

Airfare to increase over CAAB's airport development, security fee hike

- A Monitor Desk Report

Date: 05 December, 2023



Dhaka: Civil Aviation Authority of Bangladesh announced plans to increase development and security fees at airports across the country from January 1, 2024. The move will lead to increased airfare for passengers.

As per reports citing Md Aziz Taher Khan, Member (Finance) of CAAB, the authority has made a policy decision to adjust the development and security fees of our airports in light of the rising dollar exchange rate.

The proposal has been forwarded to the Ministry of Civil Aviation and Tourism to finalise the matter, he added, according to reports.

The decision to set passenger and freight fares in BDT instead of USD will also be effective from January 2024, further mentioned the reports citing the CAAB representative. Earlier, in April 2023, the ministry announced to set the air ticket fares of domestic and foreign airlines operating in Bangladesh in BDT instead of USD.

Reports said, the decisions to increase the airport development and passenger security fees were made during a CAAB board meeting held in November 2023 on how to cope with the future inflation at a rate of 13 per cent.

The move followed directives of the Ministry of Civil Aviation and Tourism aimed at reducing losses of CAAB as the value of USD increased against BDT.

Industry insiders have mentioned while talking to The Bangladesh Monitor that the increased airport fees will possibly lead to air ticket price hike.

Currently, passengers from SAARC countries pay BDT 545 airport development fee and BDT 654 passenger security fee for flights on international routes. For passengers from countries outside the SAARC region, the fees are currently BDT 1,090 for airport development and BDT 1,090 for passenger security. For domestic route passengers, the fees are BDT 100 for airport development and BDT 70 for passenger security.

As per reports, CAAB proposed the ministry to increase airport development fee to BDT 700 and passenger security fee to BDT 840 for passengers from SAARC countries on international routes. For passengers from non-SAARC countries, the proposed fees are BDT 1,400 for airport development and passenger security each. On the other hand, for domestic route passengers, BDT 150 and BDT 100 fees have been proposed for airport development and passenger security respectively.

CAAB has proposal the fees for period till December 2025, noted reports.

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