

African airlines performance updates – August 2022

COVID-19: It appears the number of new Covid-19 infections is reducing in almost all regions in the world except Asia, and especially in South Korea which reported 11,600 new cases on 29th August. This is resulting in some Asian countries re-imposing mass testing and movement restrictions including lockdowns in some cities. The situation is being monitored.

In Africa, the number of new infections remains low. Many countries have eased Covid-19 restrictions. The number of people who have either fully or partially vaccinated against Covid-19 in Africa is 28%, far below the global average of 68%. Africa's least vaccinated country has only applied the vaccine to just about 0.14% of its citizens.

Worldwide, the number of infections since the outbreak has reached 606 million and 12.6 million in Africa. The recovery rate is 98.9% worldwide.

AIRLINE PERFORMANCE: Traffic and airlines capacity deployed has now reached 78.4% and 80.4% of the 2019 level respectively. Domestic market still command the dominant share of 42.7% capacity and 35.9% of passengers carried while intra-Africa passengers carried represented 30.7% and corresponding capacity at 24.1%. Intercontinental traffic for August is 33.4% and capacity 33.2%. The resumption of operations on international routes by African airlines is now at 98.7% compared to pre-covid levels. 7 African airlines have exceeded the number of international routes they operated before Covid struck.

AFRAA estimate that revenue loss for 2022 will be \$3.5 billion, equivalent to 20% of 2019 full year revenue. The projected revenue loss for African airlines in the third quarter of 2022 has for the first time since Covid outbreak come below the \$1.0 billion mark, at \$800 million.

Jet fuel price continues to increase. For the year to date, the global average price per barrel is \$143.2. It is estimated that global airlines fuel bill will increase by about \$133.6 billion by end of the year.

BLOCKED FUNDS: The government of Nigeria in August release \$265 million of the \$464 million blocked funds. This follows persistent appeals by airline bodies and ultimatum given by some airlines including Emirates to suspend operations to Nigeria.

Similarly the Egyptian Minister of Civil Aviation authorized the released of \$17 million in blocked airline funds in August.

The amount of airlines funds blocked in some countries in Africa is around \$1.0 billion. The countries with the highest amounts of blocked funds are:

- Nigeria: \$199 million
- Zimbabwe: \$100 million
- Algeria: \$96 million
- Eritrea: \$79 million
- Ethiopia: \$75 million

AFRAA is tracking airlines blocked funds through a quarterly survey it issues to member airlines for completion. The recent survey was launched in August.

REGULATORY DEVELOPMENTS

Better Skies for Africa

- The United States Department of Transportation (DOT) on 03 August 2022 issued a Notice of Proposed Rulemaking (see here [Consumer protection](#)) that would, among other things require US and foreign airlines and ticket agents to provide prompt refunds for cancelled flights or significant changes of flight itineraries when consumers do not accept alternative transportation.
- Canada has announced that after September 8, 2022, new airline ticket refund requirements will come into force for delays of three hours or more or a cancellation outside the airline's control, and where the airline cannot provide the passenger with a confirmed reservation on the next available flight operated by them or a partner airline leaving within 48 hours of the departure time on the passenger's original ticket (See here [Changes to the refund requirements](#))
- The Indian Regulation on Carriage by Air of Persons with Disability and/or Persons with Reduced Mobility has been amended to affirm that if an airline has a reasonable perception that the health of a passenger with a disability could deteriorate during a flight, the airline can ask the passengers to be examined by a doctor to state whether the passenger is fit to fly or not (see details: [Indian Regulation on Carriage by Air](#)).

CORSIA: The 41st ICAO Assembly will take place in Montreal between 27 September and 7 October 2022. In preparation towards the Assembly, the ICAO Council held a meeting in its 226th session on 24 August 2022 where it adopted a compromise proposal to be presented to the 41st Assembly. The draft proposal affirms that the CORSIA baseline should be established based on 85% of 2019 emissions from 2024 to 2035. Sectorial growth rate (growth of the focus operational area) and Individual growth rate (operator growth) will also be considered in determining the baseline for the period between 2033 to 2035.