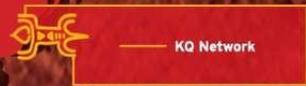


Discover the world of Kenya Airways

NEW YORK





Economics of Airlines Challenges Kenya Airways(KQ)

Presented
By Lucy W. Ndung'u

KENYA AIRWAYS

- **Introduction:**

- ❑ Founded 1977
- ❑ Flying to 42 destinations across the World with 33 in Africa.
- ❑ Fleet size 32 Aircraft
 - ✓ B788- 9
 - ✓ B738- 8
 - ✓ B733- 2 (Freighter)
 - ✓ E190 - 13

ECONOMICS OF AIRLINES

Charging Principles Challenges

1. Cost-relatedness

- Airlines should only pay for the facilities they utilize
- charges levied for non-existing systems e.g., CUTE Systems

2. Lack of Transparency

- During the charges review, reasons for the increase not well documented or articulated.
- Charges should be increased with facility improvement/ capital investments

ECONOMICS OF AIRLINES

Charging Principles Challenges

3. Consultations with the users

- Need for consultations between Airports, Regulators and Airlines to agree on cost structures in open and fair discussions
- Airlines called for meetings as proposals , only to be advised that the increment is confirmed.
- Users' attendance taken as confirmation of the agreement to the proposals
- Some States take punitive measures when the users challenge the proposals

4. Discrimination in charging

- Airports charging different prices for same services for different users
- Local Airlines favoured thus creating unfair competition

ECONOMICS OF AIRLINES

OUR ASK?

1. Invest more on technology to phase out traditional processes that are costly to users
2. Proper level of consultations with the users
3. Provide justification for the increments
4. Charge the users for services and facilities they utilise or are related to the services received.
5. Non-discrimination on charging

THANK YOU

Africa

33 destinations

