

Airline blocked funds in Bangladesh down USD 124m in six months

- A Monitor Report

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COUNTRY	AMOUNT USD MILLION	MONTHS HELD
Pakistan	\$311	48
XAF Zone	\$235	60
Bangladesh	\$196	47
Algeria	\$193	24
Lebanon	\$142	60
Mozambique	\$127	47
Angola	\$80	36
Eritrea	\$75	96
XOF Zone	\$73	12

Dhaka : Over the last six months, there has been a significant reduction of USD 124 million in airline funds blocked from repatriation in Bangladesh, said the International Air Transport Association in a notice on December 9.

As of October 2024 end, Bangladesh has seen the amount of airline blocked funds reduce to USD 196 million, from USD 320 million in April 2024, marking a decrease of USD 124 million, according to IATA.

However, the nation still stands among the top three countries blocking majority of the total blocked airline funds globally.

Hence, the Central Bank of the country-Bangladesh Bank-needs to continue prioritising airlines' access to foreign exchange in line with international treated obligations, stressed the trade body.

Globally, only a small improvement has been witnessed in the last six months, sighed the association.

It may be mentioned here, IATA reported that USD 1.8 billion in airline funds were blocked from repatriation by governments worldwide in April 2024 end.

In its latest update, the trade body mentioned, USD 1.7 billion in airline funds are still blocked as of October 2024 end.

"Over the last six months, we have seen significant reductions in blocked funds in Pakistan, Bangladesh, Algeria and Ethiopia. At the same time, amounts are rising in XAF/XOF zones and Mozambique," said Willie Walsh, Director General, IATA.

"Governments must remove all barriers for airlines to repatriate their revenues from ticket sales and other activities in accordance with international agreements and treaty obligations," further claimed Walsh.

Pakistan continues to top the list of blocked funds countries at USD 311 million, an improvement from USD 411 million in April 2024.

The main issue in Pakistan is the system of audit and tax exemption certificates which is causing long processing delays, informed IATA.

About USD 1 billion of airline money blocked from repatriation is in African countries. That is about 59 per cent of the global tally, claimed the association.

Over the last six months, there were significant reductions in blocked funds in Algeria (USD 193 million from USD 286 million April) and Ethiopia (USD 43 million from USD 149 million in April). At the same time, XAF Zone (+USD 84 million), Mozambique (+USD 84 million) and XOF Zone (+USD 73 million) contributed to the largest increases.

Bolivia is new to the list of blocked fund countries. A further deterioration in the availability of foreign exchange, particular the US dollar, has resulted in an estimated USD 42 million in airline funds being blocked in the country.

"No country wants to lose aviation connectivity, which drives economic prosperity. However, if airlines cannot repatriate their revenues, they cannot be expected to provide a service. Economies will suffer if

connectivity collapses. So, it is in everyone's interest, including governments, to ensure that airlines can repatriate their funds smoothly," concluded the Director General of IATA.