ANNUAL REPORT OF THE SECRETARY GENERAL
WHERE ARE WE COMING FROM? 2022

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Where are we coming from? 2022
State of the industry 2023
Outlook 2023 and Beyond
AFRAA Priorities
Where are we coming from? 2022
## Global Economic Context – GDP Growth

### GDP Growth World vs Africa

<table>
<thead>
<tr>
<th>Year</th>
<th>Global GDP Growth</th>
<th>Africa GDP Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>3.1%</td>
<td>4.8%</td>
</tr>
<tr>
<td>2023</td>
<td>2.1%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2023</td>
<td>4.0%</td>
<td></td>
</tr>
</tbody>
</table>

Global GDP Growth 2022 : 3.1%
Africa GDP Growth 2022 : 3.8%

Source: WorldBank
Global Inflation rate 2022 : 8.7%
Africa Inflation rate 2022 : 14.2%

Source: IMF
Global Economic Context – Oil and Jet fuel prices

Average crude oil price 2022: USD 135.6
Average Jet fuel price 2022: USD 99.8

Source: IATA
International Tourists Arrivals

- WORLDWIDE: 960 Million tourists in 2022
- AFRICA: 46.6 Million tourists in 2022 (35.2% drop compared to 2019)

Source: UNWTO
African Airlines’ traffic performance

Passenger number (million)
- 2021: 43
- 2022: 67
- 2023 (est.): 85

Contribution to global traffic
- World: 98%
- Africa: 2%

Source: AFRAA / IATA

African Airlines Passengers 2022: 67 million
Contribution to the global traffic: 2%
African Airlines’ freight performance

Cargo Traffic (Million CTKs)

- 2021: 11.62
- 2022: 17.08

Contribution to global freight

- World: 98%
- Africa: 2%

Source: IATA

African Airlines CTKs 2022: 17.08 million
African Airlines’ financial performance

Airline profits per passenger by region (USD)

Net profit per passenger Africa 2022: USD -9.5

Source: IATA
AFRAA CONTRIBUTES TO IMPROVING SAFETY

In the SAATM institutional framework

- AfDB provided a grant to AFCAC.
- AFRAA, in collaboration with IATA, contributed to preparing African airlines in SAATM States for IOSA or ISSA
  - 12 ISSA and 4 IOSA initial candidates
  - 10 ISSA and 4 IOSA respective candidates currently. Negotiations to replace two missing ISSA with one IOSA
  - At this stage, preparation was completed for 4 IOSA and 7 ISSA candidates, and two airlines made it to IOSA.

Outside the SAATM institutional framework

- One AFRAA member airline is being prepared for IOSA.
State of the industry

2023
State of the industry 2023 – Passengers

African Airlines Passengers carried (million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>95.6</td>
</tr>
<tr>
<td>2020</td>
<td>34.7</td>
</tr>
<tr>
<td>2021</td>
<td>43</td>
</tr>
<tr>
<td>2022</td>
<td>67</td>
</tr>
<tr>
<td>2023e</td>
<td>85</td>
</tr>
</tbody>
</table>

African Airlines’ RPKs Evolution

Seats and Passengers distribution

- Intercontinental: 44%
- Intra African: 30%
- Domestic: 24%

Source: AFRAA/ IATA / OAG
State of the industry 2023 - Passengers

Northern Africa
- 39.5% of the total African traffic
- 57% of the traffic directed to Europe

Eastern Africa
- 19.3% of the total African traffic
- 41% of Intra-African traffic

Central and Western Africa
- 21.7% of the total African traffic
- 42% of Intra-African traffic

Southern Africa
- 19.4% of the total African traffic
- 50% of the traffic is within the region

Source: AFRAA / OAG
State of the industry 2023 – Cargo

Year-on-year cargo traffic growth per origin (%)

-8.4 5.3 4.3 7.2 1.2 0.1

Central Africa East Africa North Africa Southern Africa West Africa All Africa origins

Market shares of African Airlines per cargo origin subregions (%)

Central Africa East Africa North Africa Southern Africa West Africa All Africa origins

25.2 37.7 30.7 19.0 21.1 30.5

20.0 37.2 29.9 20.9 20.2 30.6

Source: World ACD Market Data
AFRAA Initiatives
2023 and beyond – Priorities for 2024
SAFETY


The downtrend from 2013, and a better result than the world in 2016

The five-year sliding average records an uptrend of safety; fluctuating annual results above the world average.

Stakeholders must work together to reverse the trend.

Source: ICAO ISTATS
AFRAA Priorities 2024 – 1 - Safety First

Africa Safety and Operation Summit 2024

As AFRAA, one of our priorities is to ensure Africa's highest aviation safety standards.

As airline operations increase across the continent, it is more crucial than ever that we address the unique safety challenges and opportunities presented to us.

With this in mind, we are excited to announce that AFRAA and Flight Safety Foundation have partnered to organize a landmark Aviation Safety Summit in Addis Ababa, Ethiopia in conjunction with the AFRAA Annual Convention in May of 2024. This summit seeks to bring together the stakeholders in the industry to discuss, strategize, and collaborate on shaping a safer future for African aviation.
AFRAA Priorities 2024 – 2 - Connectivity

Evolution of Intra-African connectivity post Covid

- 85% direct intra-African flights vs 15% connecting.
- Among those direct flights, 5th freedom represent only 21%

Source: AFRAA / OAG
In order to contribute to the improvement of Intra-African connectivity, AFRAA, ACI Africa and AFCAC plan to join effort to:

- Bring together airlines, airports and aviation stakeholders from across the African continent to engage to build air services within Africa and economic growth.
- Enhance intra-Africa connectivity and affordability of air travel in Africa.
AFRAA Priorities 2024 – 3 – Sustainability

The Air Transport Sustainability LAB Roadmap implementation

The Free Routing Airspace (FRA) trials

Advocacy for Blocked Funds

Advocacy Taxes and Charges

Environmental sustainability

Youth and Gender diversity in aviation
AFRAA Priorities 2024 – 4 – 5-Year Strategic Plan

Five (5) Strategic Objectives:

1. Safe, secure, and reliable air transport:
2. Enhance the visibility, reputation, and influence of African Airlines in the global aviation industry.
3. Sustainable air transport:
4. Cooperation:
5. Data Intelligence
CONCLUSION

- COOPERATION
- COLLABORATION
- JOINT INITIATIVES

"Better Skies for Africa"
Thank You!