



SESSION 4

Connectivity & Development of Air Transport

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INTRODUCTION



- } Air transport creates a network for cross border transport that makes it easier to create viable trade and tourism on the continent
- } The importance of a viable transport infrastructure system is closely connected to the economic, technological and social renaissance of Africa.
- } Sustainable development considers the economy, society and environment & finds ways of balancing the 3 interests to produce the results that will benefit most people.



NEED FOR GLOBAL SAFETY STANDARDS

- Aviation on the continent will only develop to its fullest when African States attain and maintain global safety standards
- Safety standards are below global standards although they are improving
- The poor safety perception in some few African States tarnish the image of the whole continent
- The EU banned list has 158 carriers from Africa from 16 States including Air Madagascar
- The Abuja Declaration of 2012 came up with safety targets for various stakeholders to be achieved by 2015
- With the target date approaching, we need to review progress & craft policies to move forward



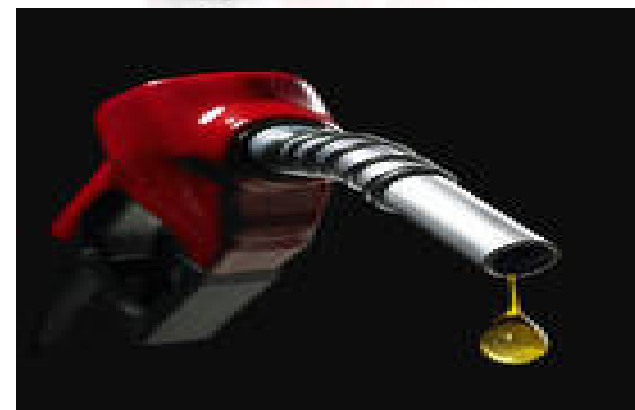
PEACE AND SECURITY

- There is also need for peace and security within and between nations on the continent
- Conflicts in Central Africa Republic, DRC, Somalia and South Sudan among other places scare away investors as well as tourists and constrain development of air transport
- We call upon States to resolve their differences peacefully otherwise there will be no development without peace and security.



TRANSPORT COSTS IN AFRICA

- } African airlines have to deal with a high-cost environment
- } According to recent studies, the transport costs as a share of the value of exports in Africa vary between 30 to 50% In Africa, fuel prices on average are 21% higher than the world average and the pricing system can be opaque
- } AFRAA has teamed up with IATA to lobby governments for reduction of these costs.
- } Infrastructure, much of which is below international standards, also contributes to the high-cost environment
- } Several airports have monopoly suppliers





LIBERALISING AFRICAN AIR TRANSPORT



- } A critical challenge is the long delay in the fully opening up of African skies to African operators
- } Solemn commitment of AU Heads of States in January this year to realise fully open skies by January 2017
- } 11 States declared their commitment to immediately open their skies unconditionally
- } There is a huge opportunity for the industry to recover from years of slumber.
- } We urge all the relevant stakeholders to play their part to ensure that we do not miss this opportunity to fully liberalise African skies
- } All African States need to be encouraged to join the initial group of 11 States even before the deadline of January 2017





FACILITATE GROWTH COMPETITIVE CARRIERS



- } A Liberalised air transport will facilitate the growth and development of low cost carriers (LCCs)
- } Within Southeast Asia, LCCs now make up more than 50% of the intra-Southeast Asia market from less than 5% about ten years ago
- } LCCs have brought air travel to the mass market
- } LCCs will potentially also bring air travel to many secondary points that are currently not viable.
- } To fully capture the benefits that LCC can bring, governments in Africa would need to fully implement the YD
- } Also need for significant reduction of charges, taxes and fees on fuel and passengers





CONCLUSIONS



- } Aviation is a critical tool for the social and economic development of states. Africa lags the rest of the world in terms of good connectivity
- } With African economies, middle class and population fast growing, the continent stand to significantly gain from safe, reliable and economical air transport services
- } Adequate air services essential for the successful development of tourism and trade
- } Governments need to stimulate air transport connectivity and services including LCCs to facilitate a mass air transport industry





Thank You!

