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Dhaka: The International Air Transport Association (IATA) has cautioned the Government of Bangladesh against proposed airfare control measures, warning they could limit consumer choice, weaken air connectivity, and harm the aviation sector.

In a letter to the Ministry of Civil Aviation and Tourism, IATA raised concerns over Section 43A of the proposed Civil Aviation (Amendment) Ordinance 2026, which would require airlines to file fares with authorities. While acknowledging the government's aim to ensure fair pricing, the association said the move could amount to indirect price regulation, contrary to global aviation norms.

IATA said, pricing freedom is essential in a highly competitive industry, noting that real airfares worldwide have fallen by more than half since airline deregulation in the late 1970s. It warned that fare controls could lead to higher minimum fares, reduced services, loss of marginal routes, and lower

investment, particularly affecting price-sensitive travelers.

The association also cautioned that advance reporting or approval of fare changes would restrict airlines' commercial flexibility and weaken connectivity, including under Bangladesh's Open Skies commitments.

While welcoming plans to form an advisory board on aviation charges, IATA urged the government to reconsider the proposed provisions, stressing that market-based pricing is key to competition, consumer welfare, and long-term growth.

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