

Airlines taxes, fees and charges in Africa

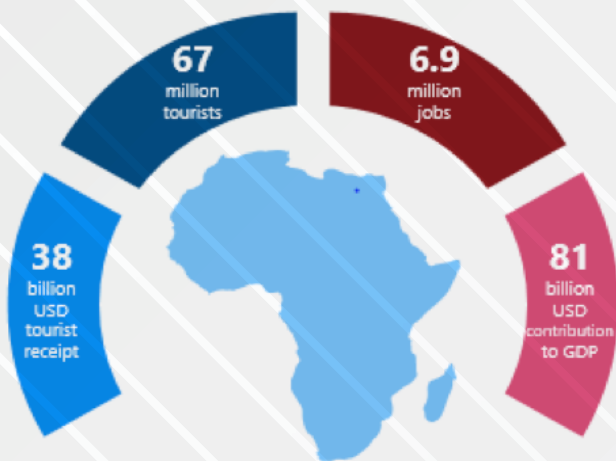
Introduction

According to World Travel and Tourism Council, the global travel and tourism sector generated 10.4% of all global activities in 2018, contributing 8.8 trillion US dollars to the global economy and supporting 319 million jobs.

More specifically, the Airline industry carried 4 billion passengers and 64 million tons of cargo across the world on around 22,000 routes in 2018 and generated 30 billion US dollars of net post tax profit. Out of the 1.4 billion tourists that crossed international borders, 55% travelled by air.

The high dependency between air transport and tourism and their mutual importance for economic growth make necessary to take action in order to make these sectors efficient.

Figure 1: Air transport in Africa



State of African region

According to UNWTO, 67 million international tourists visited Africa, bringing in a total receipt of USD 38 billion in 2018. The contribution of travel and tourism in the global GDP is around USD 81 billion, which is greater than automotive manufacturing, health and banking, showing the importance of this sector for the African economy.

Tourists travel by air to and from Africa. Traders undertake their long-distance journeys by air. Intra-Africa trade is exceptionally low (15.2% for the period 2015 -2017, compared to 50% and 64% within Asia and Europe respectively). Air transport will be vital in the implementation of AfCTA to develop trade among African States.

Unfortunately, air transport industry is still non-profitable in the continent; most African citizens cannot afford passenger air ticket. African airlines face several challenges, including the high level of taxes, fees and charges. In fact, air transport is perceived as luxury service across the continent. Then, governments, airports and service providers tend to overcharge airlines; despite the fact that many of them are struggling to survive.

However, efficiency gains in the air transport industry will accelerate the development of tourism, trades and other key economic sectors in Africa.

I - Passenger paid taxes and fees in Africa

The aviation industry has a particular fiscal regime. According to ICAO regulations, fuel, which represents at least 24.7% (IATA WATS 2019) of African airlines' operational costs, should not be taxable. However, many other specific taxes and fees are applied to passengers.

1. Sub-regional departures taxes and fees

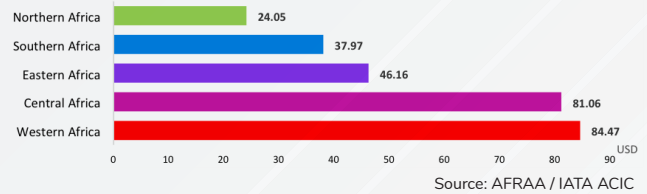
Various groups of countries in Africa have adopted preferential taxes and fees rates for travel among their members. ECOWAS and CEMAC are examples. As presented below, preferential taxation allows to have a total average taxes amount of USD 57.6, which is lower compared to non-regional travels. The rates applied in each country for sub regional travels are shown in the following table and graph.

Table 1. Taxes and fees paid by passenger on regional departure in African airports

Airport	Regional departures taxes (USD)
Niamey	162.7
Monrovia	145.0
Bissau	137.9
Dakar	116.9
Douala	115.6
Bangui	111.2
Freetown	109.0
Brazzaville	107.6
Bamako	99.7
Antananarivo	91.3
Cotonou	88.7
Kinshasa	77.5
Malabo	72.5
Accra	70.0
Lagos	70.0
N'djamena	68.2
Djibouti	67.4
Cairo	67.0
Moroni	64.4
Lome	62.8
Entebbe	57.2
Abidjan	56.9
Dar es Salaam	54.0
Sao Tome	54.0
Saint Denis	52.1
Lusaka	51.9
Ouagadougou	50.9
Kigali	50.0
Nairobi	50.0
Mahé Island	50.0
Harare	50.0
Banjul	49.5
Maputo	47.5
Mogadishu	42.0
Libreville	41.9
Bujumbura	40.0
Luanda	39.2
Lilongwe	36.7
Mauritius	32.7
Addis Ababa	31.0
Conakry	30.0
Casablanca	29.5
Algiers	23.5
Windhoek	22.4
Johannesburg	21.3
Asmara	20.0
Ilha Do Sal	17.1
Tunis	11.8
Gaborone	11.6
Khartoum	8.2
Lubombo	7.2
Tripoli	4.3
Maseru	3.3
Average	57.6

Source: AFRAA / IATA ACIC

Figure 2: Average regional passenger taxes per African sub-region



Central and Western Africa have the best regional taxes policy as it allows the passenger to save in average USD 12.68 and USD 10.12

2. International departures taxes and fees

For non-regional travels, the passenger pay in average 3.4 different taxes and fees at departure, representing an average amount of USD 64. Out of 53 airports, 10 charge passenger above USD 100. Furthermore, 32 that is more than half, charge the passenger above USD 50.

Table 2. Taxes and fees paid by passenger on international departure in African airports

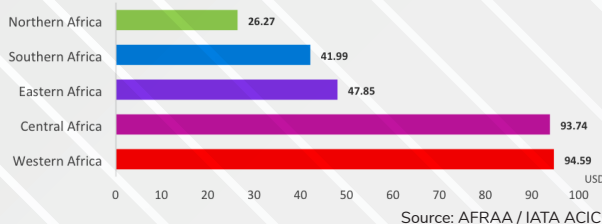
Airport	International Departures taxes (USD)
Niamey	164.9
Monrovia	145.0
Freetown	139.0
Bissau	137.9
Brazzaville	132.8
Douala	124.4
Bangui	118.8
Dakar	116.9
Accra	110.0
Bamako	110.0
Cotonou	95.9
Antananarivo	93.3
Malabo	89.2
Abidjan	88.5
N'djamena	85.1
Djibouti	84.3
Kinshasa	77.5
Lome	71.1
Lagos	70.0
Libreville	68.1
Ouagadougou	68.1
Cairo	67.0
Moroni	64.4
Entebbe	57.2
Saint Denis de la Reunion	56.8
Dar es Salaam	54.0
Sao Tome	54.0
Lusaka	51.9
Kigali	50.0
Nairobi	50.0
Mahé Island	50.0
Harare	50.0
Banjul	49.5

Airport	International Departures taxes (USD)
Maputo	47.5
Mauritius	44.9
Mogadishu	42.0
Windhoek	40.9
Bujumbura	40.0
Luanda	39.2
Lilongwe	36.7
Casablanca	35.6
Conakry	35.0
Johannesburg	31.6
Addis Ababa	31.0
Algiers	23.5
Asmara	20.0
Ilha Do Sal	17.1
Lubombo	15.7
Tunis	11.8
Gaborone	11.6
Tripoli	11.5
Khartoum	8.2
Maseru	3.3
Average	64.0

Source: AFRAA / IATA ACIC

When looking at sub-regions, the figure below shows that western and central Africa are the most expensive regions in terms of passenger charges with an average of USD 94.59 and USD 93.74 respectively for international travels. The region where the passenger pays the lowest amount of taxes and fees is Northern Africa, with an average of USD 26.27.

Figure 3: Average international passenger taxes and fees per African sub-region



Source: AFRAA / IATA ACIC

In Central and Western Africa, 10 out of 23 airports, which is almost half, charge more than USD 100. Thus, the two regions represent only 20% of the global traffic to/from Africa. Most of Northern African airports which represent 35% of the traffic, charge less than 50 USD.

Table 3: Number of airports by regions and level of international departure taxes 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 Africa	1	6	5	2	1
Central Africa	0	3	5	0	0
Eastern Africa	0	0	6	3	1
Southern Africa	0	0	5	6	3
Northern Africa	0	0	1	1	4

Source: AFRAA / IATA ACIC

The table below shows the top five airports by International Passenger taxes and fees by African sub-regions.

Table 4. Top 5 most expensive airports by African sub-regions

Western Africa	
Niamey	164.9
Monrovia	145.0
Freetown	139.0
Bissau	137.9
Dakar	116.9
Central Africa	
Brazzaville	132.8
Douala	124.4
Bangui	118.8
Malabo	89.2
Ndjamena	85.1
Eastern Africa	
Djibouti	84.3
Entebbe	57.2
Dar es Salaam	54.0
Kigali	50.0
Nairobi	50.0
Southern Africa	
Antananarivo	93.3
Moroni	64.4
Saint Denis	56.8
Lusaka	51.9
Harare	50.0
Northern Africa	
Cairo	67.0
Casablanca	35.6
Algiers	23.6
Tunis	11.8
Tripoli	11.5

Source: AFRAA / IATA ACIC

Central and Western African airports have the highest passenger taxes and fees, which vary from USD 164.9 in Niamey to USD 17.1 in Ilha Do Sal. The five (5) most expensive in Western Africa charge above USD 100. Passengers in North African airports enjoy the lowest amounts. Cairo charges USD 67 as passenger taxes and fees, while Khartoum charges only USD 8.2.

Comparison with neighbouring regions

While the average amount of passenger paid taxes and fees in Africa is USD 64, passengers are charged USD 30.23 in Europe and USD 29.65 in Middle East despite the fact that traffic is much more significant in these regions as shown in table 5:

Table 5. Taxes and fees paid by passenger on international departure in European airports

Airport	International Departures taxes (USD)
London	154.70
Frankfurt am Main	96.65
Paris	57.86
Ashkhabad	50.00
Baku	49.73
Dushanbe	47.00
Rome	44.98
Stockholm	43.77
Yerevan	43.25
Copenhagen	38.44
Vienna	36.65
Athens	36.17
Zurich	35.78
Zagreb	34.25
Budapest	34.01
Brussels	33.08
Sarajevo	32.64
Lisbon	32.47
Amsterdam	30.80
Tirana	29.28
Tbilisi	28.09
Madrid	27.64
Oslo	27.31
Minsk	26.70
Riga	26.31
Larnarca	26.29
Tashkent	26.29
Bichkek	26.00
Prague	25.09
Ljubljana	24.97
Belgrade	23.59
Istanbul	23.32
Pristina	22.69
Bucharest	22.45
Valletta	20.48
Skopje	19.89
Chisinau	19.56
Tivat	19.11
Kiev	19.00
Bratislava	17.98
Helsinki	16.62
Reykjavik	16.54
Warsaw	15.99
Gibraltar	13.01
Dublin	12.43
Sofia	11.49
Moscow	10.88
Almaty	10.30
Vilnius	8.99
Luxembourg	8.84
Tallinn	7.77
Bildudalur	5.03
Average	30.23

Source: AFRAA / IATA ACIC

In Europe, only one airport among the selected charge the passenger more than USD 100, and four charge more than USD 50. The reason for this high amount in London is the Air Passenger government tax, which is GBP 78 (USD 101) for long haul flights.

Table 6. Taxes and fees paid by passenger on International departure in Middle East airports

Airport	International Departures taxes (USD)
Amman	83.67
Aden	72.91
Beirut	34.40
Dubai	32.67
Tel Aviv	31.26
Muscat	30.21
Doha	22.64
Baghdad	22.00
Manama	19.02
Tehran	14.47
Kuwait City	10.59
Damascus	9.46
Jeddah	2.13
Average	29.65

Source: AFRAA / IATA ACIC

Only 2 Middle East airports out of 12 charge above USD 56 to passengers.

3. Transfer and Arrival taxes and fees

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

Table 7. Taxes and fees paid by passenger for transfer in African airports

Airport	Transfer taxes (USD)
Niamey	140.60
Monrovia	115.00
Antananarivo	93.26
Bangui	92.82
Djibouti	84.27
Malabo	80.82
Banjul	61.35
Libreville	51.52
Brazzaville	46.36
N'djamena	44.66
Lome	42.96
Lusaka	41.88
Bujumbura	40.00
Cotonou	33.70
Abidjan	32.48
Sao Tome	29.00
Casablanca	25.18
Algiers	23.62
Dakar	21.48

Airport	Transfer taxes (USD)
Ouagadougou	19.00
Bissau	17.24
Johannesburg	16.02
Manzini	15.68
Harare	15.00
Maputo	12.50
Luanda	11.00
Kinshasa	10.50
Entebbe	10.00
Saint Denis	9.16
Lilongwe	6.70
Conakry	5.00
Cairo	3.96
Maseru	3.31
Tripoli	2.52
Mogadishu	2.00
Average	36.02

Source: AFRAA / IATA ACIC

35 airports out of 53 apply taxes and fees on transfer passengers, increasing ticket price by an average amount of USD 36.02.

Table 8. Taxes and fees paid by passenger on arrival in African airports

Airport	Taxes on arrival (USD)
Antananarivo	41.05
Mogadishu	26.00
Bamako	20.58
Dakar	12.00
Accra	10.00
Cotonou	10.00
Malabo	8.58
Abidjan	8.58
Tunis	7.16
Banjul	6.30
Sao Tome	5.00
Cairo	3.19
Lome	1.72
Average	12.32

Source: AFRAA / IATA ACIC

Comparison with neighbouring regions

Airports in Europe charge less than Africa in terms of taxes and fees on arrival and transfer.

The average amount of transfer taxes and fees in Africa is USD 36.02 compared to USD 17.55 in Europe.

Taxes and fees on arrival are USD 8.81 in Europe, while USD 12.32 in Africa.

Table 9. Taxes and fees paid by passenger for transfer and on arrival in European airports

Airport	Transfer taxes (USD)	Taxes on arrival (USD)
London	53.19	-
Ashkhabad	50.00	20.00
Frankfurt am Main	49.43	6.00
Dushanbe	47.00	47.00
Zurich	35.78	-
Paris	35.27	-
Budapest	34.01	-
Yerevan	32.13	-
Tirana	29.28	-
Vienna	27.14	-
Brussels	23.82	0.36
Athens	23.43	-
Valletta	19.93	-
Tivat	19.11	-
Rome	19.04	-
Tbilisi	17.70	-
Madrid	17.65	-
Zagreb	16.92	-
Amsterdam	15.61	-
Prague	15.39	-
Bichkek	15.00	-
Warsaw	14.76	-
Kiev	14.50	-
Larnarca	14.36	0.88
Lisbon	14.19	-
Copenhagen	12.69	-
Pristina	11.54	0.24
Minsk	10.95	10.95
Almaty	10.30	-
Sarajevo	10.04	-
Belgrade	9.33	0.24
Ljubljana	9.15	-
Bratislava	8.94	-
Luxembourg	8.29	-
Stockholm	8.10	-
Sofia	7.40	-
Helsinki	6.26	-
Istanbul	5.50	-
Bildudalur	5.03	5.03
Dublin	2.82	-
Chisinau	2.76	6.85
Reykjavik	2.14	5.70
Vilnius	1.86	0.13
Baku	1.12	11.12
Tashkent	1.05	-
Average	17.55	8.81

Source: AFRAA / IATA ACIC

Out of 52 airports in Europe, 45 apply transfer taxes and fees compared to 35 in Africa. Though, the average amount paid remain lower in Europe.

Table 10. Taxes and fees paid by passenger for transfer and on arrival in Middle East airports

Airport	Transfer taxes (USD)	Taxes on arrival (USD)
Jeddah	25.31	23.18
Dubai	10.89	1.36
Doha	10.11	0.50
Amman	9.16	1.76
Muscat	6.76	-
Damascus	6.02	-
Tel Aviv	4.00	4.00
Tehran	4.00	-
Manama	3.05	-
Kuwait City	1.41	-
Beirut	0.40	0.40
Baghdad	-	-
Aden	-	-
Average	6.24	2.40

Source: AFRAA / IATA ACIC

In Middle East, airports charge passengers USD 6.24 for transfer and USD 2.40 on arrival.

4. Example of the effect of taxes and fees on ticket prices for travels within Africa.

The examples below show how taxes and fees are affecting the final ticket price for the passenger travelling within Africa.

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

Routing	EFT	Direct / Transfer	Transfer point	Lowest Base fare	Departure taxes	Transfer taxes	Arrival taxes	Total taxes	Total TKT Price	Ratio Taxes / Base Fare	Ratio Taxes / Total
ABJLFW	1:30	Direct		65	52.3	-	1.69	53.99	118.99	83.06%	45.37%
LFWDLA	1:50	Direct		170	62.42	-	-	62.42	232.42	36.72%	26.86%
NBOADD	2:00	Direct		71	50	-	-	50	121	70.42%	41.32%
ABJCOO	3:15	Transfer	LFW	86	52.3	16.88	11.07	80.25	166.25	93.31%	48.27%
DKRCMN	3:15	Direct		69	119.13	-	-	119.13	188.13	172.65%	63.32%
ADDCAI	3:30	Direct		58	31.15	-	1.9	33.05	91.05	56.98%	36.30%
CMNCAI	4:50	Direct		177	103.01	-	-	103.01	280.01	58.20%	36.79%
LOSNO	5:20	Direct		550	102.05	-	-	102.05	652.05	18.55%	15.65%
KGLJNB	7:30	Transfer	NBO	209	50	-	-	50	259	23.92%	19.31%
ABJCMN	8:00	Transfer	DSS	60	52.3	47.24	-	99.54	159.54	165.90%	62.39%
DKRLBV	9:15	Transfer	LFW	103	119.13	16.88	-	136.01	239.01	132.05%	56.91%
JNBACC	9:50	Transfer	ADD	41	28.75	-	10	38.75	79.75	94.51%	48.59%
KGLDKR	11:50	Transfer	COO	219	60	26.81	12	98.81	317.81	45.12%	31.09%
Average				144.46	67.89	26.95	7.33	79	223.46	54.69%	40.94%

Source: AFRAA / IATA ACIC

While airlines attempt to offer low fares to passengers, taxes and fees can bring the total price of a ticket to more than double the base fare.

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

II - Airport charges in Africa

Apart from passengers taxes that are levied directly on the ticket, airlines have to face many other charges related to their operations at the airport level. Some of them are listed below:

- Landing
- Noise
- Parking
- Common User Terminal Equipment (CUTE)
- Jetway charge
- Passenger bus
- Lighting
- Counter
- Fire fighting and prevention
- Check-in
- Ground Power Unit
- Ground Handling
- Follow-me
- Hangar
- Housing
- Terminal
- Towing and push-back

All those charges are affecting the profitability of the airlines.

The table below shows the charges paid at the main African airports for an international flight with the following criteria:

- Aircraft Type : B737
- Total Departing Pax : 1
- Total Economy Pax : 1
- Parking Time : 2 hours
- Period of the day : Day
- Cargo : 0 kilogrammes
- Check-in counters usage : 2 hours
- Month of the year : January
- Number of check-in counters : 3
- Overflight Type : Origin
- Parking Stand A/R : Apron stand
- Rate Type : Daily
- Total Adult Pax : 1

Table 12. Other charges paid by airlines in African airports

Airport	Other charges (USD)
Mogadishu	2090.56
Lusaka	1451.88
Luanda	1282.76
Conakry	1074.21
Casablanca	1029.42
N'djamena	1026.97
Tunis	949.43
Bangui	919.48
Malabo	899.39
Bamako	885.29
Lome	864.08
Brazzaville	807.67
Moroni	801.48
Dakar	788.37
Harare	775.00
Niamey	763.12
Ilha Do Sal	737.99
Kinshasa	735.91
Douala	725.55
Cairo	722.27
Lagos	720.43
Cotonou	690.61
Accra	678.00
Ouagadougou	674.29
Bissau	613.66
Freetown	587.38
Abidjan	565.71
Libreville	558.49
Kigali	515.08
Monrovia	497.40

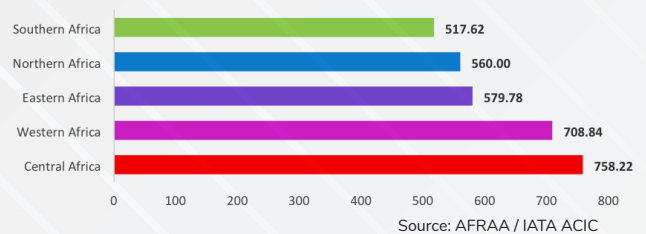
Airport	Other charges (USD)
Djibouti	494.85
Banjul	492.09
Johannesburg	484.72
Entebbe	481.08
Maputo	480.75
Dar es Salaam	461.50
Tripoli	458.09
Addis Ababa	457.65
Asmara	426.25
Bujumbura	392.45
Sao Tome	392.32
Saint Denis de la Reunion	389.59
Lilongwe	380.20
Antananarivo	304.94
Windhoek	298.96
Nairobi	298.00
Mauritius	296.47
Gaborone	233.22
Mahé Island	180.38
Algiers	157.96
Maseru	47.05
Khartoum	42.81
Manzini	19.69
Average	624.58

Source: AFRAA / IATA ACIC

Mogadishu is the most expensive airport for airlines charges, with more than USD 2,000 for an international flight, while a busy airport like Algiers charges USD 158 in the same conditions. The average amount of charges paid is USD 624, but 53% of the airports are charging less than USD 600. Three airports in Africa charge below USD 50: Maseru, Khartoum and Manzini.

From the table above, we can easily see that the busiest airports are among the cheapest. As examples: Johannesburg, Addis Ababa, Nairobi, Algiers charge less than the average.

Figure 4: Average airport charges per African sub-region



On a regional approach we can see that Central and Western African airports are the most expensive. The average amount of charges in those regions (USD 758.22 and USD708.84 respectively) exceed the continental average, which is USD 624.58. Southern Africa is the least expensive region in terms of airport charges with an average of USD 517.62.

Comparison with neighbouring regions

In comparison with Europe and Middle East, the charges remain lower in Africa. The average amount of non-passenger charges is USD 1,117 in Europe, and USD 693 in Middle East, as shown on the table below

Table 13. Other charges paid by airlines in European airports

Airport	Other charges (USD)
Tirana	5022.95
Sarajevo	3838.95
Paris	3629.56
Yerevan	2812.67
Tivat	2053.89
Skopje	1800.96
Minsk	1550.43
London	1519.81
Belgrade	1381.88
Reykjavik	1294.56
Istanbul	1180.44
Lisbon	1179.30
Madrid	1093.06
Moscow	1076.58
Bratislava	1025.25
Budapest	981.57
Ljubljana	950.77
Baku	941.90
Amsterdam	938.62
Warsaw	845.24
Athens	821.33
Frankfurt am Main	808.91
Zagreb	790.28
Kiev	754.84
Varna	753.43
Prague	746.80
Tbilisi	726.66
Larnarca	721.18
Bucharest	713.87
Rome	706.17
Vilnius	663.97
Tallinn	654.65
Geneva	650.75
Helsinki	636.05
Chisinau	557.31
Dublin	555.12
Copenhagen	494.39
Gibraltar	479.40
Stockholm	441.05
Oslo	428.53
Luxembourg	299.20
Valletta	296.76
Riga	286.67
Brussels	36.35
Average	1116.87

Source: AFRAA / IATA ACIC

In Europe, airlines have to pay charges type that do not exist in Africa, such as de-icing, slot coordination, water for aircrafts. Other charges like lightning and noise have higher rates.

Table 14. Other charges paid by airlines in Middle East airports

Airport	Other charges (USD)
Baghdad	1980.00
Jeddah	949.91
Tel Aviv	905.65
Tehran	850.72
Amman	783.15
Dubai	731.08
Beirut	713.77
Kuwait City	578.16
Muscat	398.47
Doha	302.92
Aden	286.58
Manama	261.23
Damascus	262.92
Average	692.66

Source: AFRAA / IATA ACIC

Middle East rates are closer to African rates, as the scheme of charges is similar.

Conclusion

The high level of taxes, fees and charges is a critical issue and it is counter-productive for air transport development in Africa. As air transport is considered a luxury service, governments tend to overtax air transport supply chain leading to excessive service charges for the airlines. The average amount of passenger's paid taxes and fees applied to air tickets is twice more expensive in Africa than in Europe or Middle East.

AFRAA advocates for reducing taxes, fees and charges through effective gains along the entire supply chain to ensure affordable air transport prices and increase traffic growth rates.

According to a study from our partner Predictive Mobility, the elasticity price/demand for air transport within Africa vary from -2.34% to -3.15%. That means that a reduction of 10% on the ticket price can increase the demand at continental level, from 22.3 to 30.1 million passengers yearly.

Thus, the reduction of taxes and charges can allow a significant stimulation of demand on the continent. This will help our airline to become more competitive, especially against foreign operators, who are based in regions where the taxation is lower comparatively.

A wealthy air transport industry is necessary for the development of tourism, trade, and of key economic sectors in Africa. 