# CAPSCA Africa Meeting

06 June 2023

# Covid -19

**7.7 million jobs**
**$63 billion GDP...**

**Covid 19**
**At Risk 5 m Jobs**
**$ 32b contribution to GDP**

euronews.

DELTA

CORONAVIRUS
Can the aviation
industry survive?

## Presentation flow

✓ Economic Overview

✓ Biosecurity in Air Transport

✓ Lessons learnt

✓ Conclusion

Somas APPAVOU
Regional Director for External Affairs and Sustainability - AFRICA
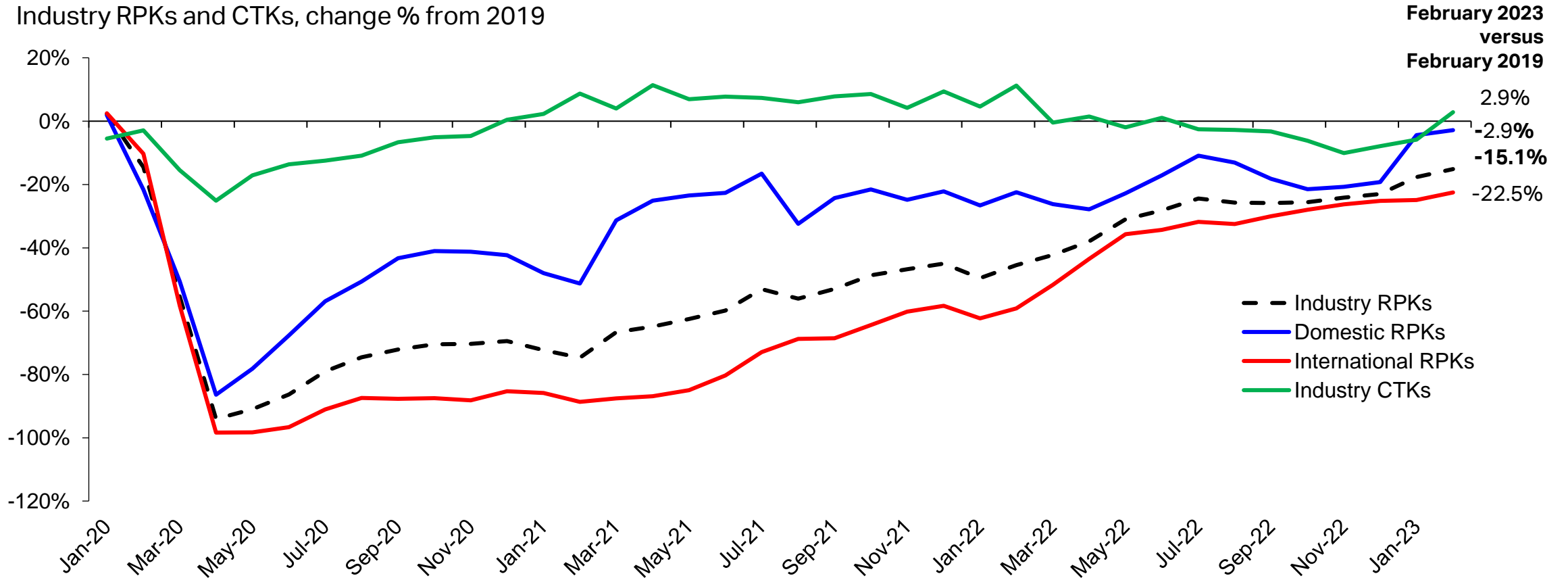
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# Economic Overview

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# Industry recovery is on track, strong start to 2023
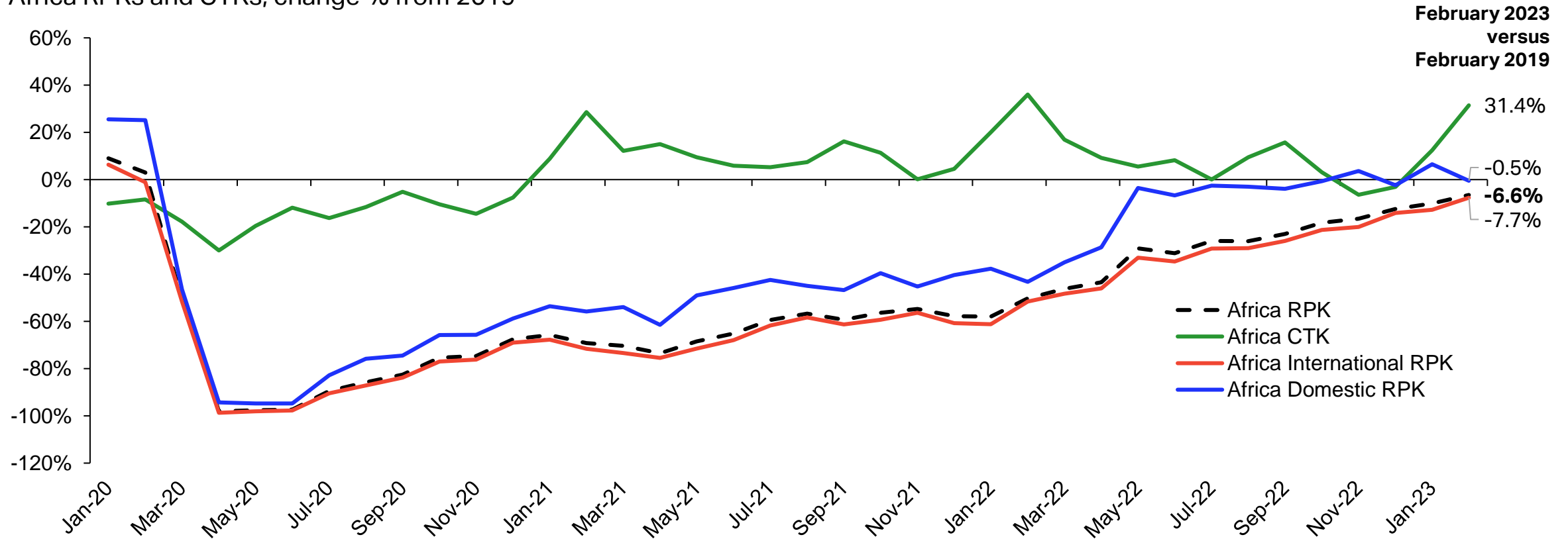## Revenue passenger kilometers (RPKs) are currently at 85% of 2019 level

Industry RPKs and CTKs, change % from 2019

**February 2023 versus February 2019**

2.9%

-2.9%

**-15.1%**

-22.5%



- – – Industry RPKs
- —— Domestic RPKs
- —— International RPKs
- —— Industry CTKs

Note: RPKs: Revenue-Passenger Kilometers, CTKs: Cargo-tonne Kilometers.

Source: IATA S&E Economics, IATA Monthly Statistics

# Africa approaches full recovery
## Revenue passenger kilometers (RPKs) are currently at 93% of 2019 level



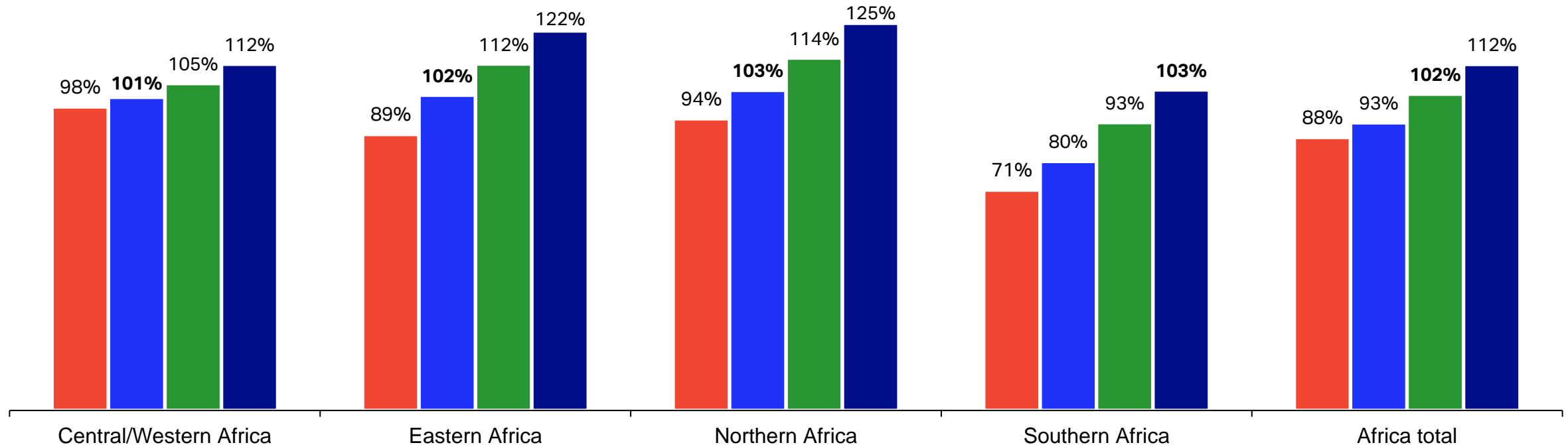Africa RPKs and CTKs, change % from 2019

**February 2023 versus February 2019**

31.4%

−0.5%

**−6.6%**

−7.7%

- Africa RPK
- Africa CTK
- Africa International RPK
- Africa Domestic RPK

Note: RPKs: Revenue-Passenger Kilometers, CTKs: Cargo-tonne Kilometers.

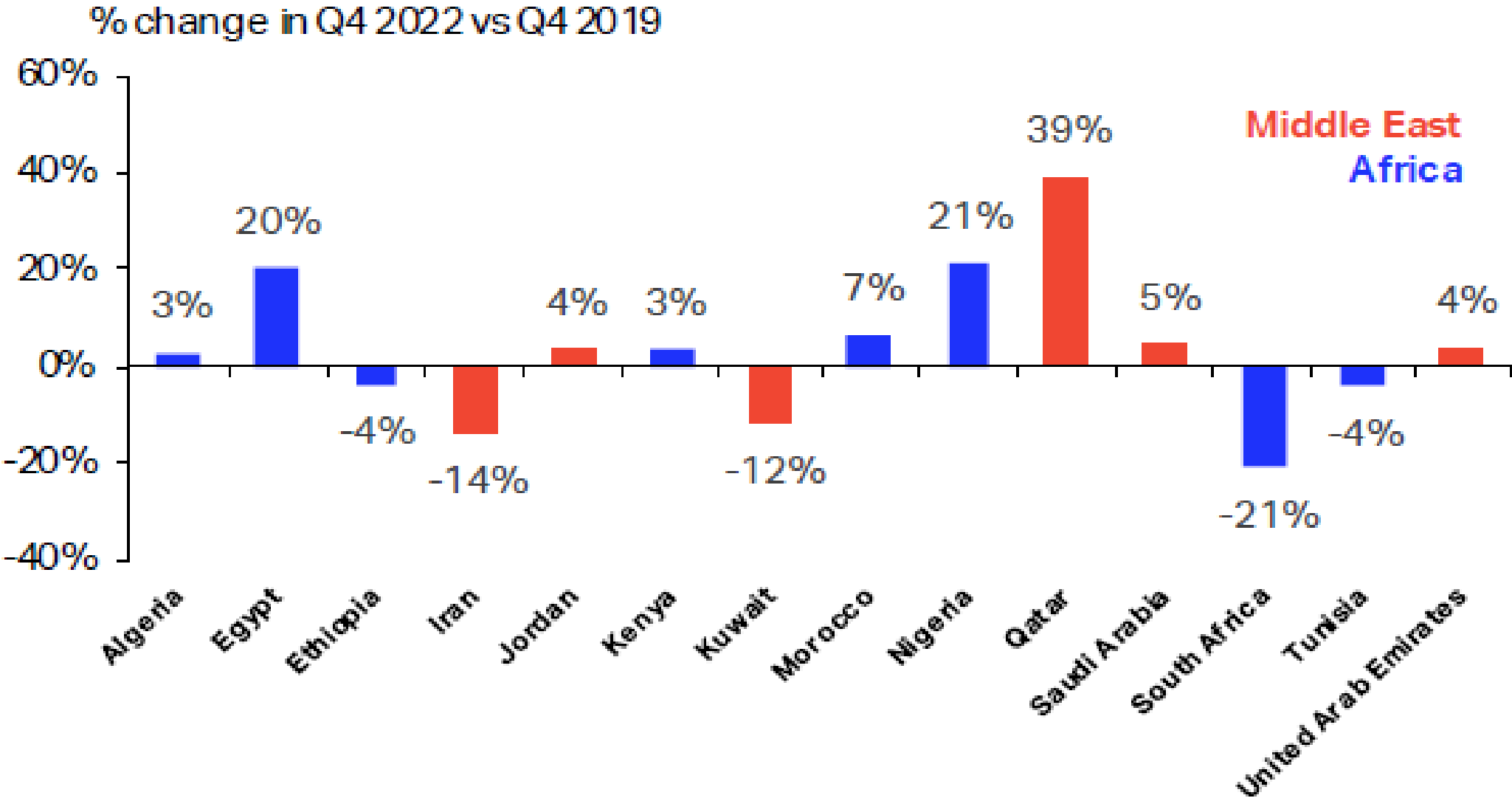Source: IATA S&E Economics, IATA Monthly Statistics

# Southern Africa expected to fully recover in 2025, while Eastern Africa will reach 2019 levels this year

**Passenger traffic recovery (%, share of 2019)**

■ 2022 ■ 2023 ■ 2024 ■ 2025



| | Central/Western Africa | Eastern Africa | Northern Africa | Southern Africa | Africa total |
|---|---|---|---|---|---|
| 2022 | 98% | 89% | 94% | 71% | 88% |
| 2023 | 101% | 102% | 103% | 80% | 102% |
| 2024 | 105% | 112% | 114% | 93% | 93% |
| 2025 | 112% | 122% | 125% | 103% | 112% |

Source: IATA S&E Economics/ Tourism Economics

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# Passenger traffic (O-D) by country in Q4 2022



% change in Q4 2022 vs Q4 2019

Middle East
Africa

| Country | % change |
|---|---|
| Algeria | 3% |
| Egypt | 20% |
| Ethiopia | -4% |
| Iran | -14% |
| Jordan | 4% |
| Kenya | 3% |
| Kuwait | -12% |
| Morocco | 7% |
| Nigeria | 21% |
| Qatar | 39% |
| Saudi Arabia | 5% |
| South Africa | -21% |
| Tunisia | -4% |
| United Arab Emirates | 4% |

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# Airline finances are vulnerable in Africa
## Net profit margin to remain negative in 2023

**Net profit margin (% revenue)**



Legend: ■ 2020  ■ 2021  ■ 2022  ■ 2023

Data labels: N America 3.7%; Europe 0.3%; Asia Pacific -3.8%; Middle East 0.5%; L America -2.1%, -78%; Africa -1.7%
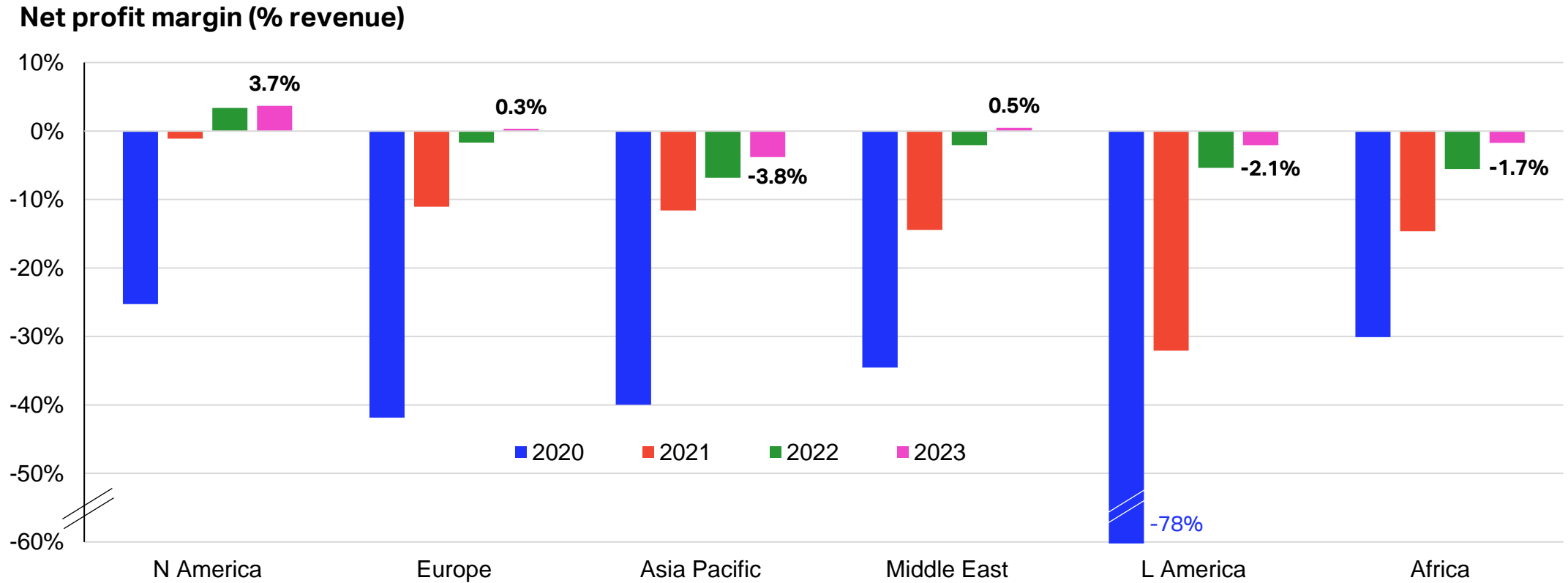
Source: IATA Sustainability & Economics

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# Jet Fuel & Crude Oil Price

**Jet Fuel & Crude Oil Price ($/barrel)**
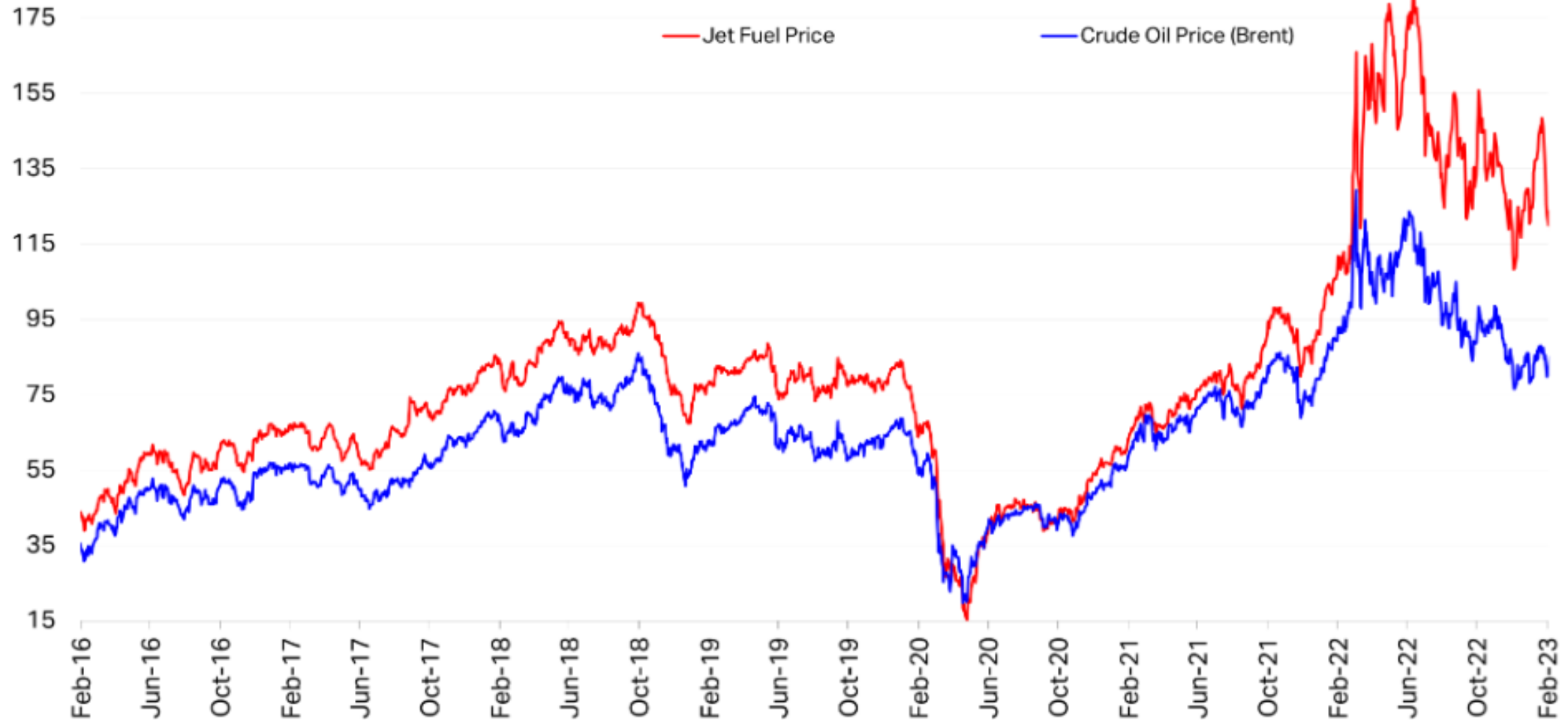
# Aviation at a glance

Aviation:

- Drives economies ($2.7 trillion of GDP)
- Creates employment (65.5 million jobs)
- Enables trade (delivering 35% of goods by value)
- Facilitates healthcare and emergency aid
- Connects people, businesses and economies

**Aviation is a vital driver of the world's economic development**

# Guiding principles on restarting aviation

1. Measures should be introduced **as far upstream as possible** in the travel process
   a. to minimize risk of contagion in the airport environment
   b. ensure that passengers arrive at the airport ready to travel

2. Collaboration between **governments and industry** is vital — a single roadmap of measures should be adopted globally

3. Measures should only last for **as long as required** with a clear exit strategy

4. Existing **roles and responsibilities** of governments, airlines and airports should remain the same

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# Multiple Layers of Safety Throughout the Journey

**1** — **Health screening** including self-declaration and temperature screening

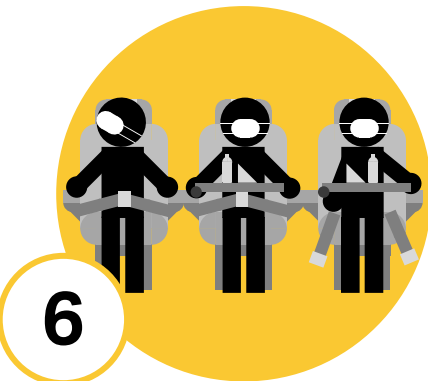**2** — More **contactless and self-service** processes

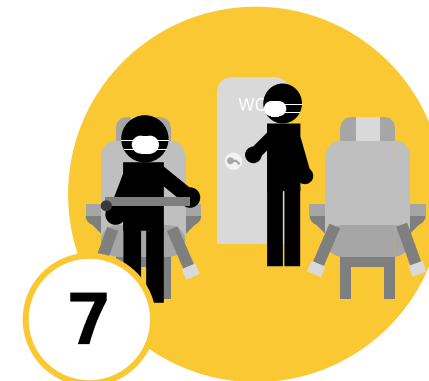**3** — More frequent and deeper **cleaning and sanitization** in airport and aircraft

**4** — **Physical distancing** at the airport where possible

**5** — **Mask wearing** for passengers and crew

**6** — **Simplified cabin service** to decrease crew movement and interactions with passengers

**7** — **Limited movement** during flight to avoid passengers congregating

**8** — **Contactless procedures** for customs and border protection

**WHO, ICAO, IATA, EASA, FAA, and CDC recommendations**

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# Airlines are taking care to keep air travel safe.
## Pre-flight and overnight cleaning recommendations*.

**WHO, ICAO, IATA, EASA, FAA, and CDC recommendations**

**PASSENGER AREA**
**14**
Separate cleaning tasks

**WC/RESTROOM**
**12**
Separate cleaning tasks

**GALLEY**
**14**
Separate cleaning tasks

**DOORS/CREW SEATS**
**7**
Separate cleaning tasks

**FLIGHT DECK**
**15**
Separate cleaning tasks

**CREW REST AREAS**
**5**
Separate cleaning tasks

*Using approved disinfectants with at least 70% alcohol content (ICAO recommendation), and additional training for cleaning staff.

Airlines will add extra disinfection measures based on a thorough risk assessment

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# Extensive Lessons Learned from COVID-19

## Multiple challenges, one key theme: Fragmented response to COVID-19 delayed recovery

Lack of consistency and coordination between States in terms of measures applied

Patchy collaboration and engagement between travel and health sectors

Absence of transparency around risk assessments

Confused communication of measures

Lack of global standard for health credentials – vaccine certificates, test results

Collection of traveler information - Industry became de facto health inspector

Particular challenge around treatment of crew

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# COVID Lessons Learned & Pandemic Preparedness

**Borders finally reopened. Focus on learning lessons from COVID-19**

- Global pandemics and health emergencies forecast to be more common in future

- Reaction to Mpox, Marburg show that there is a lot of work to do

- Danger of preparing for COVID-XX. Next threat could be a very different challenge

**Working towards a proportionate, risk-based response to future outbreaks:**

- WHO: International Health (IHR) Reform, Pandemic Treaty, PRET

- ICAO: Evidence review, "Pathogen neutral" framework for future outbreaks

- Enhanced understanding of harmful impacts of travel restrictions

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# Conclusion

No single measure today can mitigate
all the biosecurity risks of travel

✓ **Adopt range of measures to provide a layered solution in the immediate term -** *Achievable and that already exist.*

When proven and available, additional measures like immunity testing and electronic
immunity passports can be incorporated

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# Thank you





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