



AIR TRANSPORT OUTLOOK 1st QUARTER 2019

“Better Skies for Africa”

Release date : August 2019





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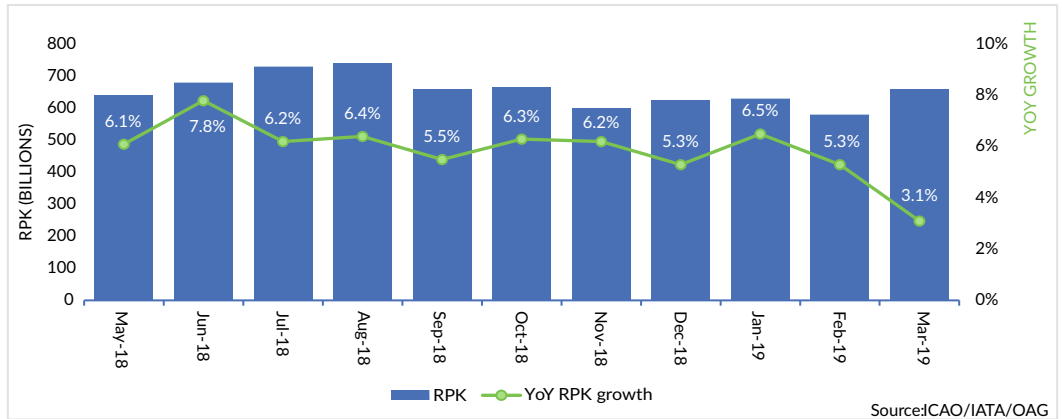
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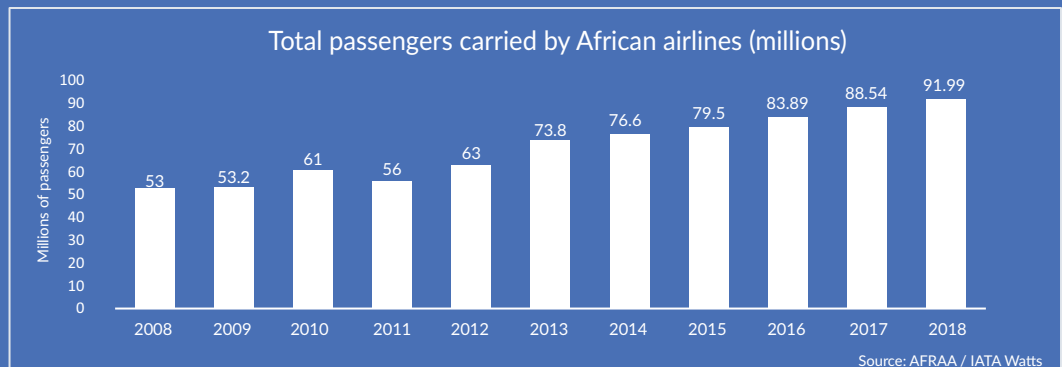
Global airline industry performance

Airline industry performance

World passenger traffic average growth for the first Quarter of 2019 is around 4.2% compared to an average of 7.2% in the same period 2018 (ICAO). According to IATA, from January to March 2019, Europe, Latin America and Asia Pacific have the highest contribution to global traffic growth in respective order. Profitability is also decreasing in the first quarter of 2019 due to a weak performance in Europe.



African airline traffic evolution



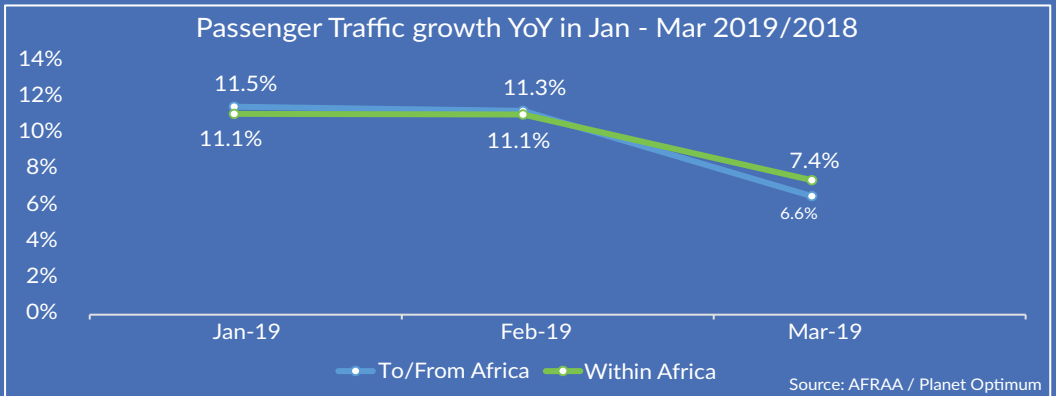
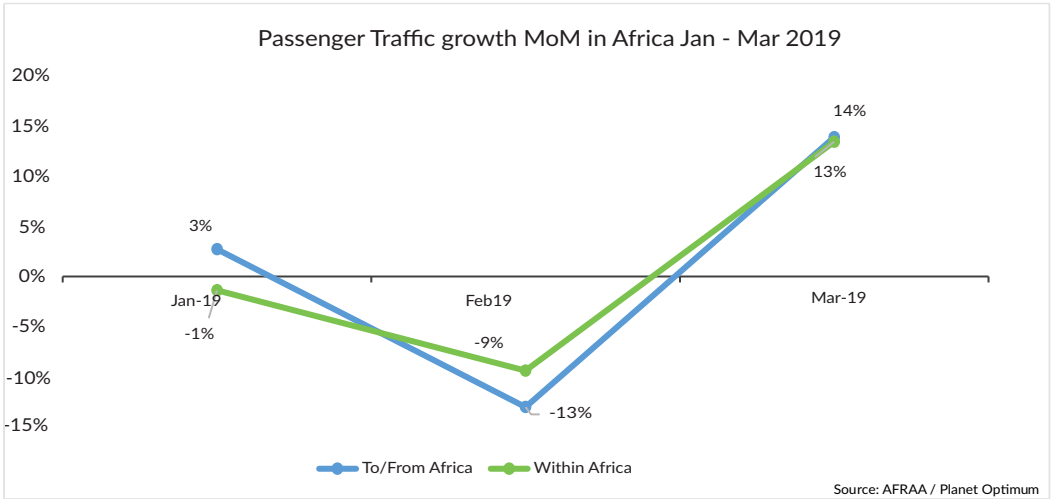
The number of Passengers carried by African Airlines for 2018 is 91.99 million. According to IATA WATS, the RPK and FMTK YoY growth are respectively 6.1% and 0.5%.

From January to March 2019, African airlines carried 23.5 million passengers (AFRAA estimations).

African Airline industry performance January – March 2019

Passenger traffic growth

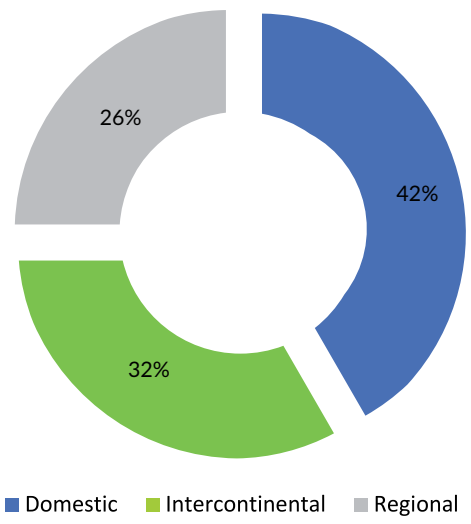
The average growth rate for the period Jan – March 2019 is 1.04% compared to 2.03% in 2018. The peak month of the 1st quarter is March.



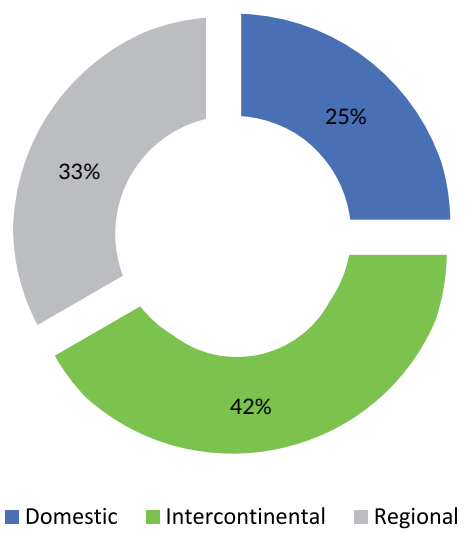
The average growth rate 2019/2018 is 9.87%. The drop down in March may be explained by the fact that in 2018, Easter was celebrated in March, involving more traffic in this month, unlike 2019 where it was held in April.

Passenger Distribution

African airlines passengers Distribution Jan -Mar 2019

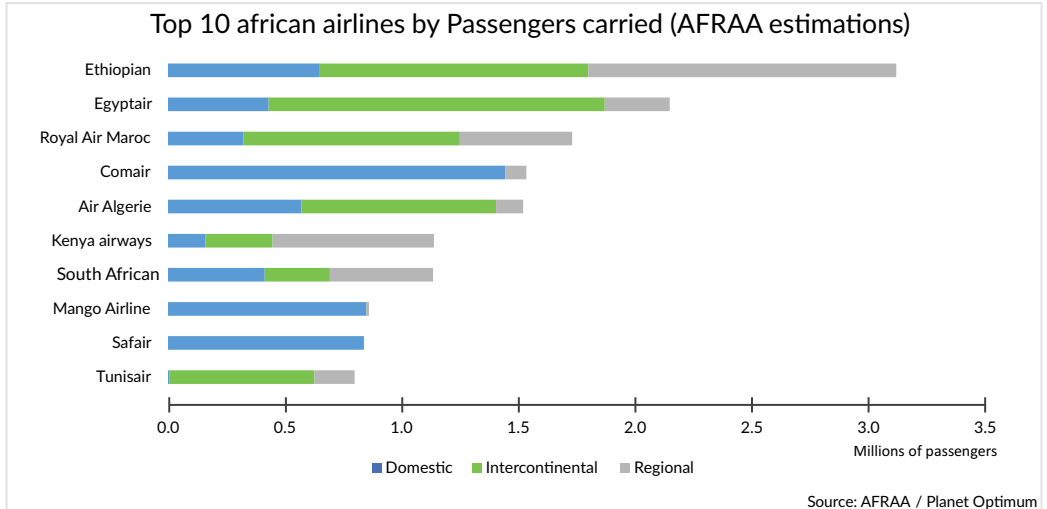


AFRAA airlines passengers Distribution Jan -Mar 2019

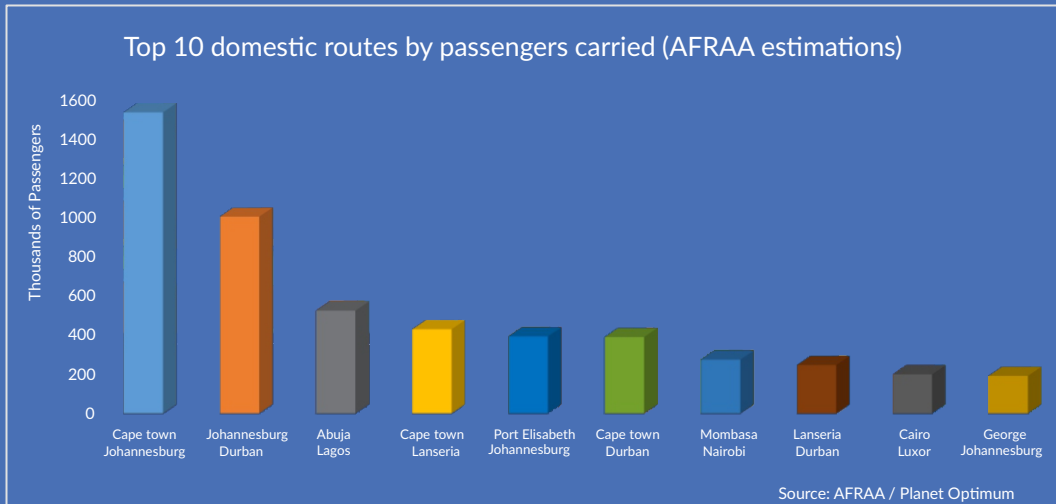


For AFRAA Airlines, the intercontinental traffic is dominant with 42% as most of the major carriers are members, carrying an important part of the intercontinental traffic. When considering all African airlines, the domestic traffic is the most important with companies like Comair, Safair and Mango airlines, carrying more than 3.43 million passengers on South African domestic market in this first quarter.

African airlines ranking by traffic (Jan - Mar 2019)

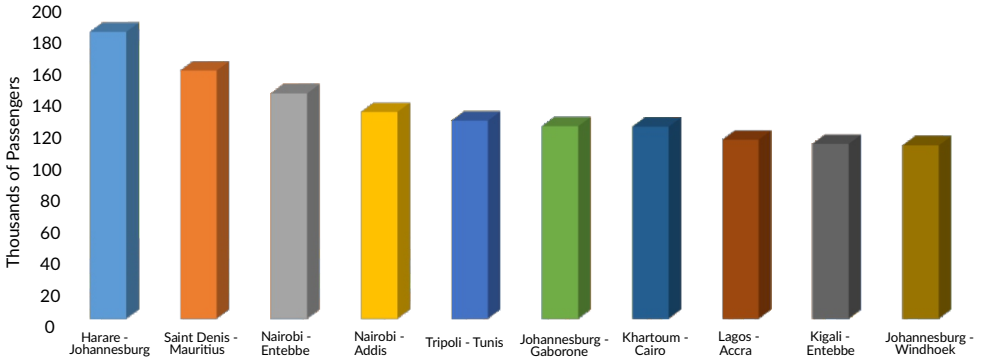


Routes ranking by traffic



7 of the 10 busiest domestic routes in Africa are within South Africa showing the strength of this market. Western Africa is represented with the route Abuja - Lagos.

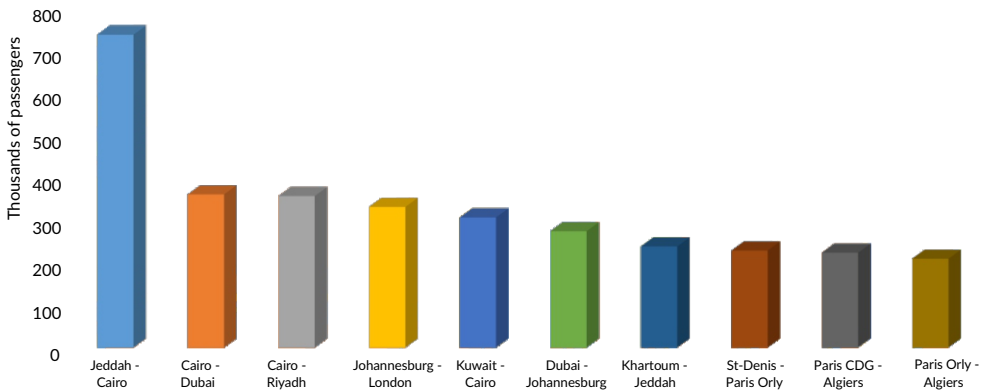
Top 10 regional routes by passengers carried (AFRAA estimations)



Source: AFRAA / Planet Optimum

Eastern and Southern Africa are performing in terms of regional passenger traffic. WCAF francophone countries are not represented in this ranking.

Top 10 intercontinental routes by passengers carried (AFRAA estimations)

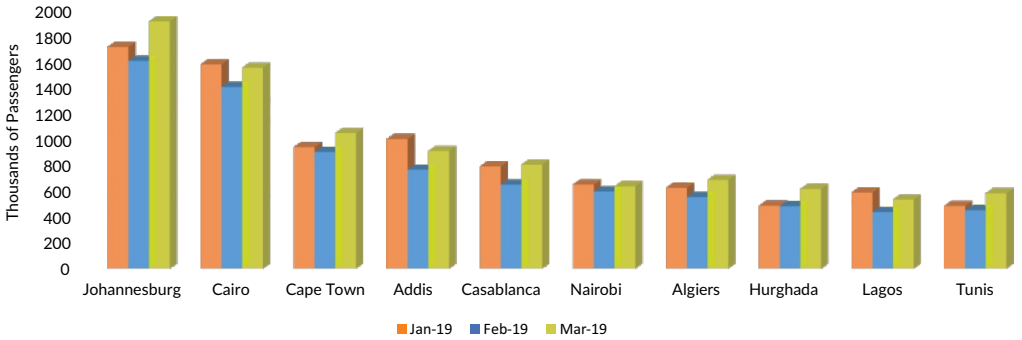


Source: AFRAA / Planet Optimum

This top 5 shows the strength of traffic between North-Africa and Middle-East, particularly from Cairo. Egyptair is the leading carrier on these routes.

Airport Ranking by Passengers Traffic (Jan – Mar 2019)

Top 10 African airports by passengers



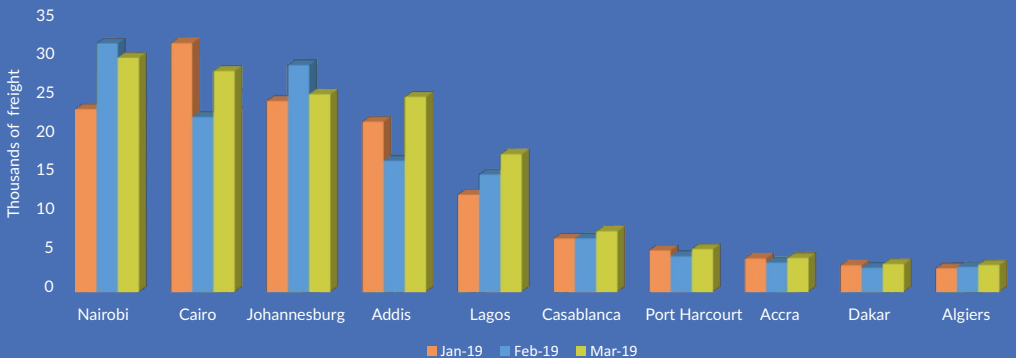
Source: AFRAA / ACI AFRICA

Johannesburg and Cairo are the busiest airports in Africa, handling respectively 287 and 175 flights daily. Addis Ababa and Nairobi are also part of the top ranking carrying more than 5 million passengers every year. The only WCAF airport in this top 10 is Lagos.

Airport Ranking by Freight Traffic (Jan – Mar 2019)

From January to March 2019, Nairobi Jomo Kenyatta airport handled more than 85 thousand tons of freight. Cairo and Johannesburg are following with respectively 82 thousand and 78 thousand tons each.

Top 10 African airports by Freight



Source: ACI AFRICA

Airport charges

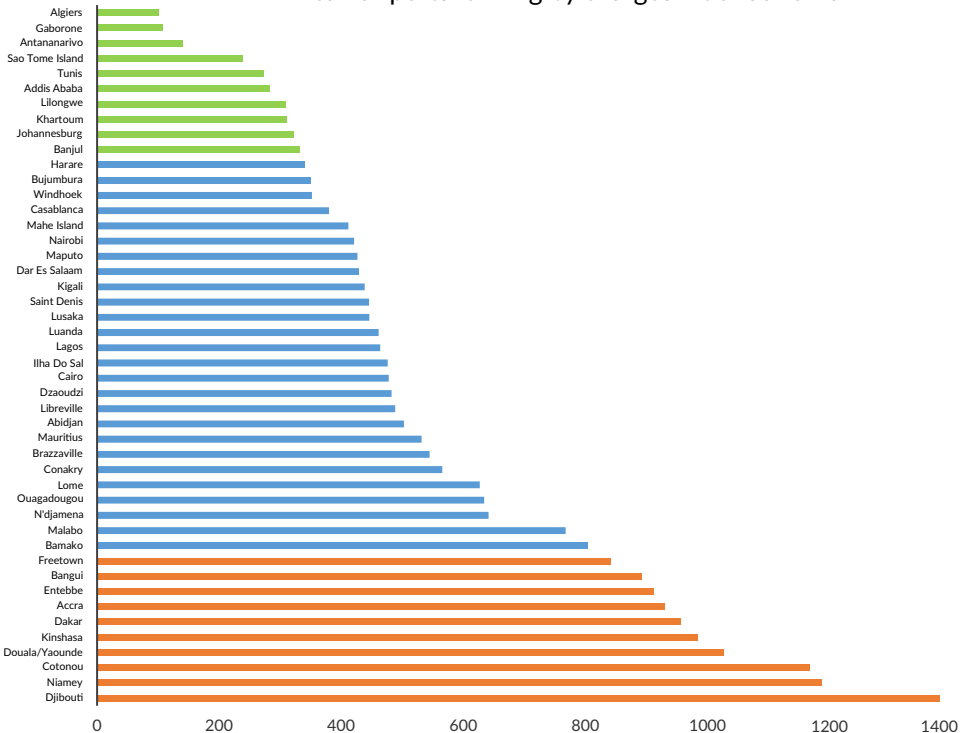
Methodology:

A comparative study based on a single aircraft type applies to all principal African Airports .The type of aircraft chosen is the B737, the most popular aircraft type in the region.

Following the applied criteria:

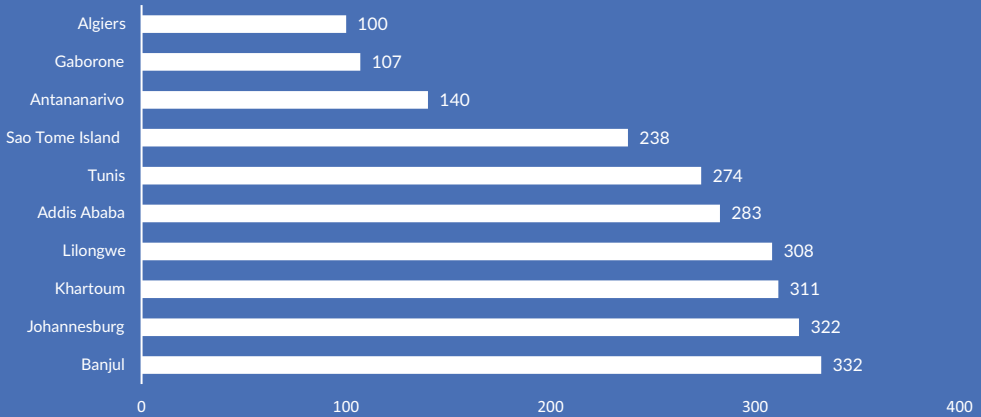
Aircraft Type	B737
MTOW	70.08 Metric
Flight Type	International
Origin & Destination	100
Total Departing Pax	100
Parking Time	2 Hour
Boarding bridge time	1 Hour
Arrival Time	12:00
Cargo	0 Kilograms

African airports ranking by charges index June 2019



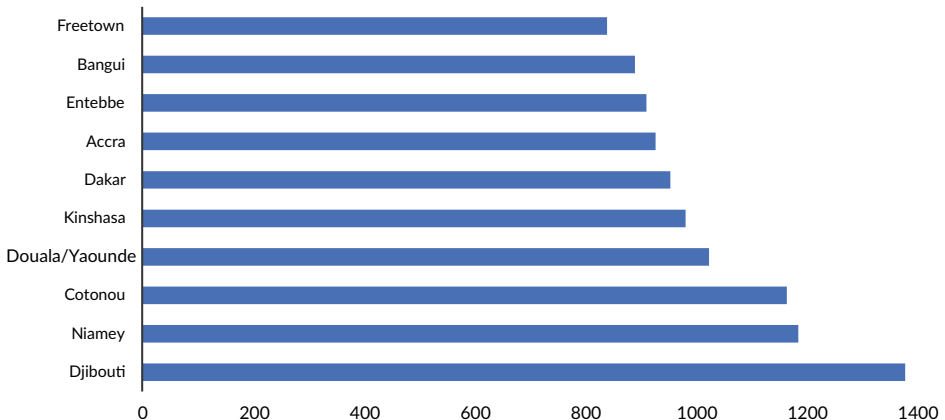
Source: AFRAA / IATA ACIC

Top 10 Cheapest African airports June 2019



Source: AFRAA / IATA ACIC

Top 10 most expensive African airports June 2019



Source: AFRAA / IATA ACIC

Cameroon airports are the most expensive among the main African airports with an index of 1026 which represent 10 times the index of Algiers (100), the cheapest. The majority of the most expensive airports are from west and central Africa with index of 500 and more, that is around 5 times the cheapest. Mauritius and Abidjan are the closest to the average with an index of respectively 532 and 503.

Airport Connectivity Index

Methodology:

According to OAG methodology, we calculate the total number of all possible connections between inbound and outbound flights on 7 important African hubs in each region, on a weekly basis. After that we compute an average number of connection daily.

The rules selected for the computation are as follows:

Single connections only to/from the chosen airports;

Minimum Connection Time from OAG table;

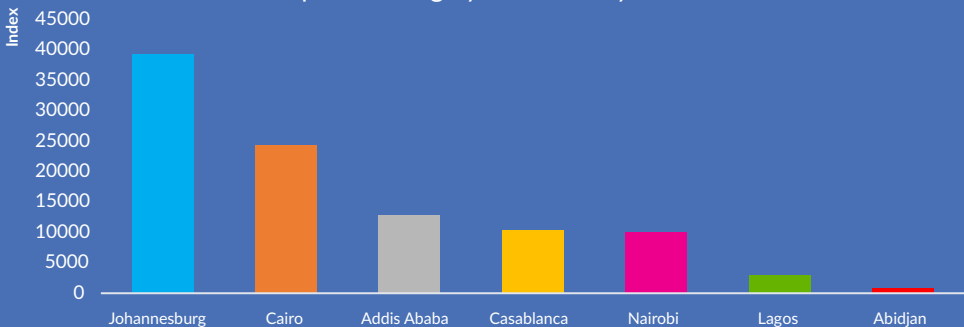
Maximum Connection Window of 12 hours

AIRPORT	Inbound flights / Day (average)	Outbound flights / Day (average)	Index
Johannesburg	305	447	39324
Cairo	251	325	24331
Addis Ababa	169	254	12843
Casablanca	147	247	10424
Nairobi	148	222	9975
Lagos	90	124	2928
Abidjan	40	54	841

Source: AFRAA / OAG

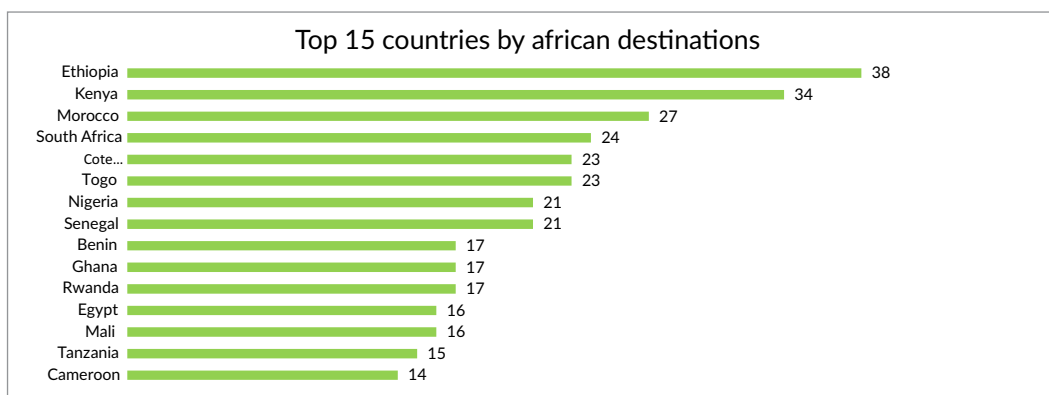
Johannesburg OR Tambo have the highest connectivity index with an average of 39324 possible connections (national and international) daily within a 12hours window. East Africa dominant airports is Addis Ababa Bole with 12843 possible connections a day. Abidjan have the smallest index comparatively, since it handles a far fewer flights.

Airport ranking by connectivity index



African countries connectivity and openness

According to ICAO, the first destination region of the international traffic from Africa is Europe, with more than 40% while Intra-African traffic represent only 27%. From January to March 2019, the regional traffic represented only 26% of African carriers operations. While the African Union is setting up the African passport, it is important that airlines develop more intra-African destinations.



Among the 55 countries in the African continent, only 8 have direct flights to more than 20 African countries. Ethiopia and Kenya lead with more than 30 direct flights to other countries within Africa. However, the intra – African connectivity remains poor with countries like Lesotho or Swaziland which are only connected to South Africa in terms of air transport.

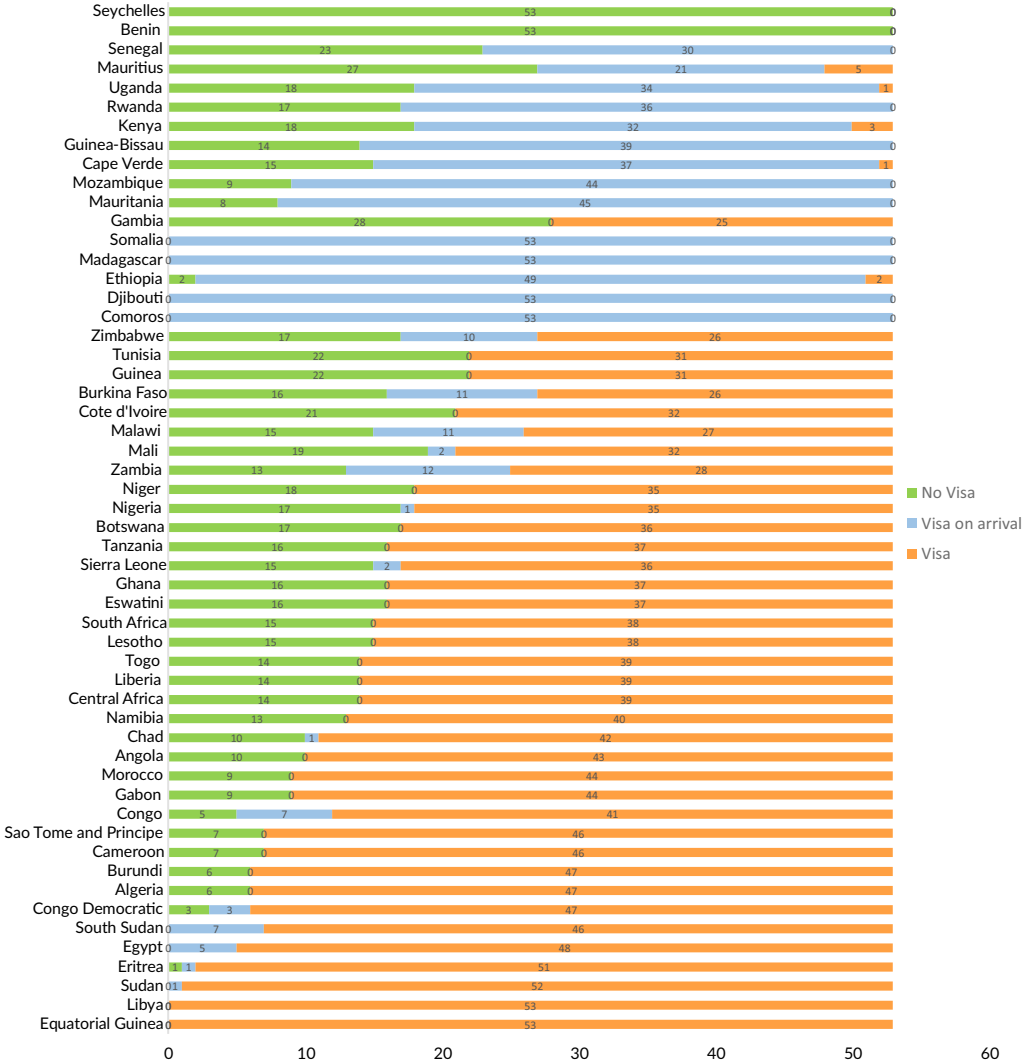
Percentage of direct connections between regions

	Northern Africa	Southern Africa	Western Africa	Central Africa	Eastern Africa
Northern Africa	53%	3%	36%	18%	12%
Southern Africa		42%	5%	8%	20%
Western Africa			52%	25%	10%
Central Africa				44%	15%
Eastern Africa					38%

Source: AFRAA / OAG

The table above represent the percentage of direct connections existing between all the countries within a region or toward another African region in relation to the total number of possible connections. While intra-connectivity is relatively high in Northern and western Africa (more than 50%), we can see that connectivity across is remains poor. The highest rate is between Northern and western Africa with only 36%. Southern Africa is the less connected with other regions, particularly with the Northern (only 3%).

African countries openness July 2019



Source: AFRAA / AFDB

In terms of Visa openness within, more and more countries are opening their borders to others African countries. Seychelles and Benin are totally Visa-free. Visa on arrival is now adopted by 21 countries across Africa. However, the openness remains weak as 53% of travels within Africa still require Visa.

Fuel price

Negotiated fuel price for AFRAA airlines index by airports as of August 2018

Rank	Airport	Index			
1	Bangui	310.71	33	Mwanza	148.67
2	Bissau	254.39	34	Harare	147.37
3	Livingstone	245.72	35	Ouagadougou	147.14
4	Ndola	232.82	36	Cotonou	144.96
5	Moroni	226.65	37	Maputo	141.55
6	Dzaoudzi	214.12	38	Enugu	139.91
7	Lilongwe	210.33	39	Kinshasa	139.79
8	Brazzaville	208.87	40	Bamako	138.38
9	Freetown	198.40	41	Douala	137.15
10	Lilongwe	197.93	42	Yaounde	136.45
11	Zanzibar	190.62	43	Conakry	134.57
12	Malabo	188.06	44	Banjul	134.48
13	Bujumbura	186.89	45	Entebbe	133.52
14	N'Djamena	185.62	46	Banjul	132.81
15	Antananarivo	184.45	47	Abuja	132.29
16	Khartoum	177.99	48	Gaborone	128.59
17	Bobo Dioulasso	169.88	49	Kilimanjaro	128.35
18	Niamey	167.13	50	Dar es Salam	125.62
19	Libreville	164.52	51	Abidjan	125.44
20	Addis	163.33	52	Lagos	124.82
21	Lubumbashi	163.13	53	Accra	124.39
22	Goma	162.20	54	Lome	124.20
23	Lusaka	162.08	55	Djibouti	122.69
24	Pemba	160.43	56	Dakar	122.15
25	Victoria Falls	159.90	57	Windhoek	120.46
26	Nampula	159.62	58	Johannesburg	119.14
27	Walvis Bay	158.37	59	Mauritius	119.07
28	Monrovia	156.76	60	Durban	116.26
29	Mogadishu	150.38	61	Cairo	116.10
30	Kigali	149.90	62	Mombasa	111.68
31	Sao Tome	149.88	63	Nairobi	111.68
32	Juba	149.75	64	Capetown	111.51
			65	Luanda	100

Source: AFRAA

The most expensive airport in terms of fuel price is Bangui with an index which is 3 times that of Luanda which is the cheapest. More than 56% of the airports are under the average price index which is 156.

ANNEX: Glossary

ACIC: Aviation Charges Intelligence Center

AFDB: African Development Bank

AFRAA: African Airlines Association

FMTK: Freight and Mail Tons Kilometers

ICAO: International Civil Aviation Organization

IATA: International Air Transport Association

MoM: Month on month

RPK: Revenue Passenger Kilometers

WCAF: West and Central Africa

YoY: Year on Year





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