AFRAA 10TH AVIATION STAKEHOLDERS CONVENTION

“Beyond the Crisis”

DAY 1 PROCEEDINGS, 09 MAY 2022
OPENING CEREMONY
Welcome and opening remarks by Mr. Abdérahmane Berthé, AFRAA Secretary General
Keynote speech by Mr. Allan Kilavuka
CEO – Kenya Airways
Keynote speech by Mr. Glyn Hughes
Director General
The International Air Cargo Association (TIACA)
Keynote speech by the President East Region AFCAC on behalf of the African Civil Aviation Commission (AFCAC)

Mr. Nicholas Bodo
Ag. Director General – Kenya Civil Aviation Authority
Keynote speech on behalf of Mr. Barry Kashambo – ICAO Regional Director Eastern and Southern Africa Office (ESAF) Office

Mr. Prosper Zo’o Minto’o - Regional Director Western & Central African Regional Office - ICAO
Speech and Official Opening by Guest of Honour representing the Government of Kenya

Principal Secretary, State Department for Transport Dr. Eng. Joseph K. Njoroge, CBS
Networking Coffee
10.00-10.30hrs

(Press conference 10.00-10.45hrs)

Sponsored by:

tradewinds AVIATION SERVICES
Presentation 1

State of the Airline Industry & Industry priorities for Africa for 2022 and Beyond

Patrick Baudis
Vice President
MITSUBISHI AERO ADVISORY
BENEFITS OF AVIATION IN AFRICA 2019 VS 2021

2019
- 95.64 Million passengers
- 71.6% Passenger LF
- 36.8% Cargo LF
- 7.7 Million Jobs supported
- $63 Million Contribution to GDP

2021
- 43.6 Million passengers (estimations)
- 61% Passenger LF (estimations)
- 1.9% Cargo LF
- 3.8 Million Jobs supported
- $27 Million Contribution to GDP

Source: AFRAA – IATA - ATAG
African Airlines’ scheduled passengers 2021: 43.6 million (AFRAA estimations)

Estimated 54.4% drop compared to 2019

Source: AFRAA / IATA
AIR TRAFFIC IN AFRICA

Europe is the first destination outside Africa from all the sub regions, representing 27% of the total non-domestic traffic.

Northern Africa represents 35.6% of the total continental traffic, mainly directed to Europe (56%) and Middle-East (30%) of the non-domestic traffic.
In 2020, Passenger revenue losses were estimated at USD 10.21 billion.

In 2021 the situation slightly improved and losses are estimated at USD 8.6 billion, representing 49.8% of 2019 revenues.
INTRA-AFRICAN CONNECTIVITY

Number of Connections

- Sharp drop of 97% during the second quarter, due to the Covid19 crisis.
- The situation gradually improved, and intra-African connectivity grew by almost 60% over the year 2021.

Source: AFRAA/OAG
OUR UNIQUE 30-YEAR FORECAST

A **passenger demand model** following a **behavioral approach**, considering the distribution of incomes with the propensity and likelihood to travel.

A unique horizon: **up to 30-year forecast**

A **traffic flow analysis** that goes beyond intra-regional levels, down to the **country-pair and city-pair levels**, and which considers departure and arrival times for each route.

A unique **new route opportunity model**, allowing to include route developments that do not exist today.

An **aircraft-type specific retirement model** for current and future fleet retirements.
MAJOR CHALLENGES TO OVERCOME

• Recovering from the Pandemic
MAJOR CHALLENGES TO OVERCOME

• Recovering from the Pandemic

• Improving Profitability
MAJOR CHALLENGES TO OVERCOME

• Recovering from the Pandemic
• Improving Profitability
• Developing Infrastructure
MAJOR CHALLENGES TO OVERCOME

• Recovering from the Pandemic
• Improving Profitability
• Developing Infrastructure
• Facilitating Trade and People Movements
MAJOR CHALLENGES TO OVERCOME

• Recovering from the Pandemic
• Improving Profitability
• Developing Infrastructure
• Facilitating Trade and People Movements
• Achieving Sustainability Goals
5 TRENDS THAT WILL DRIVE TRAFFIC GROWTH IN AFRICA

POPULATION AND GDP

Population (2019 → 2050) x1.9
2.2% per annum

GDP (2019 → 2050) x2.5
3.2% per annum

SEAT CAPACITY

<table>
<thead>
<tr>
<th>Rank</th>
<th>2019</th>
<th>Seat Capacity (millions)</th>
<th>2050</th>
<th>Seat Capacity (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>South Africa</td>
<td>41.0</td>
<td>Ethiopia</td>
<td>84.7</td>
</tr>
<tr>
<td>2</td>
<td>Morocco</td>
<td>30.8</td>
<td>Morocco</td>
<td>79.9</td>
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<td>3</td>
<td>Ethiopia</td>
<td>19.1</td>
<td>South Africa</td>
<td>77.5</td>
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<tr>
<td>4</td>
<td>Nigeria</td>
<td>15.1</td>
<td>Nigeria</td>
<td>64.8</td>
</tr>
<tr>
<td>5</td>
<td>Algeria</td>
<td>14.8</td>
<td>Kenya</td>
<td>43.6</td>
</tr>
<tr>
<td>6</td>
<td>Kenya</td>
<td>13.5</td>
<td>Tunisia</td>
<td>37.6</td>
</tr>
<tr>
<td>7</td>
<td>Tunisia</td>
<td>12.4</td>
<td>Algeria</td>
<td>36.6</td>
</tr>
<tr>
<td>8</td>
<td>Tanzania</td>
<td>6.2</td>
<td>Tanzania</td>
<td>21.2</td>
</tr>
<tr>
<td>9</td>
<td>Ghana</td>
<td>4.8</td>
<td>Sudan</td>
<td>20.7</td>
</tr>
<tr>
<td>10</td>
<td>Sudan</td>
<td>4.4</td>
<td>Ghana</td>
<td>19.2</td>
</tr>
</tbody>
</table>

GDP Growth (2019 → 2050)
- x2.5

Population Growth (2019 → 2050)
- x1.9

Trends:
- Population growth
- GDP growth
- Seat capacity growth
5 TRENDS THAT WILL DRIVE TRAFFIC GROWTH IN AFRICA

REGIONAL CONNECTIVITY

NUMBER OF SUB-SAHARAN AFRICAN ROUTES

<table>
<thead>
<tr>
<th>Region</th>
<th>1980</th>
<th>2050</th>
<th>Growth from 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRA SUB-SAHARAN AFRICA</td>
<td>1980</td>
<td>400</td>
<td>x2.6</td>
</tr>
<tr>
<td>WESTERN EUROPE</td>
<td>350</td>
<td>400</td>
<td>x1.7</td>
</tr>
<tr>
<td>MIDDLE EAST</td>
<td>350</td>
<td>400</td>
<td>x2.9</td>
</tr>
</tbody>
</table>

Population Heat Map
5 TRENDS THAT WILL DRIVE TRAFFIC GROWTH IN AFRICA

REGIONAL CONNECTIVITY

Population Heat Map

NUMBER OF NORTH AFRICAN ROUTES

<table>
<thead>
<tr>
<th>Region</th>
<th>INTRA NORTH AFRICA</th>
<th>WESTERN EUROPE</th>
<th>MIDDLE EAST</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 Growth</td>
<td>470</td>
<td>1690</td>
<td>180</td>
</tr>
<tr>
<td>Growth from 2019</td>
<td>x2.8</td>
<td>x3.0</td>
<td>x2.2</td>
</tr>
</tbody>
</table>

“Beyond the Crisis”
5 TRENDS THAT WILL DRIVE TRAFFIC GROWTH IN AFRICA

**FLEET EVOLUTION AND RIGHT SIZING**

- A cascading shift up in aircraft size
- A more balanced distribution between aircraft segments

**Evolution of the African Fleet**

- **Large Narrowbodies**
- **Small Narrowbodies**
- **Regionals**
- **Widebodies**

- **New Routes**
  - x2.5

- **Small Narrowbodies**
  - x2

- **Regionals**
  - Stable

- **Widebodies**
  - x2.1
5 TRENDS THAT WILL DRIVE TRAFFIC GROWTH IN AFRICA
AIRLINE PARTNERSHIPS AND RESURGENCE OF NATIONAL CARRIERS

MORE AIRLINE PARTNERSHIPS

• Funding
• Faster Operational Expertise
• Access to Wider Network
• Reinforced Connectivity
• Faster Implementation

Less Control on Network/Fleet
Risk of Long-Haul Traffic being diverted to partner
MORE NATIONAL CARRIERS

- More Control of Destiny
- Direct Alignment with Country’s Economic Strategy
- Higher Initial Investment
- Expensive Learning Curve
- Longer Implementation

5 TRENDS THAT WILL DRIVE TRAFFIC GROWTH IN AFRICA
AIRLINE PARTNERSHIPS AND RESURGENCE OF NATIONAL CARRIERS
5 TRENDS THAT WILL DRIVE TRAFFIC GROWTH IN AFRICA

EMERGENCE OF LOW-COST CARRIERS

TODAY

Inelastic traffic (business + high yield VFR)
Difficulty to travel (visas...)
Not enough trade

Increasing population
Increasing trade
Increasing GDP per capita
Easier travel conditions

TOMORROW

More affordable air travel
+ More trade
+ More connectivity
= Auspicious environment for more leisure travel
= More LCCs
## OUR 30-YEAR FORECAST FOR AFRICAN AVIATION

### 2020-2050 Delivery Breakdown

<table>
<thead>
<tr>
<th></th>
<th>Widebodies</th>
<th>Narrowbodies (&gt;150 seats)</th>
<th>Narrowbodies (100-150 seats)</th>
<th>Small Regional aircraft</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 fleet in service</td>
<td>207</td>
<td>546</td>
<td>399</td>
<td>458</td>
<td>1610</td>
</tr>
<tr>
<td>2020-2050 deliveries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>221</td>
<td>815</td>
<td>382</td>
<td>0</td>
<td>1418</td>
</tr>
<tr>
<td>Replacement</td>
<td>252</td>
<td>901</td>
<td>386</td>
<td>472</td>
<td>2011</td>
</tr>
<tr>
<td>2050 fleet in service</td>
<td>428</td>
<td>1,361</td>
<td>781</td>
<td>457</td>
<td>3027</td>
</tr>
</tbody>
</table>
CONCLUSION

• A fast-growing population with an increasing middle-class
• A boom of intra-regional routes, and to a lesser extent, to Western Europe and Middle East
• Cascading shift up in aircraft size leading to the need for some 2500 narrowbody deliveries, large and small, in the next 30 years
• More airline partnerships and more national carriers
• More LCCs

A need for 3400 aircraft over the next 30 years
THANK YOU
CEO Keynote Interview 1

CEO insights on the core issues in the African market, developments in the region and critical aspects of success for the industry

Mr. Allan Kilavuka
CEO – Kenya Airways

Ms. Maureen Kahonge
Senior Manager Business Development & Communications - AFRAA
Moderator
Presentation 2

Intra-Africa Connectivity Status and Building Blocks to the Attainment of the Single African Air Transport Market (SAATM)

Stephen Musa
Acting Director of Air Transport AFCAC

“Beyond the Crisis”
Importance of Air Connectivity

- Air transport’s unique benefit is to connect cities that cannot be otherwise timely connected, enabling flows of key economic activities and people.

- About 35% of international trade by value is moved by air transport.

- Countries with better connectivity tend to trade more - 1% better air cargo connectivity is associated with 6% more trade.

- Enhancing air connectivity can help raise productivity, by encouraging investment and innovation and improving business operations and efficiency.
In 2019, only 35% of the Africa routes were operated on a daily basis or better, and only 13% were operated on twice daily or better basis.

Intra-Africa traffic declined by 66% in 2020 when compared with 2019.

Due to COVID-19 pandemic, the number of unique city pairs connecting Africa within the region and to the rest of the world reduced to under 100 unique city pairs in April 2020 compared to about 970 city pairs during the same period one year earlier.
BASA Analysis

- Liberalization enhances air connectivity
- Low level of YD BASAs compliance
- 607 BASAs reviewed, 235 (39%) were YD compliant and 372 (61%) were non-compliant
- Some SAATM member States are partially implementing the YD
Challenges of Intra-Africa connectivity

Given Africa’s underdeveloped road and rail infrastructure as well as the size of the continent, air transport will be an important means of transport going forward.

However, for this to be achieved, Africa needs to first facilitate growth in capacity by addressing two major obstacles:

• high airfares; and
• the free movement of people.
Challenges of Intra-Africa connectivity

- Airline operating costs are very high, mainly due to their high exogenous costs (fuel cost, ground services, aircraft financing, etc.).

- 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.
The level of air connectivity of a country depends on various factors that can be grouped into three categories:

- the size of the country,
- geographic and demographic factors; and
- the ease of doing business.

Only the last element – the ease of doing business - can be directly influenced by governments (political and regulatory reforms).

Governments can enhance air connectivity through favorable aviation policies, and in doing so support growth in their economies e.g Ethiopia.
Building Blocks to the Attainment of SAATM
Building Blocks to the Attainment of SAATM

- Need to eliminate all non-physical barriers and restrictions to:
  - 5th Freedom Traffic Rights;
  - Capacity;
  - Tariff regulation;
  - Designation and
  - The operation of cargo flights

- Availability of Key Regulatory and Institutional Texts:
  - Regulations on the Powers, Functions and Operations of the Executing Agency;
  - Regulations on Competition; and
  - Regulations on the Protection of Consumers of Air Transport Services in Africa
Building Blocks to the Attainment of SAATM

- Development of the required subsidiary legal and regulatory tools in progress
- KPI and a performance management dashboard tool to measure compliance of member States and African airlines
- AFCAP – is undergoing review
- Supports being provided to SAATM Member States to boost their EI of ICAO SARPs in safety, security and environmental protection
- Technical assistance and support to airlines from SAATM Member States to achieve and maintain ISSA/IOSA certifications
Benefits of SAATM

- Intra-Africa traffic volume will increase by 51% - IATA
- The average fare levels are projected to decline by 26%
- Providing fare savings of US$ 1.46 billion per annum leading to improved connectivity and travel convenience
- Additional 145 country-pairs receiving direct service and frequencies on existing routes increasing by 27%.
- Enhanced connectivity across the continent, leading to sustainable development of the aviation and tourism industries
- Affords Airlines a platform to grow and bring more value to passengers, generate more job in the industry and contribute to State/African GDP.
Recommendations and conclusion
Beyond the Crisis

- Need to examine the relationship between the levels of connectivity and key economic flows, such as investment, tourism and trade.
- Need to understand how connectivity is evolving over time in order to compare the level of intra-Africa connectivity across different RECs, Countries and Cities.
- The future forecast is not without sunny spots and travel will become greener and more efficient.
- However, captivating the right steps today will help the aviation industry thrive again.
Recommendations

➢ Greater collaboration and coordination amongst airlines is required in order to unlock intra-regional market potentials.

➢ African airlines must promote and advocate for the liberalization of air transport in the continent and implementation of SAATM.

➢ Liberalized air services should be complemented with reforms in visa regimes to help the market become more accessible – RWANDA experience.

➢ All eligible African airlines should test the functionality of the market within the 35 SAATM member States.

➢ Implore States to sign and implement the SAATM.
Conclusion

- Africa is still the least connected region by air in the world.

- Being the fastest growing continent in the world in terms of population, highlights the urgent need to improve air connectivity in the continent.

- With liberalization, it is estimated that frequencies on existing routes will increase by 27%, providing greater convenience and choice for consumers.

- Within the context of SAATM and AfCFTA, it is expected that SAATM will definitely facilitate trade in Africa.
THANK YOU

CONTACTS
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Tel: (221) 33 859 88 00
Fax: (221) 33 820 70 18
Twitter: @afcac-cafac
Website: www.afcac.org
Panel 1
Stakeholders Roundtable on the realisation of industry actions from AFRAA LAB Approach for Africa’s aviation industry sustainability

Mrs. Emily Mburu-Ndoria - Director of Trade in Services, Investment, IPR and Digital Trade - AfCFTA Secretariat

Mr. Prosper Zo’o Minto’o - Regional Director Western & Central African Regional Office - ICAO

Capt. Gilbert Kibe - Immediate Former Director General – Kenya Civil Aviation Authority

Mr. Ali Tounsi - Secretary General - ACI Africa

Dr. Gainmore Zanamwe, Senior Manager (Trade Facilitation) Intra-African Trade Initiative – Afreximbank

Mr. Gaoussou Konate, Consulting Director, Technical and Operations - AFRAA

Moderator
Networking Lunch

13.00-14.00hrs

Sponsored by:

ASECNA

“Beyond the Crisis”
Presentation 3

Pathway to Recovery: Priorities for Africa for 2022 and Beyond

Ms. Adefunke Adeyemi
Regional Director Advocacy and Strategic Relations, Africa IATA

“Beyond the Crisis”
Executive Interview on Cargo

The future of air cargo: Digitalisation, Innovation, cutting edge solutions for air cargo sustainability in Africa

Mr. Glyn Hughes
Director General - The International Air Cargo Association (TIACA)

Mr. Charles Ngwalla
Head of Alliances & Key Accounts
Astral Aviation Limited

Mr. Raphael Kuuchi, Consulting Director
Government, Legal & Industry Affairs
Moderator
Presentation 4

Opportunities and Strategies for Route Planning and Network Repositioning

Mr Geert LeMaire
Market Intelligence and Consulting Director
Airbus

“Beyond the Crisis”
Opportunities and strategies for route planning and network development

Nairobi
May 2022
Airbus Global Market Forecast – Africa

Traffic forecasted to reach 2019 level from Q4 2023 and to grow beyond

Beyond the crisis

- Air traffic forecasted to grow further
- New potential to launch new routes and expand networks
The African airlines’ fleet is forecasted to increase by factor 2.1 over 2019-2040.
Demand for ~1,100 aircraft for African airlines in the period to 2040

African airlines – passenger and freighter aircraft – deliveries over 2021-2040

- **Small**: <210 seat
- **Medium**: <300 seat
- **Large**: >300 seat

Passenger aircraft (≥ 100 seats) | Jet freight aircraft (>10 tons)

Source: Airbus GMF 2021
<table>
<thead>
<tr>
<th>Global traffic</th>
<th>Traffic to / from / within Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019’s intra-regional traffic in Africa</td>
<td>Equivalent to only 1/4th of all passengers travelling from / to / via London Heathrow airport in 2019</td>
</tr>
<tr>
<td>Source: Sabre – Passenger numbers</td>
<td></td>
</tr>
</tbody>
</table>

Africa’s intra-regional traffic is still very small – Significant growth potential remains

Total (2019): ≈ 175 million passengers
Africa’s Integration: promising prospect for intra-African air transport growth

African Union initiatives

- Increased trade inside Africa
- People moving abroad for education, work, living, medical treatment, etc.
- Simplify travel and reduce the cost of travel
- Add choice to organise travel

- African Continental Free Trade Area
- VISA openness
- Single African Air Transport Market
- Free Movement of Persons in Africa
So what is the growth we need to gear up for?

**NETWORK**
- New Routes

**ORGANIC**
- Growth on the existing network

Reference Network

Future Network
Fundamental drivers for air transport development
Focus on Africa

**Economic growth, middle class growth**

Top 20 African countries by GDP per capita

Source: IHS markit, 2019

- Propensity for travel will grow fastest in the identified countries

**Population density and growth, urbanisation**

Urban Agglomerations in Africa with Population above 1.0 million

Source: United Nations, 2018

- Large and densely populated centres generate and attract air traffic

|---------------------------------------------------|----------|

- Average for Africa: 2.8%

- Forecasted GDP growth (CAGR 2019-2040)
Fundamental drivers for air transport development
Focus on Africa

Front runners for VISA-openness

Top 20 African countries by Visa Openness Ranking
Source: African Union, African Development Bank Group, visaopenness.org, 2021

VISA-openness removes barriers and simplifies travel

Single African Air Transport Market

Signatory African Union member states
Source: African Union, 2022

Less restrictions, more choice for travel, more competition, lower fares
Combining all elements allows identifying Africa’s future aviation key zones

Drivers of the future intra-regional air transport demand growth

Intra-regional air transport demand in Africa is all set to gear up between:

- Northern region
- West Africa
- East / South-East Africa
- Southern region
Unserved city-pairs in Africa featuring sufficient traffic to allow sustained direct flights

Status in 2019

Identified city-pairs

- not served via direct flights (status 2019)
- showing sufficient via-traffic to allow sustained direct flights

Notes:
- Identified routes are O&D pairs for which no direct flight existed in 2019, but for which sufficient traffic exists (i.e. connecting traffic as identified by means of 2019 traffic data) to allow operating a direct flight with a widebody aircraft, based on the listed assumptions.
- ESAD: equivalent still air distance
- O&D: origin & destination

- 100 nm to 3,400 nm ESADs
- Aircraft capacity: 135 seats

- Based on Sabre O&D data and OAG data - 12 months (2019)
- Non-directional routes within Africa
- Min load factor 70%
- Min. weekly frequency: 3
- Connecting traffic: 15%
- Market Capture: 80%
- 200% max traffic stimulation following the availability of a direct flight
Aviation key zones in Africa
Drivers of the future intra-regional air transport demand growth

Many city-pairs in the aviation key zones are about 6 flight hours apart.
The route-planner’s mantra

Build-up frequency first, then increase capacity

**Step 1**
increase in Frequency only

**Step 2**
increase in both Frequency & Capacity

**Step 3**
increase in Capacity only

Note:
- ASK: available seat kilometer
So what strategy to adopt?

**Challenge**

- Launch new routes
- Rather long flight times
- Rather low traffic levels at launch
- Stimulate traffic ➞ need to quickly build-up frequencies
- Profitability is key

**Solution**

**Newest generation of single aisle aircraft**

- Superior performance and range capability
- Superior cabin comfort-level
- Best in-class operating economics
- Versatility
Example: Air Canada
Montreal - San Francisco

Calendar year 2022
Up to 3 daily frequencies one way
A220 operations only

Flight time ~ 6 hours
Africa will also need the largest single aisle aircraft

Africa’s top 10 routes based on passengers carried in 2019

Cape Town - Johannesburg

Adding frequencies beyond 62 flights per day one way may no longer be viable

A transition to the largest single aisle aircraft becomes the most logical way forward

Sources: Sabre ; OAG
Conclusion

- Intra-African air transport development may well become the next BIG thing in commercial aviation

- Significant potential identified to grow by opening new routes:
  - all fundamental drivers for air transport development are present
  - future removal of currently-present barriers will accelerate air traffic growth

- Enablers to launch these new routes: newest generation of single aisle aircraft
  - performance
  - comfort-levels
  - operating economics
  - versatility

- Use of the largest single aisle aircraft: next logical step to cater for growth on the trunk routes in the continent
Presentation 5

Commercial Market Update & the Pathway to African Aviation Growth

Mr Kuljit Ghata-Aura
President of Boeing Middle East, Turkey and Africa

“Beyond the Crisis”
Commercial Market Update & The Pathway to African Aviation Growth

Kuljit Ghata-Aura, President
Boeing Middle East, Turkey and Africa

May 2022

The statements contained herein are based on good faith assumptions are to be used for general information purposes only. These statements do not constitute an offer, promise, warranty or guarantee of performance.
The global economy has bounced back from COVID-19 recession and Africa is projected to grow above world average in 2022 and 2023.

SOURCE: IHS Markit, April 2022
Africa aviation is recovering in line with global trends

**SOURCES:** FR24, IATA, as of March 2022, compared to 2019 levels

### Active Fleet
- **GLOBAL:** 88%
- **AFRICA:** 89%

### Flights
- **GLOBAL:** 76%
- **AFRICA:** 75%

### Capacity
- **GLOBAL:** 64%
- **AFRICA:** 57%

### Passenger Traffic
- **GLOBAL:** 59%
- **AFRICA:** 52%

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**SOURCES:** FR24, IATA, as of March 2022, compared to 2019 levels
Global commercial aviation recovery led by leisure travel demand

Total leisure travel forecast to improve through 2024 - domestic leisure travel projected 30%+ above 2019

Business travel picking up as well - initially in domestic markets, reaching 2019 levels this year

International business travel remains dependent government and corporate policies

SOURCE: Tourism Economics
20-year outlook - African commercial returns to long term trends

- Economic growth (GDP): 3%
- Airline traffic growth (RPK): 5.4%
- Airline fleet growth: 3.4%
Intra-Africa traffic will be the highest growth African market over 20 years

- **Africa - Europe**
  - 2019 traffic: 3.7%
  - Traffic added thru 2040: 3.7%

- **Intra-Africa**
  - 6.5%

- **Africa - Middle East**
  - 5.8%

- **Africa - China**
  - 6.2%

- **Africa - North America**
  - 3.9%

- **Rest of World**
  - 4.9%
Africa will need over 1,000 new airplanes valued at $160 billion

New airplane deliveries: 1,030

New airplane values: $160B

Regional jet: 4%
Single-aisle: 72%
Widebody: 23%
Freighter: 1%

$85B
Single-aisle 69%
Widebody 23%
Freighter <1%

$75B
Regional jet <1%
Single-aisle <1%
Widebody 23%
Freighter <1%
African carriers can capture more of this growth for themselves if structural challenges can be overcome.

- **Talent Pipeline**: Developing and retaining skilled pilots, maintainers, and managers.
- **Financing**: Reducing risk perception and sharing the African growth story with investors.
- **Competitiveness**: Achieving market liberalization and expanding business-friendly policies and programs.
- **Safety**: Implementing and upholding equivalent safety standards in Africa as the rest of the world.
- **Operational Efficiency**: Reducing operating costs, enhancing service quality, and strengthening profitability.
Boeing’s Commitment to Support the Growth of the Industry in Africa

- **25**: Boeing employees and field service representatives in Africa
- **66%**: of the in-service airplane market in Africa is represented by Boeing
- **1,000**: new airplane orders by African carriers over the next 20 years
- **75+ Years**: Partnership With Africa
- **$41M+**: in work value across six countries generated by eight supplier partnerships
- **70+**: humanitarian flights delivering aid to Africa through nonprofit partners
- **$12.1M+**: investment to improve education and alleviate poverty in Africa since 2006
- **$5M**: investment in the first Ka-band antenna system facility in South Africa
Boeing Community Engagement in Africa

Boeing is focused on providing systemic improvements in education and economic empowerment for those in poverty, to develop 21st-century skills such as digital employability, entrepreneurship and STEM.

STEM Education | Employability Programs | Coding Schools | Entrepreneurship Programs

Boeing and ThinkYoung partner to teach 21st-century skills to youth in Sub-Saharan Africa

Boeing to transform the lives of 1,620 entrepreneurs in Tanzania with Hand in Hand International

Extending Boeing’s partnership with Injaz-Junior Achievement to empower youth in Tanzania, Mozambique, Mauritania, Nigeria, Sudan, Madagascar and the Democratic Republic of the Congo
Boeing is enabling the transition to a carbon neutral aerospace sector

Creating Efficient Products for Fleet Renewal
15-25% efficiency improvement per generation

Improving Operational Efficiency
- Optimized Route Planning
- APU usage
- Sustainable consumables
- Reduce weight

Investing in Renewable Energy
- Aircraft will be 100% Sustainable Aviation Fuel certified by 2030
- Carbon neutral growth from 2020 and reducing emissions to half of 2005 levels by 2050

Investing in Advanced Technology
- World’s first fuel cell manned flight
- All electric vertical takeoff and landing
- Unpiloted liquid hydrogen-powered flight
The 737 MAX is the most efficient single aisle airplane

Back in service since December 2020

- 554 aircraft in service with 41 airlines
- Over 400,000 revenue flights
- Over 1,000,000 flight hours

Designed for efficiency and sustainability

- 50% Smaller noise footprint

Innovative 737 MAX family provides superior economic performance

- 20% reduction in fuel consumption
787 Dreamliner efficiencies bring the world together

Superior economic performance across the 787 family

Designed for efficiency & sustainability

A more comfortable travel experience

25% reduction in fuel consumption

50% smaller noise footprint

6.5x Higher passenger preference

Percentages compared to the 767-300ER
Things to remember

Africa will need 1,000 new airplanes; More than three-quarters are for growth

A strong talent pipeline; enhanced operational efficiency; and an efficient regulatory environment are critical to the success of Africa’s aviation industry

Boeing’s versatile products are the most efficient solutions to support Africa market growth, fleet renewal, and contribute to a carbon-neutral future
777X: The ideal replacement for large widebodies

Profitable airlines

20% reduction in fuel consumption

Designed for efficiency & sustainability

20% smaller noise footprint

16 inch Wider cabin

• Premier brands

Comparison vs A350-1000
777-8F: Next generation economics for the air freight industry

Flexible operations

118 tonnes
Structural payload capability

Innovative airplanes

25%
Less fuel use & carbon emissions

Highest twin-engine payload and long-range capability

Technologies that deliver a more sustainable future

• Profitable airlines

Up to 25%
Lower operating costs

Lowest operating costs per tonne for more profit

Percentages compared to the 747-400F
Networking Coffee Break

16.00-17.00hrs
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