



**AFRICAN AVIATION
TRANSFORMED**

AIRPORTS AND AIR NAVIGATION USER CHARGES WORKSHOP: USER CHARGES IN IMPLEMENTING THE SAATM AND AFCAP

29 – 30 October 2024 Nairobi, Kenya



Vision, Mission and Core Values



Vision

***To** foster a safe, secure, efficient, cost effective, sustainable, and environmentally friendly civil aviation industry in African States.”*

*“ **We** facilitate cooperation and coordination among African States towards the development of integrated and sustainable Air transport systems; and foster the implementation of ICAO SARPs.*



Mission

Values



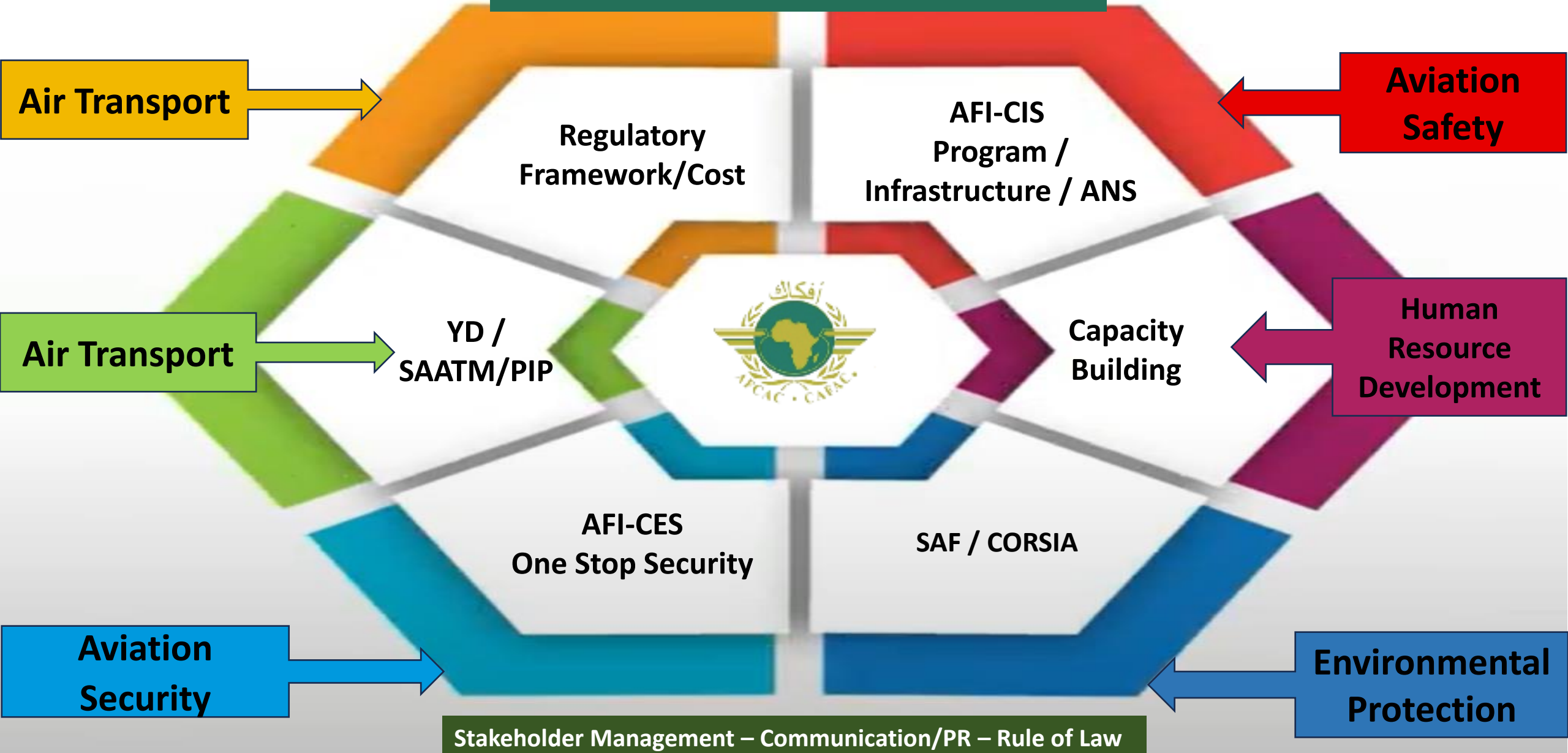
- Good governance and best practices
- Transparency and accountability
- Professionalism and Integrity
- Impartiality

AFCAC- Specialized Agency of the African Union (AU) on
all Civil Aviation Matters in Africa - HQ in Dakar, Senegal

EXECUTING AGENCY OF YAMASSOUKRO DECISION

AFCAC STRATEGIC PRIORITIES

Core Areas





AFRICAN AVIATION CONTRIBUTION

COVID-19

The pandemic hits global aviation, particularly Africa

2006

2020

2023

2.3%

Contribution of Africa in global traffic

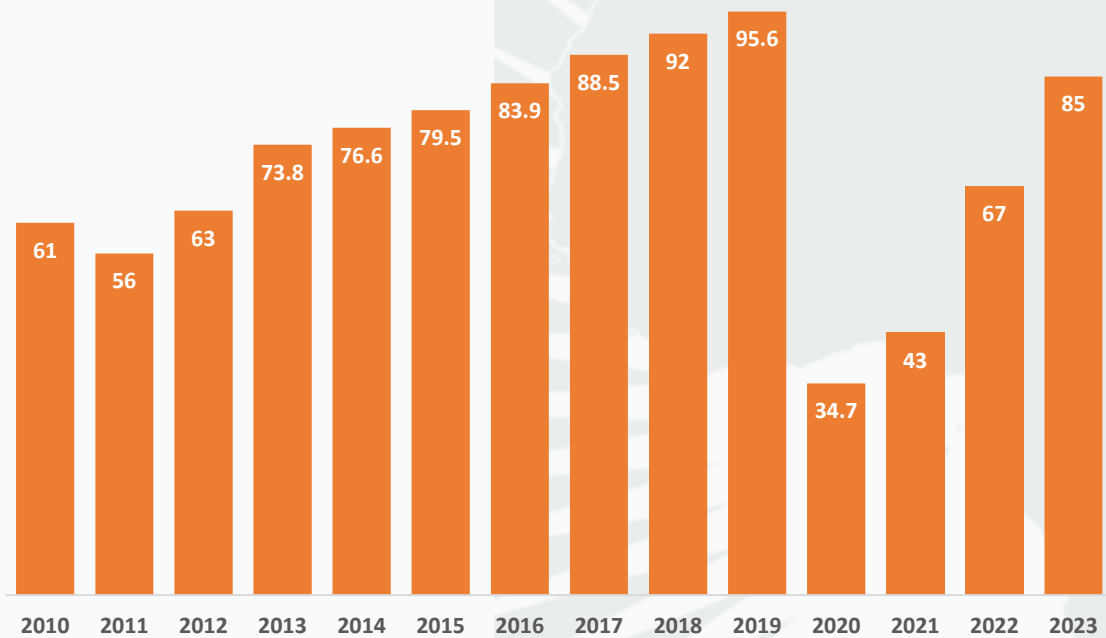
2%

Contribution of Africa in global traffic

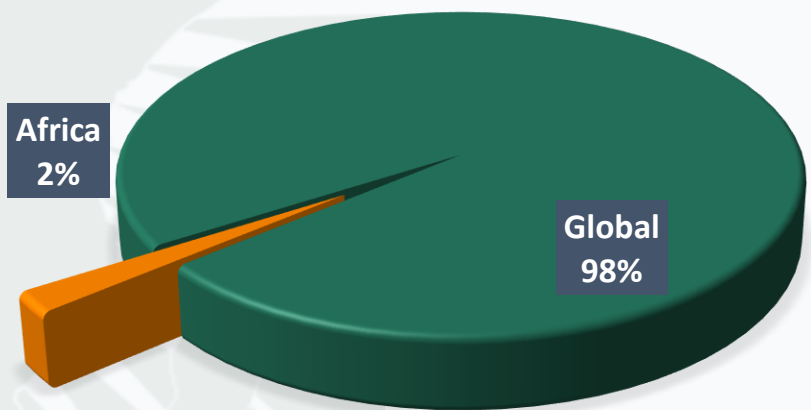


AFRICAN AVIATION

African airlines Traffic (Million PAX)



African airlines contribution

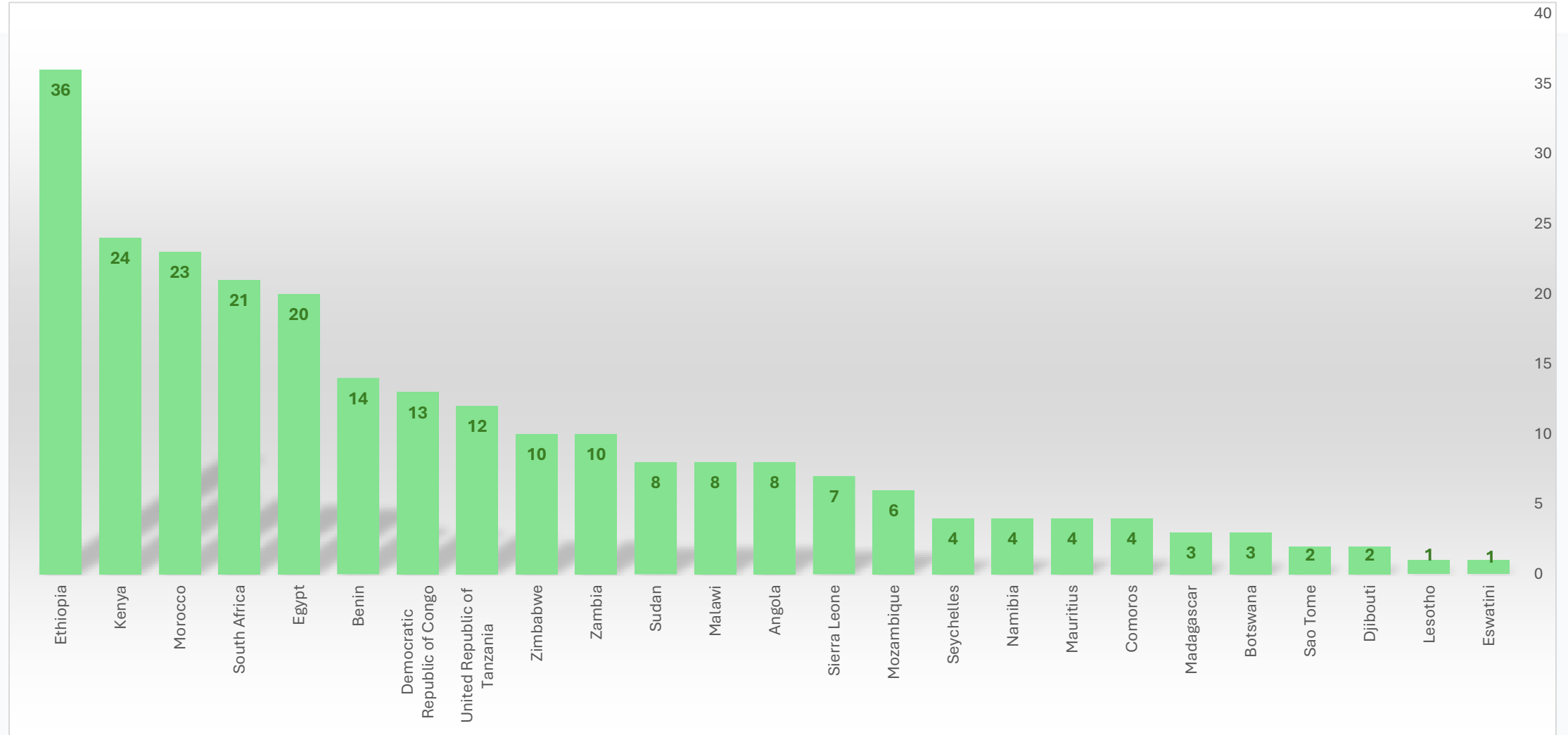


Source : IATA/AFRAA

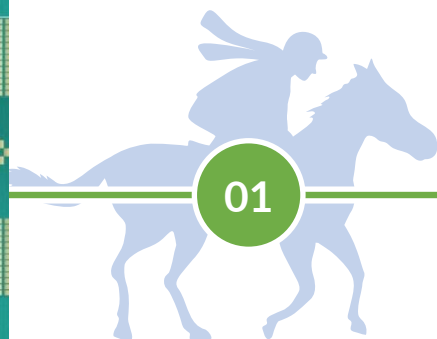


INTRA AFRICAN CONNECTIVITY

Number of direct flights - 2023



Source : AFRAA



The Yamoussoukro Declaration 1988

Affirmed commitments by African States to make all necessary efforts to integrate their airlines within eight years to the new African air transport policy, in order to liberalize the African air transport market, and which led to the signing of the Yamoussoukro Decision (YD) in 2000.



Abuja Treaty - 1994

A treaty that establishes the African Economic Community (AEC). Adopted on 3 June 1991, entered into force on 12 May 1994 and signed by all Member States of the Organization of African Unity (OAU), except Eritrea.



YD 1999 - important milestone

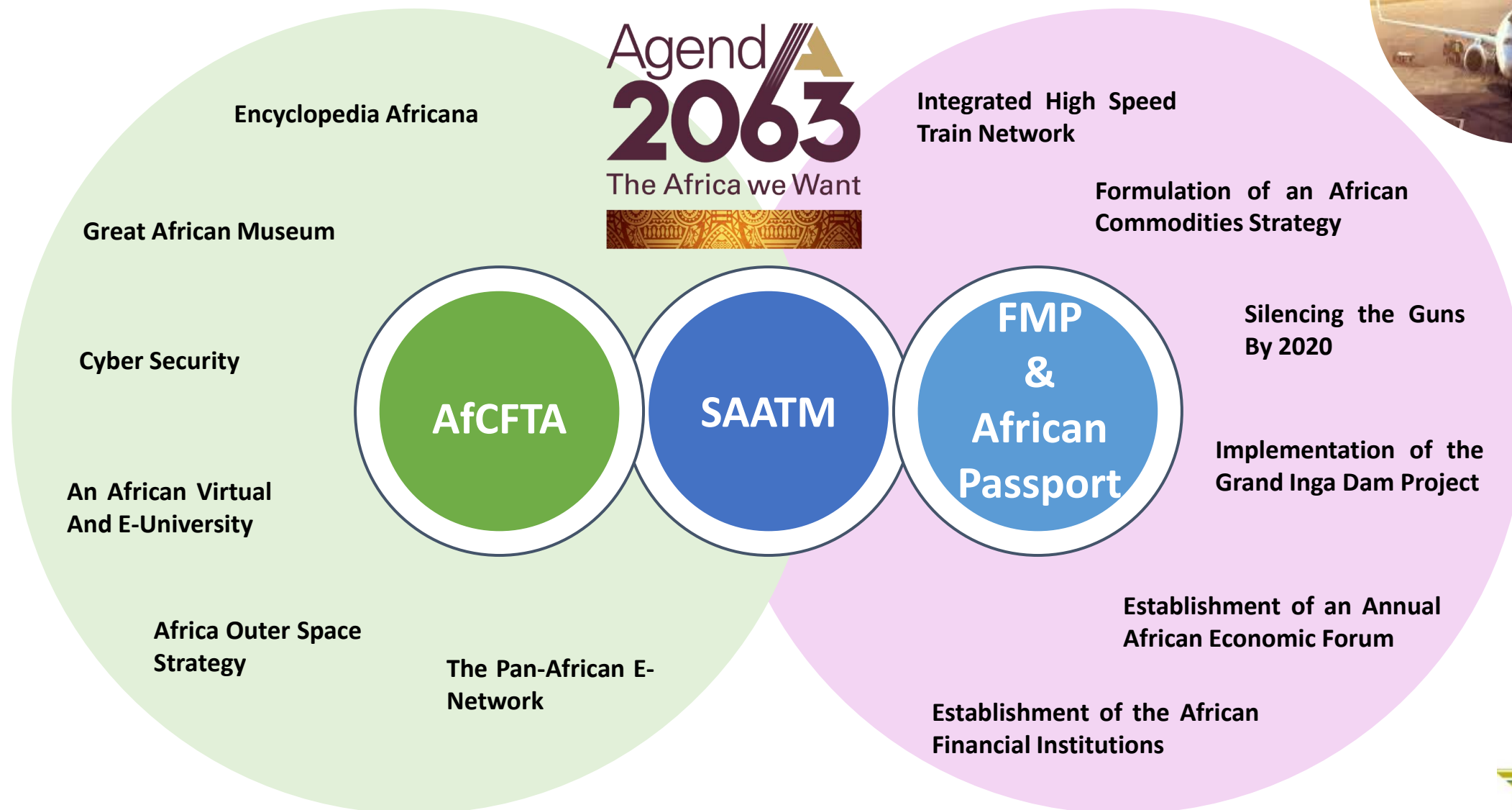
44 countries signed the YD - a comprehensive reform that proposed a full liberalization of the intra-African aviation market.



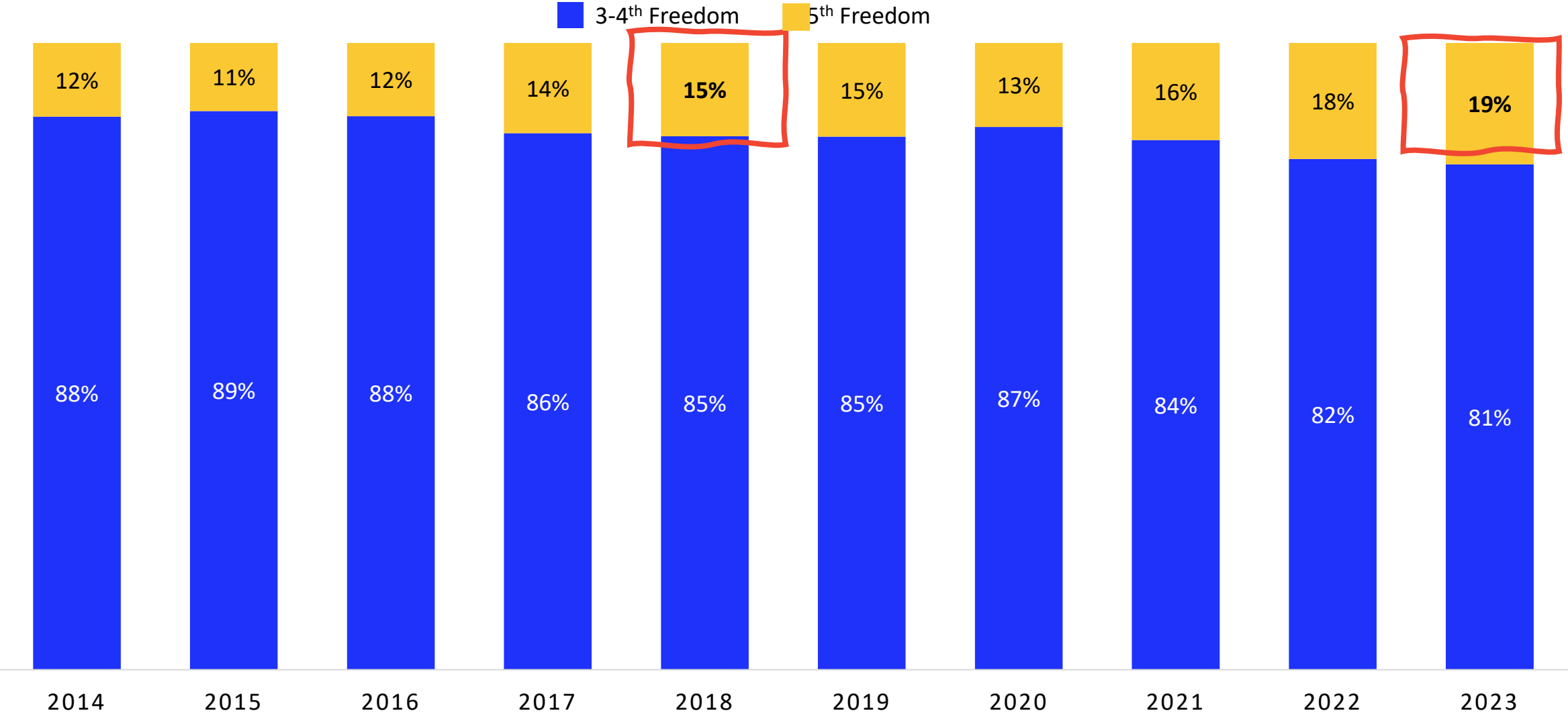
SAATM - 2018

An initiative launched in 2018 to achieve the full liberalization goals set by the YD. The multilateral effort and political capital invested towards the goal of full liberalization have set the stage and the appropriate framework for countries to follow.

AFRICAN UNION FLAGSHIP PROJECTS



CAPACITY SHARE BETWEEN 3-4TH AND 5TH FREEDOM



Source: IATA, AU, GDSs, and OAG
Capacity: scheduled seat capacity within Africa, all airlines.
Data has been extracted the first week of November 2023, and are subject to minor schedule changes for the months of November and December 2023



PROJECTED GROWTH TRENDS FOR INTRA-AFRICAN MARKET (2025-2030)

- We project a compound annual growth rate (CAGR) of 4.7% for the intra-African market between 2025 and 2030. This follows a strong post-COVID recovery, marked by a 7% CAGR, which contrasts with the more modest historical growth of 2.6% observed between 2017 and 2023.

4.7%





Top 3 Drivers explaining our Forecast for the Intra-African Market

Pent-Up Demand: The years of reduced travel during the pandemic have resulted in pent-up demand, particularly for intra-African routes, where alternative modes of transport are less viable.

Economic Growth: Many African economies are projected to experience steady GDP growth, supporting increased consumer spending and business activities, which translates into higher air travel demand.

Liberalization of Air Services: SAATM is reducing barriers to market entry, allowing airlines to expand their routes, create new connections, and offer more competitive pricing, which is expected to stimulate growth.



4.7%

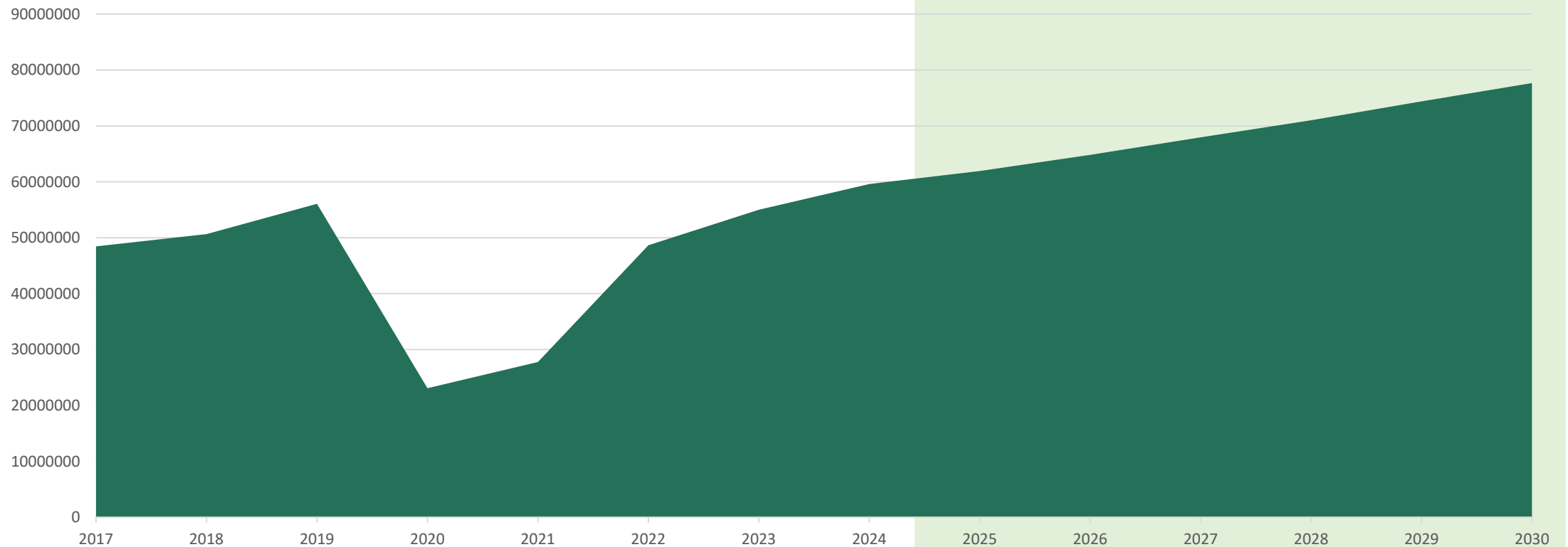


DYNAMIC GROWTH ON AFRICAN MARKET

By 2030, the intra-African market is projected to reach 80 million passengers, up from 55 million in 2023

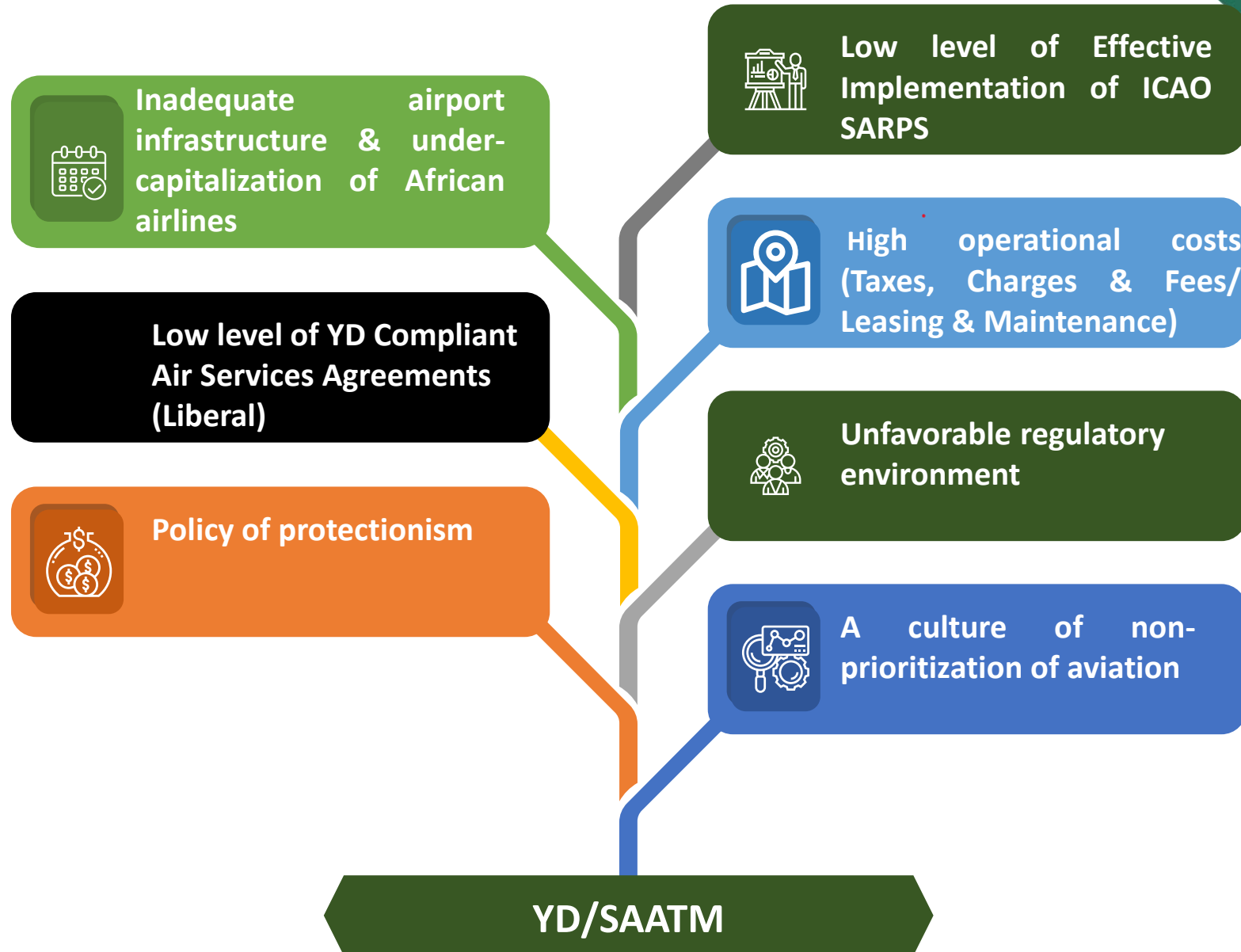


Passenger Traffic and Forecasts
Intra-Africa 2017-2030



Sources: data and forecasts Milanamos and AFCAC, analysis AFCAC.

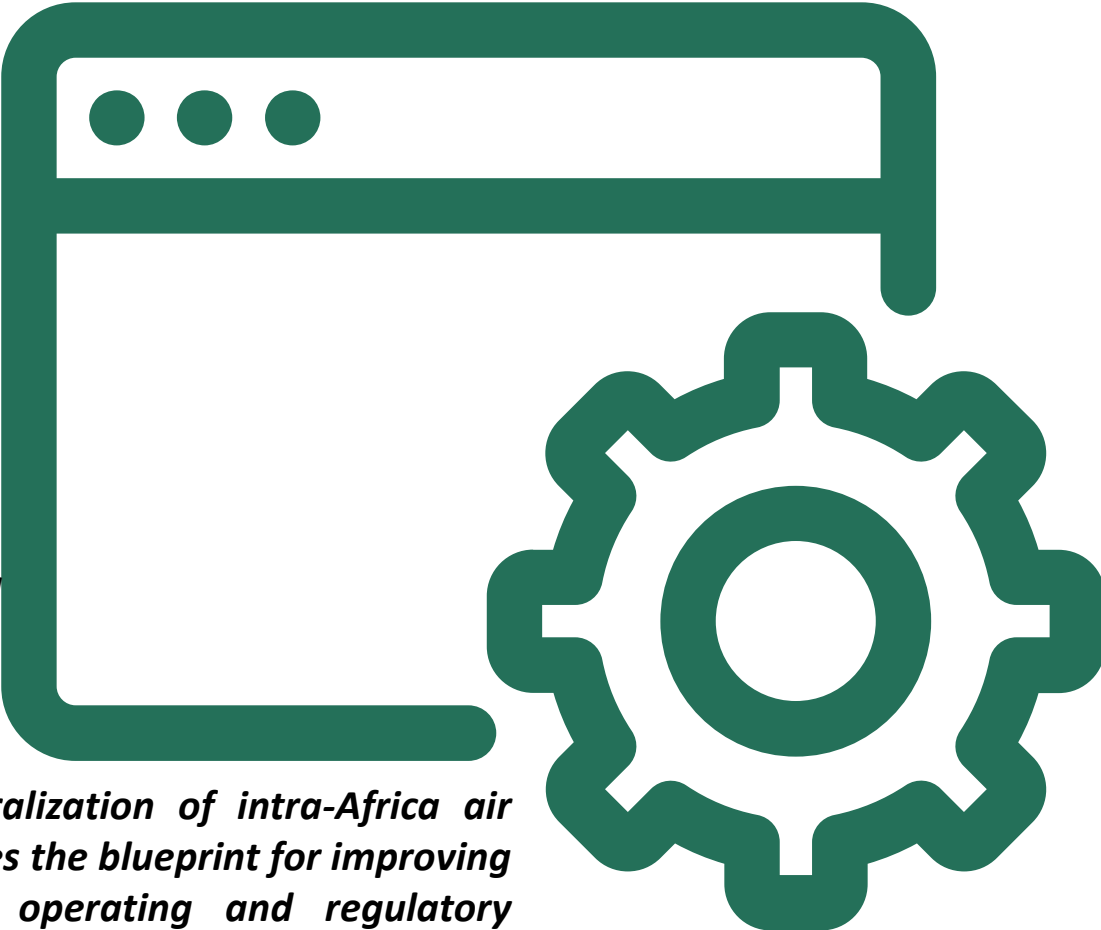
YD/SAATM IMPEDIMENTS



The African Civil Aviation Policy (AFCAP)

Framework/platform for the formulation, collaboration and integration of national and multinational initiatives or programmes in various aspects of civil aviation. Advocates a liberalized, competitive and common air transport market through the full implementation of the YD.

IMPERATIVENESS

- *Lays a solid foundation for the minimum policies each member State must put in place for the SAATM and air transport in Africa to succeed.*
 - *Policy makers, at the National level, should use the AFCAP as a guide for the development of national and regional policies to foster harmonization.*
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- *Forms the basis upon which common Rules, Regulations, Regional Programs, Action Plans and Guidelines are adopted across Africa.*
 - *Whilst the YD presents a blueprint for the liberalization of intra-Africa air services in a harmonized manner, the AFCAP provides the blueprint for improving the entirety of African air transport i.e. the operating and regulatory environment in a harmonized manner.*

Taxes, Charges, Fees and the AFCAP



- Part 5.6.2.1 stipulates that *“The objective of Member States is to ensure that all aviation tariffs and charges are simple, consistent, economical and non discriminatory in accordance with ICAO policy and guidelines.”*
- Policy Statement: *“The aviation service providers shall develop tariffs and charges in consultation with the users of their services and in accordance with ICAO policy and guidelines, and file those tariffs and charges with the regulatory authority.”.*

In pursuit of this objective, the following strategies shall be complied with:

- ***Member States shall ensure that aviation charges are only applied to services rendered.***
- ***Member States shall ensure that the charging system is simple and suitable for general application.***
- ***All user charges shall be in accordance with ICAO policy and guidelines and international best practices.***
- ***Member States shall develop, review and harmonize policies on aeronautical related taxes and charges as well as other non-tariff barriers in consultation with the users of the services.***
- ***All aeronautical charges shall be filed with the Civil Aviation Authorities for the purpose of anti-trust and consumer protection. Civil Aviation Authorities and airports and air navigation services providers shall ensure that airports and air navigation services charges are only applied towards defraying the costs of providing facilities and services for civil aviation, and that service providers consult users prior to implementation of such charges.***

Taxes, Charges, Fees and the AFCAP



- Civil Aviation Authorities shall ensure that tariffs and charges are determined on the basis of sound accounting principles and may reflect, as required, other economic principles, provided that these are in conformity with provisions of the Convention on International Civil Aviation and this Policy (AFCAP).
- Civil Aviation Authorities shall ensure that tariffs and charges are not imposed in such a way as to discourage the use of facilities and services necessary for safety.
- Member States shall make every effort pursuant to Article 15 of the Convention to publish any charges that may be imposed or permitted to be imposed by a Member State for the use of air navigation facilities and airports by the aircraft of any other member State.
- Member States shall ensure the establishment of Economic Regulations which are to set the basis for user consultation on user charges matters

ACHIEVEMENTS OF SAATM-PIP

➤ Over sixty (60) New Intra-Africa Routes established and being operated since 2022 of which 13 are 5th Freedom Routes

➤ Operational assistance in safety to SAATM Member States

➤ Fifth freedom traffic capacity in Africa has increased from 15% in 2018, to 19% in 2023

➤ Development of African Template Economic Regulation



➤ Resolution of different market access, authorization and designation challenges amongst States by AFCAC

➤ Operationalization of the Secretariat of the Dispute Settlement Mechanism (DSM)

➤ Industry Certification Program for African Airlines - IOSA/ ISSA Certification project

➤ Development of a Roadmap to Address the Next Generation Aviation Professionals – (AWAYA)

➤ More awareness on SAATM created through advocacy, publishing, and dissemination of the Regulatory Texts of the YD

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Do We Embrace This Opportunity?

Will we capitalize on this growth potential, or will we allow non-African carriers to dominate the intra-African market?



UNLOCKING THE FUTURE OF AFRICAN AVIATION



- The growth and sustainability of Africa's aviation industry lie in its ability to unlock intra-African routes, not only by building connectivity but by fostering competition and creating opportunities for trade and investment.



African Aviation Transformed

Thank You

 www.afcac.org

 Dakar, Senegal

