



Strategic Priorities for African Aviation: Opportunities and Challenges

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Better Skies for Africa



African Airlines Association (AFRAA)



Leading trade association of African airlines,
headquartered in Nairobi

57 years of existence

48 airlines members

36 industry partners

85%+ of African Airlines traffic carried
by AFRAA Member Airlines

VISION

*A sustainable, interconnected, and affordable
Air Transport industry in Africa where our
Airlines drive economic development*




Better Skies for Africa

GEOPOLITICAL RISKS AND SUPPLY-CHAIN DISRUPTIONS



GLOBAL OPERATING ENVIRONMENT

 **Escalating geopolitical tensions** continue to disrupt airline operations, supply chains, insurance markets, and network planning globally.

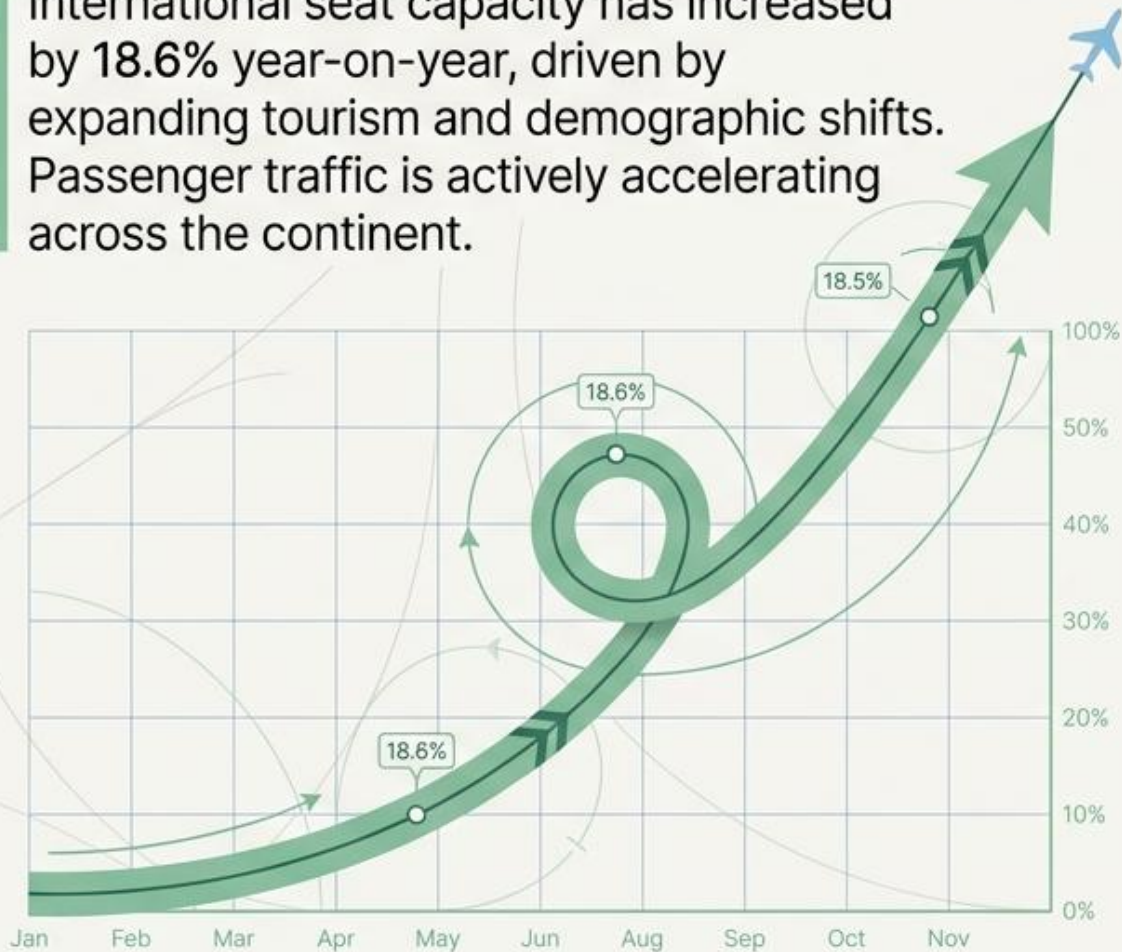
Indicator	Status
Jet Fuel Prices	~USD 80/bbl → USD 150–200+/bbl
Seats Withdrawn Globally	~1.7 million
IEA Emergency Release	400 million barrels
Fuel Price Caps	India & Nigeria

OPERATIONAL & MARKET IMPLICATIONS

- ✈ Persistent uncertainty and shifting timelines are constraining airline scheduling, pricing, and investment planning.
- ✈ Airlines are increasing operational readiness and contingency scenario planning.
- ✈ Insurers are tightening underwriting capacity, with heightened scrutiny on accumulation exposure, governance preparedness, and cargo risk concentrations
- ✈ Cargo operations face elevated risks linked to delays, transit exposure, and operational disruption.

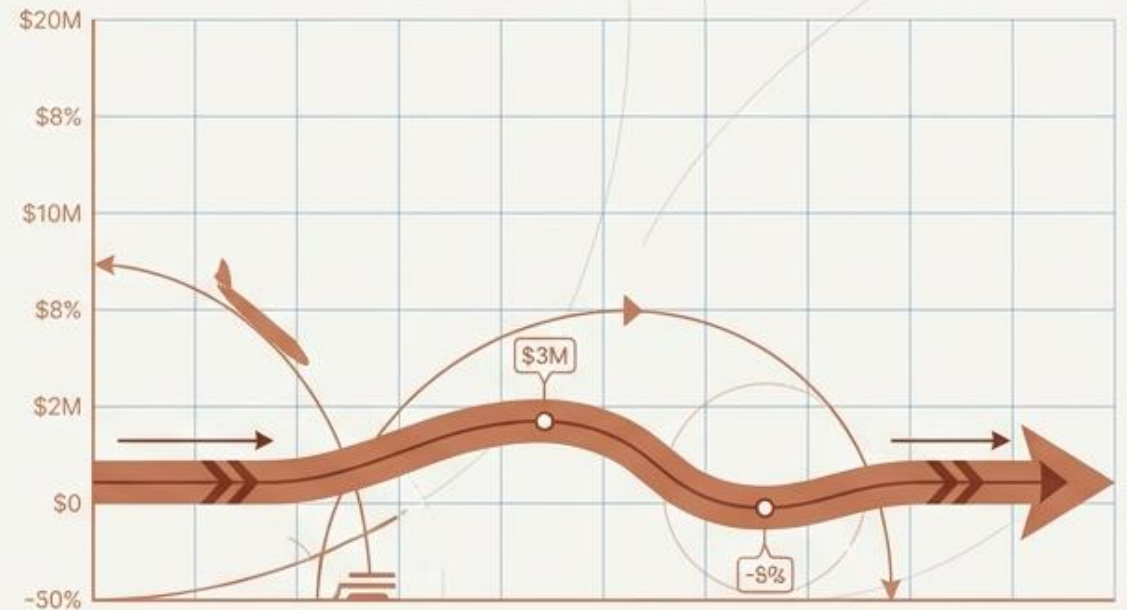
Surging Regional Demand

International seat capacity has increased by 18.6% year-on-year, driven by expanding tourism and demographic shifts. Passenger traffic is actively accelerating across the continent.



Severe Financial Vulnerability

Despite rising traffic, airlines project only \$200 million in net profit for 2026. The financial returns remain fundamentally disconnected from the operational volume.



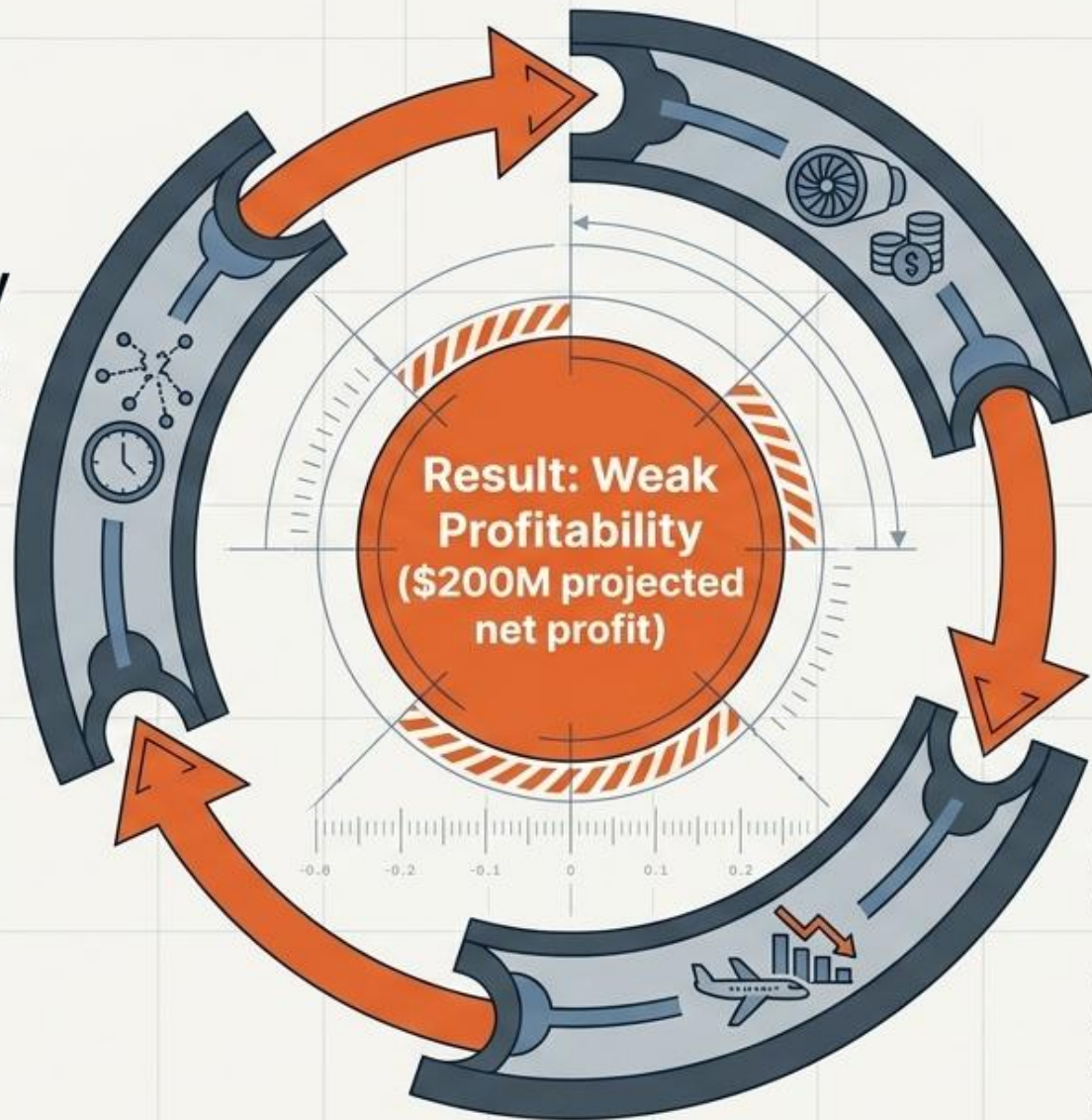
The African Aviation Diagnostic

Metric	African Aviation	Global Average	Delta
Passenger Growth Forecast (2026)	6.0%	4.9%	+1.1% (Outpacing Global)
Airline Profit Margin	1.0%	3.9%	-2.9% (Critical Deficit)
Profit Per Passenger	\$1.30	\$7.90	-\$6.60 (Value Gap)
Direct Route Connectivity	19%	Baseline	Severe Fragmentation
Fuel Price Premium	+17%	Baseline	Structural Disadvantage

The structural headwinds creating a vicious cycle

Fragmented Connectivity

Low volumes make direct routes unviable, leading to fewer flight options, longer travel times, and reduced trade.



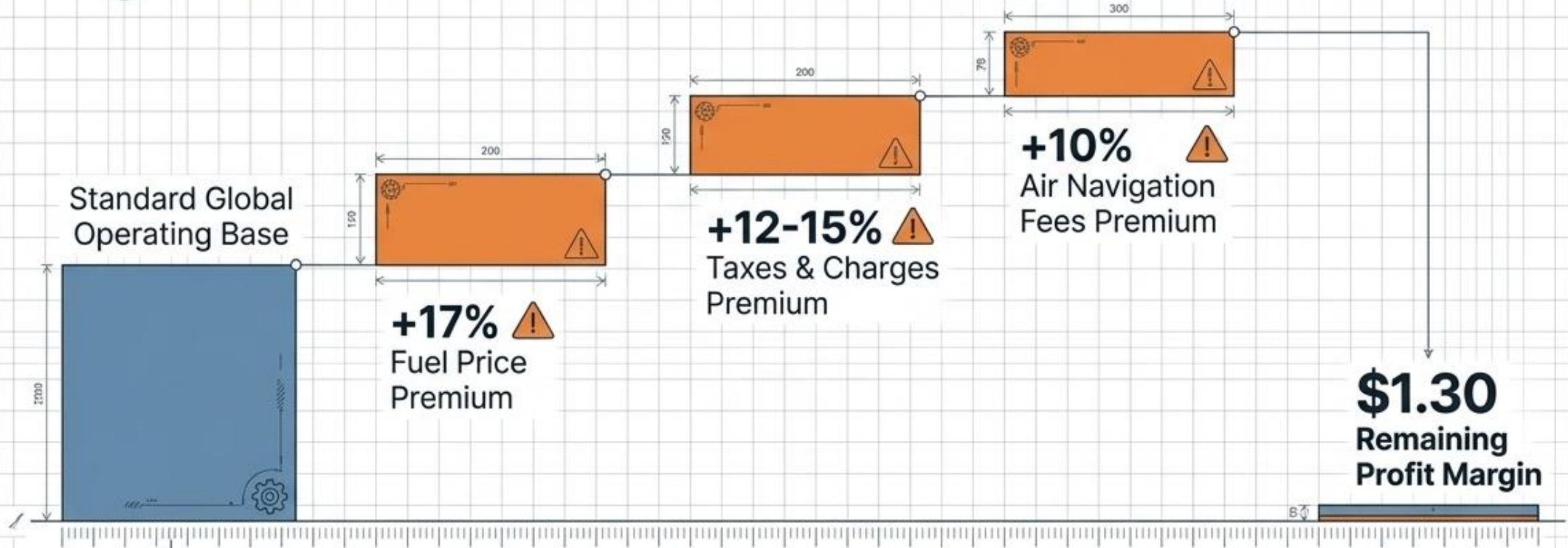
High Operating Costs

Fuel, taxes, and navigation fees force airlines to maintain higher ticket prices.

Depressed Traffic & Competitiveness

In a region with high price sensitivity, expensive tickets suppress passenger volumes and slow market expansion.

Structural premiums erode margins before takeoff



Operating an airline in Africa inherently carries a 40%+ structural cost penalty compared to global averages.

AVIATION FINANCING GAPS IN AFRICA



STRATEGIC CONTEXT

Africa's aviation growth remains constrained by limited access to affordable aircraft financing, leasing, and maintenance support. Bridging this financing gap requires coordinated action between governments, regulators, financial institutions, OEMs, and airlines.

➔ **Integrated Aviation Transformation Program (IATP)** - Africa's continental platform for aviation modernisation

Priority Area	Strategic Focus	Expected Industry Impact
Regulatory & Financing Alignment	Strengthen Cape Town Convention (CTC) compliance and encourage accession by non-signatory States	Improved investor confidence and reduced aircraft financing risk premiums
Infrastructure, Connectivity & Cargo	Develop regional MRO capability and improve spare parts access	Reduced maintenance costs and enhanced operational resilience
Airlines & Fleet Modernisation	Expand access to modern aircraft through the Pan-African Aviation Financing Platform (PAFP)	Accelerated fleet renewal and enhanced safety, efficiency, and sustainability

Five strategic vectors to recalibrate the industry

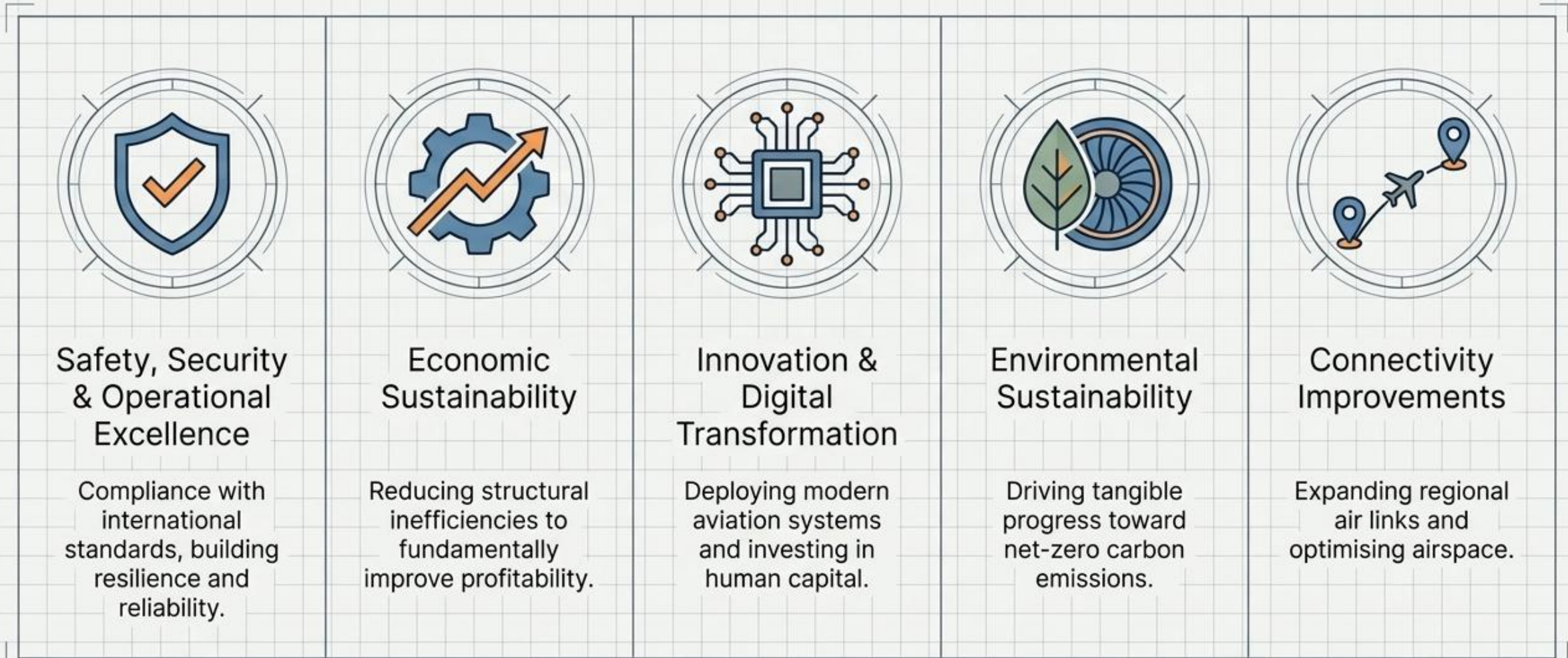


FIGURE 5.0: INDUSTRY REFORM FRAMEWORK

Final trajectory coordinates for stakeholders

<p>01</p>	<p>Strengthen regional cooperation to unify fragmented markets.</p>	<p>02</p>	<p>Expand open skies policies to fully realise SAATM.</p>
<p>03</p>	<p>Radically reduce taxes and operational costs to stimulate demand.</p>	<p>04</p>	<p>Accelerate digital transformation across all operational touchpoints.</p>
<p>05</p>	<p>Invest heavily in sustainable aviation initiatives for long-term viability.</p>	<p>06</p>	<p>Overhaul financial and regulatory frameworks to release blocked funds and restore investor confidence.</p>

The growth is guaranteed; the profitability must be engineered.



29 - 31 March 2026, Addis Ababa - Ethiopia
Theme: Building Africa's Sustainable MRO Ecosystem



14TH AVIATION
STAKEHOLDERS
CONVENTION

17 - 20 May 2026, Johannesburg - South Africa

Theme: Resilient African Aviation: Partnerships - Empowerment - Profitability



THE AFRICAN
AVIATION SAFETY &
OPERATIONS SUMMIT



THANK YOU