



## 2<sup>nd</sup> ICAO MEETING ON AIR CARGO DEVELOPMENT IN AFRICA

# Session 6: Implementation of Lome Declaration & Way Forward

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AFRAA Cargo Task Force

## AFRAA CARGO TASK FORCE



- Established in September 2016 in Nairobi, Kenya with members from AFRAA which are -: **Air Algeria; Air Zimbabwe; Astral Aviation (Vice Chairman); Champ Cargo Systems (Industry Partner); Express Airlines; Egypt Air (Chairman); Ethiopian Airlines; Kenya Airways; Libyan Airlines; Royal Air Maroc; Rwandair; Safe Air; South African Airlines; South African Express & Tunisair**
- AFRAA Cargo Day, Nairobi, 30 September – 01 October 2015
- 1<sup>st</sup> AFRAA Cargo Task Force Meeting, Nairobi 29-30 September 2016
- 2<sup>nd</sup> AFRAA Cargo Task Force Meeting, Casablanca, 22-23 May 2017
- Network Coordination Meetings between AFRAA Member Airlines

## AIRCARGO IN AFRICA – REALITIES



- Air Cargo Sector in Africa is not fully **LIBERALIZED**.
- **RESTRICTIONS** on Traffic Rights on the intra-African sector for African carriers due to outdated BASA's which limit growth / potential.
- **PROTECTIONISM** exists in certain countries which limits **ACCESSIBILITY**
- **UNFAIR & RESTRICTIVE** business practices in Traffic Rights.
- **IMBALANCE** in Aircargo results in higher operating costs for freighters.
- Lack of Intra African **CONNECTIVITY**
- Cargo **INFRASTRUCTURE**: Lack / Monopoly
- High **COSTS** : Jet Fuel, Cargo Handling, Royalties, Freight Fees and Taxes
- Lack of **COOPERATION** between African Airlines in the air-cargo sector.
- **DOMINANCE** of foreign carriers who control 85% of aircargo traffic.
- **E-FREIGHT** Implementation levels are low with 11 countries ratifying MC99
- **AGEING** Freighter Fleet / Presence of Russian Aircrafts.

### AFRAA CARGO TASK FORCE

- ❖ High Priority should be given by States policymakers to the development of a **favourable regulatory environment** encouraging air cargo development while fostering a SAFE, SECURE, EFFICIENT, COST-EFFECTIVE & FULLY LIBERALIZED Aviation Industry. There is a need to intensify **lobbying** through state policy makers who should come up with regulations that facilitate smooth and safe movement of Air Cargo.
- ❖ **Impact of taxes**, charges and levies on aviation should be assessed, investigated and action taken to limit their adverse impact on the growth and development of air cargo services.
- ❖ Immediate Implementation of **Single African Air Transport Market**
- ❖ African Airlines need to make genuine efforts to **increase the levels of co-operation** in Air cargo with greater interline, SPA, Code-share, JV and Reciprocal GHA's
- ❖ Importance of **infrastructure** to support continued development of airports and intermodal transportation infrastructure to meet the demand for air cargo including PPP & JV's



## AFRAA CARGO TASK FORCE

- ❖ Further **LIBERALIZATION** of air cargo operations should be promoted through removal of restrictions on traffic rights and limitations on capacity in air service agreements and relaxation of air-carrier ownership and control rules
- ❖ Faster Ratification of **MC99** laying the foundation for the introduction of electronic documents.
- ❖ States urged to ratify the **Cape Town convention** to facilitate the acquisition of modern and fuel efficient aircrafts including freighters.
- ❖ Need for **Capacity Building** amongst AFRAA Members
- ❖ Need to involve **CAA / MoT's** in strategy meetings with AFRAA Members once a year to enable pro-active decision-making.

## CONCLUSION



- ❖ Aviation has the potential to make an important contribution to economic growth and development within Africa. According to IATA, 33 African countries will grow above the global industry average.
- ❖ LIBERALIZATION brings benefits to consumers and airlines, and results in lower fares and better connectivity, which in turn stimulates new and additional traffic volumes and facilitates tourism, trade and investment, which propels economic growth and increased employment.
- ❖ State must conduct bilateral negotiations in a transparent manner and should encourage reciprocal traffic rights.
- ❖ Single African Air Transport Market & COMESA-EAC-SADC Tripartite Free Trade Area are excellent initiatives by African Governments, however the implementation partners must ensure compliance and time-lines.

**THANK YOU**



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