

AFRAA's 53rd AGA sets roadmap for the transformation and the economic development of air transport in Africa



Air transport leaders and decision makers set a roadmap for transformation and the economic development of air transport in Africa at the 53rd AFRAA Annual General Assembly and Summit. The event was held under the patronage of the Government of Angola under the theme: **"Flightpath to Africa's resilient travel ecosystem"** and was opened by Honourable Ricardo de Abreu, the Transport Minister of the Republic of Angola.

The AFRAA AGA is the premier gathering of African airline CEOs and high level aviation executives in Africa and across the globe. This year's event was hosted by TAAG Angola Airlines in virtual format. The Assembly brought together over 400 delegates from 51 nationalities across the globe comprising of decision-makers and aviation leaders. International and regional air transport associations including the African union, IATA, ICAO, AFCAC, ALTA were also represented at the event.

The Assembly concluded with the adoption of three (3) industry resolutions to advance the cause of African aviation:

i. Resolution on safe reopening of borders

Recognising that safe reopening of borders in a harmonised manner is critical for the efficient restart of African aviation, the Assembly urged African governments to remove border restrictions and open their markets to restart the industry with support from Industry Restart Plan Standards and guidance documentation. The Assembly further called upon African governments to accelerate the rapid roll out of vaccines across the continent and embrace the use of digital technology health platforms to facilitate the restart of economies and air transport.

ii. Resolution on financial support to African airlines

Recognising the importance of financial support for the recovery of the air transport industry, the Assembly called upon African governments to extend the much-needed financial support and relief to African airlines and the African aviation industry at large.

iii. Resolution on Lab concept approach for attainment of sustainability of African airlines

Recognising the importance of addressing the sustainability and competitiveness of Africa’s air transport, the Assembly called for a laboratory convening all relevant stakeholders as a transformation opportunity for the economic development of air transport in Africa. AFRAA Secretariat in coordination with the African Union Commission (AUC), The African Civil Aviation Commission (AFCAC), and the African Aviation Industry Group (AAIG) shall convene the LAB by the end of March 2022.

OPENING CEREMONY

**AFRAA President
Welcome address**



In his welcome address, the President of AFRAA, Mr. Rui Carreira said, “This AGA presents a unique forum for airlines and stakeholders to

discuss, share ideas and explore solutions that can be implemented to rapidly restore the airline industry. African airlines should utilise this opportunity to emerge stronger and more resilient out of the crisis to face the challenges of the industry. Cooperation and collaboration among African airlines through initiatives such as network coordination and joint cost containment are among the initiatives that will enable airlines rapidly overcome the impacts of the pandemic.”

He further stated, “Let us focus on improving and promoting the cooperation, and collaboration among African airlines. We need to place development of intra African

connectivity at the top of our priorities in order to increase air connectivity between our countries.”

Keynote speech by the Minister of Transport of the Republic of Angola



The Chief Guest, Honourable Ricardo de Abreu, the Transport Minister of the Republic of Angola in his opening

speech remarked: “This AGA is the perfect occasion to address the future of African Aviation and enhance stakeholders’ commitment to enable the multitude of benefits to be experienced across all sectors of our economies. Failure is not an option, together we will succeed. He highlighted various ongoing measures and initiatives by the Angolan Government to improve the aviation sector and develop Luanda into an efficient hub.”

Honourable Ricardo de Abreu highlighted Angolan commitment to improving the aviation sector and belief in the benefits of the aviation industry:

- Opening of the airspace for all operating carriers.
- Encouraging growth in the no. of airlines and passengers.
- Engaging with the relevant bodies for technical assistance programmes which aim to improve compliance according to international aviation security, supervision and monitoring standards.
- The government recently approved a law which will enable civil aviation authority to become fully autonomous and independent entity which will benefit the national aviation ecosystem.
- Construction of Luanda International Airport, revamping and improving operational capacity standards of main airport networks.
- Improving Air Traffic Navigation Systems and modernising them to the technical standards.

We will keep by our mission to promote and serve African airlines and champion African aviation industry. Better skies for African remains the pillar of all our actions.



“Flightpath to Africa’s Resilient Travel Ecosystem”

Author: AFRAA

For the AGA, he stated, "I am sure that this is a perfect occasion to address the future of African aviation and enhance your commitment to ensure the contribution of all stakeholders to enable a multitude of benefits to be able to experience across all sectors of our economies."

Speech by AFRAA Secretary General



Mr. Abdérahmane Berthé, AFRAA's Secretary General, stated: "This year's Assembly provides an opportunity to rethink our industry and develop a resilient and sustainable perspective for the airline industry. AFRAA will keep by our mission to promote and serve African airlines and champion Africa's aviation industry – Better skies for Africa – remains the pillar of all our actions."

Looking at recovery, Mr. Berthé highlighted that the ingredients for successful restart include: Safe travel measures, removal of travel restrictions, financial support to airlines, technology to shape the 'new normal', reinvention and redefinition of airline business models, cooperation among African airlines and passenger confidence.

He continued, "We will keep by our mission to promote and serve African airlines and champion African aviation industry. Better skies for African remains the pillar of all our actions"

He concluded by showing his appreciation to all the attendees and recognising that the attendance served as a reminder of the importance of the aviation industry for economic development and integration of the African continent.

Speech by AFCAC Secretary General



Mr. Tefera Mekonnen Tefera, AFCAC Secretary General commended this year's AGA theme, "Flight path to Africa's resilient travel ecosystem." Remarking that the COVID-19 recovery process has been slow and restoring passengers confidence in the travel industry is essential to the full resumption of aviation operations.

Mr. Tefera gave the following recommendations for the industry to navigate through from the pandemic:

- Appealed to the government to provide financial relief measures to airlines and related air service providers as quickly as possible;
- He urged the industry to be willing to adapt to ongoing transformation of economies, society and consumer behaviour to minimise the negative operations and efficiency impact;
- He urged the industry to dwell on the positive side of the pandemic by focusing on the opportunities to transform the airline industry.

On AFCAC activities and initiatives to support the industry, he highlighted the following:

- AFCAC would not relent in promoting collaboration and collective engagement with different stakeholders to continue to implement the AU High Level Task Force Recommendation and the ICAO task force take off guidelines documents which have aimed to establish aviation industry resilience and strengthening the aviation public health confidence, passengers, aviation workers and the general public at large.
- AFCAC continuation on prioritising safety using the risk based approach recommendation established by ICAO take off guidelines to ensure sustainable development of air transport as well as realisation of the social economic development benefit produced by aviation.
- AFCAC is offering a series of training assistance programmes meant to assist eligible airlines with SAATM states for IATA Operation Safety Audit.

He concluded by emphasizing on the implementation of SAATM which will play a vital role in restarting and growing the air travel ecosystem in Africa.

Speech by Regional Director, ICAO-ESAF



In his speech, Mr. Barry Kashambo recognised the efforts by different stakeholders in the industry to restart the industry. In particular, he commended AFRAA for its efforts remarking, "ICAO appreciates the actions taken so far by AFRAA to mitigate the COVID-19 pandemic and its challenges on civil aviation and air transport as a whole."

Mr. Kashambo made emphasis on ICAO's support towards the industry. He stated: "We also recognise the strategy to sustainably recover even as we strive to build a resilient future in line with ICAO cut report guidance materials and in tandem with the AU high level task force recommendations.

Mr. Barry Kashambo recognised the importance of implementing the Yamoussoukro Decision, "The benefits of connectivity cannot be over emphasised as demonstrated by AU study of the benefits of SAATM and African states and operators must take an extra mile to harness the potential for the passenger and air cargo," he said.

He called upon States, operators and service providers to invest in new technology to enhance compliance with the relevant regulations and to improve efficiency.

Speech by IATA Director General & CEO



Mr. Willie Walsh, Director General & CEO, IATA acknowledged the critical work done by the industry through collaboration to power a sustainable recovery for African aviation from COVID-19. On recovery, he noted, "The worst is behind us. Data shows us that when travel restrictions are lifted, people will fly. With Most borders now open to travellers across the continent there is little stopping intra-African travel. But we should not underestimate the challenges to re-establishing global connectivity."

On health and safety measures, Mr. Walsh briefed the Assembly on IATA’s recovery vision which is based on the following:

- Vaccines being available for all;
- No restrictions on vaccinated travellers;
- Testing facilities for travel for those without access to vaccine;
- Cost effective antigen testing for travel purposes;
- Government paying for testing if they make it a requirement.

In addition, he called upon governments to work harder and have more inclusive testing solutions that will enable travel for those without access to vaccinations. He recommended that African States replace PCR testing with antigen test for travel, noting that there are excessive costs in PCR testing in Africa. He further called upon African States to manage travel health credentials with digital solutions like the IATA Travel Pass or the AU Trust Travel Pass.

On financial viability of African airlines, Mr. Walsh urged African States to release blocked funds and offer additional financial relief to the African airlines.

Keynote speech of African Union Commission



Mr. Moses Bayingana, Ag. Director Infrastructure and Energy in his speech highlighted the importance of implementing SAATM. He noted, “SAATM is indeed among the 12 flagship project of the AU Agenda 2063. Its main objective is to

create one Single Air Transport Market in Africa, liberalise air transport services and drive economic integration. As a flagship project of the AU Agenda 2063, the SAATM strongly supports continental free trade agreement and free movement of persons.”

On AUC work to push the SAATM Agenda, Mr. Bayingana highlighted the commissions’ initiatives in collaboration with AFCAC as follows:

- Advocacy for all member states to join the market;
- Resource mobilisation and strengthening of the executive agency AFCAC and finalisation of the regulatory instruments of the SAATM as well as aviation infrastructure, safety, security and aviation financing;
- Through AFCAC, the AUC has collaborated with other stakeholders to prevent the spread of COVID-19 and position the aviation sector on a new path to restart, recovery and sustainability.

He concluded by commending the importance of the AFRAA 53rd AGA, “This 53rd AGA should provide an opportunity to clearly identify all the challenges faced by African airlines, not only to reopen operation and recover from COVID-19 but also to reposition the African aviation industry on a new path towards sustainability.”

Annual report of the Secretary General

AFRAA Secretary General presented an analysis of the previous year (2020) industry situation, the current situation (2021) and outlook for the next year (2022). According to the report, due to the COVID-19 outbreak, economic activity slowed down sharply in 2020. This resulted in a contraction of 3.5%.

Estimated revenue loss for African airlines due to the pandemic in 2020 was USD 10.21 billion representing 58.8% of 2019 revenues while in 2021, the estimated revenue loss is USD 8.5 billion representing 49% of 2019 revenues.

Compared to February 2020, African airlines reopened 81.3% of their international routes in October 2021.

On the future outlook for 2022, Mr. Abdérahmane Berthé outlined the following recommendations for recovery;

- Safe travel measures and removal of travel restrictions;
- Financial support to airlines;
- Technology to shape the ‘new normal’;
- Reinvention and redefinition of airline business models;
- Cooperation among African airlines;
- Passenger confidence.

Presentation 1: Impact of COVID-19 and economic imperatives for recovery



In his presentation, Mr. Patrick Baudis, VP, Marketing, Advisory Market Insights-MHIRJ gave insights on the position of Africa in the COVID-19 Impact.

The report revealed that African airlines had reopened 81.3% of their international routes in October 2021 and recovery in Africa & Middle East has been smoother and steadier than in Europe and Asia. However, the sub-regional growth in Africa is varied and driven by different market dynamics. It was also reported that during the pandemic 300 routes equivalent to 25% have been shut down, mainly international but at the same time, 90 new routes have been launched. Out of the top 100 routes in Africa, 44% have higher frequencies in 2021 than in 2019.

The analysis further revealed that African airlines have been growing regional fleet since 2020, allowing a deeper market penetration and a better feed. African cargo capacity grew by 33% since 2019 and cargo load factors improved by 9% from pre-pandemic levels. The dawn of recovery is critical time to redefine strategic plans for the next five years.



CEOs roundtable: Time for take-off-building Africa's resilient travel ecosystem



To set the scene, the moderator, Mr. Matthias Kern, Associate partner, Lufthansa Consulting gave an analysis of Africa's Air Transport resilience or (lack thereof) during the pandemic:

- 2% of traffic of global traffic despite 18% of global population;
- -2% GDP in 2020;
- 33% grounded fleet; highest worldwide;
- 56% load factors which are 10 % below worldwide average;
- Lowest level of travel restrictions;
- 1.2% of worldwide COVID cases; 6% vaccination rate.

What role can the government play in building Africa's resilient travel ecosystem?

Eng. Joao Carlos Po Jorge, CEO LAM Mozambique remarked, "One of the biggest hurdles we have is financing. The financial systems the financial institutions must find a way that we do not compete with one of the biggest capital consumers which is aircraft acquisition."

Mr. Kane Ibrahima, CEO, Air Senegal said, "Taxes we are facing as operators based in Africa are creating the big issue. This is the biggest question we need to address. It makes our companies much less effective than others, much less competitive than others."

He also added that government should assist in financing and regulations that make it easier for operations.

Mr. Nowel Ngala, Director Commercial and Ground Operations, ASKY Airlines added, "Government need

to help us reduce the cost of operations and one of the areas is on the issue of taxes that are exorbitant." In addition, he emphasised on harmonisation of activities and policies to make it easier for collaboration and growth within the industry.

Mr. Sanjeev Gadhia, CEO of Astral Aviation echoed the sentiments of his fellow panellist, "We must address the issue of taxes or royalties that are affecting the industry. African airlines pay a lot of taxes. When you look at the amount of taxes we pay, we are only working for the government and not for the growth of the airlines."

What are the recommendations on how to make the African Travel System more resilient?

Mr. Ngala said: "We all join hands and fight the elements in order to get solutions and make sure we grow the African aviation industry. One of the areas is partnership. We should understand that in partnership, we grow together."

Mr. Sanjeev Gadhia stated: "We need to collaborate more aggressively and more effectively with each other. We need to make sure we operate very leniently, efficiently and also make sure that we conserve cash."

Eng. Joao Carlos Po Jorge remarked: "We need to invest massively in training; the next few years are going to demand a lot of work from us. We want to grow, the economies are growing, and the industry is going to grow."

Mr. Kane Ibrahima said: "Talking together, having a common plan/goal will make discussions much more effective, much more efficient, to build this common business and develop partnership, develop number of travellers that will take our airlines and the no of cargo."



The
**CEO
Roundtable**

Executive session 1: Continental benefits of liberalisation



In her presentation, Ms. Adefunke Adeyemi echoed the statement by the Director General of IATA, Willie Walsh in his speech at the 53rd AFRAA AGA opening ceremony, “Connectivity is going to be essential towards ensuring meaningful recovery, for both the aviation industry and for economies around the world,” she said.

The presentation shared the results of a study IATA conducted on the implementation of the Yamoussoukro Decision on African states. The study results had two overarching themes on the major obstacles in implementing the Yamoussoukro Decision;

- Non-prioritisation of the aviation industry;
- A policy of survival hinged on protectionism.

From the study, Ms. Adeyemi highlighted key recommendations for SAATM states to address challenges they face with implementation as follows:

- All states to achieve the minimum 60% effective implementation score for ICA SARPs;
- All airlines with IOSA certification should be supported to maintain their good standing on the registry;
- States need to urgently address their aviation infrastructure gaps;
- There must be concerted efforts to bring down the high taxes and charges environment by states;
- SAATM States (those that have signed the solemn Commitment) need to remove the requirements for approval for Foreign Operations Specification (Foreign OpSpecs). ‘Fire and Fly’ should be fundamental aspect of the SAATM.

The following benefits of SAATM to the economy were discussed:

- Liberalisation; lower fees, Increased frequencies and enhanced connectivity;
- Air traffic growth; increased tourism, increased trade, investment and productivity;
- Economic growth, jobs growth and socio economic development.

Executive Session 2: Airport customer and employee experience management



The session was led by Mr. Dimitri Coll, VP, Airport Customer Experience at ACI World. He highlighted the definition of customer experience from an organisation perspective;

- Consistency in the delivery by the organisation;
- Customer journey consistency;
- Emotional consistency;
- Communication consistency;
- Promises made vs promises kept.

He then highlighted the customer experience management model;

- Customer understanding
- Strategy
- Measurement
- Operational improvement
- Governance
- Airport culture
- Service design
- Airport community collaboration.

Mr. Coll discussed in detail the drivers of customer satisfaction before and during the pandemic.

Executive Interview 1: How do we revamp Aviation, Tourism and Trade in Africa through implementation of SAATM and AfCFTA?



Ms. Sthembiso Dlamini
Acting CEO,
South African
Tourism



Mr. Eric Ntagengerwa
Senior Policy
Officer -
Air Transport,
Infrastructure &
Energy, AUC



Mr. Gaoussou Konate
Director Technical
& Operations
AFRAA -
Moderator

To set the scene for discussion, Mr. Gaoussou Konate, Director Technical and Operations, AFRAA outlined Africa’s potential and the challenges African aviation is facing to tap the potential.

When asked on how South Africa Government is supporting the recovery of the industry, Ms. Sthembiso Dlamini, Acting CEO of South African Tourism highlighted the South African Tourism recovery plan which consists of three pillars;

- Rejuvenate the supply side;
- Create demand in key source markets; overseas and intercontinental;
- Create enabling environment for the restart; travel facilitation.

On role the AUC is playing in the recovery process of the industry, Mr. Eric Ntagengerwa, Senior Policy Officer, Air Transport, Infrastructure and Energy Department, AUC, highlighted the following;

- High level task force aligned with the ICAO Council Aviation Recovery Task Force was put up to see how to resume operations especially on the cargo side for the delivery of testing kits, protective kits and vaccinations.

- AUC Collaborated with different stakeholders in the industry and the health industry and put up a task force to harmonise health protocols to ensure interoperability between digital certificates and to ensure those certificates were recognised in both Africa and other continents.

To conclude the session, both speakers emphasised the need to focus on implementation of SAATM and AFCFTA. “The research is out there, we need to get the work done. Take small steps and get small wins to fully achieve implementation.” Ms. Sthembiso Dlamini remarked.

Executive Interview 2: Policy framework and smart regulations to attain conducive environment for African air transport growth and sustainability



Mr. Alberto Adiron
Regional Officer -
Air Transport &
Technical Assistance,
ICAO-ESAF



Ms. Angeline Simana
Director Air Transport,
AFCAC - Moderator

Ms. Angeline Simana, Director, Air Transport, AFCAC resumed the session by highlighting the challenges the African Air Transport faces and the potential the industry has by overcoming these challenges through smart regulation.

On how the challenges the African Air Transport Industry faces can be resolved through policy framework and smart

regulations to attain conducive environment for African Air Transport Growth and Sustainability, Mr. Alberto Adiron, Regional Officer, Air Transport and Technical Assistance ICAO-ESAF outlined;

- Liberalisation of market access;
- Air carrier ownership and control; strategic partnerships;
- Consumer protection; air passenger rights, freight rights and airline pricing transparency;
- Fair competition;
- Taxes and levies imposed on civil aviation to be reduced.

Mr. Alberto Adiron emphasised on the importance of the above mentioned solutions towards achieving growth and sustainability. In addition, he emphasised on collaboration, implementation of intra-African air travel, funding and airline consolidation.

Panel Discussion 2: Post-COVID competitiveness of African Air Transport



Mr. Francisco Moraes
Sales Director -
Embraer



Mr. James Bosse
Director Sales -
De Havilland Aircraft
of Canada Limited



Mr. Nowel Ngala
Director Commercial
& Ground Operations
ASKY Airlines



Mr. Raphael Kuuchi
Director
Government Legal
& Industry Affairs -
AFRAA - Moderator



Mr. Randal L. Heisey
MD, Commercial
Marketing - Boeing
Company - EMEA

In his introductory remarks, the moderator, Mr. Raphael Kuuchi, Director Government Legal and Industry Affairs, AFRAA gave a background on the African Air Transport industry challenges during the pandemic especially the financial aspect, with airlines facing bankruptcy and liquidation.

Session highlights

How the African air transport industry is fairing in terms of recovery;

- There have been restrictions that have made intra-African air travel difficult to implement.
- Domestic travel is leading the charge in the recovery followed by regional travel.

- State owned airlines have received direct contribution from the government while private owned airlines have had to prove themselves and source funding like any other company.

Future business strategies for the African air transport for post recovery competitiveness were recommended as follows:

- Digitalisation and regionalisation
- Flexibility and versatility in network and fleet
- Focus on efficiency and sustainability
- Embrace and adapt to new technologies
- Investment in human capital
- Connectivity

Presentation 2: Airline retailing



The presentation at the 53rd AGA was made by Mr. Deepak Garg, Senior Manager, Business Development, SITA for Aircrafts. He began his presentation by outlining the contact point of customers in airline retailing;

- Searching for a ticket
- Buying a ticket
- Checking in (online / kiosk / desk)
- Loyalty portal
- In the aircraft

Mr. Garg further highlighted the different opportunities that African airlines have on airlines retailing, these included;

- Large continent
- Booming economy
- Rich and vast natural resources

- Progressive digital cash system such as M-pesa in Kenya
- Strong mobile network
- Weak road and railways system; opportunity for air transport.

On airline retailing in Africa, Mr. Garg made the following recommendations;

- Digitalise paper-based sales operations: increasing administration efficiency;
- Optimise sales managers' decision making: identifying sales trends and patterns with data;
- Unlock sales visibility: real-time reporting on all relevant activities;
- Personalise in-flight sales: purchasing analysis to understand passengers' preferences;
- Reduce costs of sales operations: consistent stock analysis to avoid wastage and overbuying.

Panel Discussion 1: Optimising retailing for airline profitability



Mr. Akrem Aloui
Head Airlines Solutions- Amadeus-EMEA



Mr. Bryan Porter
Head of Commercial- Accelya - EMEA



Mr. Cem Kirgiz
Sales Director - Hitit



Mr. Christophe Viatte
Director & Head of Sales Engineering - Sabre Travel Solutions



Mr. Steven Kargman
President - Kargman Associates - Moderator

The session was led by Mr. Steven T. Kargman, President, and Kargman Associates in which he commenced the session by highlighting the benefits of retailing to African airlines: to achieve greater efficiency in their operations, tap into new revenue streams and achieve greater profitability.

Session highlights

- Customers have higher expectations of their digital experience and they need reassurance and guidance across all of their different touch points with the airlines.

- Retail solutions can incorporate technologies like new distribution capabilities and merchandizing to meet requirements at each customer touch points from their higher expectations.
- There is need for automation.
- To achieve efficiency and cost saving, airlines need to expand to ancillary services and bundling. In addition, they need to adapt to new technologies.

2022 Officials of the association

The 53rd AFRAA AGA elected Mr. Ibrahima Kane, Chief Executive Officer – Air Senegal as the President of the Association for the year 2022. Capt. Pascal Kasongo Mwema, Chief Executive of Congo Airways, Ms. Yvonne Makolo Chief Executive of RwandAir and Mr. Mohamed

Khalifa Biyah, CEO of Mauritania Airlines were re-elected as the Chairman, 1st and 2nd Vice Chairmen for the year 2022 respectively.

Host of the 54th AGA

Air Senegal will host the 54th Annual General Assembly set to be held in November, 2022 in Dakar – Senegal. 🌐