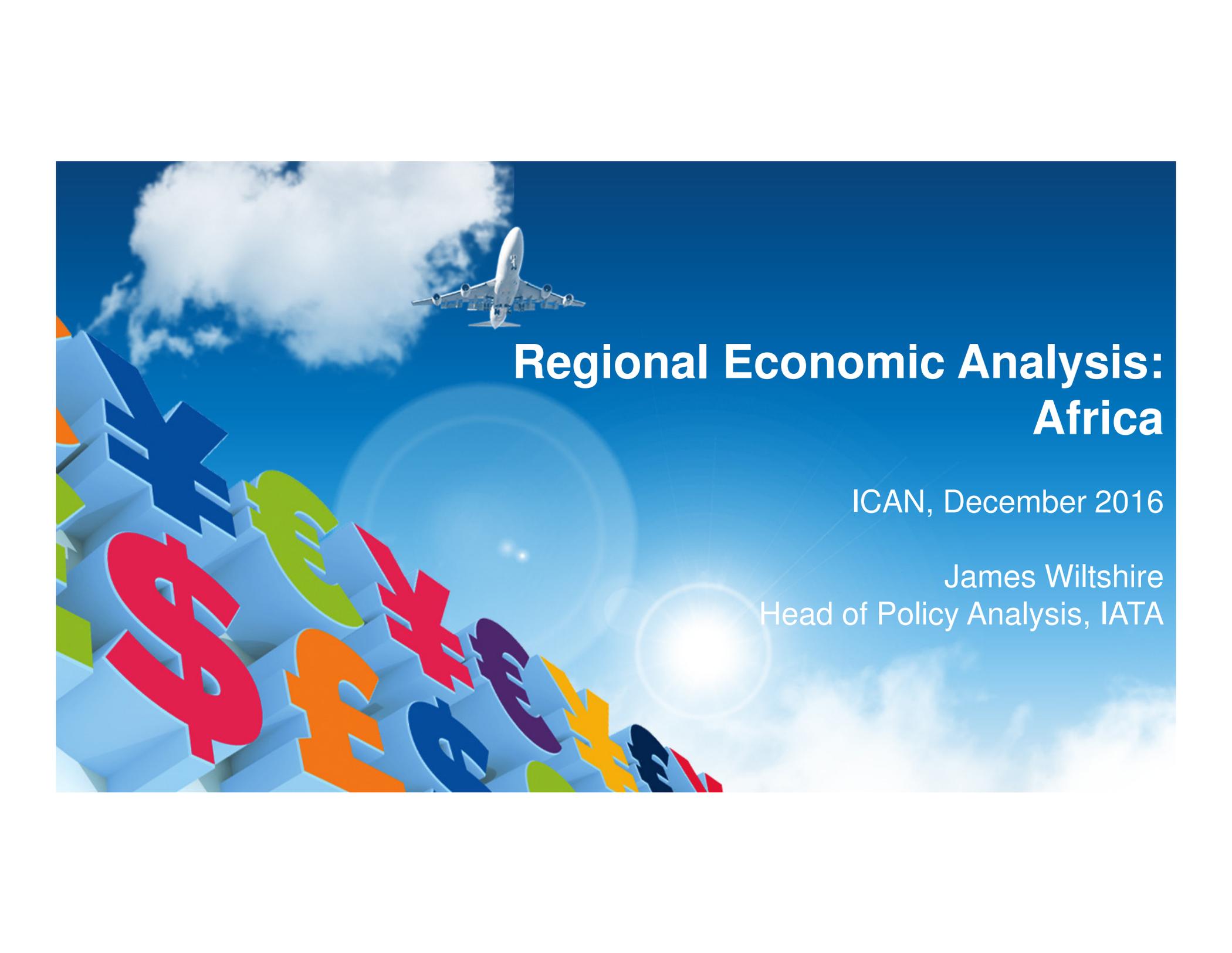




**Getting ready for the single air
transport market in Africa...**



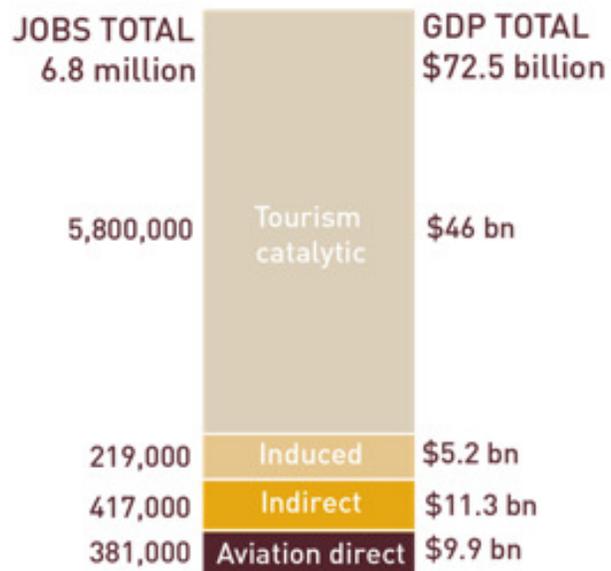
Regional Economic Analysis: Africa

ICAN, December 2016

James Wiltshire
Head of Policy Analysis, IATA

Aviation is 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



Demand expected to nearly triple over next 20 years



2015

128.4m
Passengers
USD 72.5 Bn
GDP
6.8m
jobs

2035

366.4m
Passengers
USD 165.8 Bn
GDP
11.0m
jobs

Source: IATA Economics using data from TE/IATA Air Passenger Forecasts, Oxford Economics

Huge potential for Intra-Africa Connectivity



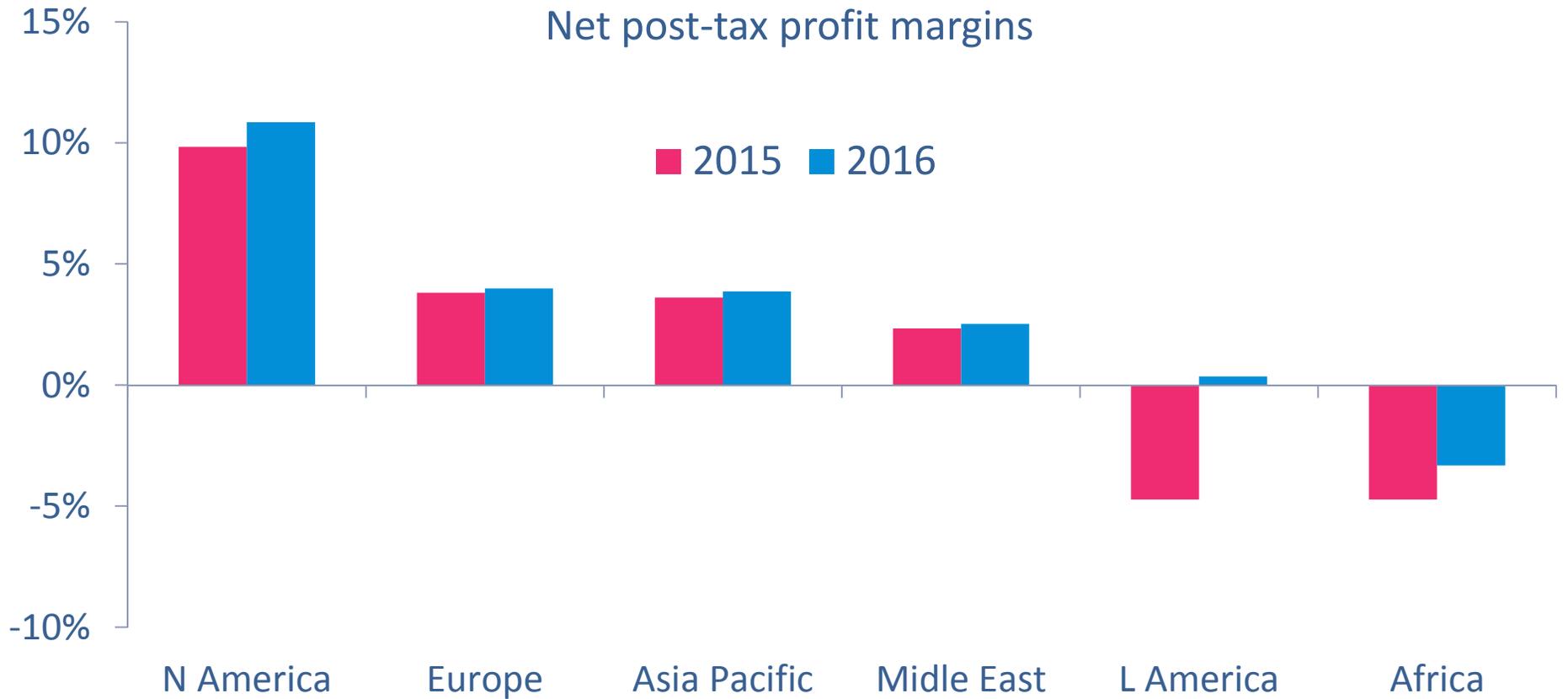
Source: SRS Analyzer

Mixed performance over past year



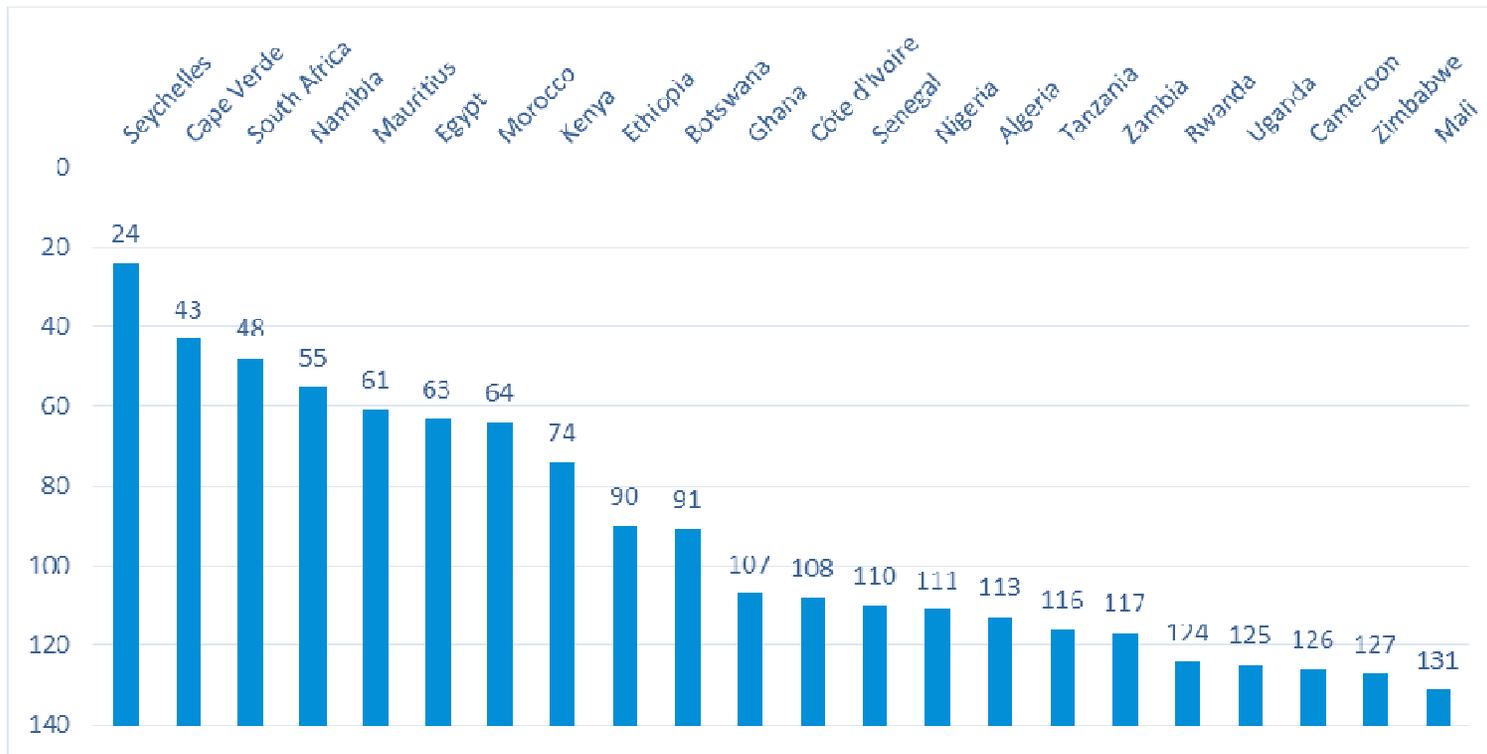
Source: IATA Economics based on SRS Analyzer

Airlines need to be profitable to invest in connectivity



Competitiveness affects ability to deliver value

Quality of Air Transport Infrastructure (Ranking / 140 countries)



Source: World Economic Forum

Cost competitiveness is a major challenge

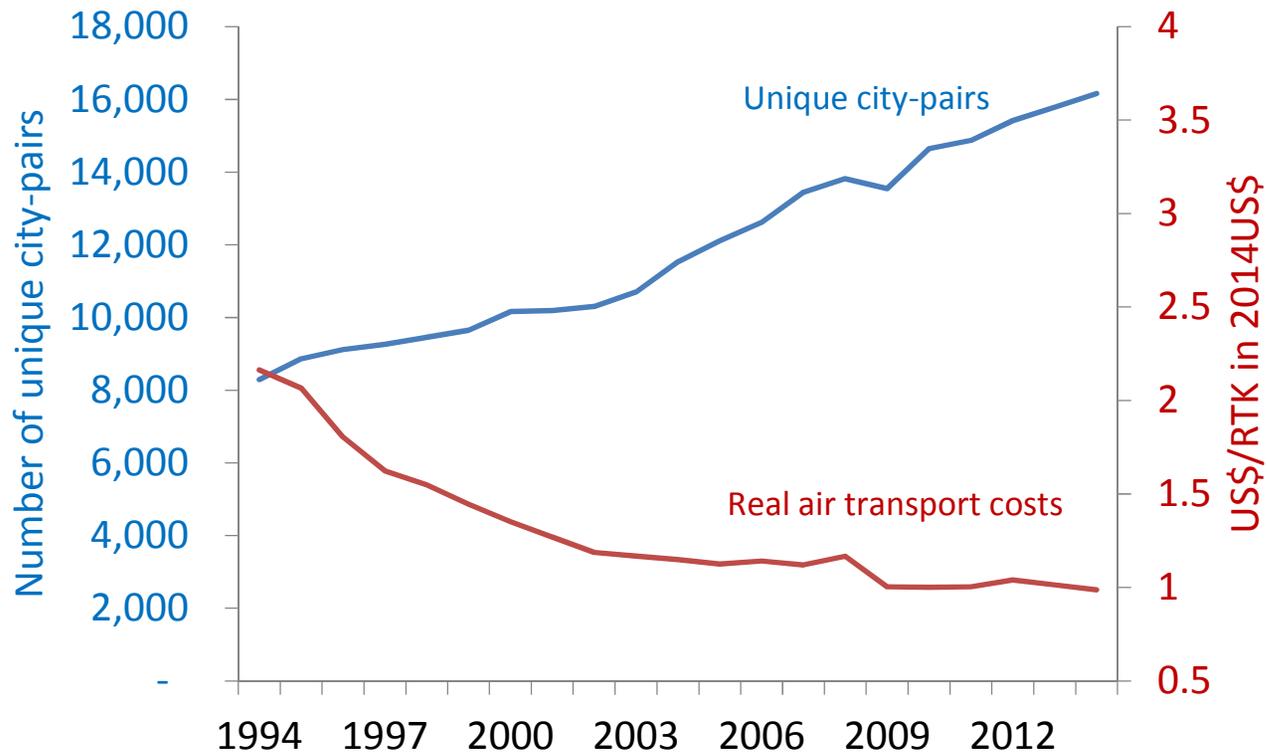
Quality of Air Transport Infrastructure (Ranking / 140 countries)



Source: World Economic Forum

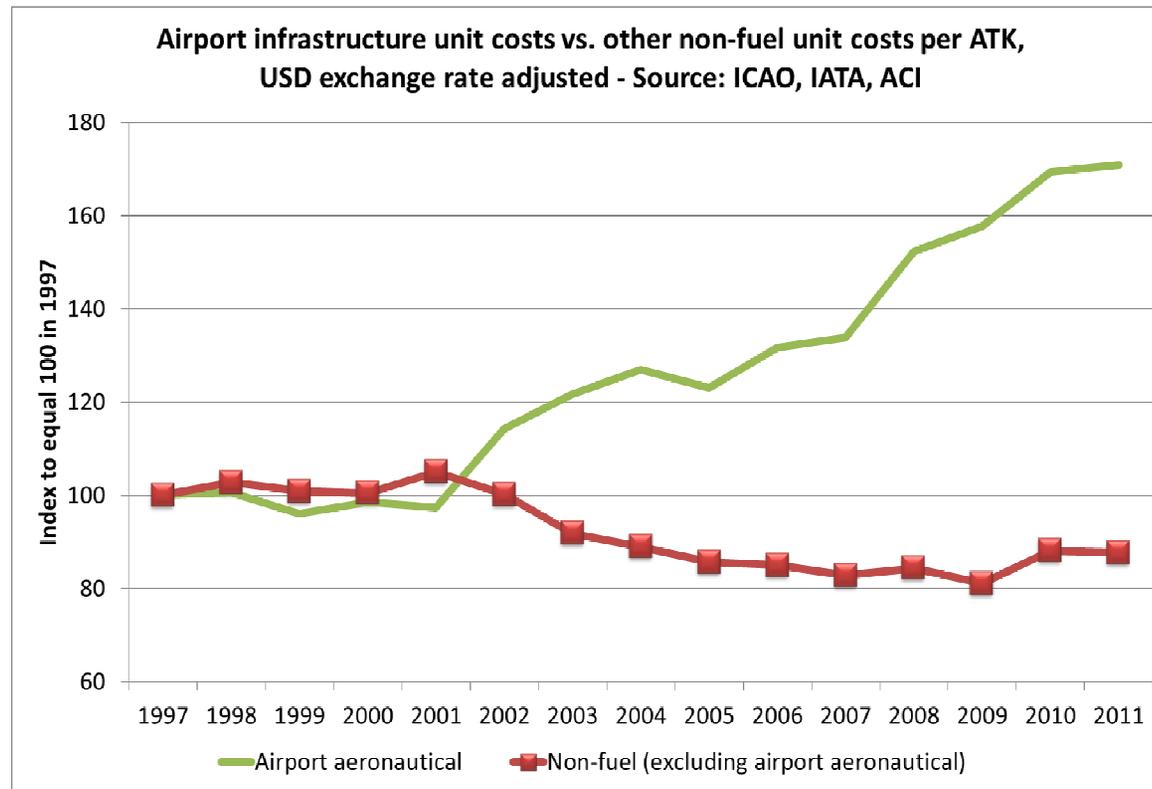
Airlines have a compelling consumer story to tell

Unique city-pairs and real air transport costs



Source: IATA, ICAO

Not the case across the supply chain



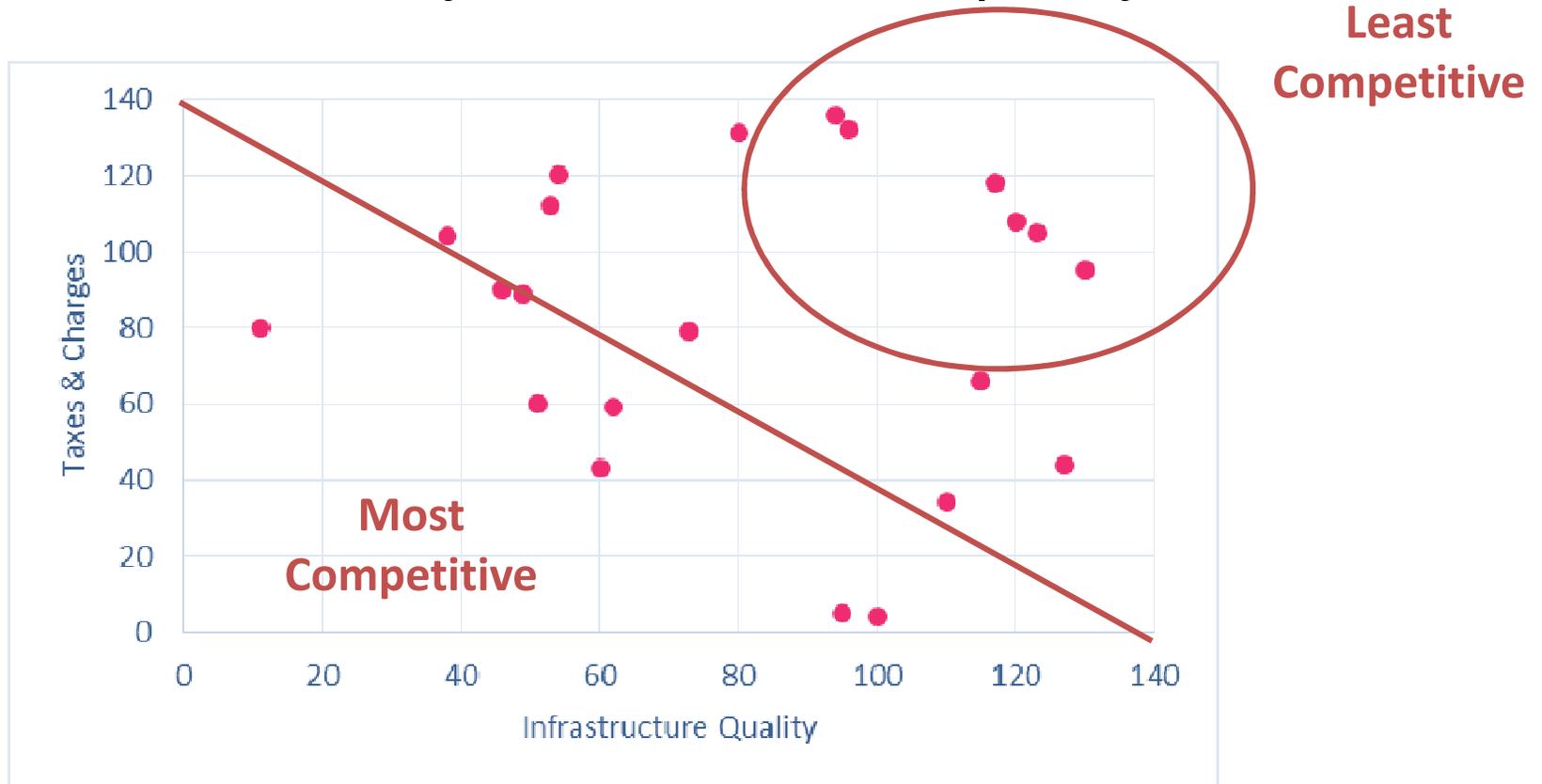
Price does not always translate into quality



Source: World Economic Forum

www.iata.org/ecr

Price does not always translate into quality

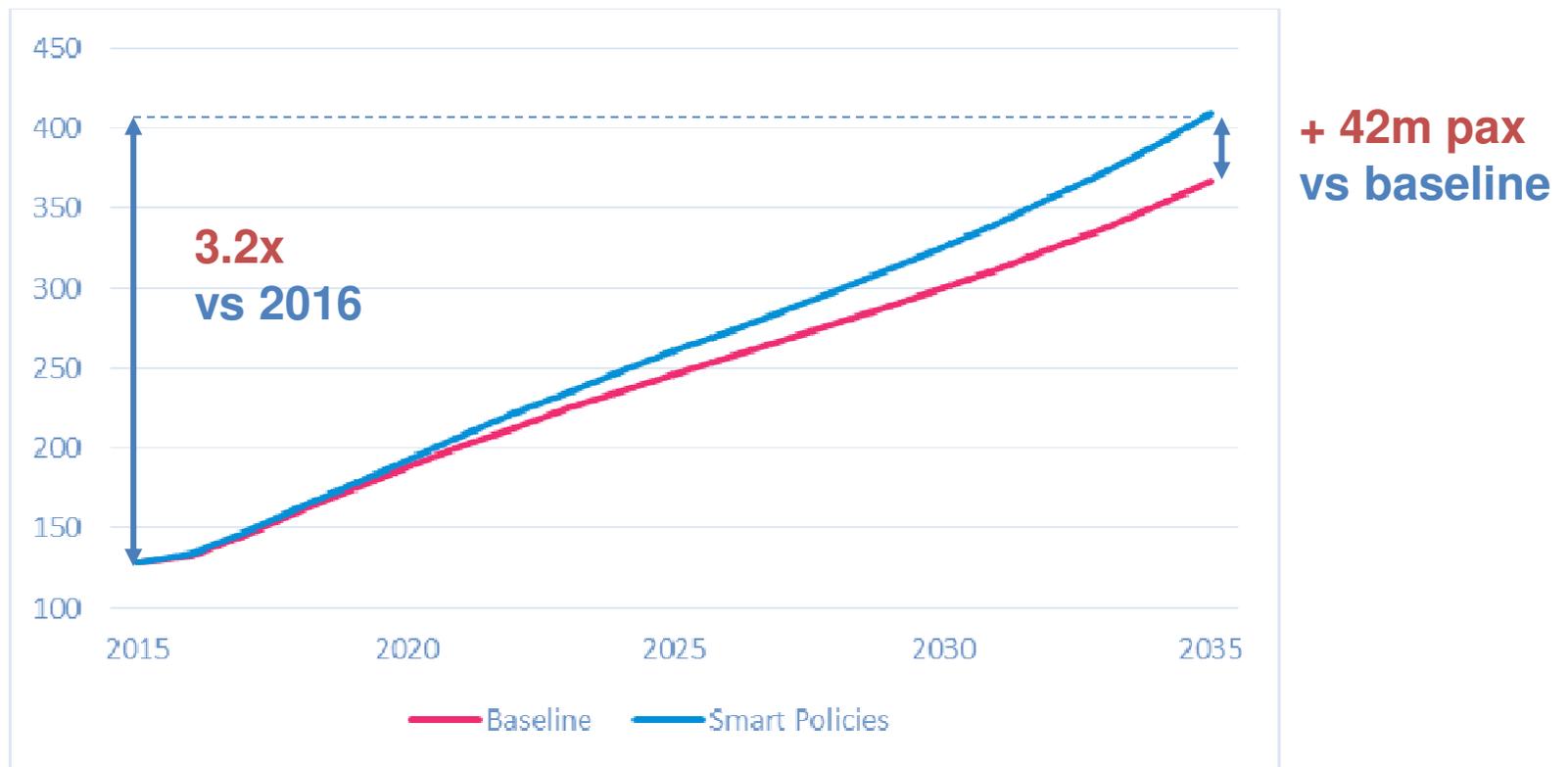


Source: IATA Economics based on World Economic Forum

Key Points

- Aviation drives huge economic value...
- ... expected to double over 20 years
- But growth in connectivity requires accommodating environment:
 - Cost competitiveness - taxes and charges
 - Infrastructure – master planning for cost-effective investment
 - Operating environment – implementing smart regulation

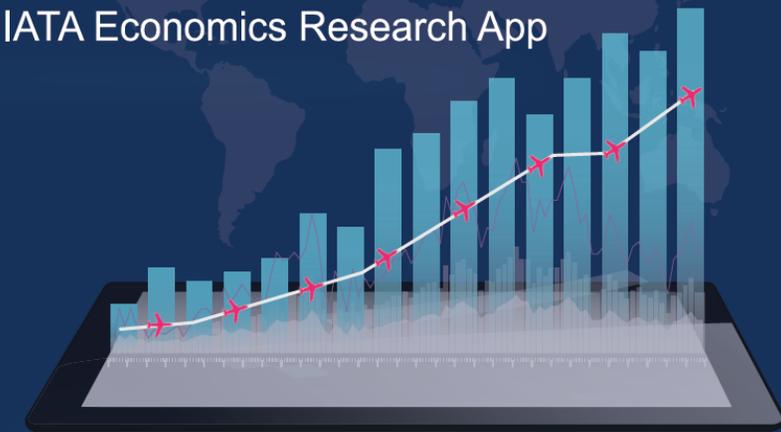
With the right policies, the potential is even greater



Source: IATA Economics using data from TE/IATA Air Passenger Forecasts, October 2016

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Maximizing the social and economic benefits of aviation



Creating the win-win-win environment

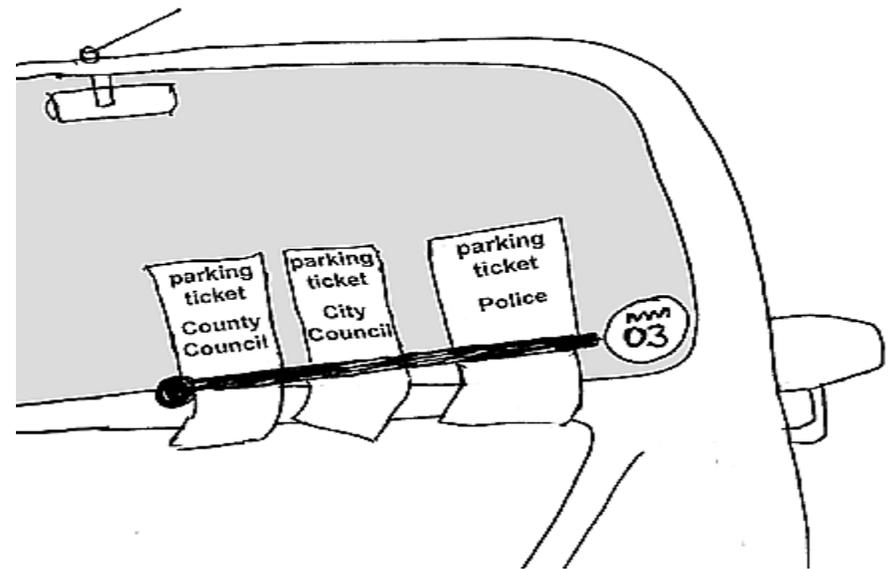
...an operating environment designed to allow airlines to fully deliver social and economic benefits by

- ✓ Implementing smarter regulation approach, harmonized with international standards and best practice
- ✓ The proactive removal of financial and operational costs

Smarter Regulation...

Principles of Policy Design:

- Consistency and coherence
- Proportionality
- Targeted at risk
- Fair and non-distortive
- Clarity and certainty



Smarter regulation...

Process Principles:

- Addresses a clear need
- Impact assessment
- Independent
- Inclusive
- Reduces compliance burden
- Regular Review
- Appeal



Examples of smarter regulation...

- ICAO core principles on consumer protection, balancing protection with airline sustainability
- Taxation legislation consistent with ICAO policies (Doc 8632)
- Allowing airlines to convert and repatriate funds in a timely manner
- Ratification of international treaties such as MC99 and MP14
- Implementing API/PNR requirements consistent with ICAO standards



Key policy directions for the African single air transport market

Taiwo Peters

Member & External Relations, Africa

AVIATION: AFRICA'S LIFELINE

- Over 1.2 billion people
- Pax numbers forecasted to grow to 366m by 2035
- GDP Growth over 20% over next 20 years
- 7 of the 13 fastest growing economies are in AFI
- Young population/growing middle class
- Intra-Africa trade only 12-15%



Connectivity ...

is the key condition for
Africa's progress and
transformation!



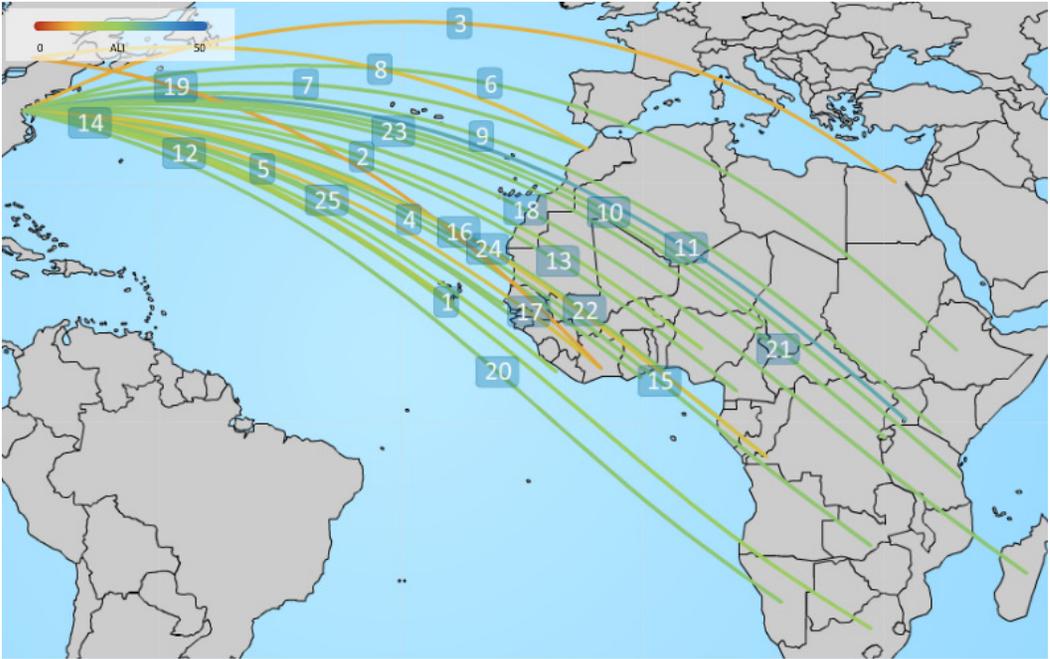
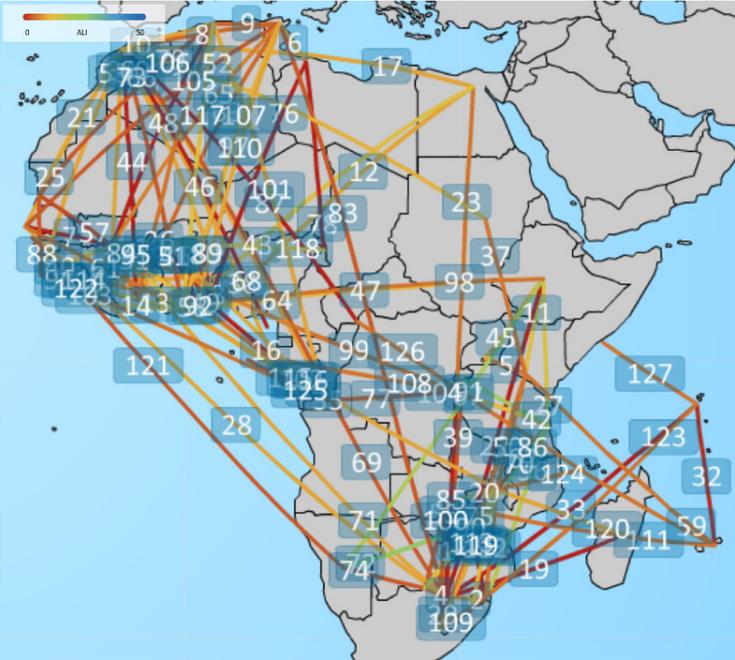
The challenge is to fill in the white spaces



Source: SRS Analyser, IATA Economics November, 2015



Lack of access to intra-African markets is a key issue



Source:
WTO Air Services Agreement Projector



Drivers for African Aviation Sustainability

- Safety and Security
- Infrastructure
- Connectivity and Competitiveness
- Environment
- Taxes and Charges
- Human Resources



Drivers for African Aviation Sustainability

➤ Connectivity and Competitiveness



AFRICAN UNION		UNION AFRICAINE
الاتحاد الأفريقي		UNIÃO AFRICANA
P. O. Box 3243, Addis Ababa, ETHIOPIA Tel.: (251-11) 5182402 Fax: (251-11) 5182400 Website: www.au.int		

ASSEMBLY OF THE UNION
Twenty-Fourth Ordinary Session
30 – 31 January 2015
Addis Ababa, ETHIOPIA

**SOLEMN COMMITMENT BY AFRICAN UNION
MEMBER STATES TO THE IMPLEMENTATION OF
THE YAMOUSSOUKRO DECISION TOWARDS THE
ESTABLISHMENT OF A SINGLE AFRICAN AIR
TRANSPORT MARKET BY 2017**

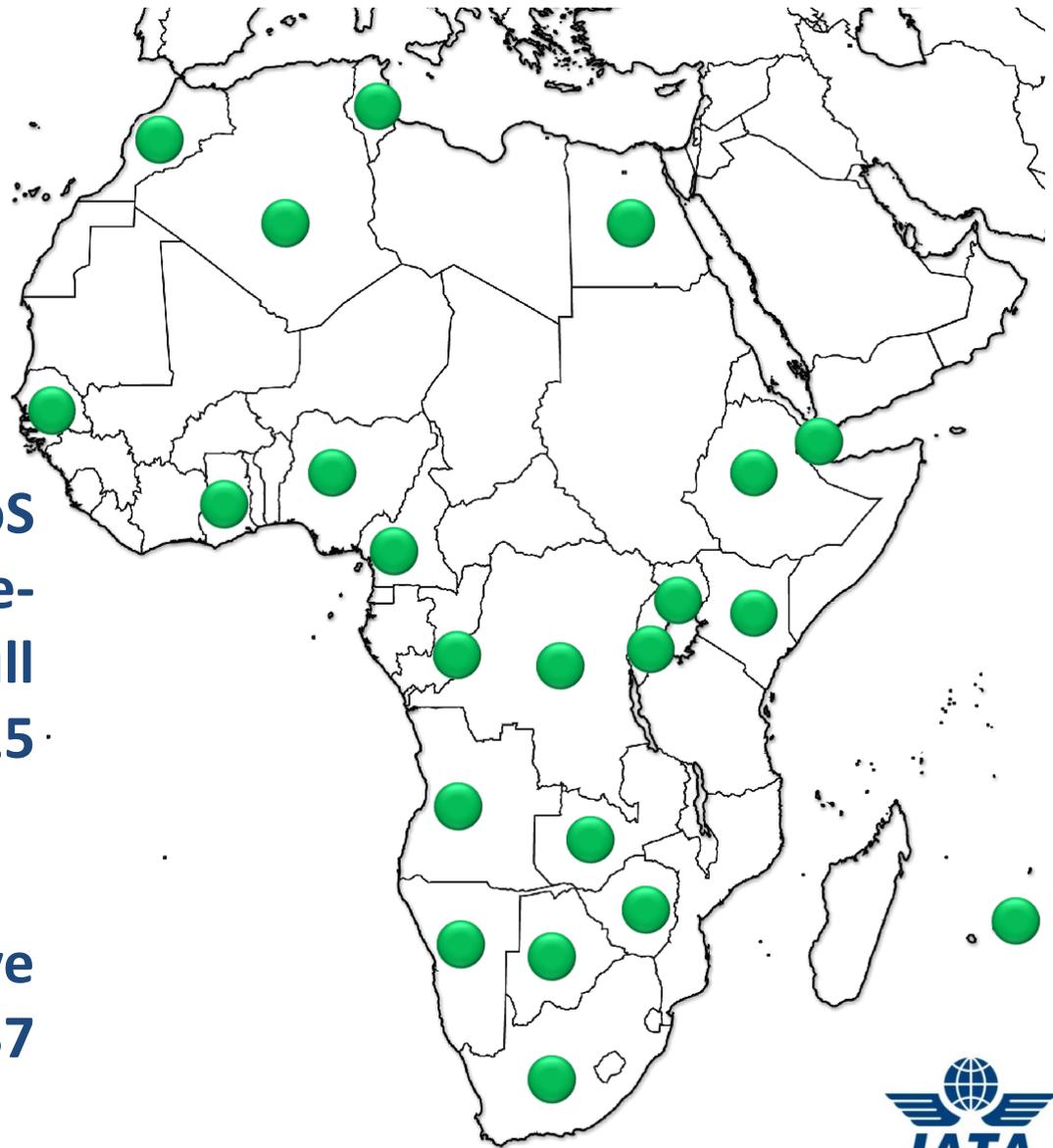
List of Countries

1. Benin
2. Botswana
3. Cape Verde
4. Congo Republic
5. Cote d'Ivoire
6. Egypt
7. Ethiopia
8. Gabon
9. Ghana
10. Kenya
11. Nigeria
12. Rwanda
13. Sierra – Leone
14. South Africa
15. Zimbabwe



Spreading the message...

- At the 2015 AU HoS Summit, 11 AFI States re-committed to full implementation of YD – 15 states now.
- Over 20 new routes have opened so far in 2016 (37 in 2015)



REPUBLIC OF
MINISTRY OF FOREIGN AFFAIRS

REF:

**Re: Implementation of the Yamoussoukro Decision (YD) 1999 and
Establishment of a Single Air Transport Market in Africa by 2017.**

The Ministry of Foreign Affairs of the Republic of presents its compliments to the African Union Commission in Addis Ababa, Ethiopia, and has the honour to acknowledge receipt of the Latter's Note of 26 February 2015.

The Note has informed the Government of decisions reached at the Twenty-Fourth Ordinary Session of the Assembly of the Union held in Addis Ababa, Ethiopia, in January 2015, concerning the Full Implementation of the Yamoussoukro Decision on Liberalization of Air Transport Markets in Africa, and the Establishment of a Single African Air Transport Market by 2017.

Considering African integration and the socio-economic impact of the said declarations, the Ministry wishes to inform that our Government is fully committed to participating in, and implementation of the Decisions.

Accordingly, kindly include our State as part and parcel of the Decisions/Declarations immediately and without any reservations whatsoever.

The Ministry of Foreign Affairs of the Republic of avails itself of this opportunity to renew to the African Union Commission the assurance of its highest consideration.

**The African Union Commission
Addis Ababa, Ethiopia**



Immediate measures...

- Publish or Gazette State commitment to immediately implementing the YD in accordance with national laws.



Immediate measures...

- Notify other State Parties that their skies are liberalized in accordance with the YD.



Immediate measures...

- Review of BASAs to ensure conformity with the YD.



Immediate measures...

- Propose to AFCAC at least one airline established in their state for International Air Services.



Immediate measures...

- Constitute a National Implementation Committee for the YD and designate a dedicated focal point and notify the RECs and the Executing Agency – AFCAC.



Raising Awareness...

- Organize public awareness activities/advocacy on YD and the Single African Air Transport Market.
- Celebrate the YD (1999) on the anniversary of its signing on 14 November.



AFCAC – Executing Agency



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





Thank you



to represent, lead and serve the airline industry