

## Saudi Arabia cuts airport charges to encourage more air travel

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Dhaka: The Kingdom of Saudi Arabia will be cutting airport charges by 35 per cent in an effort to compete in a region that already hosts some of the world's biggest passenger hubs.

The reduction, which will apply to Riyadh, Jeddah and Dammam airports and be implemented later in 2022, are the next step in an ongoing privatisation of the sector, announced the country's General Authority of Civil Aviation at the Farnborough air show on July 20.

Airports will be allowed flexibility to reduce charges below the announced caps to maximize growth, said GACA.

The move follows Saudi Arabia's announcement that it would offer airlines incentives to fly unprofitable routes, days after the country opened up its airspace to all airlines flying in and out of Israel.

The Kingdom is looking to compete better with major hubs in neighbouring United Arab Emirates and Qatar.

Saudi Arabia only began offering tourist visas in late 2019, subsidising carriers to fly to the country is a recognition of how limited options are for travellers to get there.

The move is the latest step in Crown Prince Mohammed bin Salman's strategy to reduce reliance on the world's largest crude oil exports and turn Riyadh into a global business center.

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