EC2/10 – 25/1, Taxation, 9 January 2025

1. INTRODUCTION

1.1 Air transport is a strategic enabler of trade, tourism, investment, mobility and regional integration in Africa and a catalyst for the African Union's Agenda 2063, the African Continental Free Trade Area (AfCFTA) and the Single African Air Transport Market (SAATM). Although Africa accounts for approximately 18 percent of the world's population, it represents only 2 percent of global air passenger traffic and revenue passenger-kilometres. The continent's aviation market is nonetheless among the fastest growing in the world, projected to expand from about USD 10.62 billion in 2025 to USD 14.50 billion by 2029, at a compound annual growth rate of 8.11 percent. Realizing this potential depends significantly on the affordability of air travel.

1.2 One of the factors affecting affordability is the level and structure of aviation taxes, fees and charges. While all may contribute to the final cost of air travel, taxes and charges have distinct purposes and are subject to different International Civil Aviation Organization (ICAO) policy principles. Their respective impacts should therefore be considered accordingly. In June 2026, African Ministers meeting at the African Air Transport Convention and Expo in Lomé reaffirmed, through the Lomé Declaration and implementation matrix, the need to reduce taxes, fees and charges as part of a more connected, affordable and competitive air transport system. Drawing on the African Civil Aviation Commission (AFCAC) Study on Aviation Taxes, Charges and Fees (2025), this paper presents Africa's perspective on air travel affordability and the taxation of international air transport, grounded in continental evidence and reform experience and consistent with ICAO Docs 9082 and 8632.

2. **DISCUSSION**

2.1 **Impact of taxes, fees and charges on affordability**

2.1.1 The AFCAC study indicates that aggregate ticket-related taxes, government-imposed levies, fees and charges remain significant and vary widely among African States and subregions.

2.1.2 Excessive or poorly designed taxes and other government-imposed levies, as well as charges not established consistently with ICAO principles, increase travel costs, suppress demand and weaken connectivity. They also limit the benefits that SAATM and the Yamoussoukro Decision are intended to deliver for trade, tourism, mobility and regional integration.

2.1.3 Reform should balance affordability and connectivity with States' legitimate fiscal and public-policy objectives and the sustainable financing of airports and air navigation services. States should assess the cumulative effect of taxes, levies and charges before introducing or revising them and should use transparent methodologies, meaningful consultation and measurable affordability and connectivity indicators.

2.2 **Policy framework and economic oversight**

2.2.1 ICAO distinguishes charges, which recover the costs of providing aviation facilities and services, from taxes, which primarily raise public revenue. Charges are addressed by Article 15 of the *Convention on International Civil Aviation* (Chicago Convention) and ICAO Doc 9082, while taxation policy is addressed by ICAO Doc 8632 and relevant provisions of Article 24 of the Chicago Convention. These instruments should be applied according to their respective purposes.

2.2.2 Airport and air navigation charges should be non-discriminatory, cost-related, transparent and subject to meaningful consultation with users. States should establish or strengthen effective economic oversight to review investment plans, expenditure efficiency, charging methodologies and service performance, prevent over-recovery and balance financing needs with affordability and connectivity.

2.2.3 Aviation taxes and other government-imposed levies should be transparent, non-discriminatory and development-sensitive. Their design should be supported by impact assessment and coordination among aviation, finance and tax authorities, with attention to avoiding double or multiple taxation and arrangements that impose taxes on charges.

2.2.4 Airports should be encouraged to diversify and develop non-aeronautical revenue, consistent with ICAO Doc 9562, as an important means of strengthening financial resilience and supporting sustainable infrastructure development. Where reforms affect essential public revenue, States and regional organizations should develop proportionate transition measures that protect service continuity while improving affordability.

2.3 African implementation experience

2.3.1 The Economic Community of West African States (ECOWAS) Supplementary Act A/SA.2/12/24 provides a useful regional reference example. It requires the abolition of specified non-aviation related taxes and a 25 percent reduction in passenger service and security charges, with implementation from 1 January 2026. It also establishes a regional air transport economic oversight mechanism to monitor implementation, support consultation and report progress.

2.3.2 The ECOWAS experience demonstrates the value of coordinated regional action, clear responsibilities, monitoring and economic oversight. AFCAC, working with the African Union Commission (AUC), Member States and Regional Economic Communities (RECs), is well placed to promote a coherent continental approach while allowing implementation to reflect national and regional circumstances.

2.4 International and environmental taxation

2.4.1 ICAO Doc 8632 reflects a residence-based approach to taxing profits from international air transport. In light of changes to Article 8 of the United Nation (UN) Model Double Taxation Convention between Developed and Developing Countries and broader UN tax negotiations, aviation, finance and tax authorities should coordinate to protect the sector from double taxation, administrative complexity and legal uncertainty, while respecting States' legitimate taxing rights.

2.4.2 Environmental levies should be consistent with ICAO decisions and coordinated with Carbon Offsetting Reduction Scheme for International Aviation (CORSIA) as the only applicable global market-based measures. States should assess their cumulative effects and avoid overlapping or duplicative cost burdens that undermine affordability, connectivity or the transition capacity of developing States.

2.5 Global and regional implementation support

2.5.1 ICAO and regional organizations have complementary roles. ICAO should consolidate practical guidance, model review tools and common affordability and connectivity indicators, while regional organizations adapt them to regional circumstances, facilitate peer learning and monitor implementation.

2.5.2 It should include assistance with data, impact assessment, economic oversight, stakeholder consultation and revenue-transition planning and should reinforce, rather than duplicate, African-led initiatives which are cost-effective and responsive to different levels of institutional and technical capacity

3. CONCLUSION

3.1 Air transport cannot drive integration and development if it remains unaffordable to citizens and businesses. Excessive or poorly designed aviation taxes and other government-imposed levies, as well as charges that are not established consistently with applicable ICAO principles, can raise the cost of connectivity, suppress demand and diminish the benefits of liberalization. The evidence indicates that more transparent, cost-related and consultative levies would expand traffic and connectivity and, over time, broaden the revenue base itself.

3.2 Africa seeks a transparent, proportionate, consultative and development-sensitive approach to aviation taxes, fees and charges. Stronger national oversight, regional implementation and practical ICAO support would improve affordability and connectivity while safeguarding legitimate public revenue and the sustainable provision of aviation infrastructure and services.