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Pakistan Airspace Closure to India Costs \$14.39 Million

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– Categories: Finance



Pakistan has incurred losses of \$14.39 million (Rs 4.1 billion) in just over two months after closing its airspace to Indian aircraft, according to figures presented in the National Assembly on Friday. The data, reported by the Pakistani newspaper *Dawn* and sourced from the Ministry of Defence, covers the period from April 24 to June 30, 2025.

The closure applies to all Indian-operated flights, including aircraft owned or leased by Indian carriers. On average, 100 to 150 Indian flights per day were affected, leading to a 20% drop in total transit traffic over Pakistan's skies.

The move came a day after India unilaterally suspended the Indus Waters Treaty on April 23. Pakistan's reciprocal action significantly disrupted regional air routes, forcing carriers to take longer detours that bypass Pakistani airspace.

Clarification on Loss Figures

Initial reports suggested the losses could be as high as Rs 8.5 billion, but officials have since clarified that the actual figure pertains only to overflight revenue. This means the Pakistan Airports Authority's (PAA) overall finances were not impacted to the same extent.

The Ministry of Defence confirmed that overflight and aeronautical charges have remained unchanged during this period. No tariff hikes or government bailouts were required to address the shortfall.

Revenue Trends Before the Closure

Despite the decline in revenue following the closure, data shows that Pakistan's overflight income has grown over the years. The PAA's average daily overflight earnings increased from \$508,000 in 2019 to \$760,000 in 2025, reflecting stronger air traffic volumes before the restriction.

Aviation analysts note that Pakistan's strategic location between East Asia, the Middle East, and Europe makes its airspace a critical corridor for international carriers. The closure has therefore had a notable impact on both Pakistan's revenues and regional airline operations.

The situation underscores how geopolitical tensions between India and Pakistan can have immediate economic consequences. While the losses from April to June represent a setback for aviation revenues, officials have not indicated any immediate plans to reopen the airspace to Indian flights.