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Issue brief
Opening Africa's skies to trade, growth, and jobs

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Bottom lines up front

- Africa is home to just 2 percent of global air traffic; flights within the continent are notoriously expensive, with limited routes between major markets.
- African governments have the power to lower costs and connect countries that remain cut off from each other.
- Aviation reform is one of the highest-return, lowest-cost interventions to drive trade, growth, and jobs in Africa.

Introduction

Air transport in Africa could be a powerful multiplier of growth, underpin regional trade, and fuel skilled job creation. However, despite repeated commitments to reform, Africa remains the most expensive, least connected, and most underserved aviation market in the world. Aviation's potentially transformative contribution to the high-value commerce the African Continental Free Trade Area (AfCFTA) requires is constrained by protectionist regulation, punitive taxation, routine blocking of airline revenues, and fuel import dependencies. Reform could deliver billions in added gross domestic product (GDP), millions of jobs, and enhanced soft power on the world stage.

This issue brief assesses the regulatory and political failures that keep Africa's skies closed, evaluates failed attempts at reform, and explores pathways toward a more liberalized and competitive market. What's required is a comprehensive response combining champion-state reform, public accountability on taxation, stronger dispute-resolution mechanisms, and competition-driven innovation. In particular, trade and tourism are especially reliant on aviation. The sectors' significant potential, if realized, could create jobs and generate prosperity across the continent.

Africa is home to 18 percent of the world's population, but only 2 percent of its air transport activity.

Cost relative to income and inconvenience are the main drivers of this disparity, rather than demand. A Nigerian music fan trying to reach Kinshasa for a Fally Ipupa concert could fly twice as far to London, twice as fast, for half the price. Ghanaian tourists wanting to visit the pristine beaches of São Tomé and Príncipe, 600 miles away, will pay at least $400 for a one-way ticket via Lisbon—while an Italian can fly a similar distance to the beaches of Majorca for around $20.

Low-cost carriers now operate more than a third of all flights across Europe, but account for just 5 percent of Africa's seat capacity. The most ambitious attempt to build a pan-African budget airline, Fastjet, collapsed in 2019. The only alternative to most African cross-continental travel is slower and dangerous road travel: Africa records one-fifth of the world's road deaths.

Africa covers over thirty million square kilometers—enough to contain the United States, China, and India together with room to spare—and measures roughly 8,000 km from north to south. Given migration patterns, aviation is the only practical option for the many Africans dependent on intracontinental travel: Twenty-one million Africans live in another African country as of 2020, representing a 44 percent increase over the preceding decade. Approximately 80 percent of African migrants remain on the continent.

Aviation is central to economic prosperity and trade, according to an Air Transport Action Group report. The industry supports forty-two million jobs and $890 billion in GDP in the Asia-Pacific region alone, and it underpins the trade and tourism that follow connectivity. However, Africa is the most expensive, least connected, and most underserved aviation market in the world, but the barriers are primarily regulatory and political.

Aviation reform and liberalization in Africa combined represent one of the single highest-potential interventions to drive economic growth, trade, and jobs—with limited financial cost. Aviation reform across just twelve African countries would generate an estimated $1.3 billion in additional tourism spending, create 155,100 jobs, and lower fares by 25 percent to 35 percent, drawing roughly five million additional passengers into the market. However, its greatest value is as a multiplier. The African Continental Free Trade Area, which could raise intra-African trade in transit services by nearly 50 percent depends on the capacity to move high-value, time-sensitive goods by air. Air freight is a small share of intra-African trade today but growing quickly. Slow and expensive business travel between African countries holds back the cross-border commerce that the AfCFTA is meant to generate.

Connectivity also shapes perception. Africa is still mostly viewed through the lens of poverty and war, and this negative framing inflates sovereign borrowing costs by an estimated $4.2 billion a year due to perceived risk. More frequent, cheaper flights would widen access to African destinations that are currently difficult to reach, expanding the tourism revenue, business travel, and direct exposure that, over time, would counter those risk perceptions. The climate trade-off is marginal: intra-African flights generate just 0.1 percent of global CO_2 emissions.

The Gulf states understand that national airlines are not just an economic asset but "an instrument in a country's national development strategy, and a tool in its pursuit of soft power." Emirates and Qatar Airways operate less as profit makers than as instruments of national strategy; between them, they carried nearly one hundred million people last year through small nations whose combined territory is smaller than the United Kingdom. Other governments are pursuing the same strategy on African routes: Turkish Airlines serves more than forty destinations in Africa, the densest network operated by any carrier based outside the continent, routing traffic through Istanbul. Morocco's state-owned Royal Air Maroc is expanding its fleet from around fifty to 200 aircraft by 2037 to develop Casablanca as a hub for West African traffic, in part ahead of the 2030 World Cup which Morocco is co-hosting. African airlines simply do not compete on the global stage, with a few honorable exceptions: Eighty-nine African carriers are currently banned from European Union airspace for failing to meet basic safety standards, and the International Air Transport Association (IATA) 2025 safety report shows Africa has the highest risk of aviation accident among all regions of the world.

Those constraints are now compounded by cost. African airlines already paid 17 percent more for jet fuel than the global average before the Iran war, and the conflict has pushed prices sharply higher. Ethiopian Airlines, the continent's largest carrier, said it lost $137 million in a single week as the Strait of Hormuz closed. "The impact [of the war] is dire and a major shock for our members," warned Abderahmane Berthe, secretary-general of the African Airlines Association. The conflict has exposed Africa's structural vulnerability as a producer of crude oil but an importer of nearly all its refined jet fuel, leaving its aviation industry highly exposed to external shocks.

Root causes: Why African air travel is broken

The root causes of Africa's aviation crisis are interconnected and largely self-imposed. The costs that exclude most Africans from air travel are the product of at least four compounding failures: a fragmented regulatory architecture, predatory taxation, revenue repatriation, and a vulnerable fuel supply chain.

Fragmented regulation

Twenty-nine African states operate a national carrier, most of which are government-owned: Ethiopian Airlines, EgyptAir, Royal Air Maroc, Kenya Airways, and South African Airways are among the largest. These airlines are vital sources of employment, symbols of national pride, and in some cases vehicles for state logistics. Ethiopian Prime Minister Abiy Ahmed described Ethiopian Airlines as "our national pride," and the state-owned airline's annual revenue is equivalent to 4.5 percent of GDP. According to a CNN investigation, Ethiopian Airlines transported weapons in November 2020 for military use during the early weeks of the Tigray war; the airline "strongly refutes" those findings.

Many African governments have a direct financial and political interest in protecting these national airlines from competition, and the primary tool for doing so is the air service agreement: a bilateral treaty between two states that determines which airlines may fly between their countries, how often, on which routes, and under what commercial conditions.

Over 70 percent of Africa's air service agreements are "restrictive," capping flight frequencies, limiting aircraft types, requiring revenue-sharing with the national carrier, or denying airlines the right to carry passengers onward to a third country. This rate of restriction is approximately double that of air service agreements in Asia, and runs counter to the regulation the EU put in place in the 1990s allowing any licensed carrier to fly any intra-European route at any frequency.

Adding a route from Kampala to Maputo, for example, still requires a government-to-government negotiation that can take years. Uganda and Mozambique opened negotiations on a bilateral air service agreement in September 2024, but there is still no deal or direct service. The result is that less than 20 percent of African airline traffic flies on intra-African routes, against roughly 60 percent within Europe.

Political interference can also undermine these carriers. Air Afrique was founded in 1961 under the Treaty of Yaoundé as a joint venture between eleven newly independent francophone states, which held 66 percent of the capital. French carriers Air France and UAT took 17 percent each. Headquartered in Abidjan, Air Afrique was meant to serve countries that could not sustain a national airline alone—but member governments treated it as a national asset rather than a commercial one, reserving uncharged seats for state use even as it overbooked paying passengers and missed schedules. By 2001 the airline employed around 4,200 staff to run just eight aircraft and carried about $431 million in debt, having already taken three bailouts since 1993. It stopped flying in January 2002 and entered bankruptcy the following month.

Predatory taxation

Taxes, fees, and government charges make up 35 to 40 percent of African ticket prices, against a global average of 20 percent. For short regional flights, African passengers pay an average of $68 in taxes per departure, against $32 in Europe for comparable journeys. In West Africa, the worst-affected region, the average tax is $110 per passenger.

Most of this burden falls on the passenger through a flat sum charged per ticket, regardless of fare. Departure tax, security levy, and service charges barely dent a long-haul fare but can rival or exceed the base fare on a short regional hop. IATA estimates that on some African routes the charges exceed the ticket itself: $60 to $70 on a $100 fare. The impact lands exactly where liberalization should be growing the market—on the cheap routes between secondary cities. A smaller set of charges falls on the aircraft rather than the passenger—landing, parking, and air-navigation fees—and these compound the problem: On low-frequency routes they are divided among fewer passengers, raising the cost per head. Together, the charges have made many regional routes unviable for African carriers.

Many African governments regard air travel as a luxury, available only to the elites, and tax it accordingly. Just 2 percent of Africans fly in any given year, compared with more than half of Americans. Taxing aviation has therefore been a politically low-risk action in most African countries, with limited impact on the broader population. Several African governments have recently raised taxes on air travel: In December 2025, Nigeria's civil aviation authority introduced an additional $11.50 "security levy" on every international ticket, projected to generate $49 million annually. Nigeria funds its airports almost entirely through passenger charges, rather than from public funds. Similarly, Tanzania started charging a $45 "passenger facilitation fee" on each international ticket—the highest such charge in the world. Aviation tax has therefore been a politically convenient revenue source for African governments facing chronic fiscal deficits and constrained tax bases.

Revenue repatriation

When an airline sells a ticket or a freight contract in Nairobi or Lusaka, it collects payment in local currency. To pay for fuel, aircraft leases, and maintenance—all denominated in US dollars per the global aviation industry standard—it needs to convert those shillings or kwacha into dollars and transfer them out of the country. For most international airlines operating in other continents, this conversion and transfer is straightforward. In much of Africa, however, governments block airlines from transferring funds externally.

In Mozambique, for example, the Banco de Moçambique has withheld airline revenues—reaching $205 million at its peak in early 2025—because acute foreign exchange shortages have left the central bank unable to service conversion requests. IATA wrote to Mozambique's ministers of transport and finance, and to the central bank governor, and received no response.

This revenue repatriation has a severe impact on many airlines' ability to operate in Africa, limiting the frequency of flights on affected routes, raising fares to compensate for currency risk, or suspending operations altogether. In 2022, Emirates paused all flights to Nigeria, followed by Etihad, over blocked airline revenues in the country totaling $850 million. Ethiopian Airlines had over $200 million of its own revenues blocked across African states at one point, with its CEO describing the situation as a "serious concern." For cargo operators the calculation is identical, and the loss of a freight route severs a trade lane, not just a passenger connection.

Vulnerable fuel supply chain

Fuel is an airline's largest single operating cost, typically representing 30 to 40 percent of total expenditure. Although Africa holds around 7 to 8 percent of global proven crude reserves, it spends an estimated $60 billion to $90 billion annually importing refined petroleum products including jet fuel.

The continent has refinery capacity—with total installed capacity of between 3.5 and 4 million barrels per day—but utilization rates remain below 50 percent due to decades of underinvestment, aging infrastructure, and limited refining complexity. Nigeria imported most of its petroleum products until 2024, with state-owned refineries idle for more than a decade despite billions spent on repeated rehabilitation.

The consequence for airlines is that African carriers are dependent on imported processed fuel. Seventy percent of Africa's jet fuel imports transit the Strait of Hormuz—more than any other region—and the Iran war has therefore compounded the structural pressure on African aviation costs.

Solutions: Unlocking the catalytic potential for prosperity

Air transport directly contributes $75 billion to African GDP and supports an estimated 8.1 million jobs. Its impact is catalytic: each aviation job sustains a further twenty-two jobs across the wider economy, and every $1 of value the sector creates directly generates another $5.30 elsewhere on the continent. Supplier spending alone accounts for an estimated 1.2 million jobs and a $13 billion contribution to GDP.

The recommendations below have the potential to raise intra-African travel and reduce air fares by at least 25 percent. This is a call for reform support by a vanguard set of innovator governments, publicly holding African governments to account for tax burden imposed on airlines and travelers, strengthening dispute resolution mechanisms for revenue repatriation, and unleashing innovation driven by increased competition.

Support "champion state" reform pioneers

Africa's governments have committed to "open skies" without capacity restrictions across the continent since forty-four governments signed the 1999 Yamoussoukro Decision. Twenty-eight African governments have now signed and are implementing the African Union's 2018 Single African Air Transport Market (SAATM), but most still maintain protectionist restrictions. Liberalization requires accepting short-term costs in employment, prestige, and revenue for diffuse longer-term gains, and political leaders will hesitate until the benefits have been demonstrated.

A vanguard can show the way. International finance institutions and multilateral leaders can support SAATM's eleven "champion states" including Rwanda, Kenya, and Ethiopia to implement their commitments: ending capacity restrictions, recognizing each other's airline licenses, and permitting third-country pickups. Together they constitute a market of sufficient scale to support genuine competition, including the entry of a viable regional low-cost carrier and a denser freight network.

The World Bank could fund the updating of legal frameworks, training aviation regulators, and rebuilding safety bodies, while the International Finance Corporation is positioned to structure the investment to bring aircraft and capital into newly opened markets. Conditionality should also be introduced to the 2026 African Development Bank's Integrated Aviation Transformation Program, which targets $7 billion in blended financing over five years; this could include conditions for sustainable fuel requirements and fleet modernization that reduces each flight's emissions.

Hold governments to account on tax burden

The Economic Community of West African States (ECOWAS) has shown reform is possible, deciding in December 2024 to abolish four categories of aviation tax and reduce key charges by 25 percent across its fifteen member states. However, IATA has warned ECOWAS that governmental implementation is lagging. Therefore, a short-term priority should be holding these governments to account. The model should then extend to other blocs where political will for reform is strongest: The Southern African Development Community and, subsequently, the Eastern African Community are the natural next candidates.

The African Civil Aviation Commission should publish annual public rankings of all fifty-four African states' aviation tax burden. The repatriation precedent is instructive: Nigeria cleared $850 million in blocked airline funds once IATA began publicly naming it as the world's largest debtor and international carriers started withdrawing services. Transparency surrounding the aviation tax bill imposed by each government can have a similar impact.

Strengthen dispute-resolution mechanisms to build investor confidence

Airline withdrawal from a market or a threat to do so represent a blunt instrument of last resort that harms passengers and reduces trade and connectivity. A better approach would embed escalation procedures in revised bilateral agreements: setting a defined grace period for resolution, followed by referral to a nominated arbitration body, with explicit legal provision for carriers to suspend services without penalty where governments are found to be in breach. This would give airlines a credible remedy short of route suspension and the confidence to open new intra-African routes that repatriation risk currently makes untenable.

Most air service agreements already contain dispute clauses, but they route complaints through the International Civil Aviation Organization's Council, which has adjudicated only seven cases in its entire history and is widely regarded as too slow and political. A credible alternative would designate a specialist commercial arbitration center with fast-track procedures and enforceable awards. Bilateral investment treaties routinely include repatriation guarantees enforceable through binding arbitration; there is no reason air service agreements cannot do the same.

Competition-fueled tech innovation

Increased market competition will create incentives for African airlines to innovate. The continent is ideally placed to drive this innovation: the home to the world's youngest population, with a median age of 19.5 years. Mobile networks reach 94 percent of the population; sub-Saharan Africa holds over 700 million registered mobile money accounts.

Most African airlines rely on global ticketing systems that require credit cards, excluding most potential passengers. Jambojet's mobile money integration demonstrates that mobile-based ticketing works at scale in the region. Kenya Airways accepts M-Pesa and offers a reserve-and-pay-later facility; Ethiopian accepts Wave, M-Pesa, Orange Money, and others. The same infrastructure can underpin freight: digital booking and tracking for small shippers, the high-volume, low-value e-commerce and perishables consignments that AfCFTA is generating. Kenya's Madaraka Express rail service issues tickets via unstructured supplementary service data (USSD) codes (also known as quick codes) without requiring a smartphone. Extending that model to airlines—with AI-assisted booking, disruption management, and customer service through mobile systems—would reduce distribution costs and expand the addressable passenger market.

Increased competition in aviation in Asia and Latin America has yielded results both for consumers and the airlines themselves. AirAsia's app reduced its dependence on slim ticket margins by bundling ancillary travel and financial products; Mexico's Volaris benchmarks against intercity coaches and targets first-time flyers switching from buses, a significant share of its traffic growth.

These recommendations form part of a sequenced strategy to disrupt a status quo that undermines Africa's immense economic potential. Reform-minded governments can gain a competitive edge acting as a bloc—raising the costs of inaction for African states still reluctant to implement their SAATM commitments to liberalize regulation. Tax reform and dispute resolution can lower the cost and risk of operating in Africa for many international airlines, and competition can transform passengers' experience and drive demand. The progressive liberalization of aviation in other regions in recent decades has shown this constraint can be overcome where reform is sequenced so that the early benefits are visible.

About the author

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