



Update on the Single Africa Air Transport Market

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**Advocacy and Strategic Relations
Africa, IATA**

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

Aviation Benefits in Africa

Air transport supports 6.2 million jobs and \$55.8 billion in African economic activity. That is 1.8% of all employment and 2.6% of all GDP in African countries.

Jobs and GDP supported in Africa

JOB TOTAL		GDP TOTAL
6.2 m		\$55.8 bn
4.9 m	Tourism catalytic	\$35.9 bn
248,000	Induced	\$2.8 bn
601,000	Indirect	\$6.8 bn
415,000	Aviation direct	\$10.3 bn



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98 million
passengers



1,130,000
flights

349
commercial
airports

161
airlines

36
air navigation
service providers

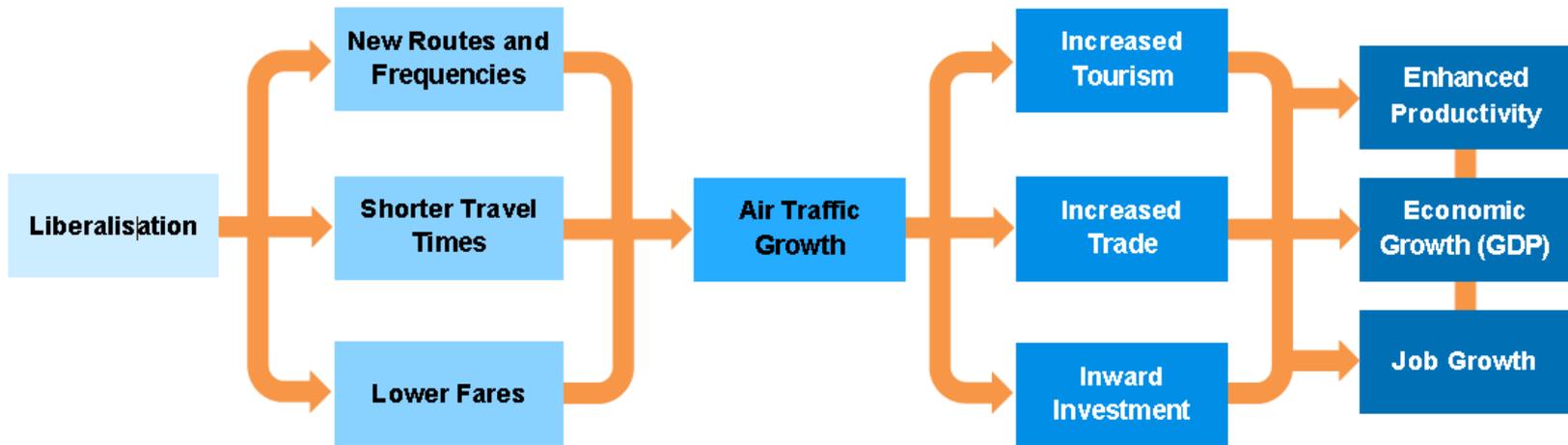




IATA and SAATM

1. Dedicated focus on Africa
2. Strategic team for Africa
3. Support to AFCAC, AFRAA and AU – 12 country study on benefits of Aviation and liberalization/Value of Aviation campaigns
4. Joint Advocacy from 2014 leading to launch of SAATM





SAATM – Transforming lives and economies...

A. What is the SAATM?

The **Single African Air Transport Market** (“SAATM”) will ensure aviation plays a major role in connecting Africa to help support its social, economic and political integration and boost intra-Africa trade and tourism. It is one of the twelve flagship projects of the African Union Agenda 2063. The Single African Air Transport Market was established and launched during the 30th Ordinary Summit of the African Union Assembly of Heads of States and Government held in Addis Ababa, Ethiopia from 28th to 29th of January, 2018.

The Single Market started off from the Yamoussoukro Declaration¹ (adopted in 1988) and the Yamoussoukro Decision² (adopted in 1999). Both of them address the



will of African Heads of State and Governments to liberalize aviation within Africa. The evolution from the Yamoussoukro Decision³ to the Single Africa Air Transport Market is due in large part to the strong leadership of the African Union and the support of the African Civil Aviation Commission.

If African nations and airlines don't fully embrace the Single African Air Transport Market for the benefit of Africa, then the continent, its people and its airlines are unlikely to reach their full potential.

What is the SAATM?

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- The SAATM is an initiative that fully promotes the free exercise of the first, second, third, fourth and fifth Freedoms of the Air.
- When the SAATM is fully operational, an “eligible” airline or air carrier from one African country can simply fly into another African country’s airspace and land on its territory using only a simple prior notification procedure.
- So far, twenty-seven (27) countries are currently subscribed to the SAATM solemn commitment.



Prioritized SAATM Action Plan 2018-2019 with six key Pillars

Pillar 1: Advocacy for the effective implementation of the SAATM

Pillar 2: Enhancing the SAATM Regulatory Text:
Harmonization and domestication of existing text

Pillar 3: Operationalization of the SAATM

Pillar 4: Planning for future growth: Ground and Air Infrastructure

Pillar 5: Enhancing Safety and Security

Pillar 6: Financing the aviation industry



IATA support for Prioritized SAATM Action Plan 2018-2019

Pillar 1: Advocacy

Joint Advocacy on benefits of SAATM through studies, campaigns, workshops and focus groups across States and Airlines

Pillar 3: Operationalization of the SAATM

Joint Airlines workshops/coordination meetings for better cooperation between African airlines, on opportunities for airlines under SAATM, on input and support for SAATM Regulatory texts and other relevant issues.

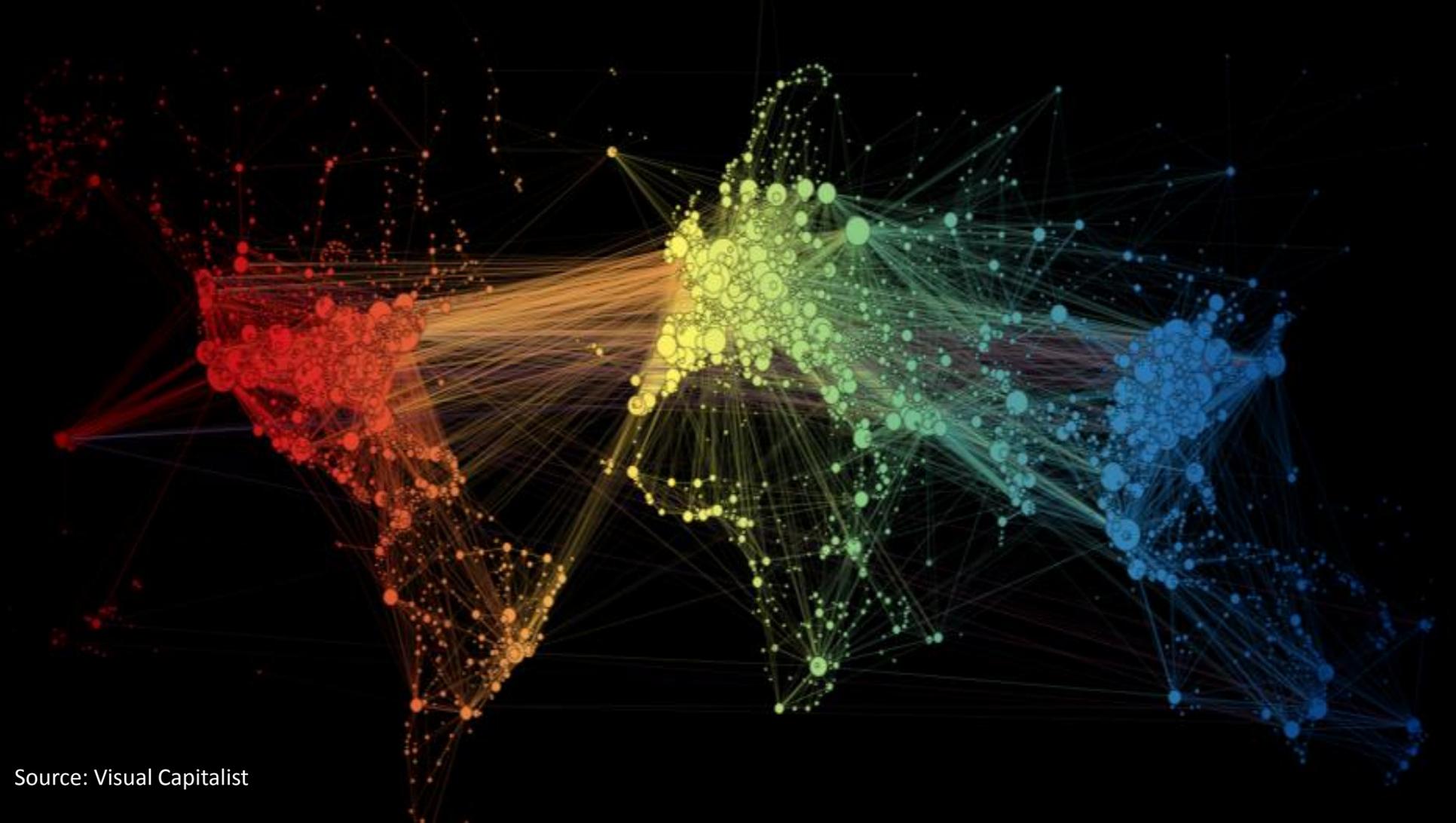
Joint advocacy of ICAO policies on Taxes, Charges and Fees and on ratification of international treaties

Pillar 4: Planning for future growth: Optimized Infrastructure on Ground & Single African Sky

Pillar 5: Enhancing Safety and Security – Technical Assistance for eligible airlines to meet the IOSA certification

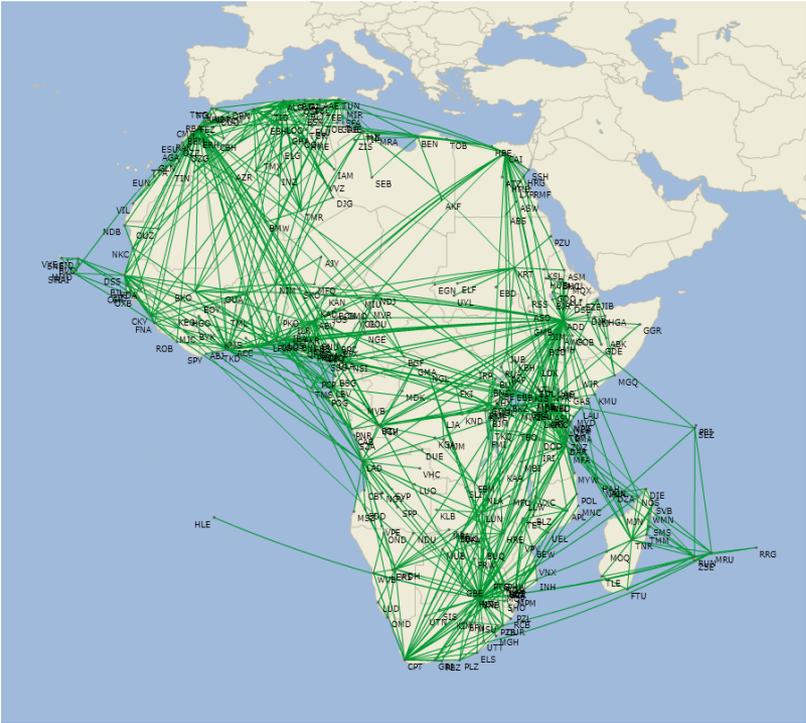
Pillar 6: Financing the aviation industry –Support to AfDB on elaboration of appropriate mechanism on African Airline Financing, Institutional Architecture and Training & Capacity Building





Source: Visual Capitalist

Intra-Africa route network Dec. 2014



Intra-Africa route network Dec. 2018

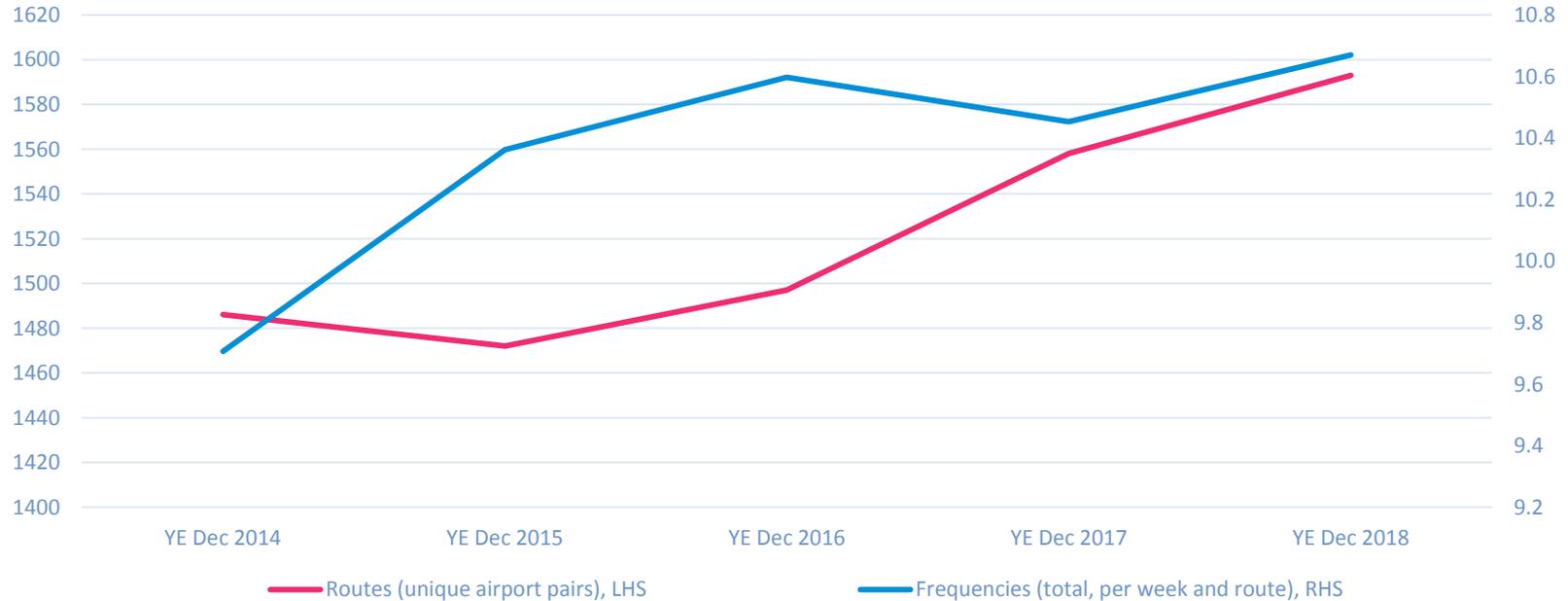
Intra-SAATM route network 2014



Intra-SAATM route network 2018

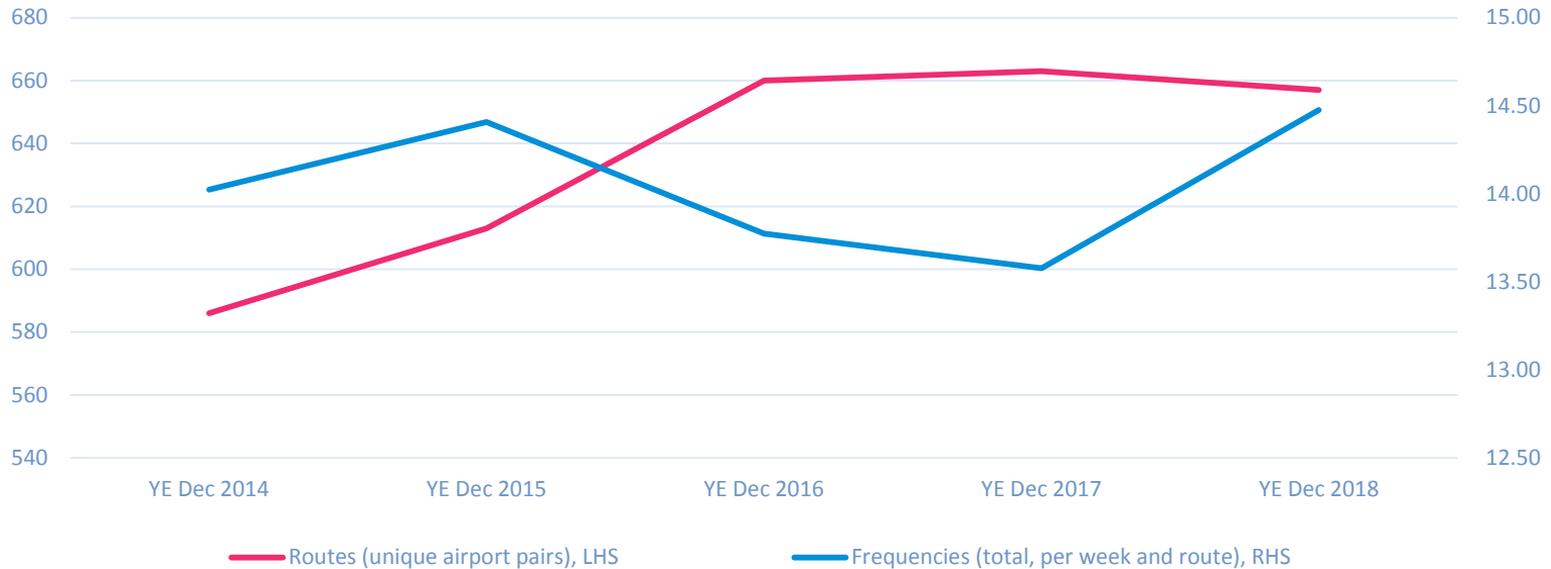
Intra-AFI Routes and frequencies ... growing?

Intra-Africa unique airport pairs and frequencies of flights



Within SAATM, the trend is positive as well

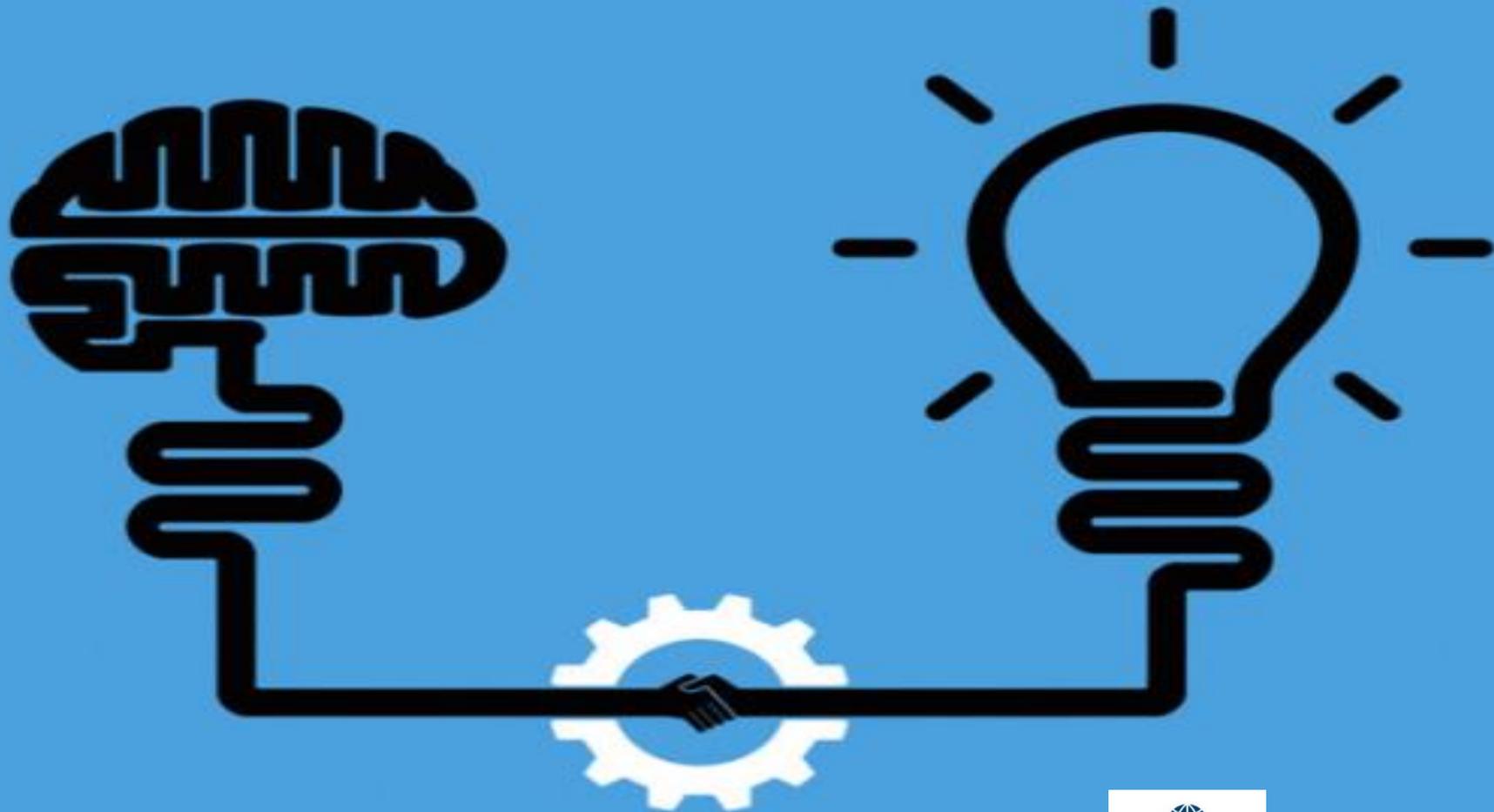
Intra-SAATM unique airport pairs and frequencies of flights



Big picture for SAATM

1. Continuous improvement in Safety and Security
2. Regulatory & policy harmonization
3. Optimized infrastructure – ground and air
4. Ease of intra-African mobility (Visas/customs)
5. Reduce Taxes and Charges - competitiveness
6. Human capacity development
7. Multi-sector collaboration
8. Non physical barriers to SAATM



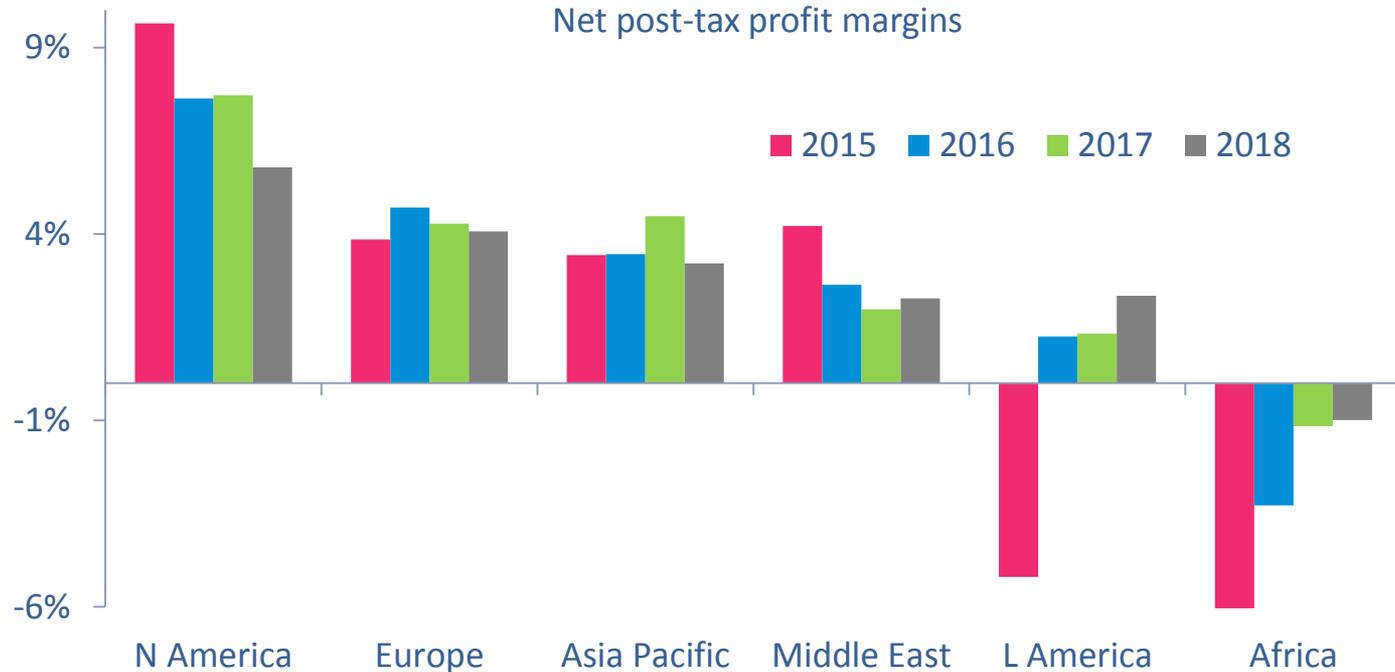


Operationalisation of SAATM – Next Steps

1. Mandate from Joint Africa Aviation Group on SAATM Operationalization
2. Continued Advocacy jointly with AFCAC, AFRAA on benefits of SAATM etc.
3. Industry support/input to enhance YD Compliant ASA templates
4. Addressing issues of African Airline Financial Health
5. Promoting African airline cooperation
6. Suggestions for practical implementation of SAATM
7. Training/Capacity Building



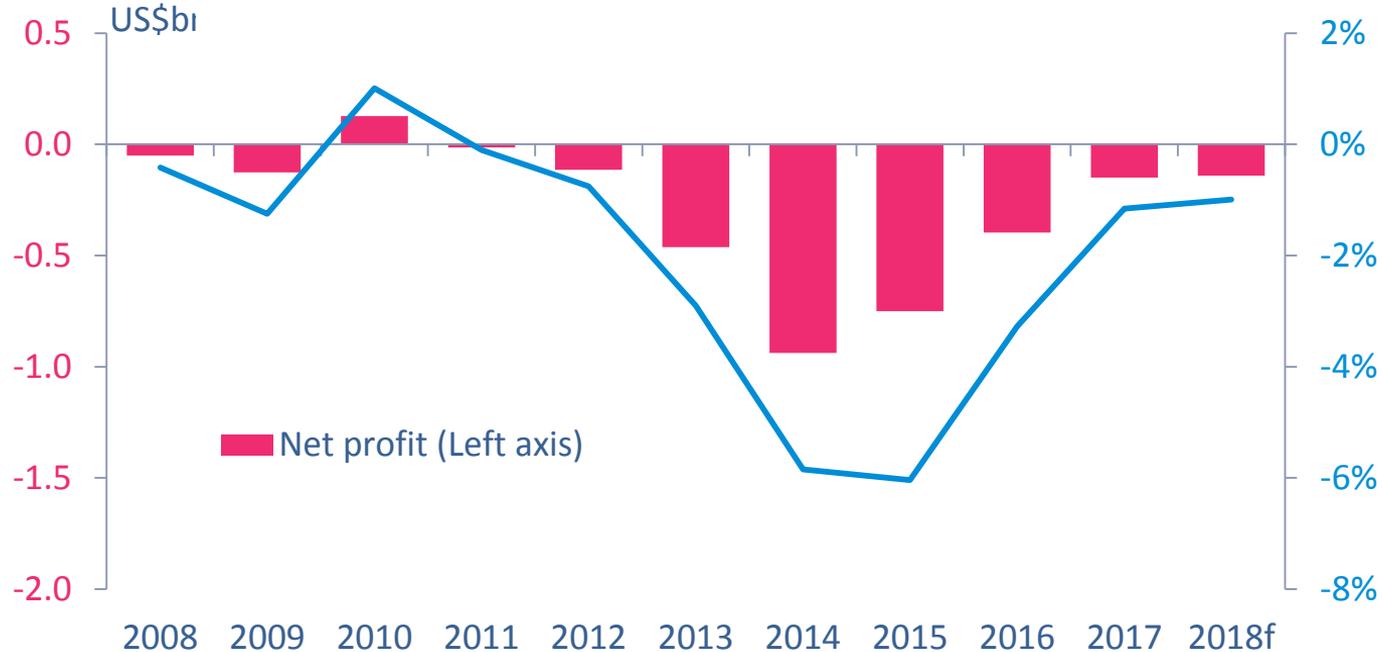
Regional profitability remains very uneven



Source: IATA Economics using data from ICAO, The Airline Analyst, IATA forecasts



Regional (net) profitability – Africa



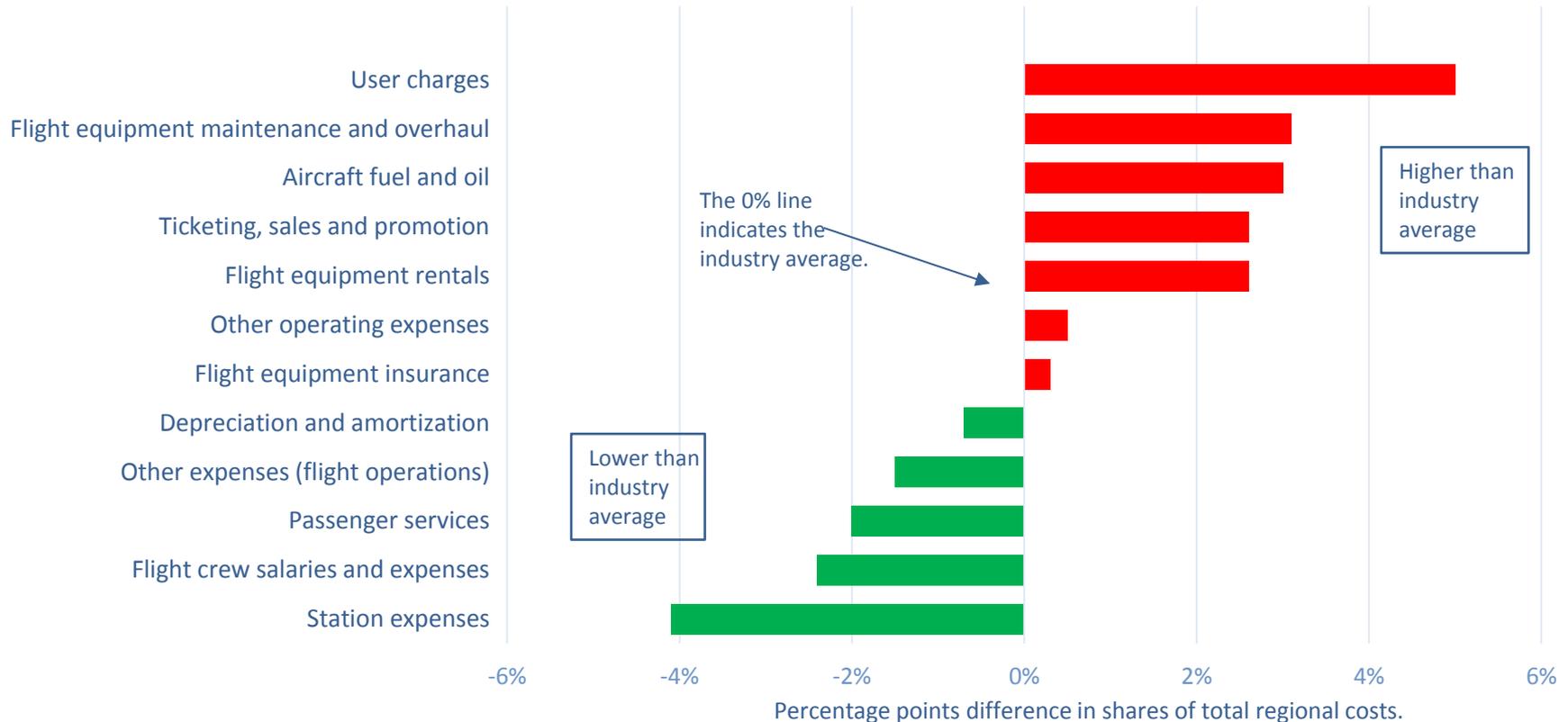
Source: IATA

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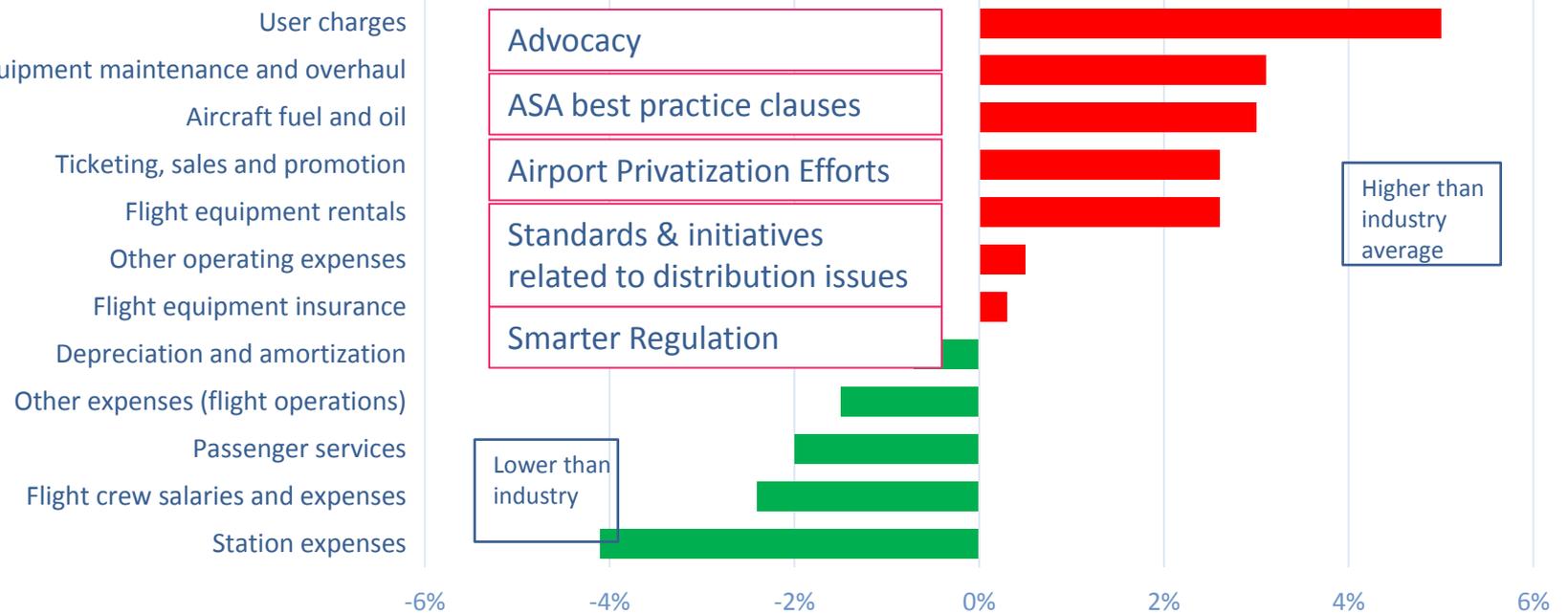
Airline Cost Drivers in Africa

Differences in cost sources: Africa vs Industry



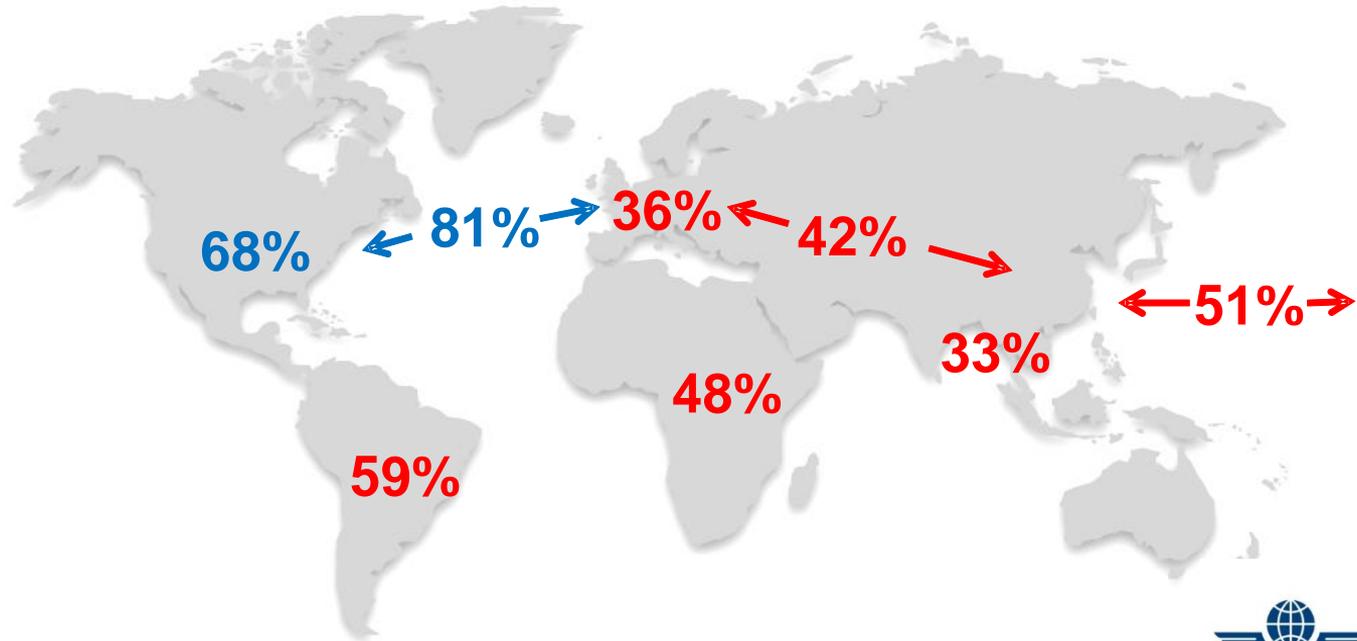
How IATA initiatives impact cost-drivers in Africa

Differences in cost sources: Africa vs Industry



Percentage points difference in shares of total regional costs.

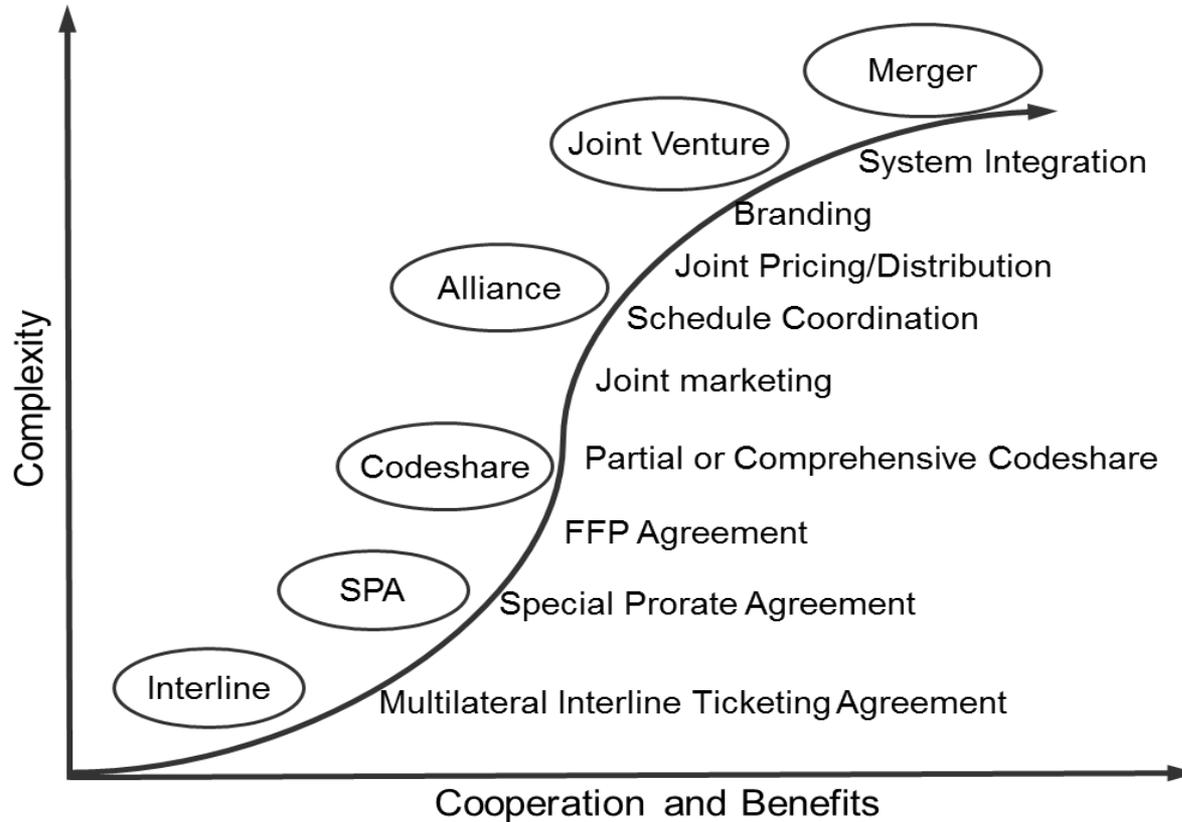
Fragmentation limits economies of scale: Very limited cooperation between African carriers



Source: SRS Analyser



The opportunities for African Airlines





Demand for air travel to double over the next 20 years



Source: IATA/Tourism Economics

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CORSIA will apply from 1 January 2019



A

MONITORING, REPORTING AND VERIFICATION OF CO₂ EMISSIONS

Applies to **all** aeroplane operators (with some minor exemptions) with international routes and **all** ICAO States globally from 2019.



B

OFFSETTING THE GROWTH OF CO₂ EMISSIONS

Applies to aeroplane operators flying on included routes between ICAO States from 2021.



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For more information on CORSIA

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CORSIA

IS YOUR AIRLINE READY?



Thank you

