



3rd PIDA Week | Aviation Parallel Session

The Future of African Air Transport Development

Walvis Bay, Namibia | 11th December, 2017

Our mission is to represent, lead and serve the airline industry. 

The Business of Freedom



Air Transport delivers social benefits



Society

Friends and relatives
modern geographically-dispersed lifestyles

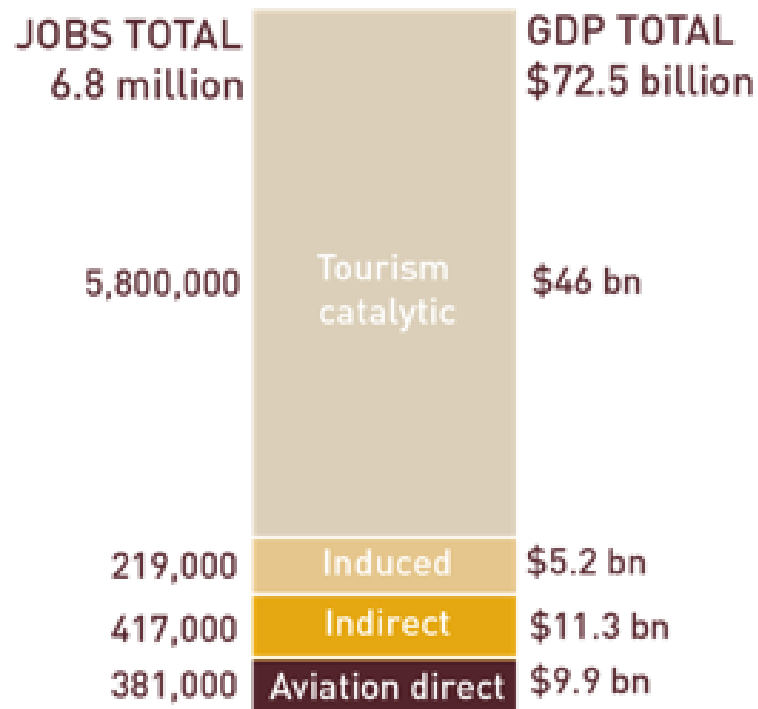
Aviation skills
diverse range of jobs and skillsets

230 million
people live outside the country of their birth

Lifeline
communities in remote regions and islands

Aviation as a key economic enabler

Total jobs and GDP generated by air transport in Africa, 2014



76.6 million passengers

1,033,398 flights

369 commercial airports

244 airlines

38 air navigation service providers

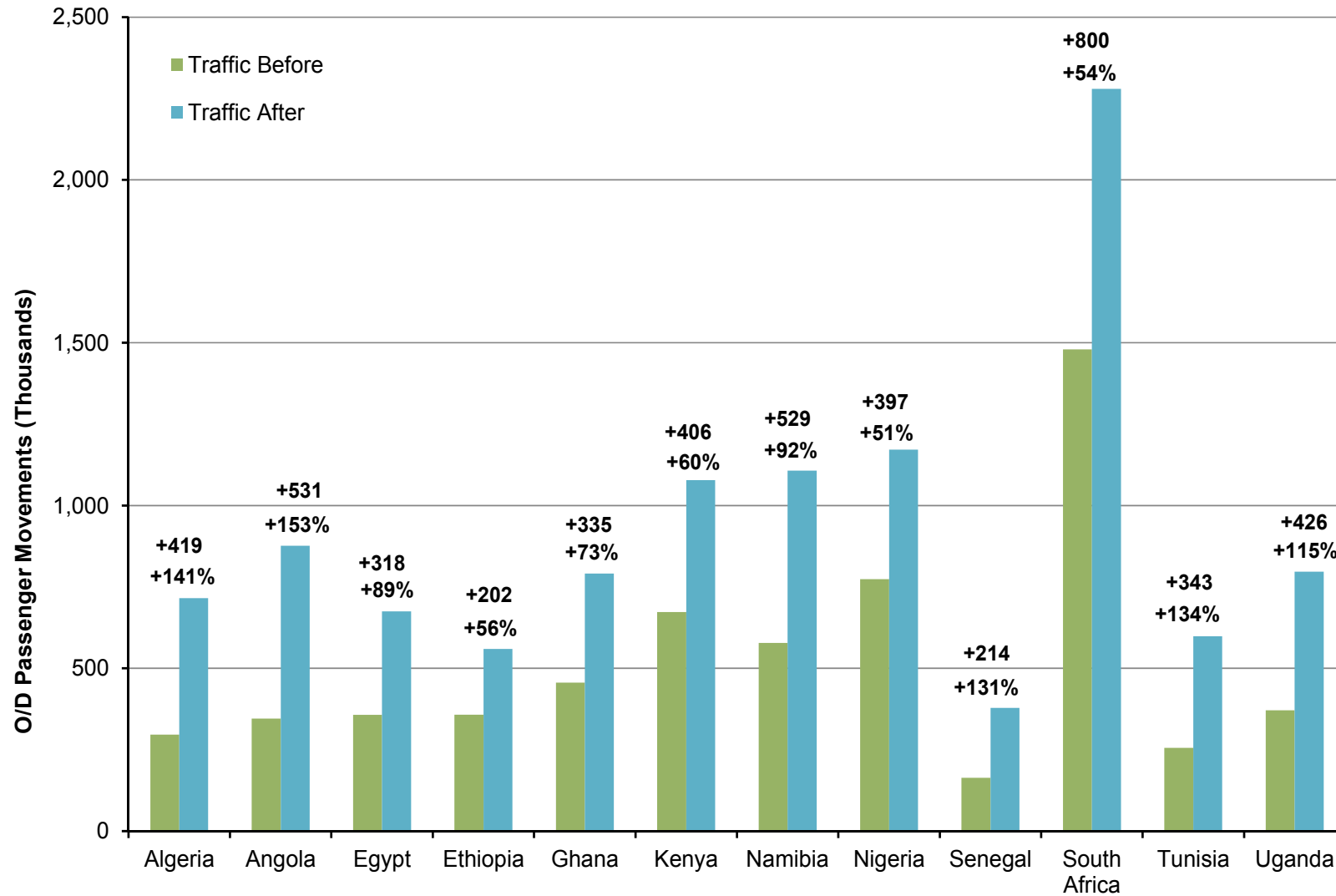


Africa's connectivity Journey

- Over 1.2 billion people
- Pax numbers forecasted to grow to 300m by 2035
- Projected annual growth rate for international traffic by region, (2014 – 2034) is 5.4%
- 6 of the 13 fastest growing economies are in AFI
- Young population/growing middle class
- Intra-Africa trade only 12-15%



Benefits of greater intra-Africa connectivity

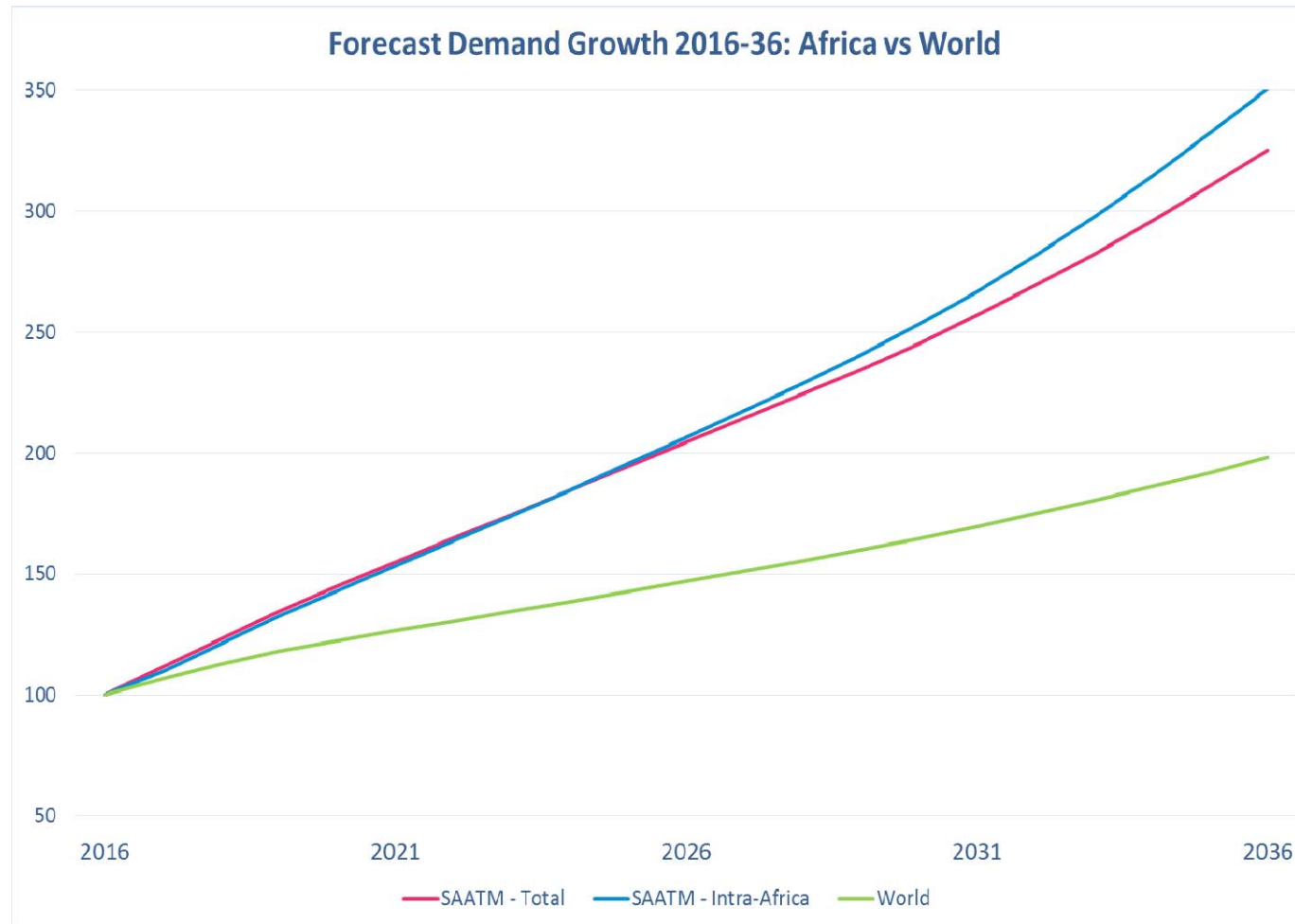


Source: Intervistas



Delivering the potential of the Single Africa Air Transport Market “SAATM”

Forecast Demand Growth 2016-36 (selected markets, Index: 2016 = 100)

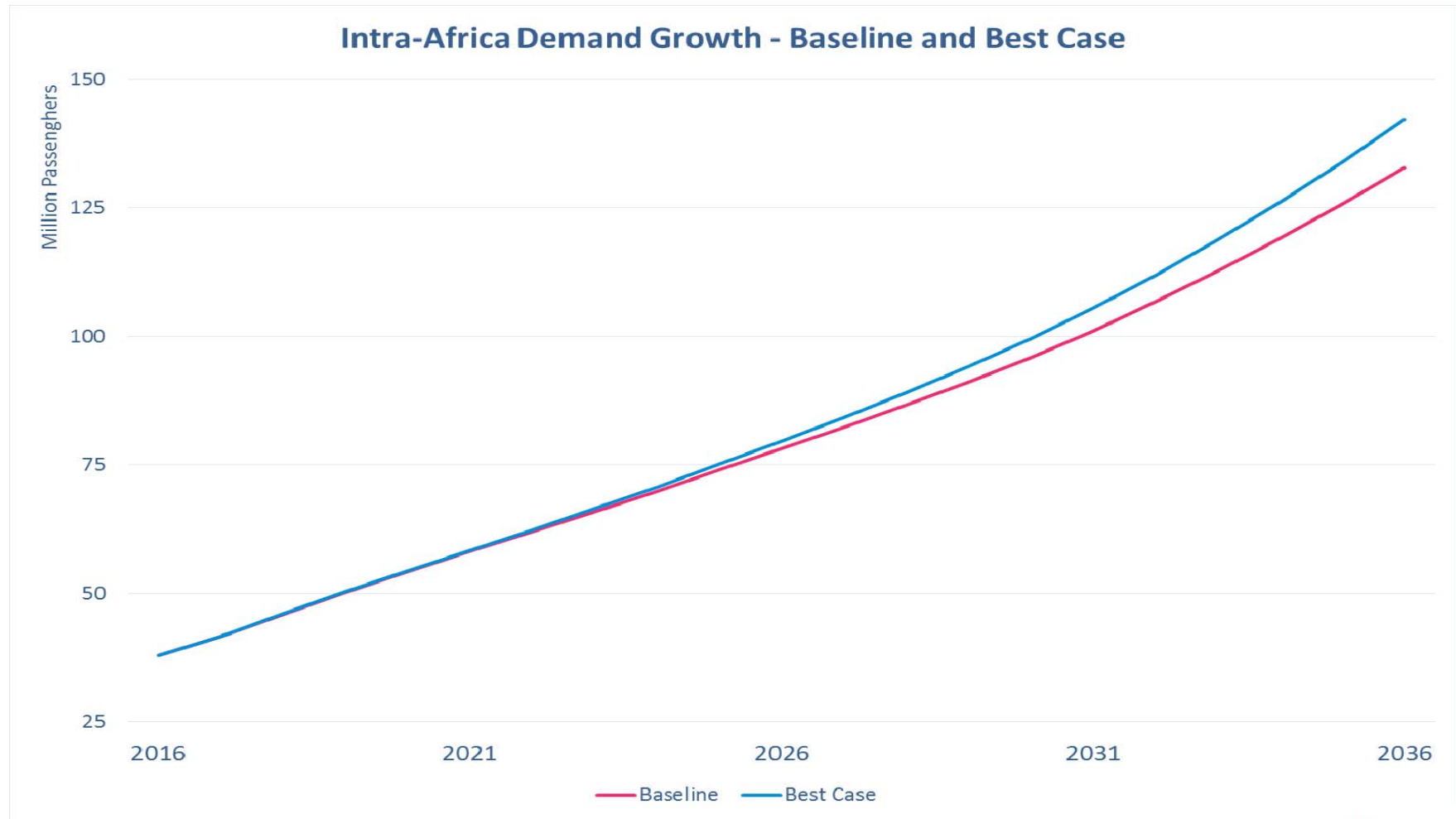


Source: IATA / Tourism Economics Long-Term Passenger Demand Forecast



Delivering the potential of the Single Africa Air Transport Market “SAATM”

Baseline vs Best-Case scenarios

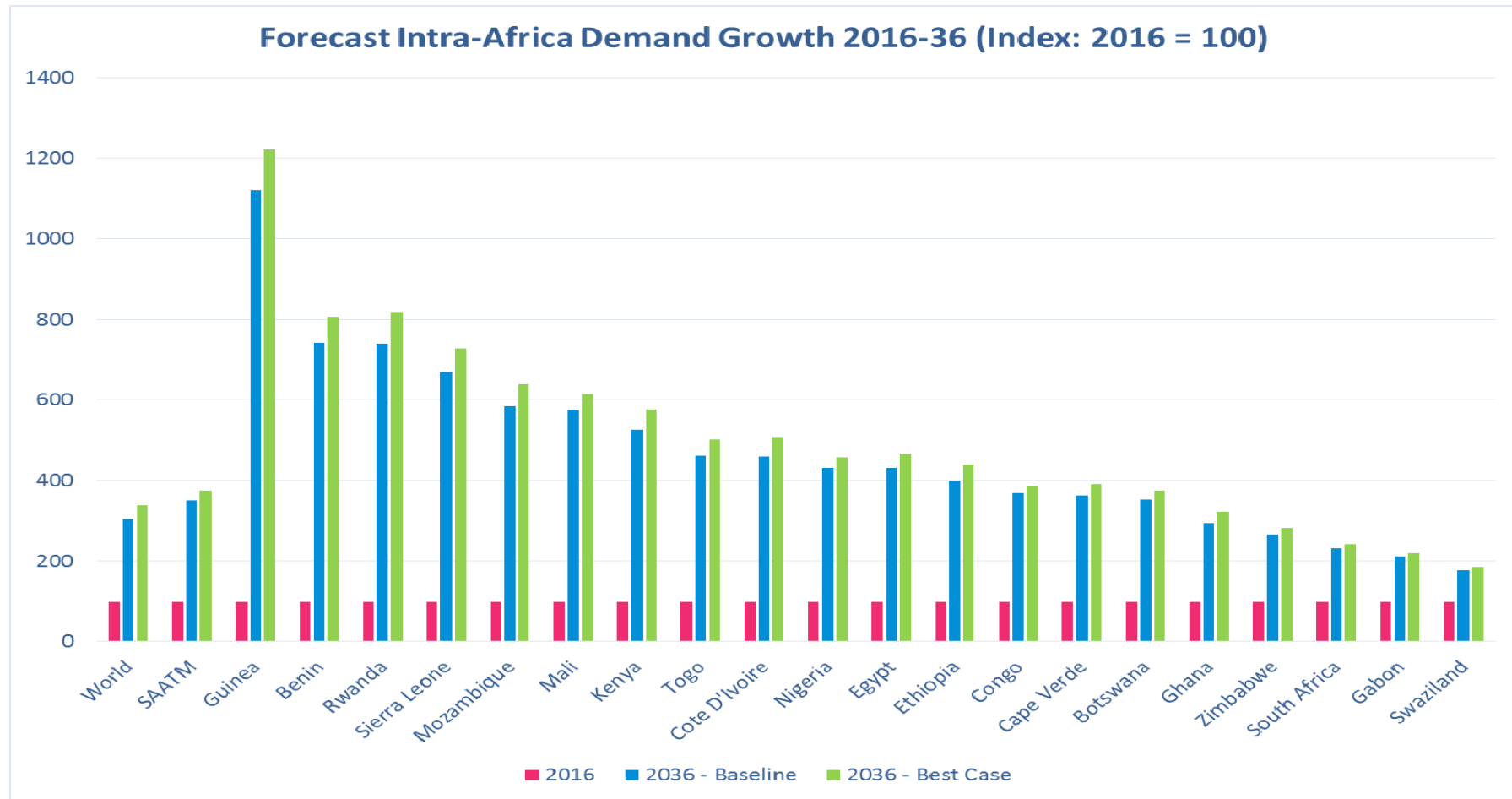


Source: IATA / Tourism Economics Long-Term Passenger Demand Forecast



Delivering the potential of the Single Africa Air Transport Market “SAATM”

Baseline and Best-Case Forecasts by country (selected countries)

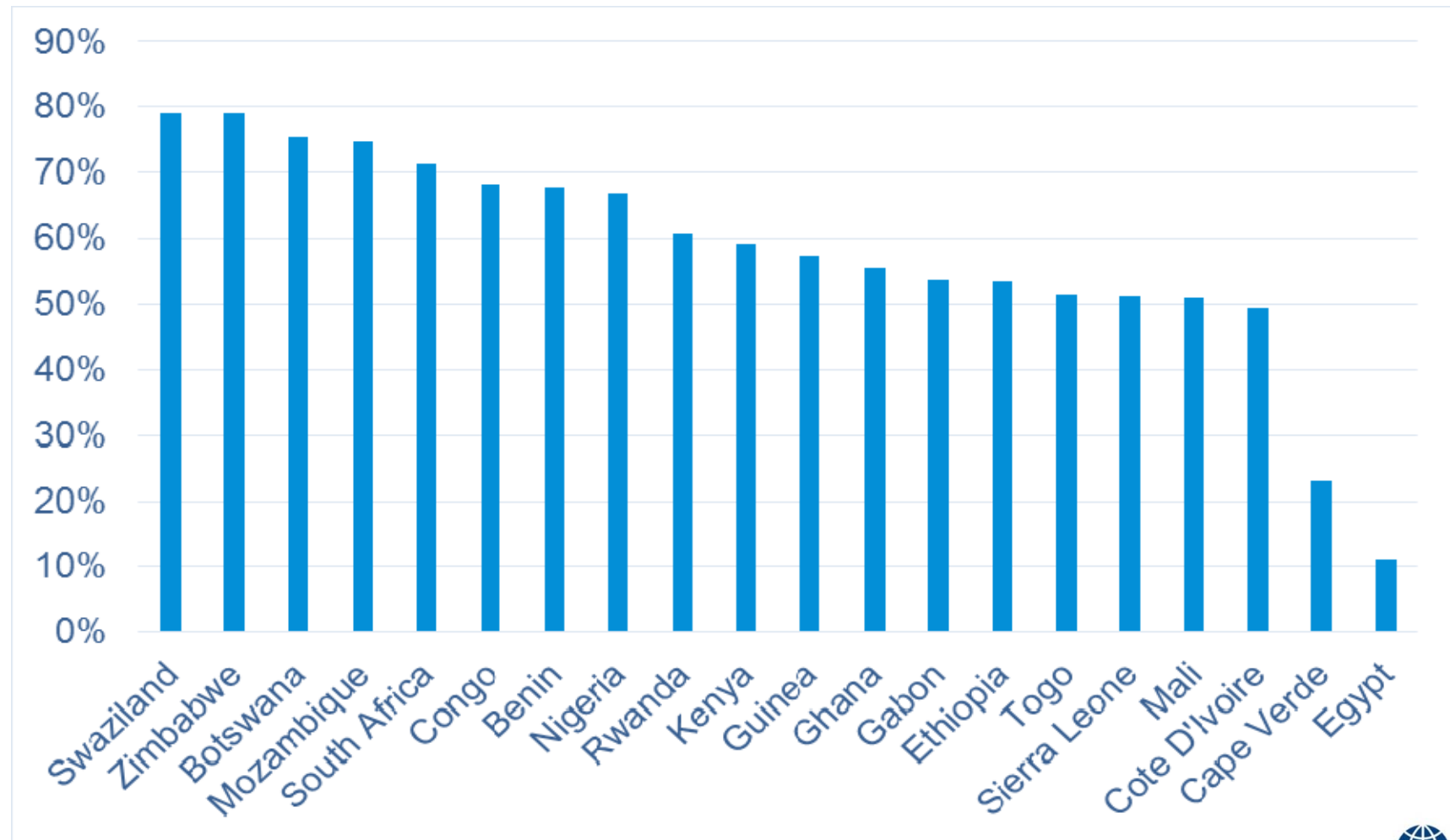


Source: IATA / Tourism Economics Long-Term Passenger Demand Forecast



Delivering the potential of the Single Africa Air Transport Market “SAATM”

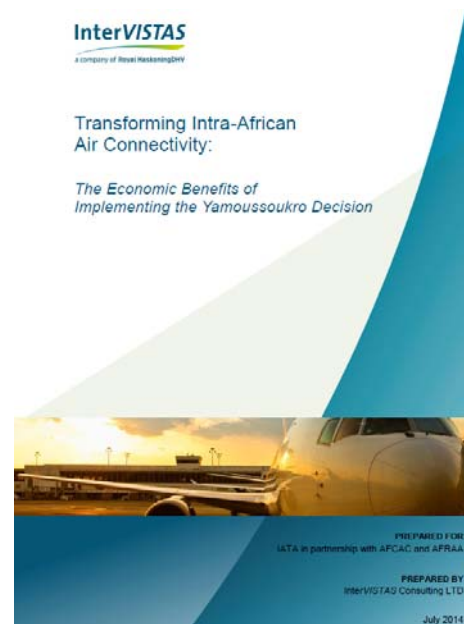
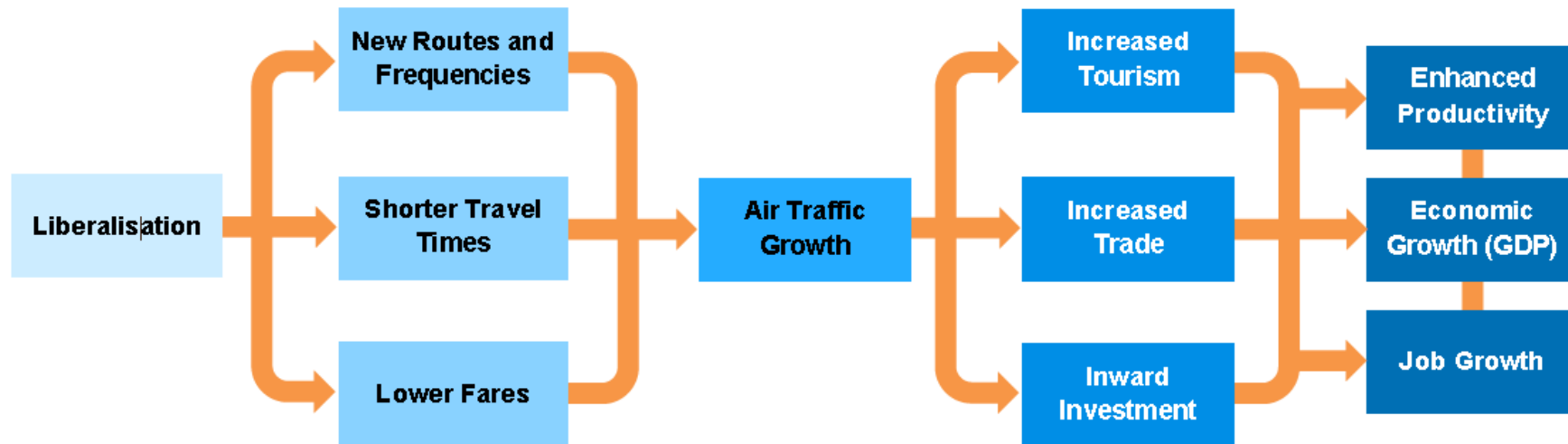
Intra-Africa passengers as a share of total market (selected countries)



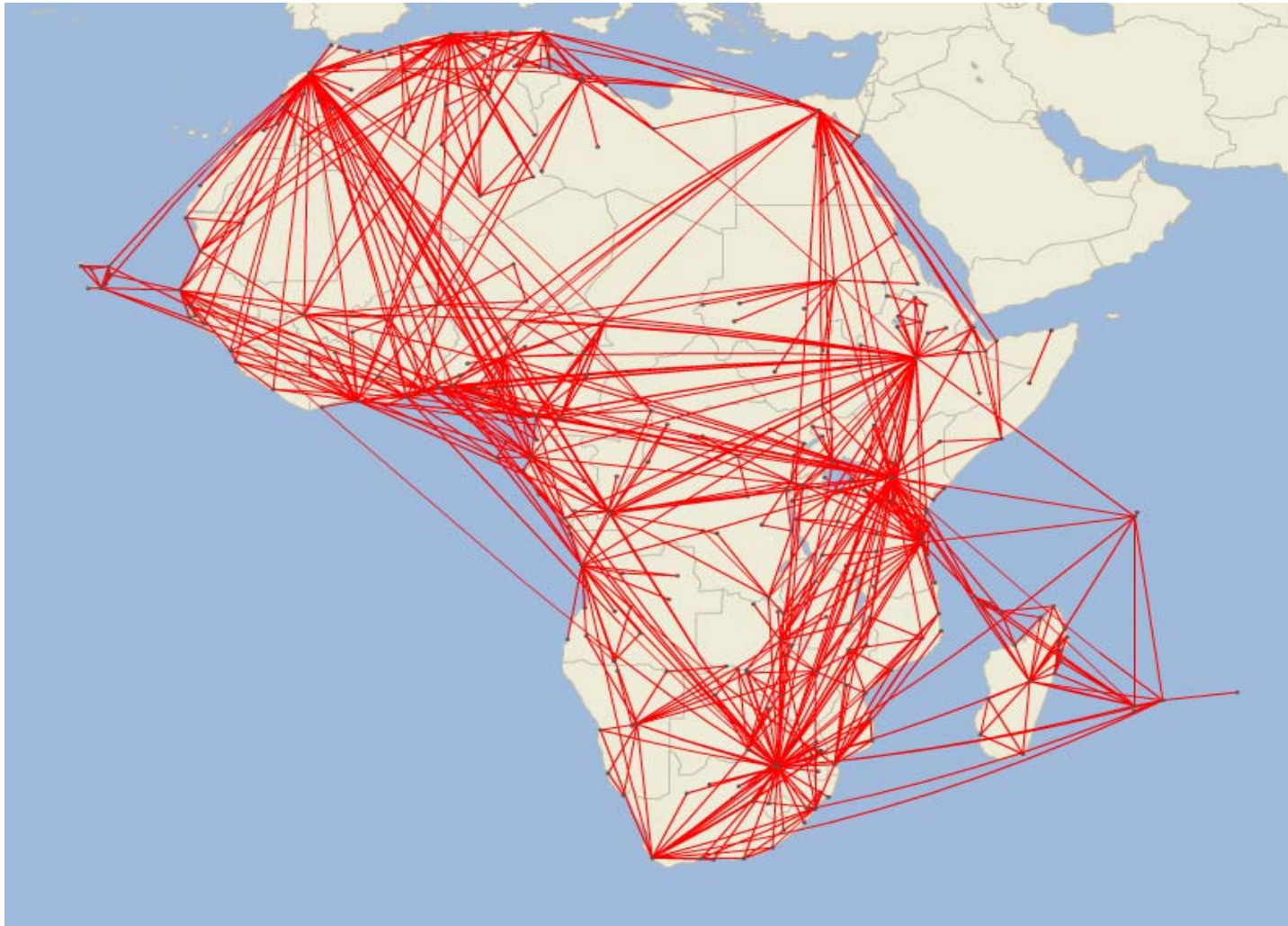
Source: IATA Economics using data from Pax-IS



The journey so far...



Connectivity: Huge potential for Africa



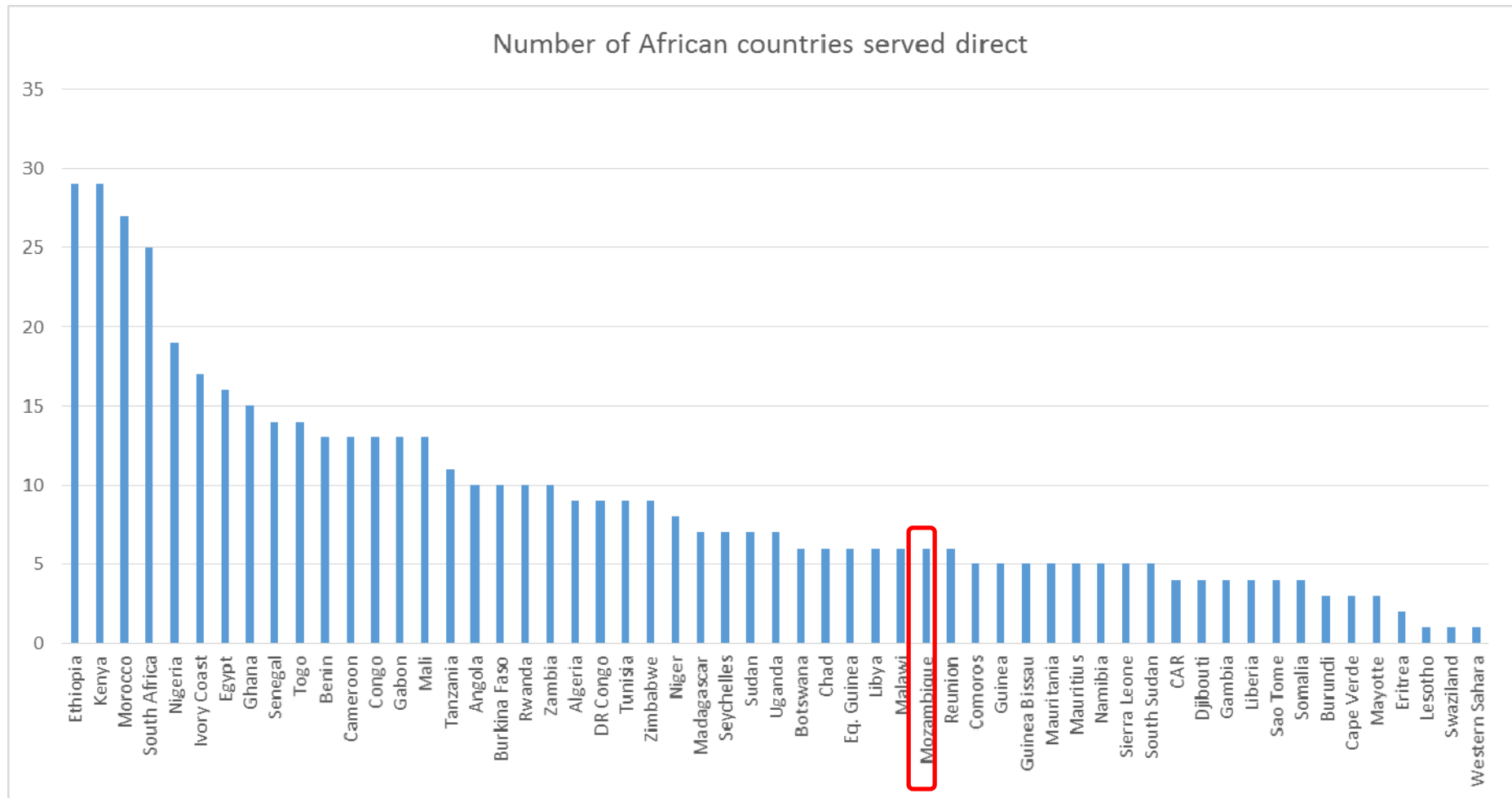
Source: IATA Economics November, 2015

Connectivity: Still lots of white spaces – lots of work to do!



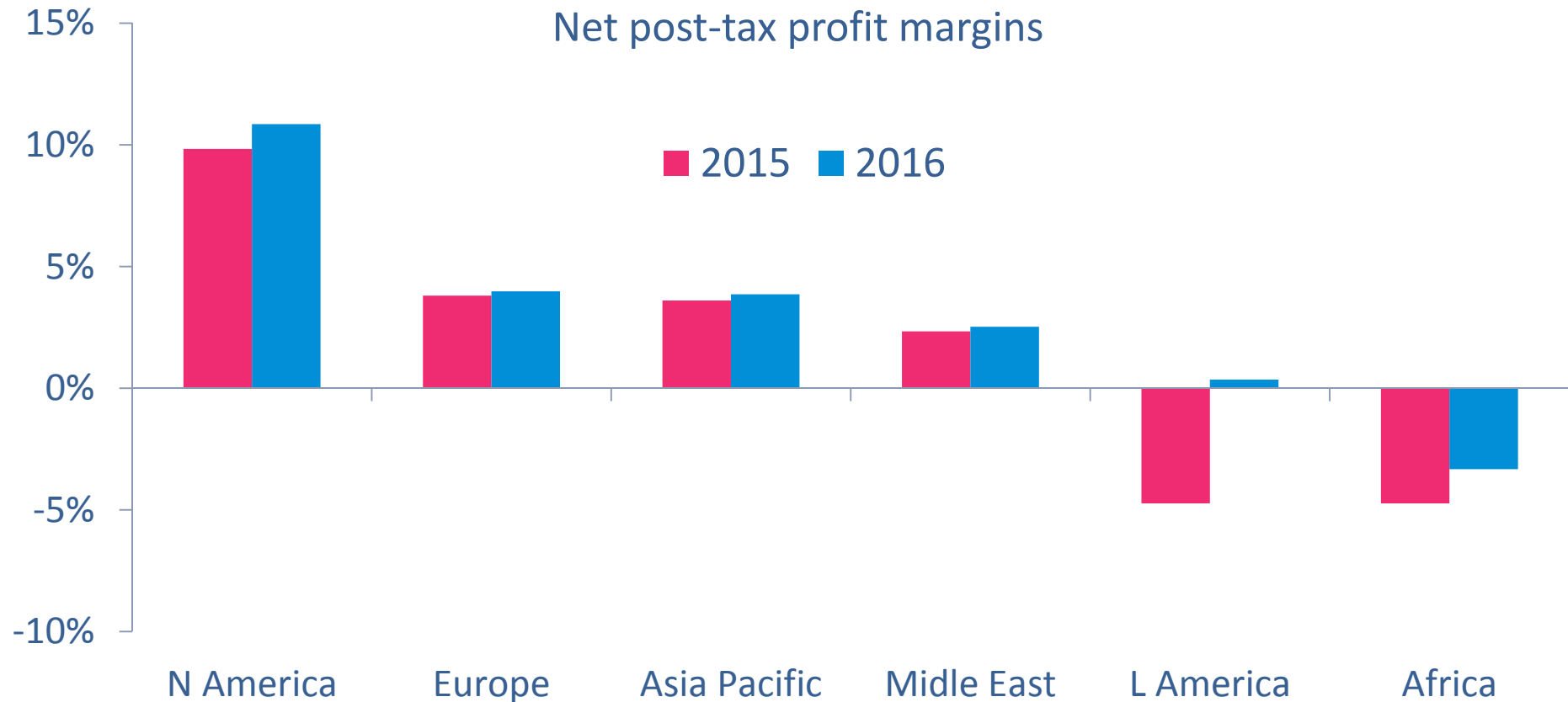
Source: Data extracted for July 2017.

Only Ethiopia and Kenya have direct connections to more than half of the other countries in Africa

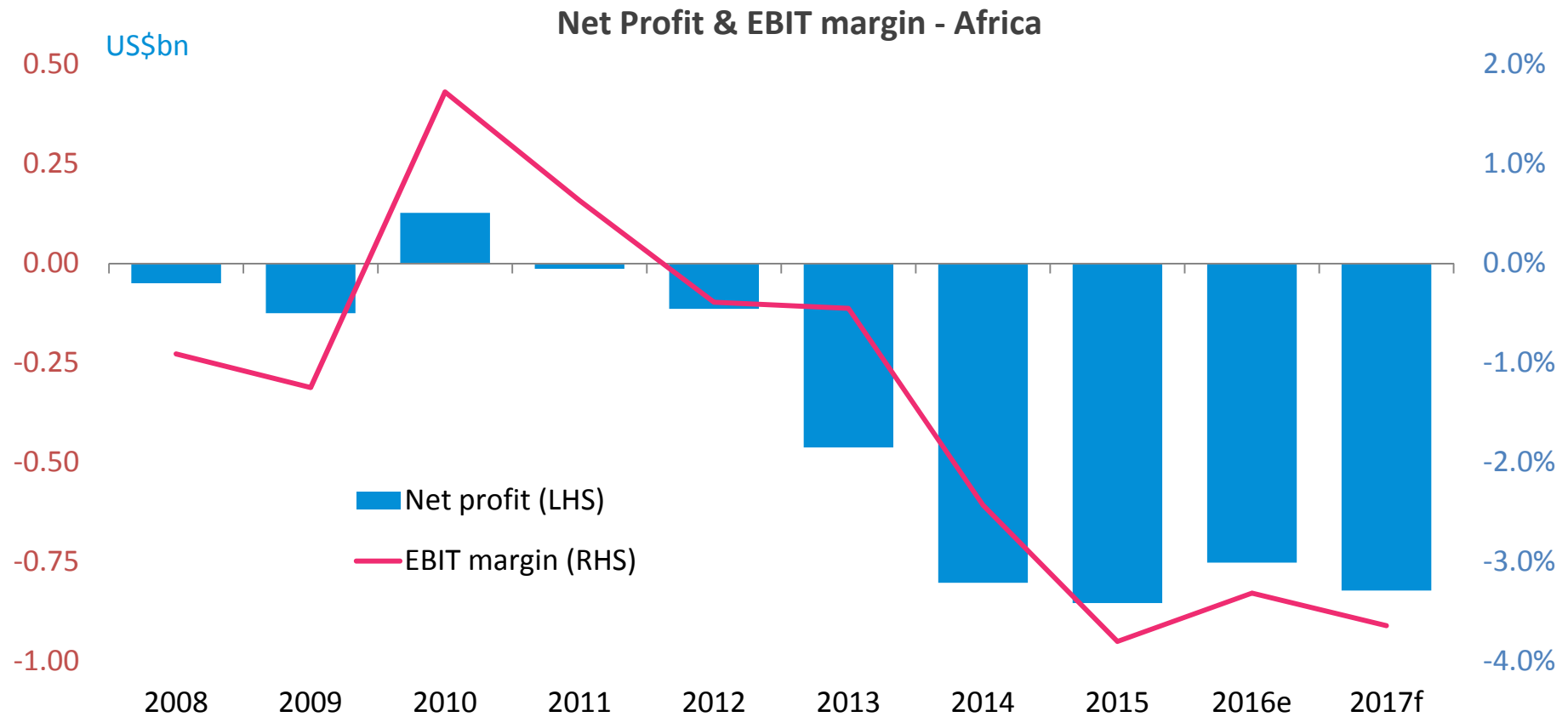


Source: SRS Analyser, IATA Economics

Bottom Line: African airlines need to cooperate...



Regional profitability – Africa



Source: IATA

www.iata.org/e

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A blueprint for success...

What are the Elements of Sustainable Growth

- Safety & Security
- Connectivity – market access
- Low cost operating environment
- Infrastructure
- Capacity building/retention
- Airlines collaboration
- The environment
- Industry profitability



Essential Contributors to an Air Transport Growth Strategy

Ministry of Transport

- Regulatory policy and liberalisation
- Drive bilateral ASA negotiation/re-negotiation
- Leadership on integrated transportation strategy

Tourism Board

- Define a role promoting, supporting, and monitoring the implementation of the air growth strategy and the air service development strategy
- Support Air Service Development activities

Civil Aviation Authority

- Address process/certification delays
- Address international safety requirements
- Support aviation training

Airports Authority

- Air service development
- Industry support
- Infrastructure development
- Support renewal of the integrated transportation strategy

Domestic and International Carriers

- Plan for a reasonable but progressive liberalisation of air service
 - Work with Tourism Board on tourism development
 - Contribute and commit to industry working groups
- Be proactive in seeking solutions to impediments to growth

Africa without Borders...



- Rwanda, Mauritius, Ghana and Seychelles who are in the top 10 most visa-open countries, are leading the way in making the concept of “One Africa” possible.



Summary

- The next 20 years are set to be exciting times for African aviation
- The industry is forecast to show strong growth
- ... but these outcomes are not guaranteed
- We must remain vigilant to those factors which could derail this progress
- **African** Partnership remains key to unlocking the potential in Africa and to ensure the benefits can be realized



Passenger movements before and after liberalization

Country	Traffic Before	Traffic After	Increase	% Increase
Algeria	296,200	715,300	+419,100	+141%
Angola	345,900	876,600	+530,700	+153%
Egypt	357,100	674,700	+317,600	+89%
Ethiopia	357,500	559,300	+201,800	+56%
Ghana	456,200	790,900	+334,700	+73%
Kenya	672,700	1,078,300	+405,600	+60%
Namibia	577,800	1,107,200	+529,400	+92%
Nigeria	774,000	1,171,400	+397,400	+51%
Senegal	164,000	378,300	+214,300	+131%
South Africa	1,479,100	2,279,400	+800,300	+54%
Tunisia	255,700	598,500	+342,800	+134%
Uganda	371,100	796,900	+425,800	+115%
Total	6,107,300	11,026,800	+4,919,500	+81%

Thank you

