



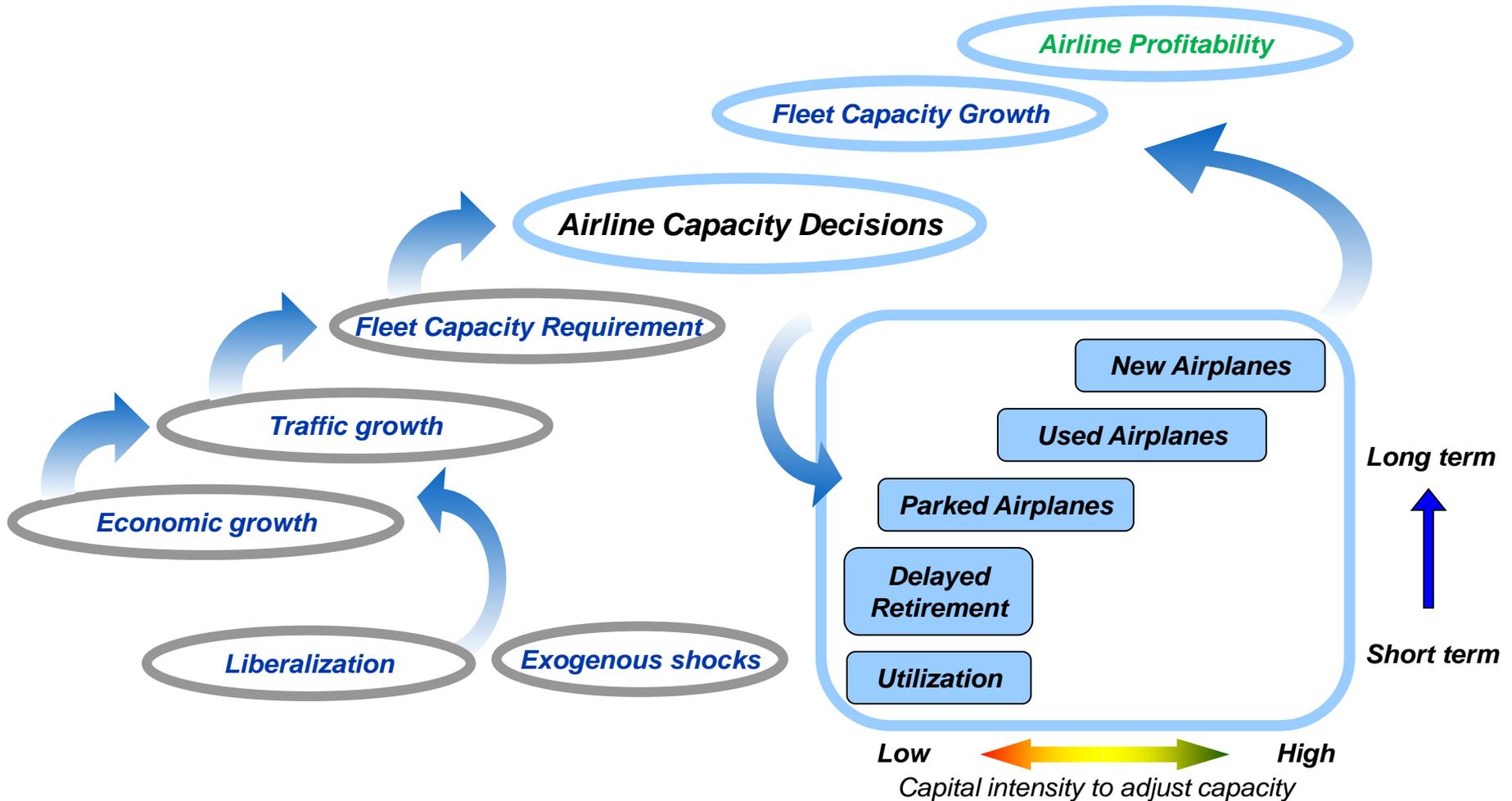
Connectivity and Development of Air Transport

Sustainable development of Air transport in Africa
25-27 March 2015

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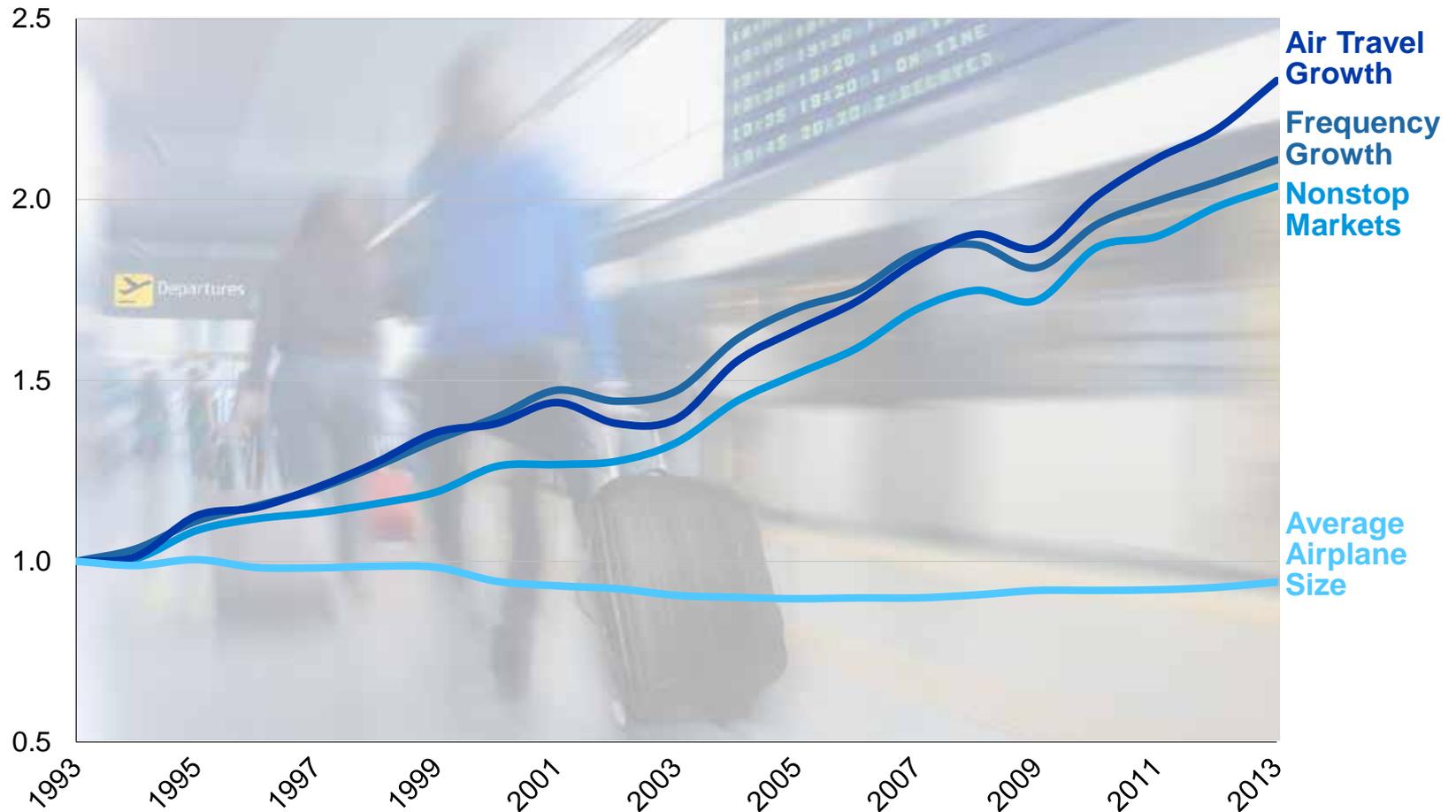
The underlying dynamics of our industry





Air travel growth has been met by increased frequencies and nonstops

- World

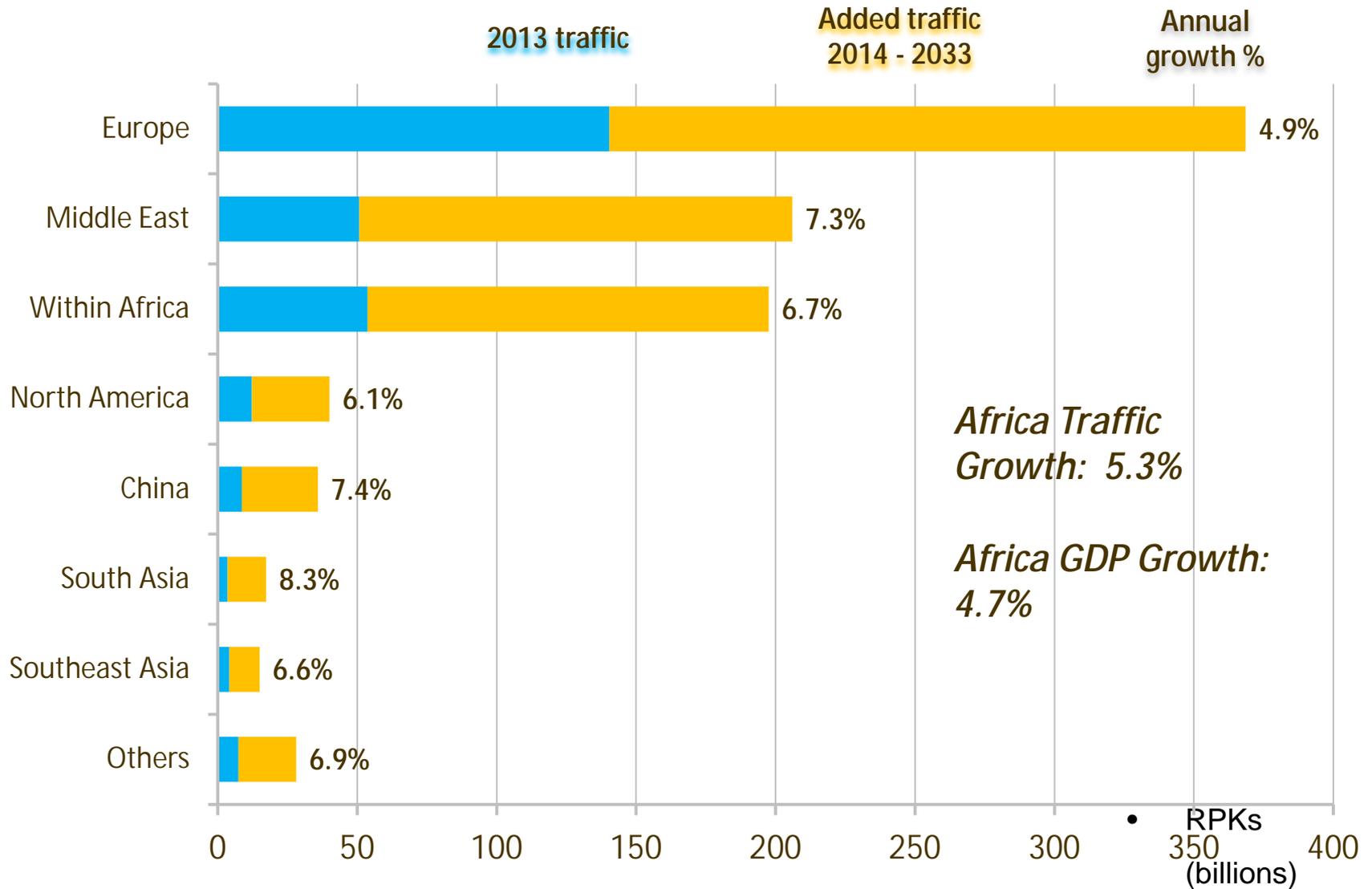


• SOURCE: August OAG

• Index 1993=1.00

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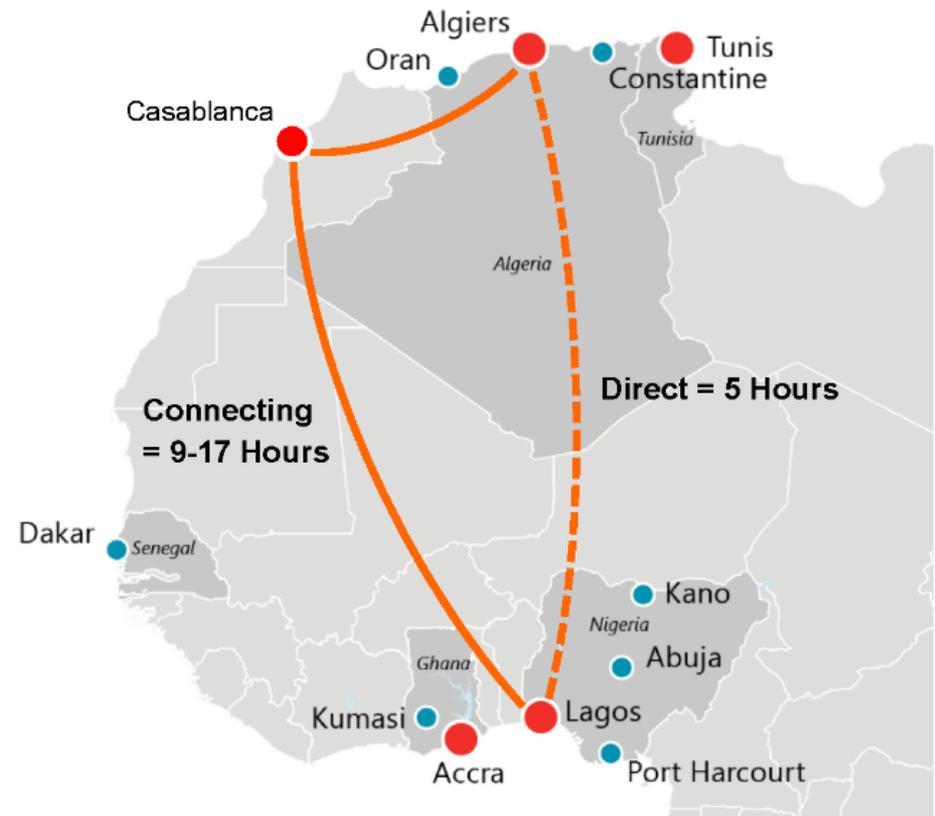
Africa traffic varies by market



Network structure is not optimised

- Africa's current network structure means there are many un-served and underserved markets
- Current network structure requires circuitous routings
- Liberalization will allow more direct routes to be operated

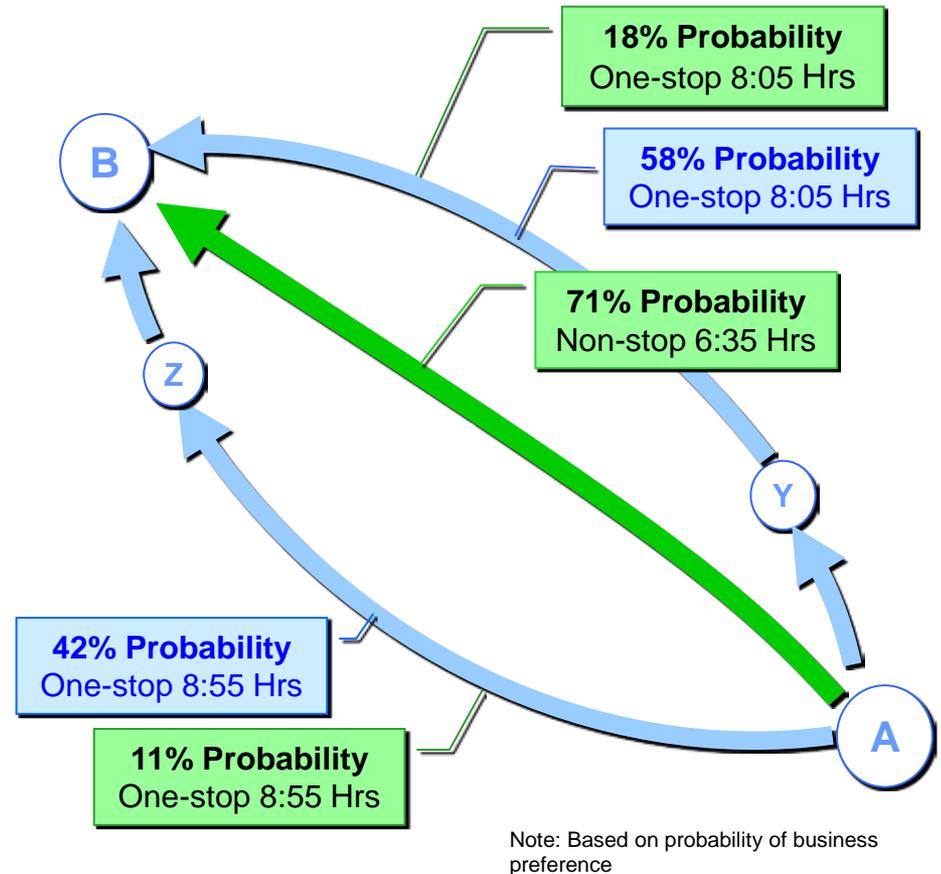
Figure 6-5: Flying Algiers to Lagos

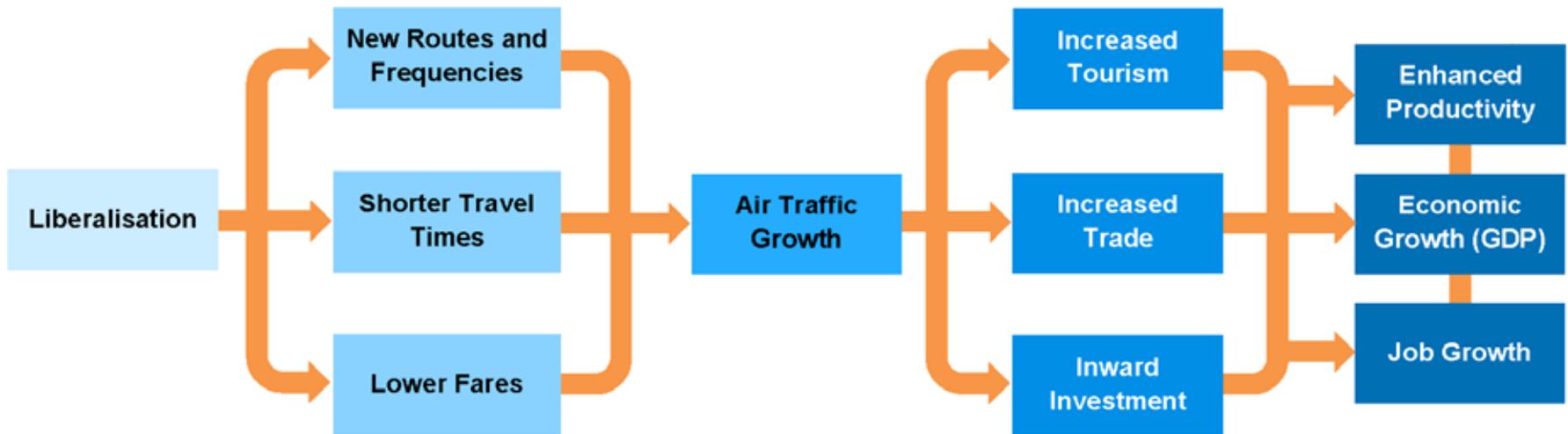


Estimate demand

Global Market Allocation System (GMAS)

- GMAS forecasts probability of passenger choice for all worldwide known O&D paths
- GMAS models how passengers choose flights
- Passengers prefer:
 - Shortest elapsed times
 - Least number of stops
 - Efficient connections (Alliance)
 - Online connections
 - Time-of-day schedules
- Business travelers are schedule sensitive, while leisure travelers are relatively more price sensitive
- GMAS does not model for frequent-flyer attraction, bonus offers, marketing tactics, sales promotions and new market stimulations





New routes allow faster, more efficient travel

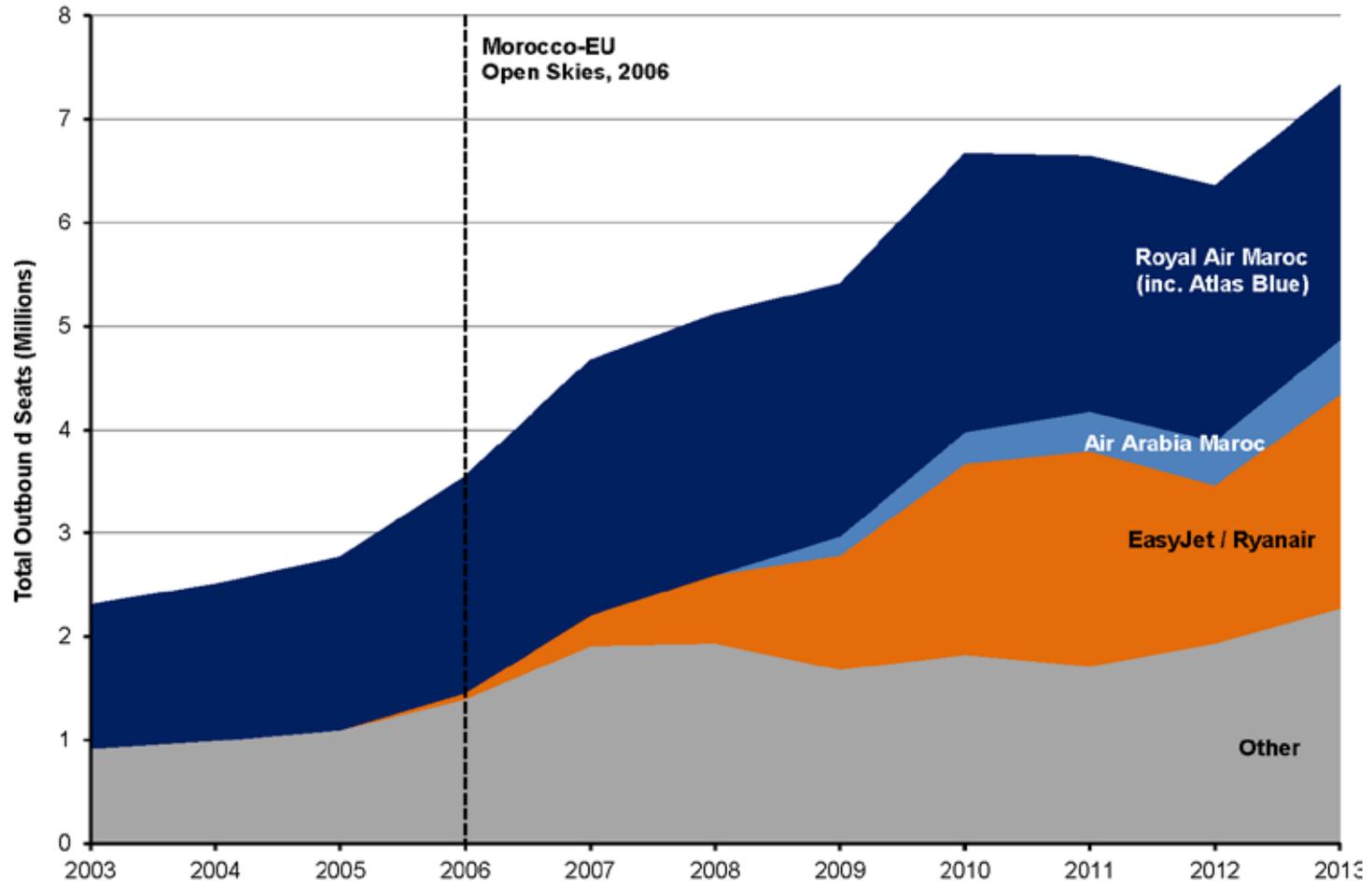
Route	Travel Time Before Liberalisation	Travel Time After Liberalisation	Time Saving
Port Elizabeth (South Africa) - Windhoek (Namibia)	5-6 Hours (1-Stop)	2.5 Hours (Direct)	2.5-3.5 Hours
Port Harcourt (Nigeria) - Accra (Ghana)	5 Hours (1-Stop)	1.5 Hours (Direct)	3.5 Hours
Addis Ababa (Ethiopia) - Port Harcourt (Nigeria)	9-10 Hours (1-Stop)	5 Hours (Direct)	4-5 Hours
Cairo (Egypt) - Port Harcourt (Nigeria)	9-12 Hours (1-Stop)	5.5 Hours (Direct)	3.5-6.5 Hours
Dakar (Senegal) - Abuja (Nigeria)	6-7 Hours (1-Stop)	4 Hours (Direct)	2-3 Hours
Luanda (Angola) - Durban (South Africa)	6-7 Hours (1-Stop)	3.5-4.0 Hours (Direct)	2.5-3.5 Hours

• SOURCE: Transforming Intra-African Air Connectivity InterVISTAS / IATA

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Open Skies agreements promote growth

- Impact of Morocco-EU Open Skies on Air Capacity

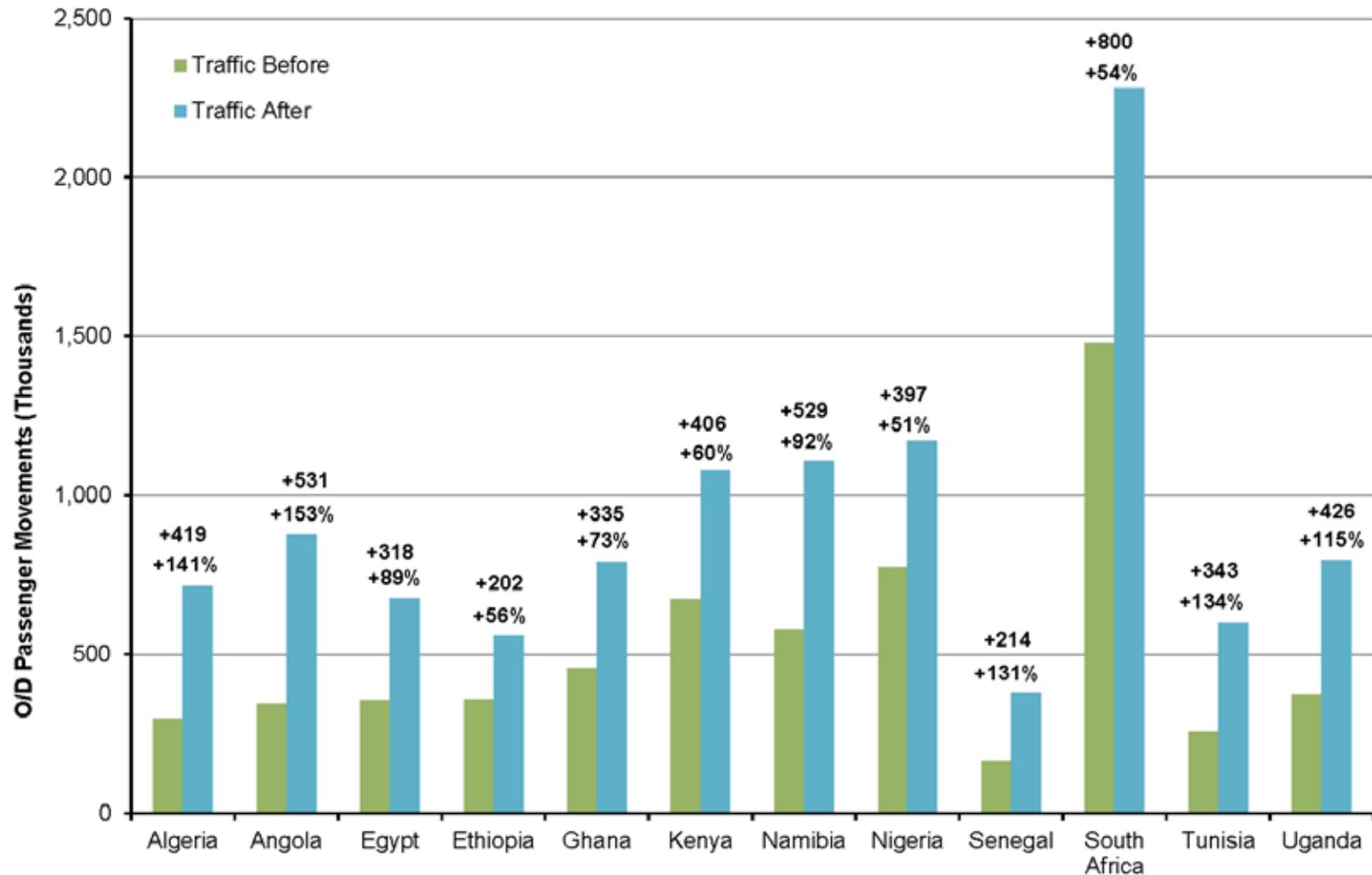


Source: Diio Airline Schedule Data (2003-2013).

- SOURCE: Transforming Intra-African Air Connectivity InterVISTAS / IATA
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Liberalisation in Africa could promote huge growth

- Potential growth in passenger traffic after liberalisation



• SOURCE: Transforming Intra-African Air Connectivity InterVISTAS / IATA

787 Dreamliner opening new markets around the world

Current new nonstop routes flown with the 787:

Delhi-Birmingham	(AI)	Houston-Lagos	(UA)	Tokyo-San Jose	(NH)	Stockholm-Fort Lauderdale	(DY)
Delhi-Melbourne	(AI)	Tokyo-San Diego	(JL)	Addis Ababa-Dulles	(ET)	Stockholm-Bangkok	(DY)
Delhi-Sydney	(AI)	Tokyo-Boston	(JL)	Oslo-Bangkok	(DY)	Oslo-New York	(DY)
Denver-Tokyo	(UA)	Tokyo-Helsinki	(JL)	Stockholm-New York	(DY)	Oslo-Fort Lauderdale	(DY)
						London-Austin	(BA)



As of June 30, 2014

Thank you!

