African Airlines Need To Work Together To Improve Connectivity

The Secretary General of African Airlines Association (AFRAA), Mr. Abderahmane Berthe in this exclusive interview with Aviation & Allied Business Journal discusses the adoption of Sustainable Aviation Fuel (SAF), MRO, manpower shortage, safety and SAATM implementation amongst other topics relevant to the African Airline industry.

Q: Priorities for AFRAA A: At AFRAA, we have a 5-year strategic objective and every year we define our priorities. For 2024, we have agreed on four priorities. The first one is safety; because safety is very critical for our business. In this regard, AFRAA is staging the Inaugural Safety and Operations Summit this year on 15 May in Addis Ababa, back-to-back with the Stakeholders Convention.

The second priority is improving connectivity and market access because we all know that in Africa connectivity is a challenge. Improving connectivity is not only about SAATM. Of course, SAATM is very important, but we really want to see African airlines working together to improve connectivity, and this should be done with airports also because the aspect of infrastructure is also important.

New routes development across the continent is part of our priorities for 2024 and we are working together with the African Civil Aviation Commission (AFCAC) and ACI Africa on strategies to develop the market access aspect. The third priority for us is sustainability. It is very important for us to have sustainable air transport across the continent and that is the reason that the African air transport sustainability Laboratory was organized in June 2022 in Nairobi. It was hosted by AFRAA under the African Aviation Industry Group (AAIG). For us, sustainability includes economic sustainability, and social and environmental sustainability as well. And when we talk about environmental sustainability, we talk about various initiatives such as CORSIA implementation and Sustainable Aviation Fuels (SAF). At AFRAA, we have established a task force on SAF as well.

Lastly, the fourth priority is to continue implementing our strategic plan in 2024. It is also our priority to ensure that we are following our strategic plan implementation.
Q: AFRAA, African Airlines and SAF Adoption
A: Attaining Net-zero emissions by 2050 is a target we endorse at AFRAA and in this regard, we think that African airlines should also be on board. I say this because some people are of the opinion that Africa should not be concerned with environmental issues because we are not polluting much in comparison to the world, but air transport is a global industry and we have to be concerned because in other regions it is a concern. It is a global concern. In fact, at AFRAA, in 2022 during the Assembly, we made a resolution about the environment. The key points of this resolution were to encourage airlines to continue to improve the efficiency of their operations and to reduce Co2 emissions in this regard. I talked about the Laboratory we organized, one of the projects of the Laboratory was the Free Routing Area. The objective of the Free Routing Area is to reduce flight times for operations and consequently to also reduce the carbon footprint.

We kicked off this project in Addis Ababa early in November 2023 and the trials are going on and so far, it is very successful. Trial flights have been operated under the Free Routing Airspace concept from East Africa and West Africa and from East Africa to South Africa and the fuel burn reduction is substantial and it brings a lot of cost savings for airlines. The second point is really to urge all stakeholders to put in their policies the target of reduction of Co2 emissions and also to facilitate its implementation: fuel producing companies need to provide in volume the quantity of SAFs needed for operations of airlines.

It is also important at government levels to have a policy regarding the implementation of SAF. Also, you know currently, there is a lot of research by aircraft and engine manufacturers to improve the efficiency of airframe and propulsion technology for aeroplanes and of course, on the Air Navigation Service Providers (ANSPs), I talked about the Free Routing Airspace earlier. Most importantly, we need also to make sure that at airports we have the infrastructure needed to support the transition to SAF. So, it should be a joint effort of all stakeholders to implement SAF.

For that reason, we have a task force to align airlines and stakeholders for the implementation of this project. We think that collaboration with necessary stakeholders, government bodies, research institutions and other relevant organizations to promote, facilitate and accelerate the adoption of SAF across the continent is critical. However, I want to add here that we talk a lot about environmental sustainability. As I said for 2024 priorities, for us sustainability is not only about environmental sustainability; the economic and social aspects are also very important. As you know, there is a lot to be done regarding the economic sustainability of African airlines.

Q: MRO Capacity and Economic Sustainability of African Airlines
A: This is a very good question because you know for airlines, fuel and maintenance are the biggest part of the operational costs. We always talk about the fuel price; it is something that also needs to be put into consideration. Across the African continent, we have some African operators which have very good MRO facilities. However, we have many cases where operators on many occasions send their aircraft, and spare parts for overhaul outside of the continent and this is very costly and also brings some disruptions in terms of their operations. It is very important and we encourage our members to cooperate in terms of maintenance.

One of the projects is in line maintenance, preventing every airline from carrying spare parts, for example. This project is going on and also pooling spare parts because having a stock of spare parts is very expensive and in Africa, we have many airlines operating the same type of aircraft, so we can consider pooling these spare parts. We do believe in the next two to three years, these projects will relieve the operations of our member airlines in terms of maintenance support.

Q: Skills Shortage Amongst African Airlines?
A: Airline business involves a lot of skills. It varies from commercial to maintenance, pilots, it is very diverse. We have a lack of human resources across the continent. In many cases training this human resource is also very expensive mainly in regard to pilots or maintenance engineers, for example.
And if you consider that by 2040 the traffic will double according to statistics, it means that we have more aircraft operating and consequently a need for more human resources. It is very important to have a vision and policy to develop more capacity across the continent. For that reason, at AFRAA, we have proposed to our Executive Committee, and it has been approved, to put in place what we call the African Airline Training Fund. This Training Fund will be used to develop capacity across the continent for the operations of our member airlines. We observe that we will be able to get financial institutions to support this training fund. The Fund will be administered by a board not only AFRAA. The funding institutions will also be part of the management of the fund and will be involved in the definition of how the funds will be used, and what kind of training will be funded for the interest of the African airlines operation.

In line with AFRAA’s vision and mission, the Technical Operations and Training Committee also is providing a forum where our members will discuss the needs of our member airlines regarding cost reduction initiatives and how to enhance safety. This is because we need human resources regarding safety standards and the meeting of human resource needs of the air transport industry to ensure airline personnel are equipped to respond to global standards and needs for airline operation is critical.

At AFRAA, we have a training unit for many years now which has been working very successfully. Every year we train many of our member airlines. Apart from training, getting human resources, how to get a job for them and to retain them is also important because we have seen in the past many African skills were lost. At the continent level, every airline needs to have a policy to retain human resources.

Q: Safety Improvement and attractive financing and insurance rates?
A: I don’t have the exact data regarding the insurance aspect of it and I am sure that it has an impact because many years back Africa was considered unsafe in terms of airlines but things have changed. We have the Abuja safety targets and the involvement of all stakeholders to improve the safety level across the continent and that is why I say safety is one of the objectives of the priorities of AFRAA for 2024. We are launching the inaugural Safety and Operations Summit in Addis Ababa this year. It will be a forum for operators to discuss best practices in the industry.

We have been working under SAATM with IATA and AFCAC on a project to enhance safety for airlines on the continent and this project is funded by the African Development Bank. At AFRAA, through our Consulting Unit, we are assisting our members to get to the safety standard of IOSA, and those are the actions we are putting forward to improve safety. For the safety summit I talked about, we are partnering with the Flight Safety Foundation to stage this very important event. It is a first in Africa and it will be very important for our members to attend and make recommendations on how to maintain the current safety level because without safety, it will be impossible to develop airline business across the continent.

Q: Update on Blocked Airlines Funds in Africa
A: Blocked fund is really a big challenge for airlines’ operations. It is something which is evolving from month to month; it can impact the cash of airlines and also their operation. At AFRAA, we are working with IATA on it and our approach is advocacy. When we see that we have an issue, we join our efforts to see how to release the funds.

The problem we have is that in some countries when you have blocked funds for more than one year, and then you have at the same time the devaluation of the currency, then the released funds will reduce at the end of the day. So, we will continue our efforts to tackle the issue of blocked funds but it is a really big concern today for operations and for that reason, we have created a Blocked Fund Taskforce at AFRAA and we have many

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INTERVIEW

Q: Implementation Level of SAATM/YD
A: I can't say I am satisfied because the level of implementation is still low. I am in Lome currently regarding some activity of SAATM and I'm informed that the total number of SAATM States is 38. However, we have many states who signed but they don't implement SAATM. There is no supranational power to force them to implement it. AFCAC came up with the concept of the Pilot Implementation Programme (PIP) in December 2022 and 21 states have signed. The objective is to start with the States which are willing and ready and to be honest, in many cases, the reason it is not implemented is that some States want to protect their national carriers. But in my view, this is not right because in terms of market access, it is a matter of reciprocity. If you block airlines from another country to operate traffic rights, the country will also block your airline. I think it is important that airlines discuss and agree and then have civil aviation follow and grant traffic rights. We have an annual meeting of all SAATM stakeholders. We have six pillars of action, and these pillars include advocacy, communication, and resource mobilization as well, there are some technical assistance aspects of it and also enhancement of African airlines collaboration.

As part of AFRAA's efforts, it is also important to build capacity and awareness regarding SAATM. For that reason, we organized in Nairobi from 18th-20th March 2024 a workshop in collaboration with the African Union Commission and AFCAC for African airlines to build capacity regarding the regulatory instruments of SAATM. These include the powers, functions and operations of the Executing Agency, consumer protection, competition regulation, the Dispute Settlement Mechanism and the revised African Civil Aviation Policy. Also, I am currently in Lome because we are putting in place the Administrative Council of the Monitoring Body. For the implementation of YD, we have a Monitoring Body which AFRAA is part of. The Dispute Settlement was the last element of the legal framework to be put in place. We already have a Secretariat based in Dakar and we need to have an administrative Council. The role of the Administrative Council in place, which will report to the Monitoring Body, in cases of disputes between states, airlines or service providers is to settle the disputes and make a decision which should be binding on the parties. We are in the process of recruiting the members. We have five members, one per region and one alternate. This Dispute Settlement Mechanism will be very important to bring confidence at the level of our member airlines regarding SAATM implementation.

Q: Challenges and Prospects for the African Airline Industry Going Forward

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A: We are in the process of recovery from COVID-19, and since 2022, we have seen a trend of recovery. However, we need to tackle the challenges of the high-cost environment, blocked funds, and market access issues. We have talked a lot. We need to take effective actions and decision-makers need to make the right decisions to support the industry and to transform the air transport environment in Africa. For the future, we think that the growth potential is very high in Africa. Traffic will continue to grow and will double by 2040 and also you know cargo activities will grow on the continent. If you look at the GDP growth of the continent, it is one of the highest in the world. GDP per capita in Africa which is today very low is on an average of 15% of the average GDP per capita globally. And we know that GDP per capita is critical for the affordability of air transport. The problem in Africa is that the GDP per capita is low and at the same time because the cost environment is high, we have also high fares. It is very difficult in this type of situation to develop air transport. We will continue working towards creating a conducive environment in terms of the affordability of air transport. There are other complimentary projects such as the African Continental Free Trade Area (AfCFTA). Because the level of trade between African states is very low, less than 20%, while in other regions it is 50 or 60%, this AfCFTA project will increase the level of trade and consequently will impact the air transport industry. Also, we think that tourism development is important because in Africa, today, when we talk about tourism, we talk about tourists coming from outside of the continent; we need also to create a flow of intra-Africa tourism as well.

Visa openness is something which needs to be improved because currently, many African citizens need a visa to travel from one country to another; so there is also a project of the African Union Commission to facilitate visas for African travelers. I consider that the future is very bright for Africa in terms of air transport development and we need to create the conditions to support it because air transport is critical for the economic integration of the continent. We see that other modes of transportation are very weak across the continent. How can you travel from Dakar to Johannesburg or Cape Town without air transport? It is not possible. Unfortunately, today, we have connectivity and affordability issues which need to be resolved as soon as possible.