



WORKING PAPER

ASSEMBLY — 40TH SESSION

ECONOMIC COMMISSION

Agenda Item 32: Economic Regulation of International Air Transport – Policy

THE SINGLE AFRICAN AIR TRANSPORT MARKET: SUSTAINABLE REGULATORY SYSTEM

(Presented by the 54 Contracting States², Members of the African Civil Aviation Commission (AFCAC))

EXECUTIVE SUMMARY

This working paper addresses the Single African Air Transport Market (SAATM), an expedited implementation of the Yamoussoukro Decision (YD) under the African Union Agenda 2063. It highlights the ongoing liberalization efforts amongst African States under the management and supervision of the African Civil Aviation Commission as the Executing Agency of the YD. AFCAC, the Specialized Agency of the African Union on all matters of civil aviation, has and continues to cooperate with aviation stakeholders and development partners to manage a plurilateralized regulatory system.

The expected growth under the SAATM, Continental Free Trade and Free Movement of Persons in Africa frameworks necessitate a sustained revision of aviation relationships including investment, trade, tourism and improved capacity.

The working paper therefore urges enhanced cooperation and implementation of the Joint Stakeholders Prioritized Action Plan for the Establishment and Implementation of the Single African Air Transport Market.

ACTION REQUIRED: The Assembly is invited to:

- a) take note of the SAATM and the full operationalization of the Executing Agency of the YD;
- b) direct the Council to enhance ICAO's collaboration with AFCAC as the Executing Agency of the YD, on air transport matters; and
- c) direct the Council to expedite ICAO's activities on the implementation of the Prioritised Joint Action Plan on sustainable development of air transport in Africa including African Air Transport Capacity Development master Plan.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective – <i>Economic Development of Air Transport</i> .
<i>Financial implications:</i>	The activities referred to in this working paper will be financed from resources available in the Regular Programme Budget for 2020-2022 and/or extra budgetary contributions, including the Voluntary Air Transport Fund (VAFR).

¹ English and French versions provided by the 54 Contracting States, Members of the African Civil Aviation Commission (AFCAC).

² Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cabo Verde, Central African Republic, Chad, Comoros, Côte d'Ivoire, Democratic Republic of the Congo, Republic of the Congo, Djibouti, Egypt, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, São Tomé and Príncipe, Sénégal, Seychelles, Sierra Leone, Somalia, South Africa, South Sudan, Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe.

<i>References:</i>	<i>ICAO Resolution A39/15 - Consolidated Statement of Continuing ICAO Policies in the Air Transport Field</i> <i>African Union Declaration on the Establishment of a Single African Air Transport Market DOC.EXCI/871(Xxvi)</i> <i>Priority Joint Action Plan for 2019-2021 for the implementation of the SAATM</i> <i>The Yamoussoukro Decision</i> <i>Regulations on the Powers, Functions and Operations of the Executing Agency</i> <i>Regulations on Competition in Air Transport Services within Africa</i> <i>Regulations on the Protection of Consumers of Air Transport Services</i>
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1. INTRODUCTION

1.1 Africa is implementing a sustainable air transport system under the Single African Air Transport Market (SAATM). An enhanced collaboration involving all stakeholders in the value chain is required to ensure growth and long-term sustainability of the African market.

1.2 The SAATM is a flagship project of the African Union (AU) Agenda 2063, an initiative that seeks to create one single air transport market in Africa, liberalize civil aviation on the continent and drive economic integration.

1.3 Agenda 2063 projects include the Continental Free Trade Area, Free Movement of Persons and the adoption of an African passport amongst others. In 2015, the Assembly of Heads of State and Government of the AU adopted the Declaration (Assembly Doc./Au/Decl.1 (XXIV)) on the creation of a Single African Air Transport Market and also committed (Assembly/AUC/Obligation/XXIV) to immediately apply the principles of the Yamoussoukro Decision and launch the Single African Air Transport Market by 2018.

2. DISCUSSION

2.1 AFCAC AND THE SINGLE AFRICAN AIR TRANSPORT MARKET

2.2 The African Heads of State and Government on 29 January 2018 launched the Single African Air Transport Market (SAATM) and adopted the Regulations for the operationalization of the Yamoussoukro Decision (YD) and SAATM. The Regulations are:

- a) Regulations on the Powers, Functions and Operations of the Executing Agency;
- b) Regulations on Competition in Air Transport Services within Africa; and
- c) Regulations on the Protection of Consumers of Air Transport Services;

2.3 As the Executing Agency, AFCAC is charged with the responsibility of managing air transport liberalization in Africa. This responsibility includes the SAATM, which ensures that aviation assumes its rightful place, role and contributes to intra-African connection. The SAATM underscores Africa's social, economic, political integration and boosts intra-African trade and tourism as per AU-Agenda 2063.

2.4 As a flagship project of AU Agenda 2063, the SAATM is closely intertwined with the Continental Free Trade, Free Movement of Persons and enhanced Facilitation on the continent. The

Agreement establishing the African Continental Free Trade Area (AfCTA) entered into force on 30 May 2019.

3. AFCAC AND THE MULTILATERAL AIR TRANSPORT REGULATIONS

3.1 African Heads of State and Government emphasised that the multiplicity of the Bilateral Air Services agreements (BASAs) and their differences hamper air transportation on the African continent. The harmonisation of the BASAs in line with the Yamoussoukro Decision is therefore one of the Concrete Measures for the implementation of SAATM.

3.2 Drawing on the Yamoussoukro Decision, the AU and the Executing Agency (AFCAC)) on 28th May 2018 secured agreement on the Memorandum of Implementation (MOI) by Signatory States of the Decision on the establishment of the SAATM. The MOI sought to ensure the harmonisation and consistency between BASAs and the Yamoussoukro Decision.

4. THE IMPACT OF LIBERALIZATION AND ADHERENCE TO THE SOLEMN COMMITMENT

4.1 Currently, 28 States have made Solemn Commitment to SAATM. Evidence indicates that liberalization of market access has successfully transformed air transport markets. The twenty-eight States that have committed to SAATM constitute 51% of the AU Member States and had a total population of more than 750 million people in 2018, accounting for 61% of the population on the African continent.

4.2 Their combined Gross Domestic Product (GDP) was slightly above USD 1500 billion in 2018, representing approximately 65% of Africa's GDP. These SAATM States also had an average income per capita of USD 2000/capita, which is slightly above the USD 1875/capita figure for Africa as a whole. (Source: IMF WEO April 2019).

4.3 With regard to aviation, in 2018, Africa handled close to 140 million passengers on an origin-destination basis. This was over 1.2 times higher than 2013 (five years prior), or an additional 25 million travellers in that time span. It is worth noting that the signatories to the SAATM account for 89% of all intra-African traffic. (Source: DDS IATA).

4.4 In 2018, there were estimated 78.4 million international tourist arrivals in Africa. The 28 SAATM members accounted for around 55% of total arrivals. (Source: Oxford Economics).

4.5 Based on the above information, it is anticipated that an additional number of States to the MOI has the potential to capture an additional 28 million passengers within the SAATM group of countries.

4.6 To unlock potential and achieve the latent benefits, the Executing Agency is currently launching smart sets of IT toolkits to assess the growth impact on full time employment and creation of jobs, the growth of new city pairs, connections and reduction of airfares and real changes in existing routes taking into account the geographical relationship of the SAATM States.

4.7 The establishment of robust domestic carriers and designation of eligible African carriers will expose the unexploited opportunities at national, regional and at continental level and foster the improvement of market conditions.

5. ONGOING ACTIVITIES OF THE EXECUTING AGENCY

5.1 Africa's air transport liberalization is emphasised through a Joint Prioritised Action Plan involving all major stakeholders including AUC, AFRAA, ICAO, EU, IATA, World Bank, African Development Bank. Together with AFCAC, ICAO has the assigned role in the 2019-2021 Joint Prioritised Action Plan to develop an African Air Transport Capacity Development Master Plan (ATCMP) and Master Plan for Infrastructural developments. This is clearly in line with ICAO Resolution A39-15 Appendix A, Section IV, 6(a) where the Council is requested to continue to exert a global leadership role in facilitating and coordinating the process of economic liberalisation while ensuring safety, security and environmental protection in international air transport.

5.2 The Executing Agency's immediate action is to assist the member States who are below the global average on Effective Implementation (EI) of SARPs on Aviation Safety and Security and the Regional targets aims to address the deficiencies.

5.3 A number of advocacies are on-going, on compliance with ICAO's guidance, Manuals and policies on Economic Oversight, Aeronautical Charges, taxation as well as capacity building initiatives to domesticate and implement the YD regulatory and institutional legal framework towards the implementation of SAATM. AFCAC is currently engaging ICAO on joint programmes on capacity building on economic oversight and regulation of air transport and awareness programme on ICAO policies.

6. CONCLUSION

6.1 There is a compelling need for enhanced cooperation between AFCAC and ICAO to keep the momentum of air transport liberalization in Africa and implementation of the joint prioritized action plan for sustainable development of air transport.

6.2 AFCAC is committed to continuing to work with ICAO to render technical assistance to its member States to enhance the effective implementation of ICAO SARPS.