

Govt slashes airport surcharges, giving major relief to local airlines

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Dhaka: Bangladesh's domestic aviation sector has received a long-awaited boost as the civil aviation ministry sharply reduced airport payment surcharges, easing a major financial burden that has crippled local airlines for years.

Under the amended rules, the effective surcharge on delayed payments for aeronautical charges has been cut to a maximum of 14.25%, down from an earlier rate that could reach 72% annually. The revised charges apply to landing, air navigation, parking, embarkation, runway use, control room services, and terminal facilities at the country's eight airports, collected by the Civil Aviation Authority of Bangladesh (CAAB).

Industry stakeholders say the decision could significantly improve the survival prospects of domestic carriers at a time when at least three private airlines have already suspended operations, largely due to

mounting debts driven by excessive surcharges.

Although the move is unlikely to immediately reduce airfares, airline executives believe improved financial stability will strengthen competition and service quality over time, ultimately benefiting passengers.

Mofizur Rahman, managing director of Novoair and general secretary of the Airlines Operators Association of Bangladesh (AOAB), termed the decision a “major breakthrough” for the industry. He said the reduced surcharge would remove long-standing pressure on airlines and help lower operational costs in the future.

Calling it a “big relief,” Mofizur added that the measure would enhance the financial capacity of local airlines and improve service standards. However, he noted that it is still unclear whether the revised surcharge structure will be applied retrospectively, and discussions with authorities are ongoing.

According to a gazette notification issued in late November, airlines will now have 30 days from the date of bill submission to make payments without any surcharge. If payment is delayed beyond that period, a 1% surcharge will apply for the next 30 days. For delays between 61 and 120 days, the surcharge will rise to 1.25%, while a 6% surcharge will be imposed for every additional 120 days or part thereof until full payment is made.

Previously, under the Civil Aviation Rules, 1984, airlines faced a 6% surcharge per month on overdue bills. As a result, a one-year delay could inflate liabilities by 72% of the principal amount, often making recovery financially impossible.

US-Bangla Airlines spokesperson Md Kamrul Islam said the revised rates would significantly ease payment pressures. He explained that the earlier surcharge regime made it extremely difficult for airlines to clear overdue bills, while the lower rates would make payments more manageable and reduce financial stress.

He also noted that several airlines collapsed in the past under the weight of excessive surcharges, adding that even financially disciplined operators faced sustainability risks under the previous system.

CAAB data highlight the scale of the problem. Total outstanding dues of local airlines stand at Tk7,351.45 crore, of which nearly 78%—or Tk5,734 crore—consists of surcharges alone. Five airlines—Biman Bangladesh Airlines, Novoair, United Airways, Regent Airways, and GMG Airlines—account for the bulk of these liabilities.

The state-owned flag carrier Biman Bangladesh Airlines is the largest debtor, owing Tk6,068.54 crore, including Tk4,794.13 crore in surcharges against a principal bill of Tk745.52 crore.

Private airlines show a similar pattern, with surcharges forming the majority of their dues. United Airways, Regent Airways, and GMG Airlines have already suspended operations, with industry insiders citing excessive surcharges as a key compounding factor alongside management weaknesses, high jet fuel prices, and limited access to capital.

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