



SECOND ICAO MEETING ON AIR CARGO DEVELOPMENT IN AFRICA

27-29 June 2017, Addis Ababa, Ethiopia

SESSION 2: African Continental Approach and Challenges

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Air Transport Liberalization in Africa through YD

- ✓ **1st, 2nd, 3rd, 4th and 5th Free Freedom Traffic Rights to Eligible Airlines (PAX,CARGO,..**
- ✓ **Unrestricted frequency and capacity**
- ✓ **Designation of multinational Eligible African airlines**
- ✓ **Fair competition, Consumer protection , Disputes settlement**
- ✓ **Liberalized tariff regime**



AGENDA 2063 AND SDGS

Highlights

March 2017

The African Union Commission

THE AFRICAN UNION COMMISSION





FAST TRACK PROGRAMS AND INITIATIVES (FLAGSHIPS) AGENDA 2063 RELEVANT TO CIVIL AVIATION

Program 3

**CONTINENTAL FREE TRADE
AREA**

Program 5

**AFRICAN PASSPORT AND FREE
MOVEMENT OF PEOPLE**

Program 9

**SINGLE AIR TRANSPORT NETWORK
(SAATM)**

States party to the Solemn Commitment for the establishment of the SAATM





Expected outcome of full implementation of YD and establishment of a SAATM

▪ **Movement of PEOPLE & GOODS:**

- ✓ **convenience and ease of travel**
- ✓ **better connectivity**
- ✓ **reduced fares**
- ✓ **better quality & reliable services**

▪ **African airlines:**

- ✓ **more commercial freedom to wider route networks**
- ✓ **more frequencies, hence economies of scale**
- ✓ **better aircraft utilisation**
- ✓ **flexibility and reduced cost of operations**
- ✓ **more flexible commercial arrangements among African carriers**



Expected outcome of full implementation of YD and establishment of a SAATM

▪ **Tourism:**

- ✓ boost in tourism and trade

▪ **Governments:**

- ✓ cross-border investment opportunities
- ✓ employment generation
- ✓ growth stimulation of trade and tourism
- ✓ movement of people, goods and services
- ✓ attainment of African integration – objective of the Abuja Treat & Agenda 2063



Lome Declaration: Way Forward 1

.... to allow air carriers to operate freely between points anywhere in Africa and beyond,... in conformity with the YD. |

Doc 9082



ICAO's Policies on Charges for Airports and Air Navigation Services

Approved by the Council
and published by its decision

Ninth Edition — 2012

International Civil Aviation Organization

olicies to
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Doc 8632

ICAO'S POLICIES ON TAXATION IN THE FIELD OF INTERNATIONAL AIR TRANSPORT

THIRD EDITION — 2000



*Approved by the Council on 24 February 1999
Published by direction of the Council*

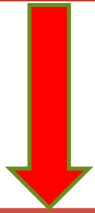
INTERNATIONAL CIVIL AVIATION ORGANIZATION

CHALLENGES BEING OBSERVED IN AFRICA

1

Passenger charges
at many
airports

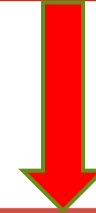
vary b/n \$40-\$120 Vs
world average is about
\$25



2

The Price of fuel

Well above the world
average



- Negatively affects the competitiveness of African **airlines**
- A direct influence on the cost of products and indeed on the consumer's choice of destination
- competition with 3rd Party Airlines on an equal footing ???



Lome Declaration Way Forward 7

The impact of taxes, charges and other levies on aviation, should be assessed, and action to be taken in order to limit their effect



WAY FORWARD

- ▶ Urge member States to join the Champion States which have made a Solemn Commitment for the establishment of the SAATM ;
- ▶ Request States to expedite notification to the AUC and AFCAC on the concrete measures taken by them towards the establishment of SAATM;
- ▶ conceptual distinction between a charge and a tax should be adhered ;
- ▶ charges should be applied towards defraying the costs of providing facilities and services ;



THANK
YOU

