

The Discipline Behind a Consistently Profitable African Airline

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CEO of ASKY

A FRAA runs several Projects. We have the Joint Fuel Program. We have the Roots Network Coordination and Cargo. We have safety, technical and operations, training, distribution, aeropolitical and advocacy, sustainability market intelligence and various industry forums and events which of these initiatives has delivered the most tangible value to your airline and why that specifically

Well, AFRAA is very active. It is running a lot of programs like joint oil procurement, free route airspace, and also SAF and many other things but the one which is very much practical for ASKY is that of line maintenance and part pool cooperation because in many stations we exchange like routes for changing of the aircraft wheels and we exchange some equipment and other things so this part pooling and line maintenance is the most effective for ASKY.

If AFRAA didn't exist, what's the one thing your airline would struggle to do on its own?

Well, Africa is a big continent with 54 or 55 countries with so many civil aviation, so many airlines and there is AFCAC, there are governments and ministries. It would have been very much fragmented to coordinate with all of them single-handedly by each airline, even among the airlines. So AFRAA being there, coordination is made seamless and it's very much important for the industry's advocacy within the continent.

Where do you think AFRAA needs to be bolder for its members?

Well, AFRAA needs to be more assertive, like when it comes to taking the level of advocacy from civil aviation to the ministries of transport and to the heads of state and being able to advocate in the interest of the airlines when it comes to the blocked funds. For example, there are so many central banks within the continent of Africa each government a central bank and there are also regional central banks. It is formidable type of process that we are in so AFRAA needs to be

more assertive on blocked funds and also many governments are leaving some additional charges for advanced passenger information system and all this. AFRAA needs to be more assertive to advocate in the interest of the airlines.

Which new initiatives do you think AFRAA should undertake? Why?

Well, AFRAA is taking a lot of initiatives, but now, AFRAA should be raising the level of advocacy from civil aviation and AFCAC to ministries of transport and to the government so that it can be able to preserve the interest of the airlines so on behalf of us especially you know the charges and taxes and other things are very high in the continent so AFRAA should be more active on that.

Free Route Airspace has moved from a concept, to a WACAF trial, to full deployment and now Eastern and Southern Africa is next. In plain terms, what does flying a User Preferred Route actually change for your pilots and your bottom line?

Free Route Airspace is a very good project that AFRAA is running. You know, this shortens the flight time, saves fuel, saves cost, and it ensures better connectivity of some of the markets which, because of time shortage, would not have connected. It reduces crew duty time so it is highly advantageous both economically and also for operational excellence and most of all it is very good for the environment because it reduces the carbon emissions.

AFRAA's own figures point to real fuel and emissions savings from FRA in West and Central Africa. Has your airline seen those numbers show up yet, or is it still early?

Definitely ASKY is starting to benefit from the cost advantage of the free route airspace. The only cost spoiler is some of the navigational routes which are out of ASECNA like Liberia, Sierra Leone and Guinea Conakry, their overflight charges even higher so when you use the free route airspace it is shorter but flying over them is more expensive so the saving that we get for fuel is offset by paying more for the navigational and overflight so apart from that in totality we are exhibiting some kind of cost saving from the free route airspace.

ECOWAS recently took the landmark decision to abolish certain taxes and charges on air transport within the region. From ASKY's perspective, what impact do you expect this decision to have on regional connectivity, passenger demand and the growth of aviation in West Africa?

This reducing of taxes and charges and fees by ECOWAS is a very noble initiative. In fact, all other regional groups also need to follow suit and ECOWAS is spearheading this and we are highly thankful for the initiative of ECOWAS. This will have

a positive impact. Number one, it democratizes air travel. It will make the price of the tickets cheaper and it will increase the traffic. But in the western part of Africa, it is not only taxes and charges which are inflating the flight ticket, but fuel cost is higher. Aviation infrastructure like airport navigational infrastructures, these are very expensive, access to finances and for maintenance and for leads, engine and aircraft all the finances which are highly forex denominated are also inflating the cost so in the future governments also need to invest more on their airlines to enable them to have better access to finances and reduce the cost of fuel in addition to reducing taxes and charges. However, this initiative is really benefiting and it will help the traffic increase.

You're preparing to add your first wide body aircraft and are eyeing Paris as ASKY's first route to Europe. Why Paris, and why now?

Well, why Paris means Western Central Africa is highly connected with Paris historically and because of language and because of relationship. So there is a lot of traffic from Western Central Africa bound to Paris and there is also diaspora in France. So there is a high demand from government, diplomatic businesses, visit family relatives and the diaspora. So that's an obvious choice to fly to Paris. And why now, we couldn't do it earlier? Because first we have to strengthen the regional traffic, feed connectivity and profitability needs to be strengthened. And now after we have discharged our responsibility of connecting the region, the next step is connecting the region with Paris.

ASKY has been profitable for years. What's the discipline behind that consistency, in a continent where carriers face high operating costs?

Well, for an airline, corporate governance and cost discipline is very important and ASKY is following that. So we try to have a very good network architecture. That's number one. Number two, cost discipline and corporate governance in terms of procurement and other things. Number three, Africa-Africa cooperation, strategic cooperation with Ethiopian Airlines because it has a big network. So when we are procuring materials together with Ethiopian Airlines, we have volume discount and also we have very good traffic feed, which is also one of the key success factors for our success. So number one is cost discipline. Number two is corporate governance. Number three is cooperation within Africa with other airlines. This is a success factor that ASKY has been exhibiting.

ASKY Airlines has built a reputation for connecting markets that were once difficult to access within West and Central Africa. What has been the key to successfully building a regional network in markets where connectivity has traditionally been fragmented, and what lessons can other African airlines learn from ASKY's experience?

ASKY wanted to succeed right from the beginning, 16 years ago, when we were established, we were determined for success. So what we did is we didn't launch large number of routes with large number of aircrafts. So we had to start small and sustainably we have to up-scale. We tag so many stations together. When the traffic builds, we detag them and we serve so many freedom traffic. So incremental, sustainable. Something which is closer to the reality so it is a sustainable growth that we have been conducting so other airlines would do well if they scale it up in a sustainable manner that will lead to success well

Ten years from now, what do you want people to say your airline did for African aviation?

10 years from now maybe in 2036, I would like ASKY to be remembered as a sustainable connectivity of the continent of Africa and linking Africa to the rest of the world in a very sustainable manner, connecting, integrating the continent, connecting people and goods, and also serving the community with the vision of a dependable network connectivity. This is how I would like ASKY to be remembered.

What's one thing you wish the flying public understood about what it takes to keep an African airline in the air?

Well, the flying public thinks that airlines are collecting big amount of money and pocketing it, but for airlines, because the margin is so small, If we sell a \$100 ticket, \$97 goes to the cost, only \$3 comes to the bottom line. The public needs to understand that an airline is a low margin industry and cost of regulation, safety, preservation are all a costly endeavor. So the public needs to understand what kind of industry it is and it is giving essential connectivity to them. So they should be able to stand by our side as important stakeholders and understand how the industry functions.

If you could send one message to every other AFRAA member air-

line CEO today, what would it be?

Well, AFRAA member airlines on the continent of Africa are industry colleagues. What I would like to leave them with one single thought is cooperate and compete. Cooperation and competition is co-competition. So we need to synergize our route network.

We need to stagger our days of operation. We need to synchronize our schedule so that we can build a scale and defend Africa's traffic for Africa's airlines.
Thank you.

ASKY : une croissance maîtrisée au service de la connectivité africaine

Pour Esayas Woldemariam Hailu, Directeur général d'ASKY Airlines, la coopération portée par l'AFRAA est irremplaçable : sans elle, coordonner l'action de plus de 54 États, autant d'autorités de l'aviation civile et des dizaines de compagnies serait « très fragmenté ». Il appelle l'association à plus de fermeté sur deux fronts prioritaires : les fonds bloqués dans les banques centrales du continent et la multiplication des taxes et redevances, en portant le plaidoyer au-delà de l'aviation civile, jusqu'aux ministères des Transports et aux chefs d'État.

Le dirigeant salue le Free Route Airspace, qui raccourcit les temps

de vol, réduit la consommation de carburant, les temps de service des équipages et les émissions de carbone — même si les redevances de survol élevées de certains pays hors ASECNA (Liberia, Sierra Leone, Guinée) viennent en atténuer les gains. Il félicite également la CEDEAO pour l'abolition de certaines taxes, une décision qui « démocratise le voyage aérien » et que les autres regroupements régionaux devraient imiter.

Rentable depuis des années, ASKY doit sa constance à trois piliers : discipline des coûts, bonne gouvernance et coopération intra-africaine, notamment avec Ethiopian Airlines

(achats groupés, alimentation du trafic). Fidèle à une stratégie de croissance progressive et durable — « commencer petit et monter en puissance » —, la compagnie s'apprête aujourd'hui à recevoir son premier gros-porteur pour ouvrir sa première liaison européenne vers Paris, choix dicté par les liens historiques, linguistiques et la diaspora.

Son message à ses homologues africains tient en une formule : « coopérer et rivaliser ». « Nous devons synchroniser nos réseaux et nos horaires pour bâtir une échelle et défendre le trafic africain pour les compagnies africaines. »