



SAATM, a New Deal for a Sustainable Air Transport in Africa

Presented by AFCAC

May, 2022



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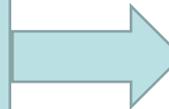
4 Recommendations



The Assembly of Heads of State and Government of the AU adopted Declaration (Assembly. Doc./Au/Decl.1 (XXIV)) on the creation of SAATM in 2015 and on 29th January 2018 launched the SAATM

The YD aims at:

- Eliminating non-physical barriers that hamper the sustainable development of air transport services;
- Creating a conducive environment for the development and provision of safe, reliable and affordable air transport services;
- Establishing a liberalized intra-African aviation market in relation to traffic rights, capacity, frequency, pricing etc
- Enhancing cooperation among African airlines; and
- Improving the quality of service to the consumers.



SAATM seeks to:

Create one single air transport market in Africa, liberalize civil aviation on the continent and drive economic integration.



Benefits of SAATM

Projections based on the full implementation of the SAATM:

- Intra-Africa traffic volume will increase by 51%,
- Average fare levels are to decline by 26%, providing fare savings of US\$ 1.46 billion per annum
- Enhanced connectivity - Additional 145 country-pairs receiving direct service
- Frequencies on existing routes to increase by 27%.
- Stimulate additional 96,440 jobs in aviation and supporting industries, generating US\$ 1.1 billion per annum in GDP for the continent.
- 10% increase in international air services would increase a country's GDP by 0.07% - IATA/InterVistas Consulting



Specific Benefits of SAATM



Using future traffic forecasts and economic impact assumptions from ICAO, In 2038 - Embraer - NOVEMBER 2019

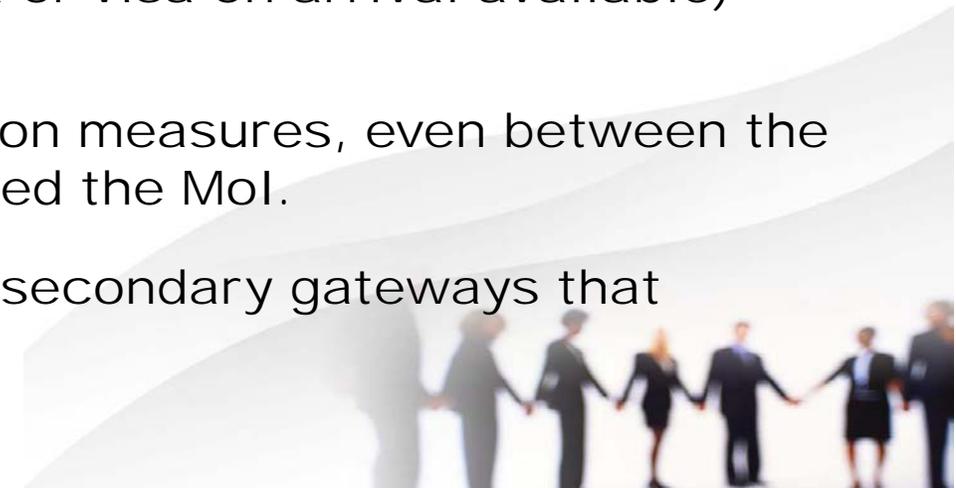
- South African aviation is expected to employ 240,000 workers and provide up to 3.5 million summing the indirect jobs and the catalytic effects of tourism. Air transport will generate US\$6.5 billion directly for the national economy and account for up to US\$35.3 billion of associated economic activity
- The derived economic effect on Kenya would be US\$6.0 billion in GDP contribution and the creation of 650,000 jobs in 2038. Some 50,000 jobs would be directly associated with airline operations. Direct economic impact is estimated at US\$1.1 billion.
- Morocco aviation is expected to employ 100,000 workers and provide up to 2.9 million summing the indirect jobs and the catalytic effects of tourism. Air transport will generate US\$1.5 billion directly for the national economy and account for up to US\$24.5 billion of associated economic activity
- Nigeria aviation could generate 800,000 jobs of which 60,000 would be directly associated with airline operations. The industry would contribute some US\$1.3 billion to GDP. That number would rise to US\$7.2 billion when factoring the induced and indirect catalytic effects of tourism.



CHALLENGES OF SAATM IMPLEMENTATION



- High taxes, charges and fees on aviation in Africa accounting for a great portion of fare prices
- Airline operating costs are very high, mainly due to their high exogenous costs (fuel cost, ground services, aircraft financing, etc.)
- Limited access to financing for African airline development (purchase or lease of aircraft)
- Restrictive visa policies - 75% of African population need a visa to travel, of which more than 40% require a traditional visa (no eVisa or visa on arrival available) -
UNWTO Visa Openness Report
- Unequal pace in the implementation of liberalization measures, even between the countries that have committed to SAATM and signed the MoI.
- Limited infrastructure development, especially of secondary gateways that complement country's main airport in the capital



Recommendations

SAATM is Critical to the long-term development and robustness of air transport markets

- Greater collaboration and coordination is required in order to unlock intra-regional market potentials
- Liberalized air services should be complemented with reforms in visa regimes to help the market become more accessible - *RWANDA experience*
- Eligible African airlines should test the functionality of the market within the 35 SAATM member States
- States to sign and implement the SAATM



THANK YOU!

