



AFRAA TAXES AND CHARGES STUDY REVIEW 2024

Better Skies for Africa

www.afraa.org



Executive Summary

The aviation industry has long been a critical sector for global economic activity, connecting people, goods, and services across countries. However, this sector is also heavily impacted by various taxes and fees levied by governments, airports, and other stakeholders. These taxes and charges significantly shape airlines' operational costs but have a massive influence on ticket pricing, profitability, and passenger demand.

The aviation sector is subject to various taxes, fees and charges, which are categorized into several key areas: fuel taxes, passenger service charges, security fees, airport landing and take-off fees, and environmental taxes, among others. These charges are typically designed to generate revenue for governments and airport authorities, fund infrastructure development, ensure safety and security, and, address the environmental effect of aviation but, in turn, significantly affect passenger traffic, given the existence of other modes of transport.

In 2024, the industry continues to grapple with increased financial burdens due to a variety of taxes, fees and charge structures imposed by governments worldwide. As the aviation market recovers from the COVID-19 pandemic, many countries have reintroduced and even raised taxes to offset fiscal deficits, leading to higher operating costs for airlines. Additionally, environmental taxes have gained prominence as part of broader global efforts to address climate change.

This study reviews in detail the level of taxes, charges and fees collected on air tickets and paid by the final passengers in each African country, highlighting the differences between regional and intercontinental travel. The study also highlights a comparison of Africa with 2 (two) neighbouring regions, Europe and the Middle east. All the figures in this report represent the sum of taxes and charges collected in September 2024 according to IATAACIC.



TABLE OF CONTENTS

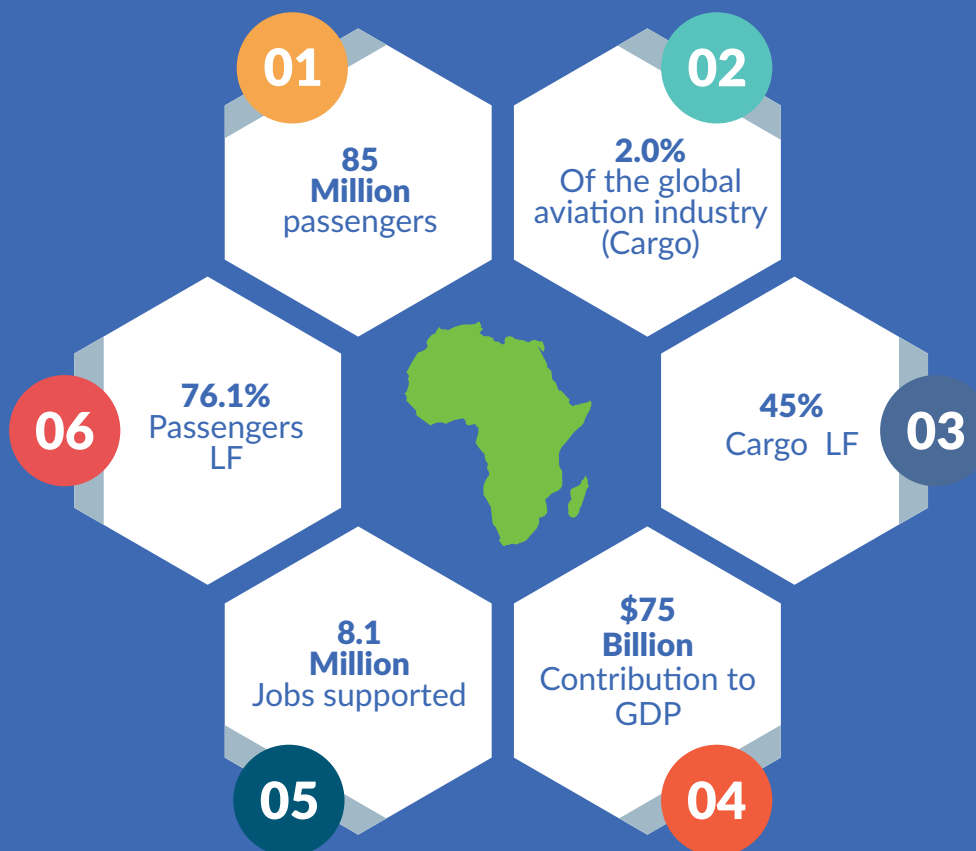
Introduction	3
Concepts	4
Scope of Study	6
Air ticket taxes, charges and fees in Africa	6
Example of the effect of taxes on ticket prices for travels in Africa	11

Introduction

According to the World Travel and Tourism Council (WTTC), the global travel and tourism sector contributed 9.1% of global GDP in 2023 this is an increase of 23.2% from 2022.

The airline industry transported 4.5 billion passengers and 57.5 million tons of cargo across roughly 22,500 routes in 2023, achieving a net post-tax profit of USD 27 billion. Among the 1.3 billion international tourists, 56% travelled by air.

The strong interdependence between air transport and tourism, coupled with their crucial role in economic growth, underscores the need for ongoing efforts to enhance the efficiency of these sectors.



Source: OAG, IATA, ATAG, AFRVIATOR

According to UNWTO, 66.3 million international tourists visited Africa, bringing in a total receipt of USD 38 billion. The contribution of travel and tourism to the global GDP is around USD 81 billion, which is greater than automotive manufacturing, health and banking, showing the importance of this sector for African Economy. Unfortunately, the air transport industry is still non-profitable on the continent, with negative profitability for passengers because of many challenges faced by the airlines. Among those challenges is the high level of taxes and charges. Air transport is perceived as a luxury service across the continent. Then, governments, airports and service providers tend to overcharge airlines even though man need help to survive.

1-1 Definition of Tax, Fees and Charge

The International Civil Aviation Organization (ICAO) defines a Charge as a levy designed and explicitly applied to recover the costs of providing facilities and services for civil aviation. ICAO defines aviation fees as charges imposed on airlines, aircraft operators, or passengers for using services and facilities provided by airports, air navigation service providers (ANSPs), or other aviation-related entities. A tax is a levy designed to raise national or local government revenues, which are generally not applied to civil aviation in their entirety on or on a cost-specific basis.

1-2 ICAO policies on Taxes and Charges

The Chicago Convention (1944) established a regulatory framework for Air Transport taxes and charges, supported by Doc 8632 and Doc 9082, Assembly Resolution. The main policies on international air transport taxation are as follows:

Fuel, lubricants, and other consumable technical supplies, taken on board shall be exempted from taxation, Taxation of income of airlines and of aircraft and other movable property shall be limited to the State where the airline has its fiscal domicile (based on reciprocity). Taxation on the sale or use of international air transport shall be reduced to the fullest practicable extent (including taxes levied directly on passengers and shippers). Regarding Charges, ICAO defined four (4) key principles to follow when setting a service charge:

Non-discrimination:

The charges must be non-discriminatory between foreign users and those having the nationality of the State in which the airport is located and engaged in similar international operations and between two or more foreign users.

Cost relatedness:

The charge must be set for the unique purpose of cost recovery.

Transparency:

The charge must be transparently determined and the service user must have a clearly understand the formula and/or the billing process.

Consultation with users:

ICAO emphasizes the importance of consultation with service users before changes in charging systems or levels of charges are introduced. The purpose is to ensure that the provider gives adequate information to the user and those providers and users reach an agreement.

1-3 The main issues related to Taxes and Charges

The main challenge related to Taxes and Charges is the lack of adherence to the related ICAO policies.

The African aviation industry faces significant challenges related to taxes and charges, which affect airlines, passengers, and economic growth across the continent. High taxes, inconsistent policies, and reliance on aviation revenues can stifle the development of a competitive and sustainable aviation sector. To foster greater air connectivity, economic growth, and regional integration, it is critical for African governments to consider harmonizing tax structures, reducing excessive charges, and pursuing alternative funding methods for aviation infrastructure. Regional cooperation will be key to addressing these issues and ensuring the continued development of Africa's aviation industry.





02

Scope of the study

This study reviews in detail the level of taxes, charges and fees collected on air tickets and paid by the final passengers, in each African country, highlighting the differences between Regional and intercontinental travel. The study also contains a comparison of Africa with 2 (two) neighboring regions: Europe and the Middle east.

All the figures in this report, representing the sum of taxes, charges and fees have been collected in September 2024 according to IATA ACIC.

03

Air ticket taxes, charges and fees in Africa

The aviation industry has a particular fiscal regime. Many specific taxes are applied by states to air passengers for various purposes. Apart from those taxes, some charges and fees are directly applied to air tickets, for cost recovery purpose after services offered to passengers. The figures below, representing the sum of taxes, charges and fees applied to air tickets, have been collected in September 2024 from IATAACIC.

I-International departures taxes, charges and fees

In Africa, air passengers pay on average 3.5 different taxes, charges and fees for international departures, representing an average amount of USD 68. This represents an increase compared to 2022 when the average was USD 66.

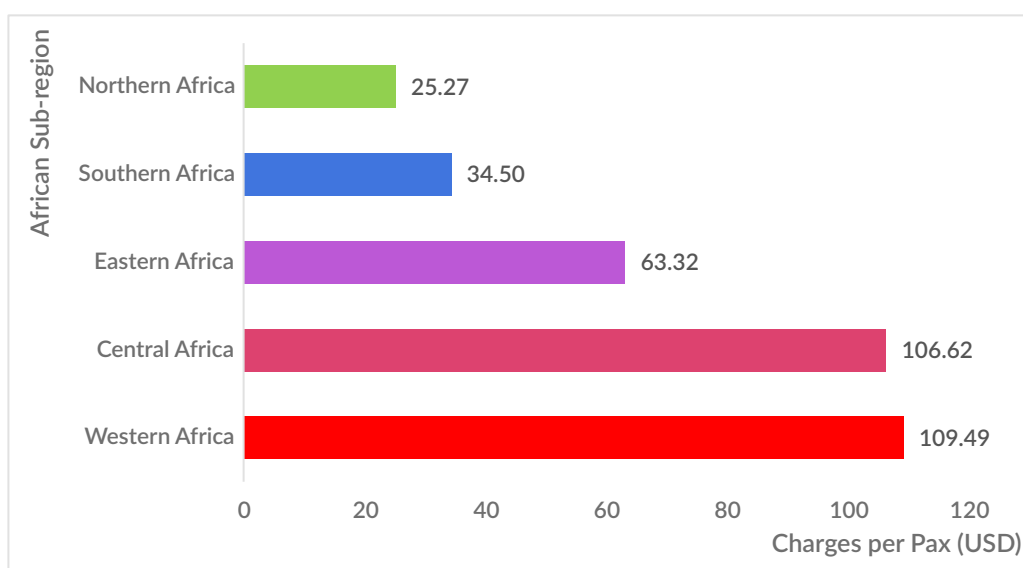
Table 1 – 10 (ten) most and less expensive countries for International departures

Airport	International Departures taxes (USD)	Airport	International Departures taxes (USD)
Most Expensive		Less Expensive	
Gabon	297.7	South Africa	28.5
Sierra Leone	294.0	Angola	28.4
Nigeria	180.0	Sao Tome	26.0
Djibouti	168.7	Morocco	25.1
Niger	130.7	Botswana	18.9
Benin	123.4	Tunisia	15.4
Senegal	122.6	Eswatini	14.2
Liberia	115.0	Algeria	9.8
Ghana	111.5	Lesotho	5.7
DR Congo	109.9	Malawi	5.0
Chad	105.7	Libya	1.3

In the top 10 most expensive countries in terms of ticket taxes, charges and fees, Gabon is the first, followed by Sierra Leone and Nigeria. Niger, Benin and Ghana are also part of the list. The less expensive countries for international departure ticket taxes are Libya, Malawi, Lesotho, and Algeria. The list of 10 less expensive countries also includes Eswatini, Tunisia, Botswana, Morocco, Sao Tome, Angola and South Africa, which are countries with significant traffic. Out of fifty-three (54) countries, twenty (19) charge above the continental average. Thirteen (14) charge passengers above USD 100 compared to 13 in 2022, emphasizing the continental increase. 26 countries charge USD 50 and more.

When considering African sub-regions, Western African region is the most expensive, with an average amount of USD 109.5 taxes, charges and fees paid for international departures (USD 96.5 in 2022). Central Africa is following, with USD 106.6 on average, an increase of USD 10 compared to 2022. Eastern and Southern African regions, even if affordable compared to the previous, remain more expensive than neighboring regions, charging USD 63.32 and USD 34.5 per passenger respectively. The same regions charged USD 57.8 and USD 35 respectively in 2022.

Figure 2: Average International ticket taxes, charges and fees per African sub region



Source: AFRAA / IATA ACIC

The figure above shows that western and central Africa are the most expensive regions in terms of passenger charges with an average of **USD 109.49** and **USD 106.62**. The region where passengers pay the lowest amount of taxes is Northern Africa, with an average of **USD 25.27**.

Twelve (12) out of the twenty-three (23) countries in Central and Western Africa (more than half) charge more than USD 100, although the two regions put together represented only 23% of the continental traffic. Most of the Northern African countries which represent 35% of the traffic, charge less than 50 USD

Table 2 – Number of countries by region and level of international departure taxes, charges and fees

Sub-region	More than USD 150	Between USD 100 and USD 150	Between USD 50 and USD 100	Between USD 30 and USD 50	Less than USD 30
Western	0	9	5	1	1
Central	1	2	1	2	2
Eastern	0	1	4	2	2
Southern	0	0	2	6	5
Northern	0	0	1	1	4

II-Regional departures taxes, charges and fees

In Africa, air passengers pay on average USD 59.05 different taxes, charges and fees for regional departures, representing an average amount of USD 59.05. This represents an increase compared to 2022 when the average was USD 57.4.

Table 3 – 10 (ten) most and less expensive countries for regional departures

Airport	International Departures taxes (USD)	Airport	International Departures taxes (USD)
Most Expensive		Less Expensive	
Sierra Leone	294	Sao Tome	26
Gabon	260	Togo	24.7
Nigeria	180	South Africa	19.7
Benin	163.3	Botswana	18.8
Djibouti	134.9	Morocco	18.7
Niger	129.3	Eswatini	14.06
Senegal	116.5	Algeria	9.8
Liberia	115	Lesotho	5.7
DR Congo	109.9	Malawi	5
Guinea	101.6	Libya	1

In the top 10 most expensive countries in terms of ticket taxes, charges and fees, Sierra Leone is the first, followed by Gabon and Nigeria. Benin and Djibouti are also part of the list.

The less expensive countries for regional departure ticket taxes are Libya, Malawi, Lesotho, and Algeria. The list of 10 less expensive countries also includes Eswatini, Botswana, Morocco, South Africa, Togo and Sao Tome.

Out of fifty-three (54) countries, fifteen (15) charge above the average for the continent. Eleven (11) charge passengers above USD 100, emphasizing the continental increase. Twenty two (22) countries charge USD 50 and more.

When considering African sub-regions, Western African region is the most expensive, with an average amount of USD 97 taxes, charges and fees paid for regional departures compared to USD 80.2 in 2022, which shows an increase by USD 16.8 in 2024. Central Africa is following, with USD 85.9 on average, an increase of USD 4 compared to 2022.

Eastern and Southern African regions, even if affordable compared to the previous, remain more expensive than neighboring regions, charging USD 52.8 and USD 33.3 per passenger respectively. The same regions charged USD 48.8 and USD 33.4 respectively in 2022.

Chart 1: Average Regional Passenger taxes, charges and fees per African sub-region

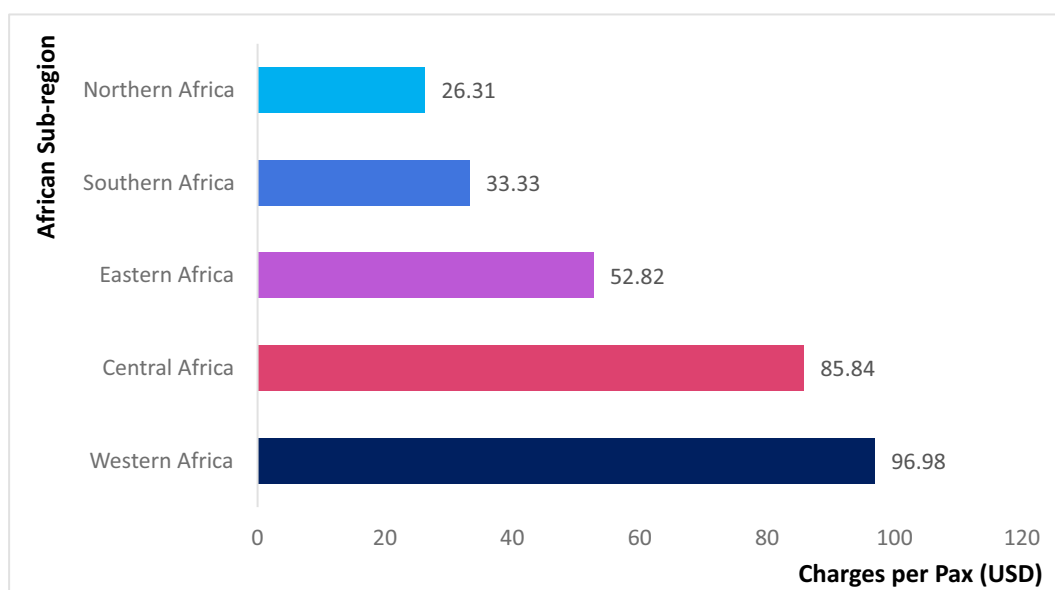


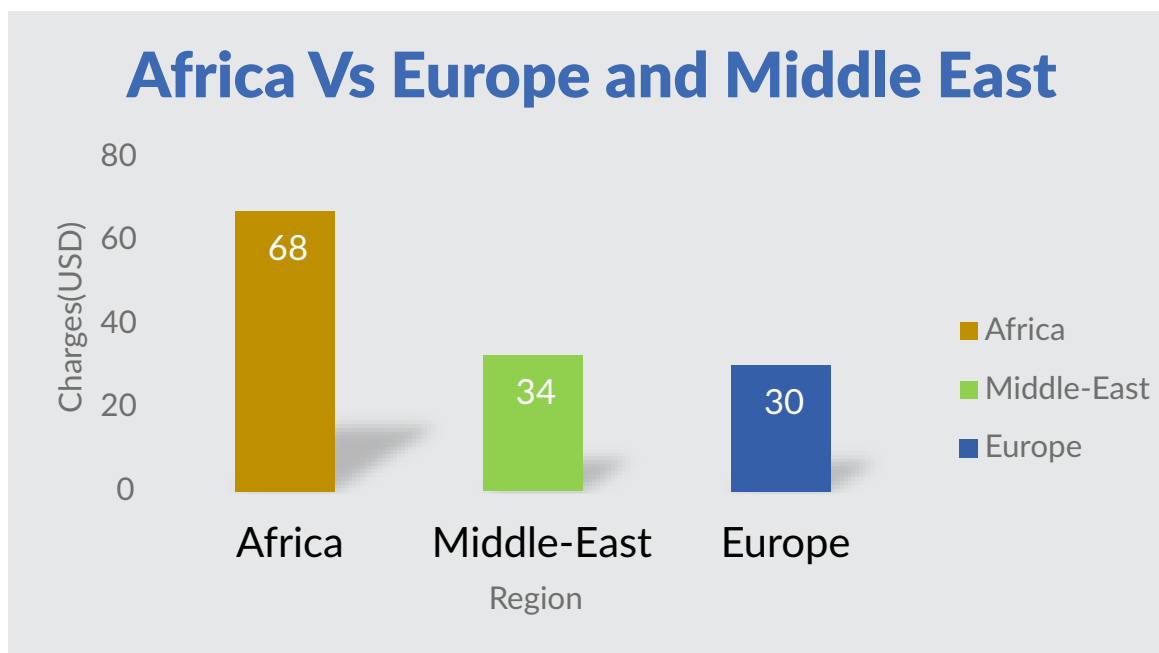
Table 4 – Number of countries by region and level of regional departure taxes, charges and fees

Sub Region	More than USD 150	Between USD 100 and USD 150	Between USD 50 and USD 100	Between USD 30 and USD 50	Less than USD 30
Western	0	9	5	1	1
Central	1	2	1	2	2
Eastern	0	1	4	2	2
Southern	0	0	2	6	5
Northern	0	0	1	1	4

III. Comparison with neighboring regions

While the average amount of taxes, charges and fees paid by passengers for regional departures in Africa is USD 68, passengers are charged USD 32 in Europe and USD 34 in the Middle East despite the fact that traffic is much more important in these regions as shown below.

Chart 3 – Comparison with neighboring regions



In Europe, passengers pay on average 2.53 different ticket taxes, charges and fees on departure, 2.69 in the Middle East. In Africa, the number is 3.5.

3 Transfer and arrival taxes, charges and fees

Passengers in Africa also pay taxes, charges and fees for transfer and on arrival, as shown in the tables below:

42 countries now apply transfer in Africa in 2024 compared to 35 in 2022, over the 52 selected. Transfer taxes, charges and fees increase ticket price by an average amount of USD 34.4 compared to USD34.5 in 2022.

Table 5 - Taxes, charges and fees paid by passenger on arrival in African countries

Airport	Rates on arrival USD	Airport	Rates on arrival (USD)
Libreville	127.8	Cotonou	61.2
Bissau	30.2	Tunis	12.5
Mogadishu	55.0	Malabo	0.0
Antananarivo	0.0	Abidjan	7.9
Bamako	6.3	Sao Tome	93.6
Dakar	68.2	Cairo	3.7
Banjul	12.5	Lomé	0.0
Accra	111.5	Average	34.1

Source: AFRAA / IATA ACIC

Arrival related taxes, charges and fees increased from an average USD 14.1 in 2021 to USD 34.1 in 2024.

Example of the effect of taxes on ticket prices for travels in Africa

The examples below show how taxes are affecting the final ticket price.

Table 11 - Examples of ticket price breakdown for intra-African travels

Intra Africa Ticket Price Examples (XOF)							
	Long Flight Route	Flight Time	Base Fare	Taxes	Total TKT Price	Ratio Taxes/Base Fare	Ratio Taxes Total
1	A → B	15:25	546.8	58.7	605.5	11%	10%
2	C → D	14:10	234.9	80	314.9	34%	25%
3	E → F	13:40	635.7	233.6	869.3	37%	27%
4	G → H	21:30	483.4	175.8	659.2	36%	27%
5	I → J	20:35	433.4	197.2	630.6	46%	31%
6	K → L	14:10	817.7	153.6	971.3	19%	16%
7	M → N	22:00	514	401	915	78%	44%
	Short Flight Route						
1	O → P	22:40	213.5	134.3	347.8	163%	39%
2	Q → R	09:10	236.3	164.6	400.9	70%	41%
3	S → T	18:00	651	88.7	739.7	14%	12%
4	U → V	20:10	258.6	160.1	418.7	62%	38%
5	X → Y	18:00	75.2	219.5	294.7	292%	74%
6	Z → A	14:10	97.8	96.5	194.3	99%	50%
7	B → C	11:40	48.8	98.8	147.6	202%	67%

Source: AFRAA

Taxes and fees generally represent more than 55% of airlines' most affordable base fares, and more than 35% of total ticket price.

Given the low purchasing power in Africa, it is urgent to assess the issue of high taxes, to stimulate the demand and make air transport affordable to African citizens.



Annex 1: AFRAA Advocacy on Taxes, Fees, and Charges for better skies

AFRAA has always been in the forefront in advocating for the reduction of excess taxes, charges and fees on both passenger/cargos and airlines. This is recognizing their direct impact on overall ticket cost and travel demand. For air, transport to grow and act as key economic stimuli cost of operations must come down and travel must be affordable across Africa and beyond. On its own, and in partnership with other stakeholder organizations, AFRAA continue to engage various advocacy tools and strategies to reduce taxes and ensure charges and fees are commensurate with the level of services provided. AFRAA advocacy is based on a four-pillar approach aimed at reduction of taxes, fees, and charges; ensuring competitive environment (avoid monopoly) and checking the involvement and activities of the private sector in managing and providing services at airports. Ultimately, AFRAA aims through advocacy to realize a competitive air transport industry boost traffic growth and increase the market share of African airlines. The four advocacy pillars hitched on:

- ◆ Adherence to the ICAO prescribed engagement process before implementing new/revised taxes, fees, and charges (ICAO Doc 8632 and Doc 9082);
- ◆ Reduction of existing high taxes, fees, and charges on air operators and passengers in identified countries;
- ◆ Monitoring and ensuring that private sector participation in airport services delivery results in quality service at competitive rates;
- ◆ Implementation of the Aviation Sustainability Laboratory initiatives on taxes and charges.



Pillar 1: Advocacy for the use of Principles contained in ICAO Doc 9082.

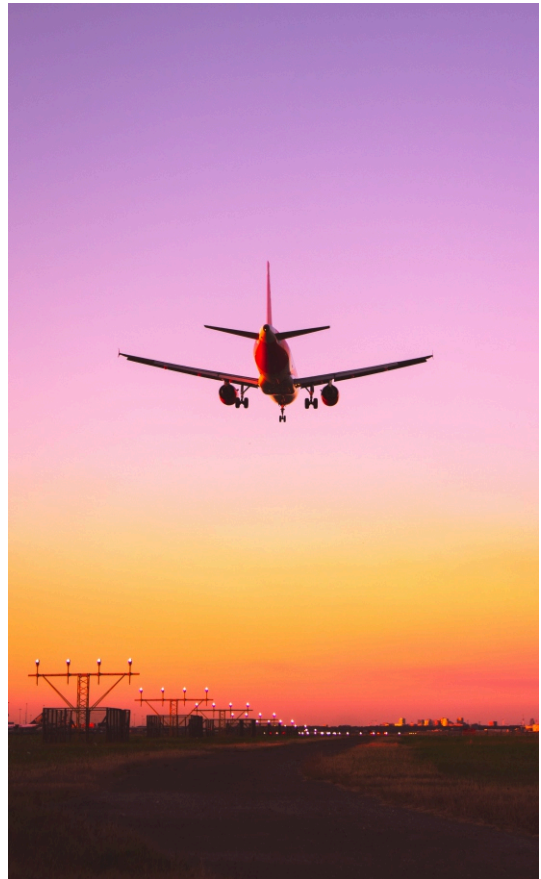
In order to ensure fairness and equity in taxes and charges introduction, AFRAA has always insisted on airports and service providers adherence to the principle contained in Doc9082, which are:

- **Non-discrimination:** the charges must be non-discriminatory between both foreign users and those having the nationality of the State in which the airport is located and engaged in similar international operations and between two or more foreign users.
- **Cost relatedness:** the charge must be set for the unique purpose of cost recovery. **Transparency:** the charge must be transparently determined, and the service user must have a clear understanding of the formula and/or the billing process.
- **Consultation with users:** ICAO emphasizes the importance of consultation with service users before changes in charging systems or levels of charges are introduced. The purpose is to ensure that the provider gives adequate information to the user and that provider and users reach an agreement.

Some airports and service providers are beginning to adopt these principles whenever they want to introduce new charges or review existing ones, but there still exist situations where some taxes and charges are introduced without regard to the operators and passengers. In some instance, AFRAA has collaborated IATA and release papers on the impact analysis of a proposed tax/charge, which is shared with government and relevant stakeholders to draw attention to the adverse implications if the tax were introduced. ¹⁴ The most frequently used advocacy method is through writing to the government or airport companies highlighting operators concerns about the tax/charge and demanding that the principles in ICAO Doc9082 are adhered to. Benchmarking taxes/charges levels across countries/regions enable, us to draw attention to the implication and the competitive disadvantages it will bring to the airport or entity in circumstances where alternatives are less expensive.

Pillar 2: Reduction of existing high taxes, fees, and charges on air operators and passengers.

As shown earlier in this paper, some countries already have disproportionately high taxes, charges and fees. AFRAA at every opportunity it has to engage with stakeholders in such states, would draw attention to the high taxes/charges and their negative implications on travel, tourism, job creation and the economy at large. A careful look at the data provided above shows that most of the high tax or charge airports attract low to average number of operators and traffic. It would be more impactful if AFRAA were able to conduct independent country specific impact analysis of the high taxes/charges in each of the countries and share the outcome with the decision makers. Unfortunately, the lack of funding to procure data and conduct such in-depth analysis is a drawback to our advocacy.



AFRAA is however building its own database and tapping into partner data sources to be able to address the data shortfall. While some countries have admitted that their taxes and charges are higher than competitor states and have held back on further increases, AFRAA continue to reach out to those states that persist to add on to the already burdensome taxes and charges. In all cases, AFRAA has always depended on the timely information sharing by operators at various airports to intervene. Whenever, this information is shared before a decision or legislation is passed on a new tax/charge, AFRAA swiftly engages the stakeholders with the view to dissuading them from the increase. On occasions where information about the tax is passed on to AFRAA after the legislation is passed, it often becomes difficult to secure an annulment/amendment of the legislation and reversal of the tax/charge. Because of this, AFRAA has always appealed to airlines to bring to its attention and information (even if preliminary or incomplete) so that it can engage early.

Pillar 3: Monitoring and ensuring that private sector participation in airport services delivery results in quality service at competitive rates.

An emerging trend in Africa is airport concessioning or service delivery outsourcing to private sector third party businesses. Such entities are motivated by the profit and often will review upwards the taxes/charges applicable to passengers and airlines. While AFRAA is not against private sector participation in service delivery, it is against the placing profit ahead of service delivery, quality and safety. AFRAA advocacy has always been to encourage more than one service provider to avoid monopoly, especially where the business volumes can support it. Where there is monopoly service provider at an airport, the principles in ICAO Doc9082 and Doc8632 must be strictly adhered to avoid exploitation of the operator or passengers.

Pillar 4: Aviation Sustainability Laboratory Initiatives on Taxes and Charges.

During the Aviation Sustainability Laboratory 2021 and 2023 stakeholders agreed a number of measures to address the challenges of high ticket/fuel taxes 15 and high charges for service delivery. Among others, the recommendations that are at various stages of implementation included:

- ◆ Constituting of a technical taskforce with the required resource persons to collect, review and analyse recent studies on taxes by RECs with the view to establishing taxes, charges baselines within each REC persons
- ◆ Propose a harmonized continental taxation framework
- ◆ Quantify the potential traffic increase by state if the taxes are reduced and the corresponding potential revenue increase
- ◆ Develop an Economic advocacy paper using the results of the study. Include analyzed data on fuel taxes to the paper
- ◆ Follow up with AUC to ensure review by AU - STCs and adoption by AU Summit.

AFRAA is playing an oversight and secretariat role to the task team working on the implementation of the LAB outcomes on taxes and charges. The results of the task force will enhance the advocacy work of AFRAA in this area and foster better engagements backed by relevant data. Through conference papers, presentations, keynote speeches and various forms of stakeholder specific engagements, AFRAA has always drawn attention to the taxes and charges menace and propose causes of action to address it. In addition, direct letters to governments and actors in the industry as well as position papers, opinion pieces and face-to-face engagements are some of the advocacy measures used by AFRAA in finding solutions to this matter

References

- African Economic Outlook 2024. AFDB
- Airline Industry Economic Performance. IATA
- Airport Economics Manual (DOC 9562)
- Aviation Charges Intelligence Center (ACIC).IATA ACIC 2024
- Chicago Convention, Article 15 (Doc 7300)
- Global Economic Prospects 2024. World Bank
- ICAO's Policies on Charges (Doc 9082) and on Taxes (Doc 8632)
- Manual on Air Navigation Services Economics (DOC 9162)
- ICAO's Policies on Taxation in the field of International Air Transport (Dec 8632)



AFRAA

Better Skies for Africa

www.afraa.org