Bahrain Civil Aviation Affairs maximizes collection rate with IATA's Airline Partners Payment Solutions (APPS)

Bahrain Civil Aviation Affairs (BCAA), *one of several units under Bahrain's Ministry of Transportation and Telecommunication, is responsible for developing and regulating the Kingdom of Bahrain's aviation industry. BCAA's Financial Resources Directorate needed to improve revenues. IATA's revenue collection managed services, APPS, helped them make every overflight count.*

May Yousif Al Jassim, *Chief of Invoicing and Debt Collection, Financial Resources Directorate, BCAA relates her experience.*

The challenge: an unmanageable process

In the Invoicing and Debt Collection department we issue about 350 invoices per month to 200-250 airlines that fly over our airspace, but we were facing significant challenges collecting on them. About 5-10% of our invoices had incorrect address information, and disputed invoices were common. This was due to mismatches in our database of fleet data: aircraft identifiers were attributed to the wrong operator names, or we based our calculations of overflight fees on the MTOW, not actual aircraft weight. We were spending so much time chasing invoices, only to find they were in dispute, then issuing credit notes and new invoices. Before IATA we couldn't manage the volume of invoices each month; tracking which airlines needed to pay was so difficult for us.

Seeking a better solution, I reached out to my colleagues in other Gulf countries and was recommended IATA's E&F Services [a part of APPS].
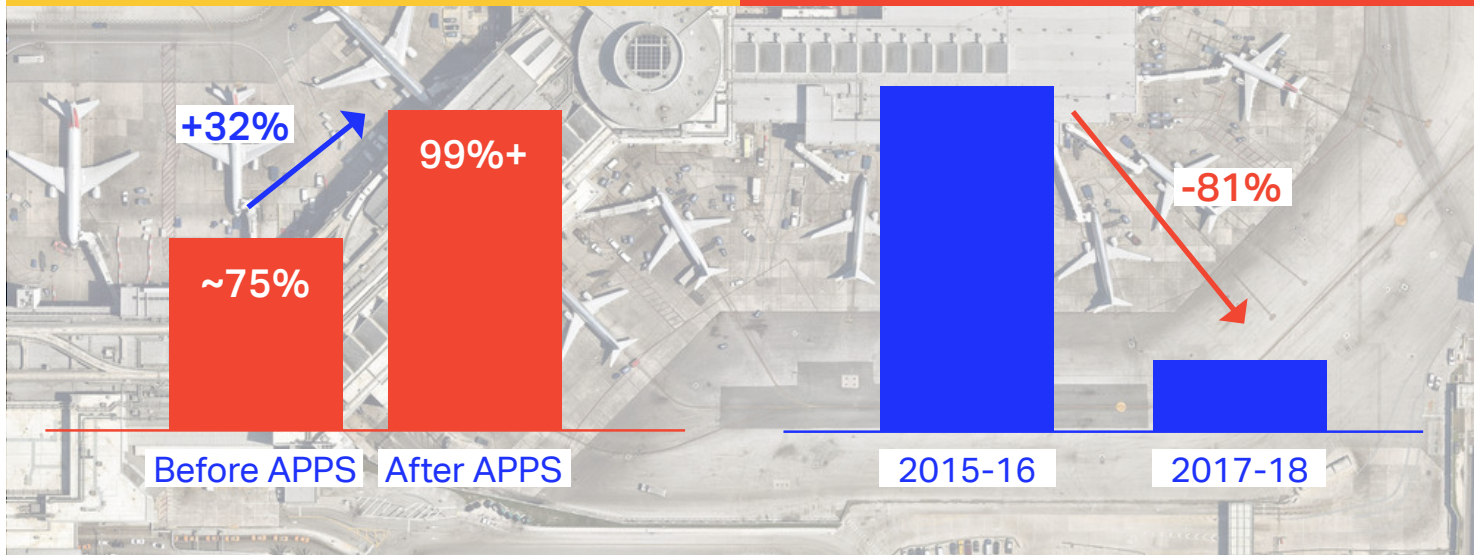
"IATA has helped both amplify and stabilize our revenues."

- Bahrain Civil Aviation Affairs

BCAA's Collection Rate

+32%

~75%

99%+

Before APPS   After APPS

BCAA's Disputed Invoices

-81%

2015-16   2017-18

IATA APPS:
improved collecting power

Since Sept 2011, IATA manages all revenue collection for overflight fees on our behalf. We chose IATA E&F Services (APPS) because it offers a complete service, including data validation, invoicing, collection and dispute management, and because IATA has a position of trust and a unique relationship with airlines. Joining APPS gave us a sort of control, enabling us to improve our collecting power.

"BCAA has maximized its collection rate, which now stands at 99%, up from 70-80%."

- Bahrain Civil Aviation Affairs

Fantastic results: stabilized revenue, simpler workflows

With invoicing and payments processed through the IATA Clearing House (ICH) and Billing and Settlement Plan (BSP), 85% of our revenue was stabilized from day one. We no longer receive rejections due to incorrect addresses, and disputes have gone down by over 80%.

Much of this improvement is due to the 80% increase in quality of data that we've been able to achieve, thanks to IATA APPS sharing best practices. For the remaining disputes, APPS validates them upfront and only passes on for investigation those that are justified. It makes the workflow much simpler.

We are happy with IATA's quick response. The person that takes care of us is so helpful. Since we've been working with them, they've responded to all our queries and resolved all our issues. We've had fantastic results with them.

At a glance

INDUSTRY: Civil Aviation and Air Navigation
REGION: Middle East
WEBSITE: mtt.gov.bh/directorates/civil-aviation

Before APPS

- ~75% overflight fee collection
- ~10% disputed or rejected invoices

After APPS

- 99%+ collection rate
- 0 rejections
- 81% reduction in invoice disputes
- 85% of revenue stabilized from day 1