

**THE VOICE OF THE
WORLD'S AIRPORTS**



**#Back2Facts on
the Airport Business**

Fact #1: An economically sustainable aviation ecosystem brings more connectivity, decarbonization, and socio-economic benefits to communities worldwide.

- Airports are essential gateways to major destinations bringing together culture and commerce – 57% of tourists travel by air which supports the catalytic impact of aviation (e.g., hotels, entertainment, restaurants, museums, attractions, tour operators, retail, etc.).
- Aviation supports the livelihood of 87.7 million people.¹
- Aviation together with tourism contributes 10.3% to global GDP.²
- Aviation supports 15 of the 17 United Nations (UN) Sustainable Development Goals (SDG), some in small ways and others with much more significant influence (e.g., SDG 9).

Fact #2: Like airlines and other aviation stakeholders, airports are businesses that continue to be affected by the pandemic's economic impact, energy costs, staff shortages, and other inflationary pressures felt by the entire industry.

- Airports lost 12.7 billion in passenger traffic since the beginning of the pandemic.
- Airports increased their levels of debt during 2021 to finance operations.
- The airport industry's Debt-to-EBITDA ratio was 13:1 in 2021; in contrast to the pre-pandemic average that was in the realm of 5:1.
- Despite the large losses incurred by the COVID-19 pandemic, over two-thirds of airports (68%) have implemented some form of discounts or incentives to airport charging specifically to address the COVID-19 impacts and recovery.³

¹ ATAG, <https://www.atag.org/facts-figures/>

² WTTTC, <https://wttc.org/research/economic-impact>

³ ACI Survey of Airports 2021

Fact #3: However, what is unique to airports is that they face high fixed costs irrespective of economic conditions and do not have the same level of flexibility in managing capacity.

- At least 35% of costs are fixed in terms of capital costs. In fact, irrespective of airport traffic levels, many operating expenses are also semi-fixed to ensure the safety of passengers and the continuity of air cargo operations among other areas.
- The pandemic induced a mismatch between costs incurred and revenues resulting in a substantive deficit. For every passenger, there was a shortfall of US\$5.05 and US\$3.60 in 2020 and 2021 respectively.

Fact #4: Failure to meet the needed airport investment risks future jobs and GDP contributions.

- US\$2.4 trillion in airport investments will be needed by 2040.
- On average, an increase in airport infrastructure investment of US\$100 per capita is associated with nearly 50 more passenger arrivals per capita.
- For every 1,000,000 foregone passengers due to airport capacity constraints in 2040, the global air transport industry would support 10,500 fewer jobs and US\$346 million less in GDP.

Fact #5: Airport charges 101: What are they? They are fees paid by airlines and passengers for the use of airport facilities.

- They represent only 5.1% of a ticket's cost, but more than half of airports' revenues (55%) and are needed for infrastructure development.⁴

⁴ ACI World and InterVistas [*The State of Play: Competition, Regulation, and Airport Charges Research Report*](#)

#Back2Facts on the Airport Business

- Landing and other airport charges levied on airlines represent less than 4% of their operating costs.⁵
- Global airport charges per passenger have on average declined by approximately 20% in real terms in the 5 years up to 2019.

Fact #6: Most airports are small and operate at a net loss.

- It is estimated that as much as 90% of the world's airports are categorized as small (serving 5 million passengers or less per annum).
- 68% of the world's airports operate at a net loss and 97% of the loss-making airports handle fewer than one million passengers per annum.
- Government interventions or cross-subsidies from profitable airports within a network normally help cover their shortfall or deficits.

Fact #7: ACI World advocates that new approaches for economic oversight should be considered in many jurisdictions so that airports can operate as businesses in their own right.

- Moving towards flexible policies on airport charges can help airports recover and grow sustainable, facilitate seamless travel, innovate, invest in infrastructure, meet decarbonization targets, and improve connectivity.
- Flexible or light-handed economic oversight on airport charges are not associated with higher charges over a 5-year period. In fact, on average, airports with light-handed or flexible charging policies had charges of US\$11.18 as compared to airports that had heavy-handed price caps US\$15.14 for the period from 2014 to 2019.

⁵ ICAO Database