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Implementation of the Yamoussoukro Decision
Progressing or stalled?

(Presented by Ethiopia)

SUMMARY

This paper tries to identify certain conditions, which play important roles in accelerating the implementation of the Yamoussoukro Decision. It also calls on the African Union (AU) to assume a leadership role in the African air transport liberalization process by allocating adequate resources and strengthening institutionally to better follow-up developments.

1. BACKGROUND

The Yamoussoukro Decision remains the single most important air transport reform policy initiative by African Governments to date. It was adopted out of the recognition that the restrictive and protectionist intra-African regulatory regime based primarily on Bilateral Air Services Agreements (BASAs) hampered the expansion and improvement of air transport on the continent. One of the vital parts of the Decision was liberalization, which was viewed as a means to develop air services in Africa and stimulate the flow of private capital in the industry.

The Yamoussoukro Decision, which entered into force in 2000 evolved from the Yamoussoukro Declaration of 1988. However, throughout the years, the full potential of the Decision has not been realized to unlock commercial opportunities for African Airlines. Therefore, it remains imperative to explore the conditions and forces, which slowed the implementation of the Decision.



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2. MEASURES TO HELP ACCELERATE IMPLEMENTATION

The following measures or conditions play important roles in accelerating the implementation of the Yamoussoukro Decision. Most African countries are at different levels and pace of incorporating these measures in their policy documents.

The various economic groupings in Africa also have attempted to address some of the measures (COMESA-Competition law) in an effort to bridge the gaps and accelerate air transport liberalization.

2.1 Integrated African air transport policy

Air transport policy development for Africa has not been accorded the attention it deserves. Obviously it is not a simple exercise to be completed in a short period of time with the participation of few interested States only. It takes a concerted effort of considerable time with active participation of all stakeholders. The air transport industry in Africa can only manage to survive the fiercely competitive environment if it is backed by an integrated African air transport policy, which at the moment doesn't exist.

2.2 Develop and harmonize competition rules

When the African Heads of States endorsed the Yamoussoukro Decision back in 1999, very few African countries were ready with their own competition legislation. The first real attempt to enact a regional competition law was undertaken by the Common Market for Eastern and Southern Africa (COMESA) much later than 2000 after the Decision entered into force.

It is however, obvious that developments in the commercial world are impacting on competition particularly when mergers, acquisitions or takeovers take place in airlines and other enterprises. Anti-competitive practices also as already seen constitute obstacles to the achievement of liberalization in a country's economic activity in general and air transport in particular. Therefore, the need for Government intervention to create a level playing field and guard the African air transport industry against unfair and restrictive business practices is absolutely necessary.

2.3 Reduce non-physical barrier

The development of trade between countries is a necessary condition to have sustained economic growth. Regional and export trade opportunities also get enhanced when non-physical barriers are removed from the logistics chain and simple trade formalities, procedures and operations are put in place. Reducing non-physical barriers or facilitating trade is a critical element in any country's economic



infrastructure. It also benefits a country's trade and is increasingly an important factor in the investment decisions of the private sector.

Once again Africa needs to exert a lot of efforts to scrap non-physical barriers and rip the benefits of liberalization, which in turn will result in improved international trade.

3. LEADERSHIP FOR ACCELERATED IMPLEMENTATION

The African Union (AU) is Africa's premier institution and principal organization for the promotion of accelerated socio-economic integration of the Continent. It is also the monitoring body established to oversee implementation of the Yamoussoukro Decision.

Leadership in Continent wide air transport liberalization requires understanding of the prevailing situation, a commitment and adequate preparation to forge progress. With its objective to promote sustainable development and integrating the African economies, the African Union (AU) is best situated to provide the platform for steering the Yamoussoukro Decision and *inter alia* the liberalization of the air transport industry in Africa. Its recent moves to actively support the African Civil Aviation Commission (AFCAC) and the various Regional Economic Communities (RECs) demonstrate the organization's willingness to accept leadership.

It is therefore, incumbent upon the African Union to formalize its role in the African air transport liberalization by allocating adequate resources and strengthening its institution to better follow-up developments.

4. CONCLUSIONS

- a) African Countries need to do more to realize the full potential of the Yamoussoukro Decision by exploring conditions and forces, which slowed its implementation.
- b) The African Union (AU) as the premier institution to promote and accelerate socio-economic integration in Africa should provide the best platform for steering implementation of the Yamoussoukro Decision and other conditions, which accelerate it. Therefore, the follow-up mechanism within the African Union (AU) needs to be strengthened institutionally and resources wise in order to provide adequate leadership in the continents strive for liberalized air transport industry.

