

CPPE WELCOMES AIRLINE DEBT RELIEF, CALLS FOR URGENT COST REFORMS IN AVIATION SECTOR

The Centre for the Promotion of Private Enterprise [CPPE] commends President Bola Ahmed Tinubu for approving a 30% discount on outstanding debts owed by Nigerian airlines. This intervention provides timely relief to operators grappling with escalating and unsustainable operating costs.

CPPE also acknowledges the proactive support of the Minister of Aviation and Aerospace Development, Festus Keyamo, whose consistent engagement with industry stakeholders has been impactful and commendable.

However, while the debt discount offers short-term respite, it does not address the deeper structural cost challenges confronting the aviation sector. The burden of multiple taxes, fees and levies imposed by key agencies; including the Nigerian Civil Aviation Authority [NCAA], the Federal Airports Authority of Nigeria [FAAN], and the Nigerian Airspace Management Agency [NAMA] remains excessively high.

Industry estimates suggest that these charges collectively account for as much as 35% of airline revenues, a level that is clearly incompatible with the thin margins typical of the aviation business.

Nigeria's aviation sector is too strategic to be weighed down by such cost pressures. It is central to economic connectivity, trade facilitation, investment flows, business mobility and national integration. The sector has also become even more critical because road travel has become increasingly unsafe in many parts of the country, compelling many Nigerians to opt for air travel as a safer alternative.

Yet, the sector continues to suffer from a persistently high airline mortality rate, largely reflecting the difficult and hostile operating environment.

CPPE therefore urges the Federal Government to undertake a comprehensive rationalisation of aviation charges. The current regime, spanning ticket sales charges, cargo sales charges, passenger service charges, landing and parking fees, aircraft inspection charges, administrative and facility fees, boarding bridge charges, fuel-related charges, and import duties on aircraft and spare parts is overly burdensome, fragmented and detrimental to the sustainability of domestic airline operations.

A streamlined and moderated cost structure is imperative. Reducing both the multiplicity and magnitude of these charges will significantly enhance the viability, competitiveness and resilience of domestic airlines. This is not only an economic imperative but also a safety consideration, as excessive financial pressure on operators could have unintended consequences for operational standards.

Government support for the aviation sector must therefore go beyond debt relief. What is needed is a comprehensive reform of the aviation cost environment to ensure that domestic airlines are not overburdened by charges that undermine investment, weaken service quality, raise ticket prices and threaten the long-term sustainability of the sector.

DR MUDA YUSUF

Chief Executive Officer

Centre for the Promotion of Private Enterprise [CPPE]

26th April 2026