



# Connectivity and Development of Air Transport

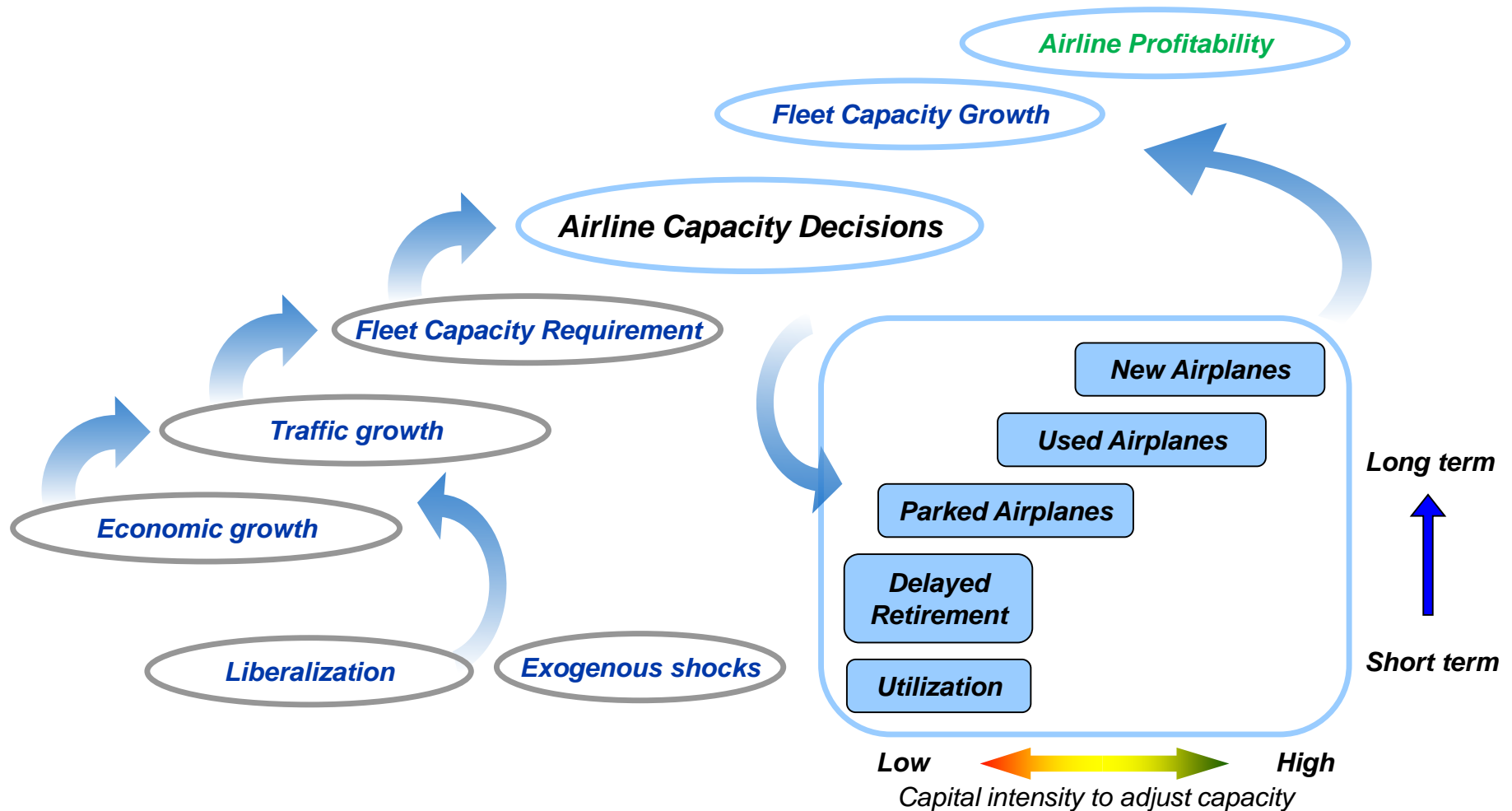
Sustainable development of Air transport in Africa  
25-27 March 2015

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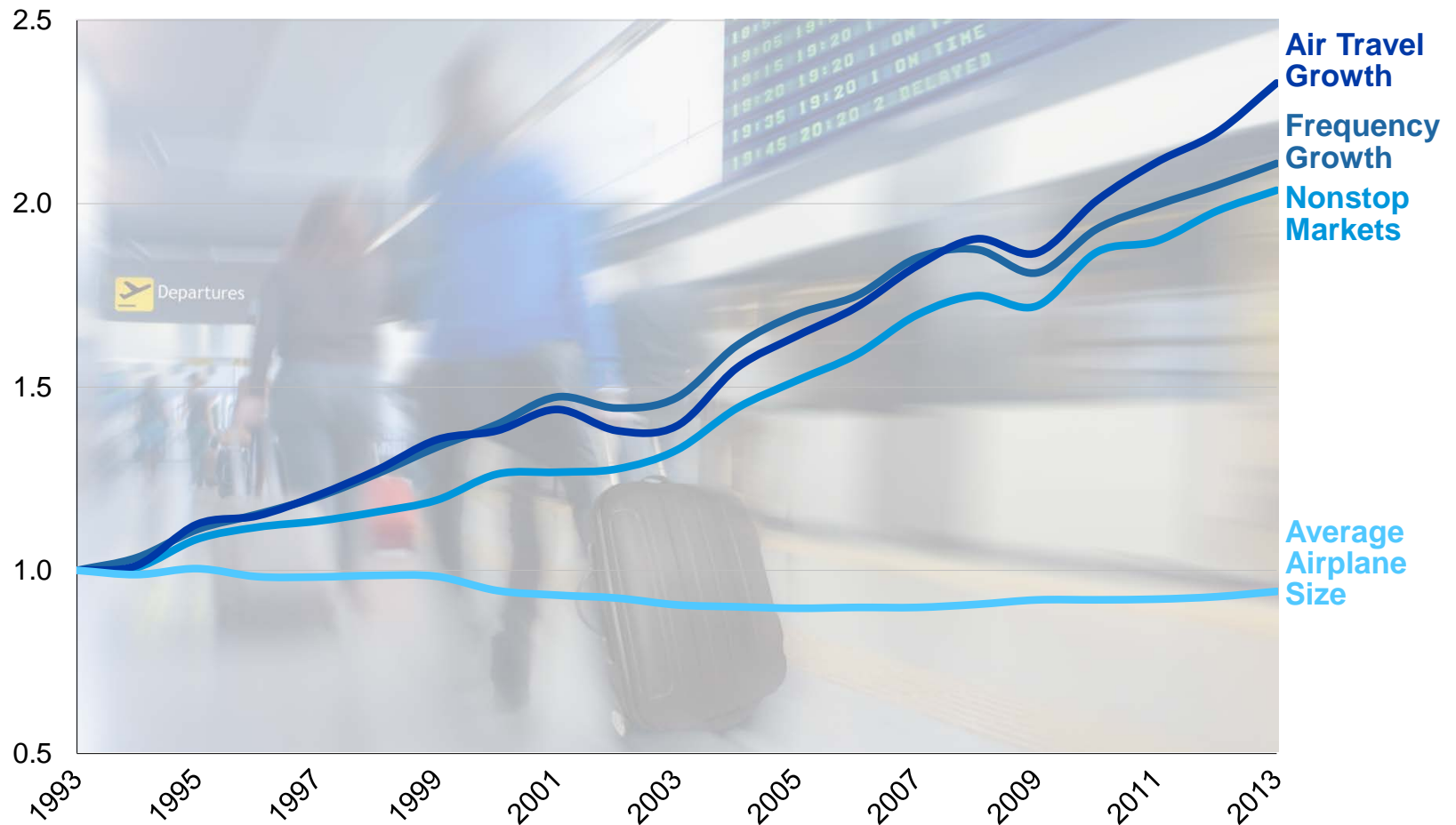
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# The underlying dynamics of our industry



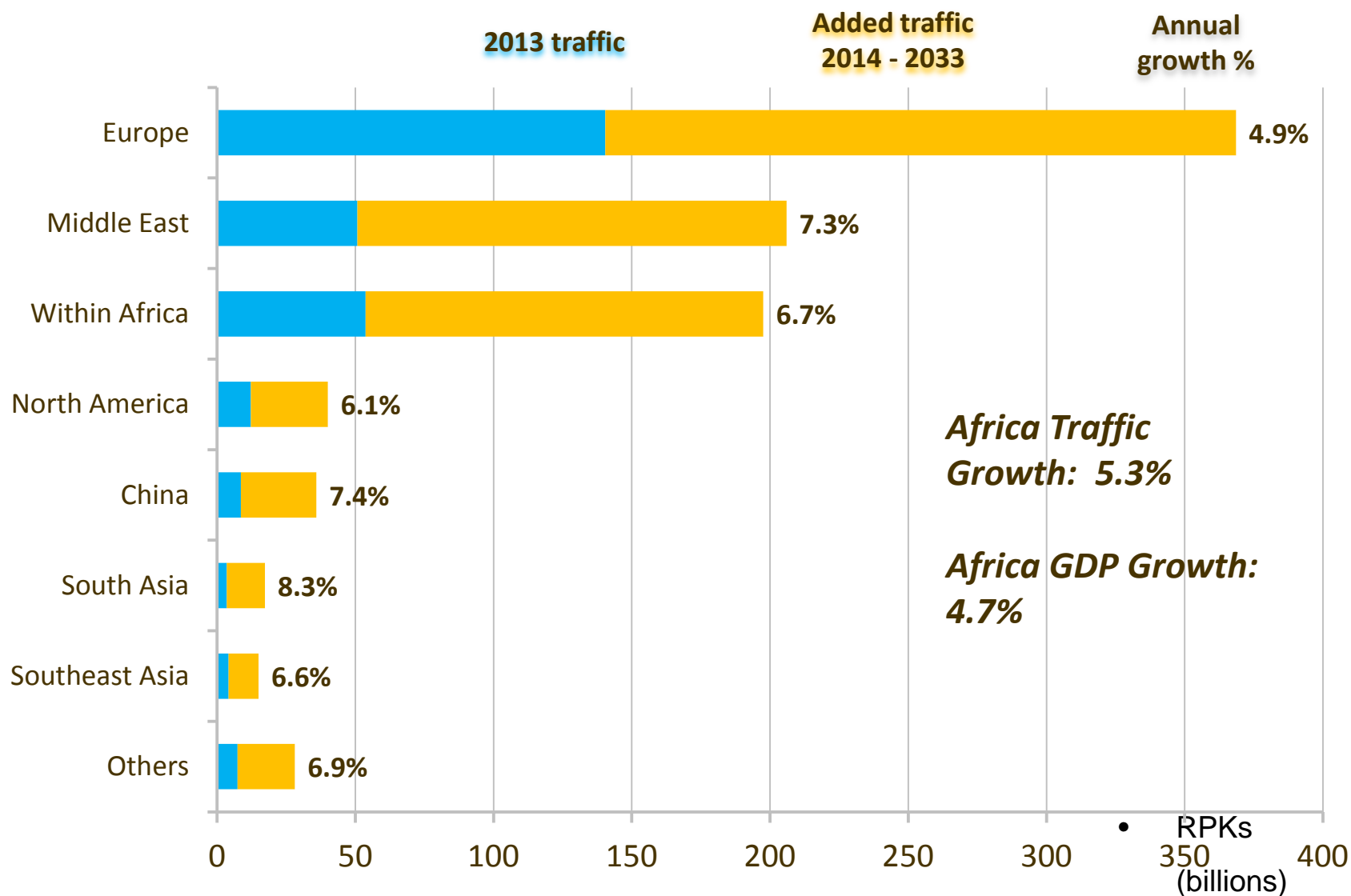
# Air travel growth has been met by increased frequencies and nonstops

- World



- SOURCE: August OAG
  - Index 1993=1.00
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# Africa traffic varies by market



# Network structure is not optimised

- Africa's current network structure means there are many un-served and underserved markets
- Current network structure requires circuitous routings
- Liberalization will allow more direct routes to be operated

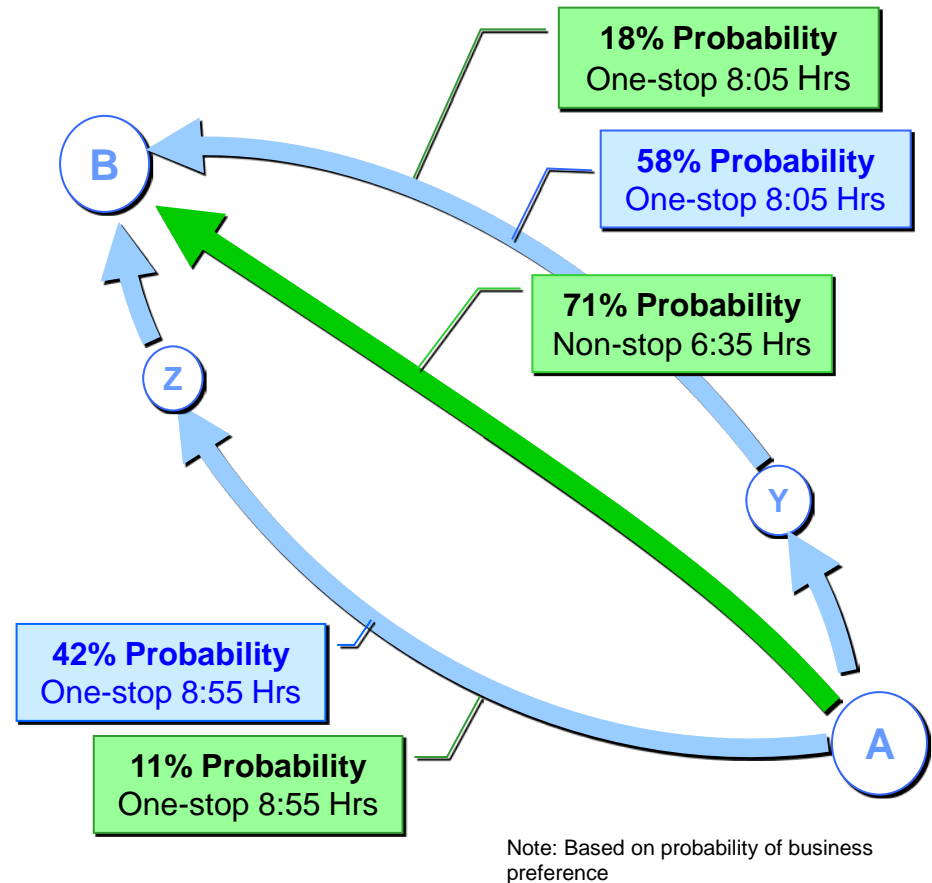
Figure 6-5: Flying Algiers to Lagos

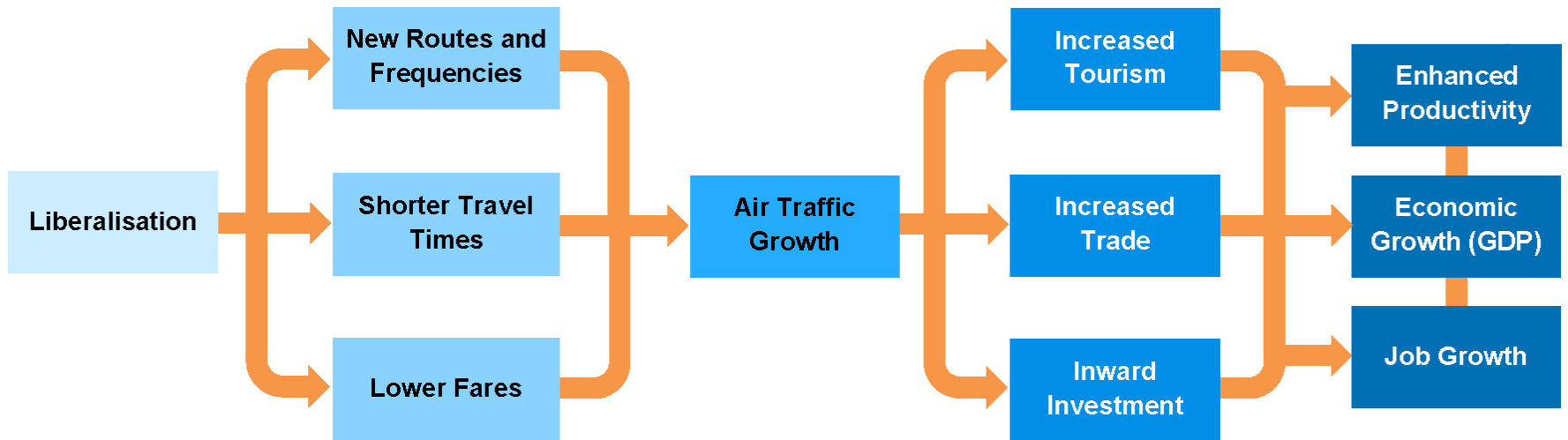


# Estimate demand

## Global Market Allocation System (GMAS)

- GMAS forecasts probability of passenger choice for all worldwide known O&D paths
- GMAS models how passengers choose flights
- Passengers prefer:
  - Shortest elapsed times
  - Least number of stops
  - Efficient connections (Alliance)
  - Online connections
  - Time-of-day schedules
- Business travelers are schedule sensitive, while leisure travelers are relatively more price sensitive
- GMAS does not model for frequent-flyer attraction, bonus offers, marketing tactics, sales promotions and new market stimulations





# New routes allow faster, more efficient travel

Route	Travel Time Before Liberalisation	Travel Time After Liberalisation	Time Saving
Port Elizabeth (South Africa) - Windhoek (Namibia)	5-6 Hours (1-Stop)	2.5 Hours (Direct)	2.5-3.5 Hours
Port Harcourt (Nigeria) - Accra (Ghana)	5 Hours (1-Stop)	1.5 Hours (Direct)	3.5 Hours
Addis Ababa (Ethiopia) - Port Harcourt (Nigeria)	9-10 Hours (1-Stop)	5 Hours (Direct)	4-5 Hours
Cairo (Egypt) - Port Harcourt (Nigeria)	9-12 Hours (1-Stop)	5.5 Hours (Direct)	3.5-6.5 Hours
Dakar (Senegal) - Abuja (Nigeria)	6-7 Hours (1-Stop)	4 Hours (Direct)	2-3 Hours
Luanda (Angola) - Durban (South Africa)	6-7 Hours (1-Stop)	3.5-4.0 Hours (Direct)	2.5-3.5 Hours

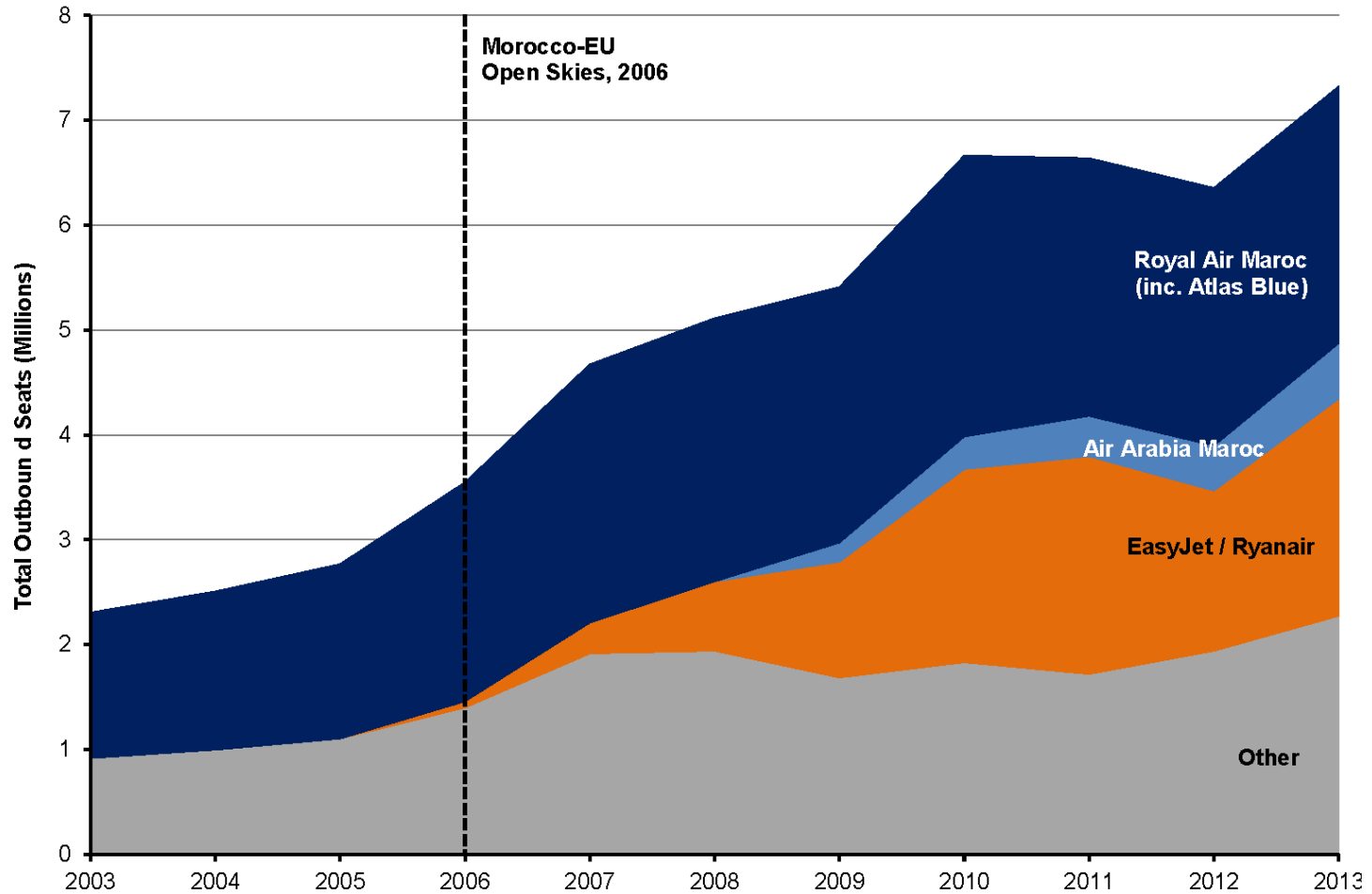
• SOURCE: Transforming Intra-African Air Connectivity InterVISTAS / IATA

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# Open Skies agreements promote growth

- Impact of Morocco-EU Open Skies on Air Capacity

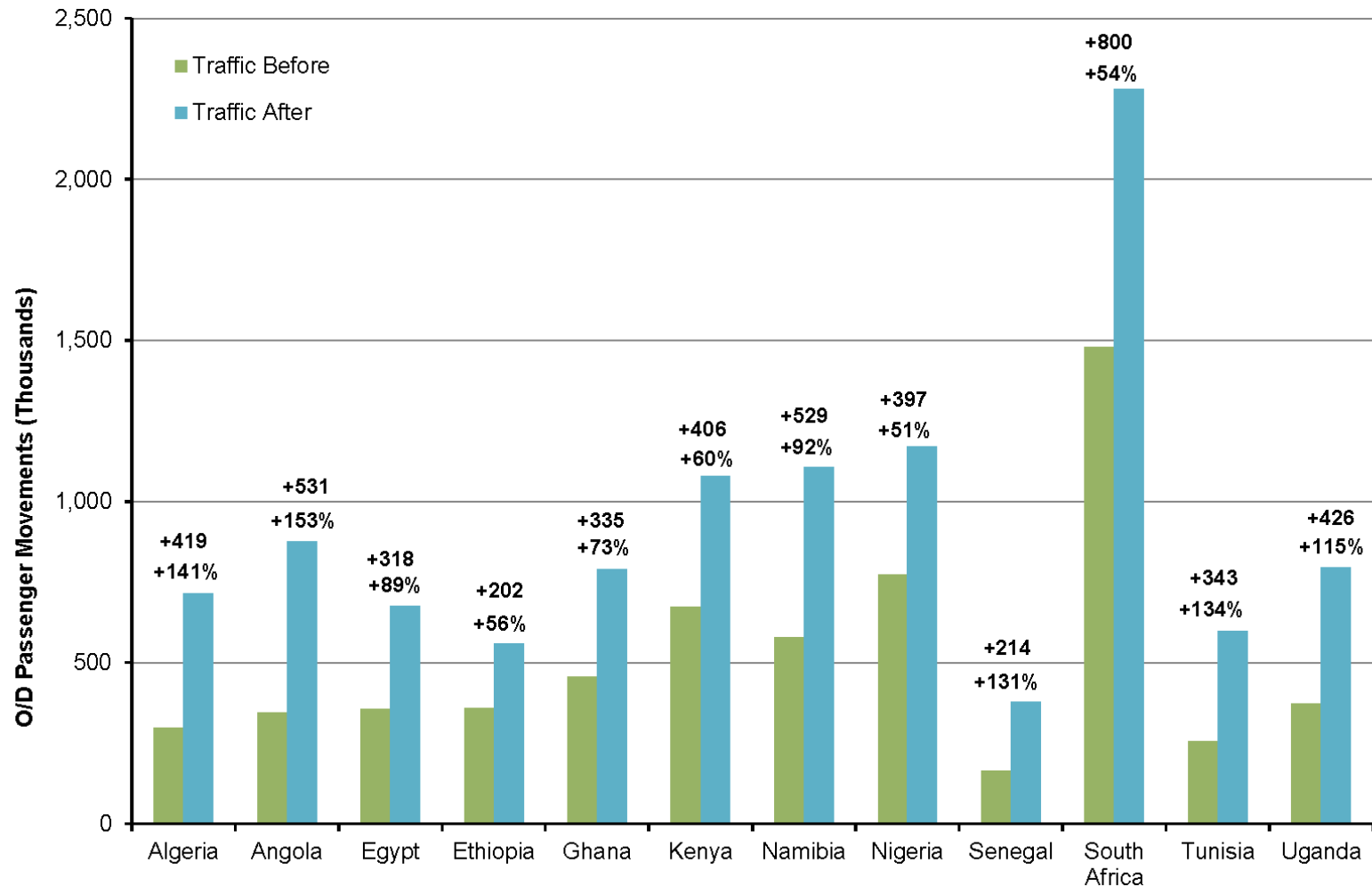


Source: Diio Airline Schedule Data (2003-2013).

- SOURCE: Transforming Intra-African Air Connectivity InterVISTAS / IATA  
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# Liberalisation in Africa could promote huge growth

- Potential growth in passenger traffic after liberalisation



SOURCE: Transforming Intra-African Air Connectivity InterVISTAS / IATA

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# 787 Dreamliner opening new markets around the world

## Current new nonstop routes flown with the 787:

Delhi-Birmingham (AI)	Houston-Lagos (UA)	Tokyo-San Jose (NH)	Stockholm-Fort Lauderdale (DY)
Delhi-Melbourne (AI)	Tokyo-San Diego (JL)	Addis Ababa-Dulles (ET)	Stockholm-Bangkok (DY)
Delhi-Sydney (AI)	Tokyo-Boston (JL)	Oslo-Bangkok (DY)	Oslo-New York (DY)
Denver-Tokyo (UA)	Tokyo-Helsinki (JL)	Stockholm-New York (DY)	Oslo-Fort Lauderdale (DY)
			London-Austin (BA)



As of June 30, 2014

*Thank you!*

