Sky-Connect dialogues

Making African Air Travel More Affordable, Connected and Competitive

Moderator: Raphael Kuuchi — Director, Government, Legal and Industry Affairs, AFRAA

Guests: Chris Appiah — Director of Transport, ECOWAS Commission
Esayas W. Hailu — Chief Executive Officer, ASKY Airlines

From Policy Commitments to Implementation

In a recent edition of AFRAA's Sky Dialogue, Raphael Kuuchi brought together ECOWAS transport policymaker Chris Appiah and ASKY Airlines CEO Esayas W. Hailu to examine one of the region's most pressing aviation challenges: how to make air transport more affordable while strengthening connectivity, safety and regional integration. The discussion comes as ECOWAS implements measures targeting aviation taxes and charges, aimed at reducing the cost of air travel and enabling aviation to play a stronger role in moving people, goods and services across West Africa.

For both the regulator and the airline industry, however, reducing taxes is only one part of a much larger transformation.

25%

Targeted reduction in four aviation charges under ECOWAS decision

Aviation as a Catalyst for Regional Integration
According to Chris Appiah, ECOWAS views transport not simply as an economic sector, but as a catalyst for regional integration. Air transport must become more affordable and accessible if it is to support trade, tourism and the move-

Lors d'une récente édition de Sky Dialogue, AFRAA a réuni Chris Appiah, Directeur des Transports de la Commission de la CEDEAO, et Esayas W. Hailu, Directeur Général d'ASKY Airlines, pour examiner comment rendre le transport aérien ouest- africain plus abordable, mieux connecté et plus compétitif. La CEDEAO a engagé la suppression de deux taxes et la réduction de 25% de quatre redevances aériennes, après avoir constaté que les taxes pouvaient représenter jusqu'à 60–65% du prix d'un billet régional.

Les 12 États membres ont amorcé le processus de mise en œuvre ; la Côte d'Ivoire a déjà supprimé les taxes visées, et la Sierra Leone a levé sa redevance de sécurité aéroportuaire de 50 dollars. Pour Esayas Hailu, la baisse ment of people across the region.

The intervention followed assessments undertaken with partners including IATA, AFRAA and AFCAC, which found that taxes could account for around 60–65% of the cost of an average ticket on some regional routes.

The resulting burden, Appiah said, had suppressed demand and limited the competitiveness of West African airlines and airports. The decision to act was therefore taken at the level of ECOWAS Heads of State, who directed their ministers to work with the Commission on solutions. The initial package targets two taxes for removal and four charges for a 25% reduction.

"We had gone to a stage where the sector has been overtaxed. It's overburdened with taxes and charges - and traffic was very suppressed."

Christ Appiah, ECOWAS Commission

Implementation Is Underway

All 12 ECOWAS member states have started the national-level process required to implement the measures, Appiah confirmed. Côte d'Ivoire has already fully removed the targeted taxes, while Sierra Leone has removed its $50 airport security charge on passengers travelling through Freetown. Other states are progressing through legislative and administrative procedures — some must amend national tax laws, others consult across ministries or renegotiate airport concession agreements tied to existing charges. The implementation deadline remains 1 January 2026. Appiah stressed the date has not moved, but that follow-up with individual countries will continue quarter by quarter.

des taxes ne suffira pas : le coût du carburant, l'accès aux devises et la fragmentation du marché pèsent tout autant. ASKY mise sur la connectivité, les partenariats et un futur centre MRO conjoint avec Ethiopian Airlines (100 millions de dollars).

La CEDEAO, de son côté, avance vers un mécanisme régional unique de supervision de la sécurité et un cadre harmonisé des taxes aériennes.

Longer term, ECOWAS is working toward a harmonised regional framework for aviation taxes and charges — common definitions and limits across member states — to avoid a fragmented system of differently named charges.

60-65%

of an average regional tiket can taxes, per the ECOWAS assessment

12

member states that had stated implementation

1 Jan 2026

implementation deadline, unchanged

ASKY: Connectivity, Scale and Expansion

For ASKY CEO Esayas W. Hailu, the opportunity created by greater regional integration is directly linked to the airline's growth strategy. At the time of the discussion, ASKY was operating 16 aircraft, with two more expected, serving around 30 destinations across Africa and carrying approximately 1.5 million passengers annually. Hailu disclosed that ASKY is also looking beyond its current network, with plans to eventually move into intercontinental operations and widebody aircraft.
For Hailu, aviation is particularly important given the continent's size — a rapid alternative to large-scale surface transport infrastructure. His message: Africa needs to make flying more accessible to unlock the movement of tourism, trade, labour, goods and services.

"Aviation is not a luxury, it is very important — a silver-bullet solution to facilitate the continent's integration."

— Esayas W. Hailu, ASKY Airlines

The Cost Problem Goes Beyond Taxes

Hailu cautioned that tax reductions alone will not resolve the structural cost challenges

facing African airlines. He pointed to fuel prices, airport and navigation charges, maintenance costs, access to foreign currency, infrastructure limitations,
ground handling costs, and the fragmentation of the African aviation market — noting that operators earn revenue largely in local currencies while major expenses are denominated in foreign currency.

For Hailu, the answer is therefore not simply lower taxes, but greater economies of scale — more connectivity, more cooperation between airlines and, potentially, more alliances, joint ventures and mergers, rather than every country maintaining a separate national carrier that adds to fragmentation.

30

ASKY destination across Africa

16-18

aircraft in ASKY's fleet at the time of the conversation

1.5m

ASKY passengers carried annually

A Regional Approach to MRO

ASKY currently relies on Ethiopian Airlines MRO for significant maintenance activity, while having developed local engineering capability and trained 25 flight technicians.

More significantly, ASKY and Ethiopian Airlines are developing a joint MRO centre, with an initial investment of $100 million, expected to include two hangars, component shops and aircraft parking.

The initiative forms part of a wider regional strategy: Appiah said ECOWAS has completed a feasibility study for a regional MRO facility, including demand, financing and investment assessments, and is now open to discussions with potential investors interested in a regionalised model that consolidates demand, reduces costs and strengthens safety.

Toward Regional Safety Oversight

Economic integration cannot be separated from safety. Appiah revealed that ECOWAS is working towards a single regional air transport safety oversight mechanism — not to replace national civil aviation authorities, but to coordinate their work within a stronger regional framework, comparable to the European model.
ECOWAS is also working with ICAO on a regional aviation security pool, already inaugurated, with auditors expected to support airports in preparing for ICAO assessments.

Looking Ahead

The conversation points to a shared conclusion: Africa's aviation challenge cannot be solved by airlines, governments or regulators acting independently. For ECOWAS, the priority is implementation — translating regional decisions into measurable change at national level. For airlines, it is building scale through connectivity and partnerships. For regulators, it is strengthening coordination without displacing national authorities.
Appiah said ECOWAS remains committed to affordable, accessible and safe regional transport, working with AFCAC, the African Union, IATA, AFRAA and ICAO. Hailu's closing message was equally direct: aviation should be treated as a strategic instrument for Africa's economic integration, not a luxury — and every stakeholder, from governments to operators, needs to make it a shared priority.

$100M

Initial investment in the planned ASKY–Ethiopian Airlines MRO joint venture

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Sky-Connect dialogues

Kenya's Aviation Crossroads: Growth, Connectivity

Moderator: Maureen Kahonge — Director, Commercial & Communications, AFRAA
Guest: Eng. Liz Aluvanze — Chief Executive Officer, Kenya Association of Air Operators (KAAO)

A Market in Motion, Under Fiscal Pressure

In this another edition of AFRAA's Sky Connect Leadership Dialogues, host Maureen Kahonge sat down with Eng. Liz Aluvanze, CEO of the Kenya Association of Air Operators, for a wide-ranging look at Kenya's aviation landscape — its growth, its connectivity, and the newly signed Finance Act 2026, which introduces a significant new tax burden on aviation inputs.

The conversation traced a market that is expanding steadily on traffic and connectivity, yet increasingly exposed to a fiscal environment that KAAO warns could push aircraft registration, maintenance activity and investment to friendlier neighbouring jurisdictions.

Dans cette autre édition de Sky Connect, Maureen Kahonge (AFRAA) s'est entretenue avec l'ingénieure Liz Aluvanze, Directrice Générale de la Kenya Association of Air Operators (KAAO), sur l'état de l'aviation kenyane : croissance du trafic, connectivité régionale, sécurité, et surtout la Loi de Finances 2026 récemment promulguée.

Le projet de loi initial prévoyait jusqu'à 20,5% de coûts additionnels sur les importations aéronautiques (TVA, frais de déclaration d'importation, redevance de développement ferroviaire). Grâce à un plaidoyer conjoint de KAAO, IATA et AFRAA, les aéronefs de plus de 2 000 kg ont été exemptés de TVA — mais les petits aéronefs et certains équipements de navigation restent taxés, ce qui menace en particulier les opérateurs basés à l'aéroport de Wilson.

20.5%

Additional cost the original Finance Bill proposed on aviation imports, before advocacy softened its impact

Kenya's Aviation Landscape, By the Numbers

Aluvanze opened with a snapshot of post-COVID recovery. At Jomo Kenyatta International Airport (JKIA), aircraft movements rose from around 98,000 in 2023 to just over 108,000 in the current year, with passenger traffic climbing
from 6.8 million to a projected 7.6 million. Wilson Airport — Nairobi's smaller, gen-

eral-aviation-focused hub — has kept pace, growing from 93,000 to around 99,000 movements and approaching the 1-million-passenger mark for the first time.

Overall, Kenya is seeing average annual growth of about 10% in movements.
Beyond the two main hubs, Kenya's aviation footprint is unusually dense: KAAO cites over 300 registered airports and airstrips nationwide, of which 23 major commercial airports fall under the Kenya Airports Authority. The remainder — many privately owned or managed by the Kenya Wildlife Service — support a vibrant ecosystem of safari and charter operators.

Connectivity and Safety: A Strong 'A', Room for an 'A*'

On connectivity, Aluvanze rated Kenya a strong performer — domestically through operators such as Jambojet, Skyward and Safari Link, and internationally through national carrier Kenya Airways. She flagged a growing industry push to treat the East African Community as a single domestic market, extending regional connectivity further.

On safety, KAAO reported ICAO audit scores above 90%, supported by monthly safety forums held jointly with the Aero Club of East Africa and a quarterly, decade-old Industry Affairs Forum — bringing together KAAO, the Kenya Airports Authority, the Kenya Civil Aviation Authority and, more recently, the State Department of Aviation's Accident Investigation Department — to resolve operational issues and push for faster release of accident investigation reports.

Mme Aluvanze alerte sur un risque réel de délocalisation : immatriculation des appareils et maintenance transférées vers des juridictions voisines plus favorables, avec à la clé une perte d'emplois et de recettes pour le Kenya. Elle appelle à un moratoire fiscal pluriannuel, à la mise en oeuvre effective de la politique nationale de l'aviation adoptée en 2024, et surtout à davantage de collaboration entre États africains plutôt qu'à une concurrence fiscale destructrice.

~108,000
aircraft movements at JKIA, current year

300+
registered airports and airstrips in Kenya

>90%
KAAO members' ICAO safety audit score

The Finance Act 2026: What Changed

The core of the conversation centred on Kenya's Finance Act 2026. As originally tabled, the bill proposed VAT at 16% on the importation of all aircraft categories, parts and navigation equipment, alongside a new 2.5% Import Declaration Fee and a 2% Railway Development Levy — a combined potential 20.5% additional cost on aviation inputs.

Following joint advocacy by KAAO, IATA and AFRAA, the enacted law retained VAT exemption for aircraft above 2,000 kg, and spare parts under Chapter 88 remain exempt from VAT, the IDF and the RDL. However, aircraft under 2,000 kg — and navigation equipment such as direction-finding compasses — remain subject to VAT, IDF and RDL. Government officials reportedly justified targeting this category as a revenue measure ahead of Kenya's 2027 election cycle, on the assumption that owners of smaller aircraft, including helicopters, can absorb the cost.

"The minute you put a 20.5% tax on the smaller operators, you affect the whole industry — these are the founding blocks, the training organisations."
— Eng. Liz Aluvanze, KAAO

The Risk: Flags of Convenience, Lost Jobs

Aluvanze warned the pattern is familiar from 2022–2023, when similar taxes drove operators to deregister aircraft in Kenya and re-register in friendlier jurisdictions, continuing to fly into Kenya while paying no local tax.

She cited early signs of the same response to the Finance Act 2026 — including a member already scouting a maintenance base in Uganda — warning that Kenya risks losing not only tax revenue but engineering jobs and MRO activity to its neighbours.

16%

standard VAT rate now applied to aircraft under 2,000 kg

2.5% + 2%

combined IDF and Railway Development Levy on the same category

3.5%

aviation's current contribution to Kenya's GDP, per IATA

Toward a Different Approach

KAAO's near-term strategy is to engage Kenya's National Treasury directly, seeking administrative relief rather than waiting for the next legislative cycle. Aluvanze also pointed to Tanzania's three-year tax moratorium on aviation as a benchmark worth pursuing regionally — arguing that, as with ECOWAS's coordinated approach to taxes and charges, East African Community states could gain more by negotiating as a bloc than individually, year after year.

A parallel priority is implementing Kenya's National Aviation Policy, approved by Cabinet in 2024 after an eight-year drafting process, which explicitly calls for no VAT or levies on aviation. Its implementation has been slow, though an implementation team — including AFRAA, IATA and other stakeholders — is now being constituted under the Ministry of Transport.

OEMs, MRO and the Cost of Doing Business

Responding to audience questions, Aluvanze noted that attracting Original Equipment Manufacturers and MRO investment to Kenya is held back less by regulation than by the broader cost of doing business — citing energy costs reported to run roughly four times higher than in competing jurisdictions, alongside lengthy licensing processes.
She called for targeted government incentives, particularly as new terminal investment at JKIA creates fresh opportunity to attract anchor investors.

Closing Message

Asked for a single message to the industry, Aluvanze returned to a consistent theme throughout the conversation:
collaboration over competition, both between Kenyan stakeholders and across African states. She argued that predictable, harmonised tax treatment — rather than an annual cycle of advocacy against new levies — is what will make East Africa a credible aviation hub.

"We need to move away from us-versus-them competition. As African states, as Africans, we really need to start working together as brothers and sisters."

— Eng. Liz Aluvanze, KAAO

3-YEAR

Tax moratorium secured by Tanzania — the benchmark KAAO is now pushing Kenya to match

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