



INTERNATIONAL CIVIL AVIATION ORGANIZATION

A United Nations Specialized Agency

Air Transport in Africa: Role in Economic Growth and Sustainable Development

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23 September 2013
AFI Ministerial Meeting

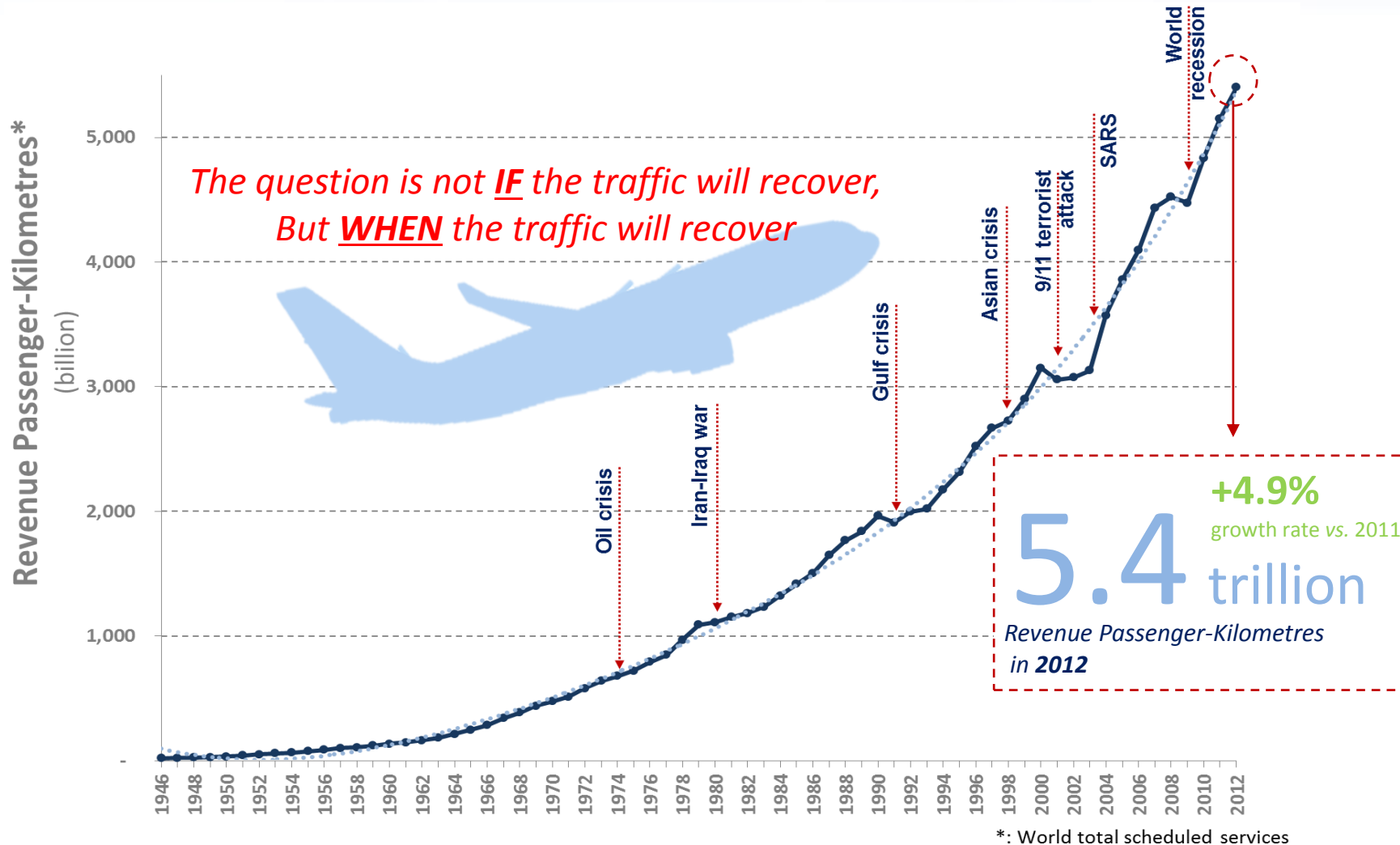
What should Governments do to maximize positive impacts of air transport on Africa's economic development?

- Air transport and economic growth in Africa
- Connectivity: an important value chain to stimulate air transport development in Africa
- Funding of aviation infrastructure and oversight functions



Air transport and economic growth in Africa

Continuous growth of air traffic



*: World total scheduled services

Remarkable traffic flow evolution

**Based on OAG data*

2002

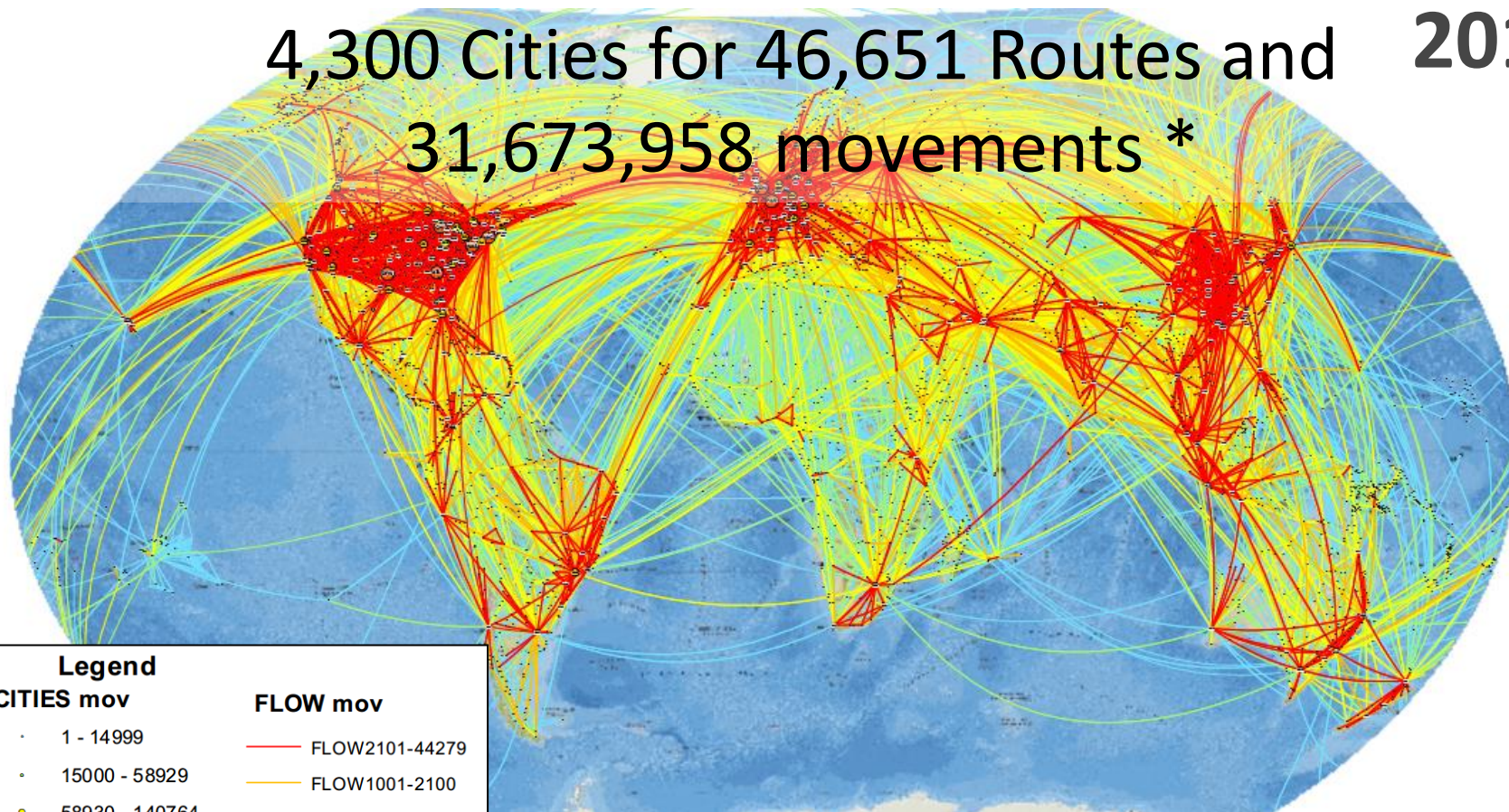
3,811 Cities for 35,705 Routes and 26,296,329 movements *

Legend	
CITIES mov	FLOW mov
• 1 - 14999	— FLOW2101-44279
• 15000 - 58929	— FLOW1001-2100
• 58930 - 140764	— FLOW401-1000
• 140765 - 303197	— FLOW166-400
• 303198 - 556306	— FLOW1-165

Remarkable traffic flow evolution

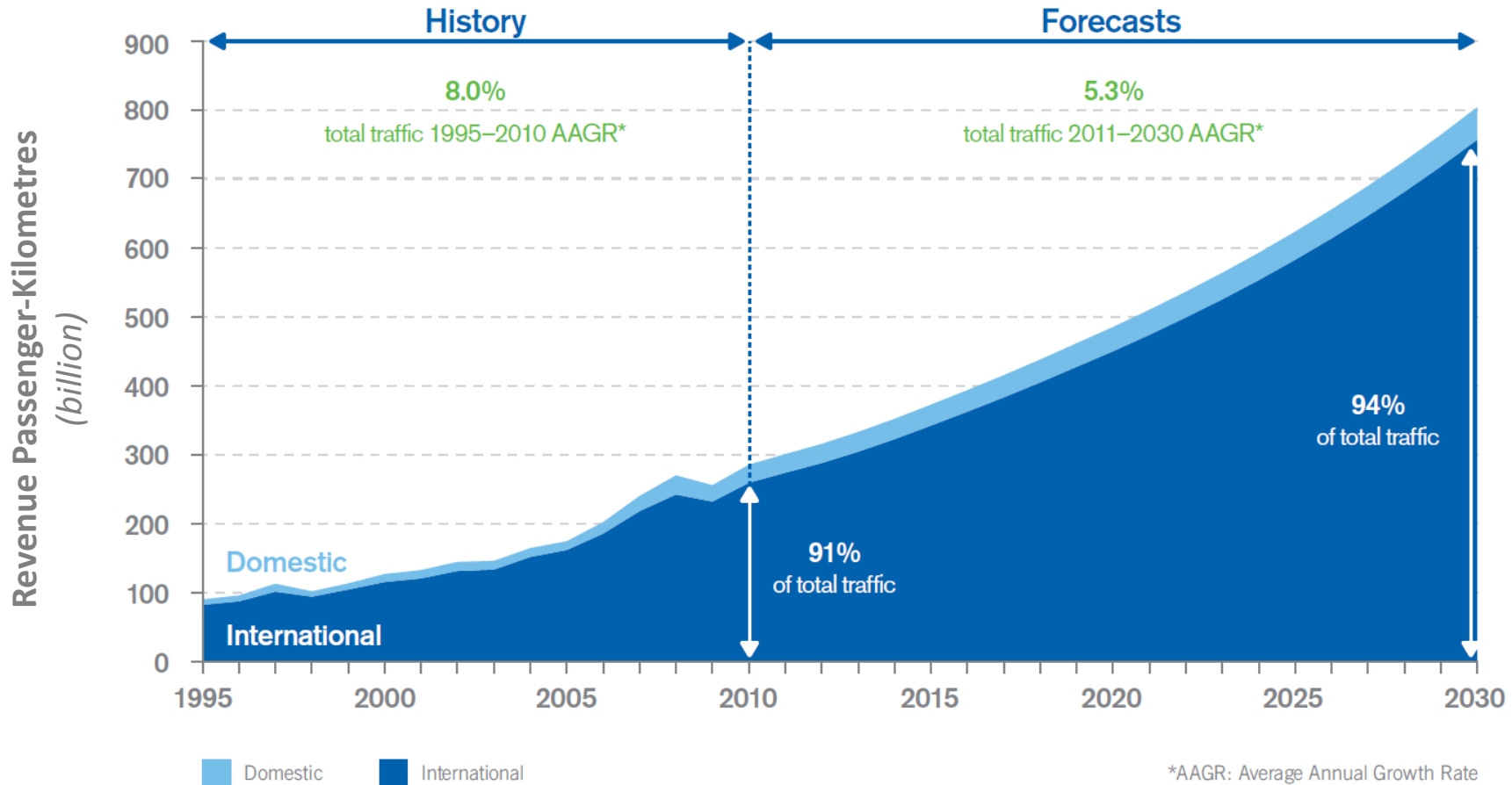
**Based on OAG data*

4,300 Cities for 46,651 Routes and **2012**
 31,673,958 movements *



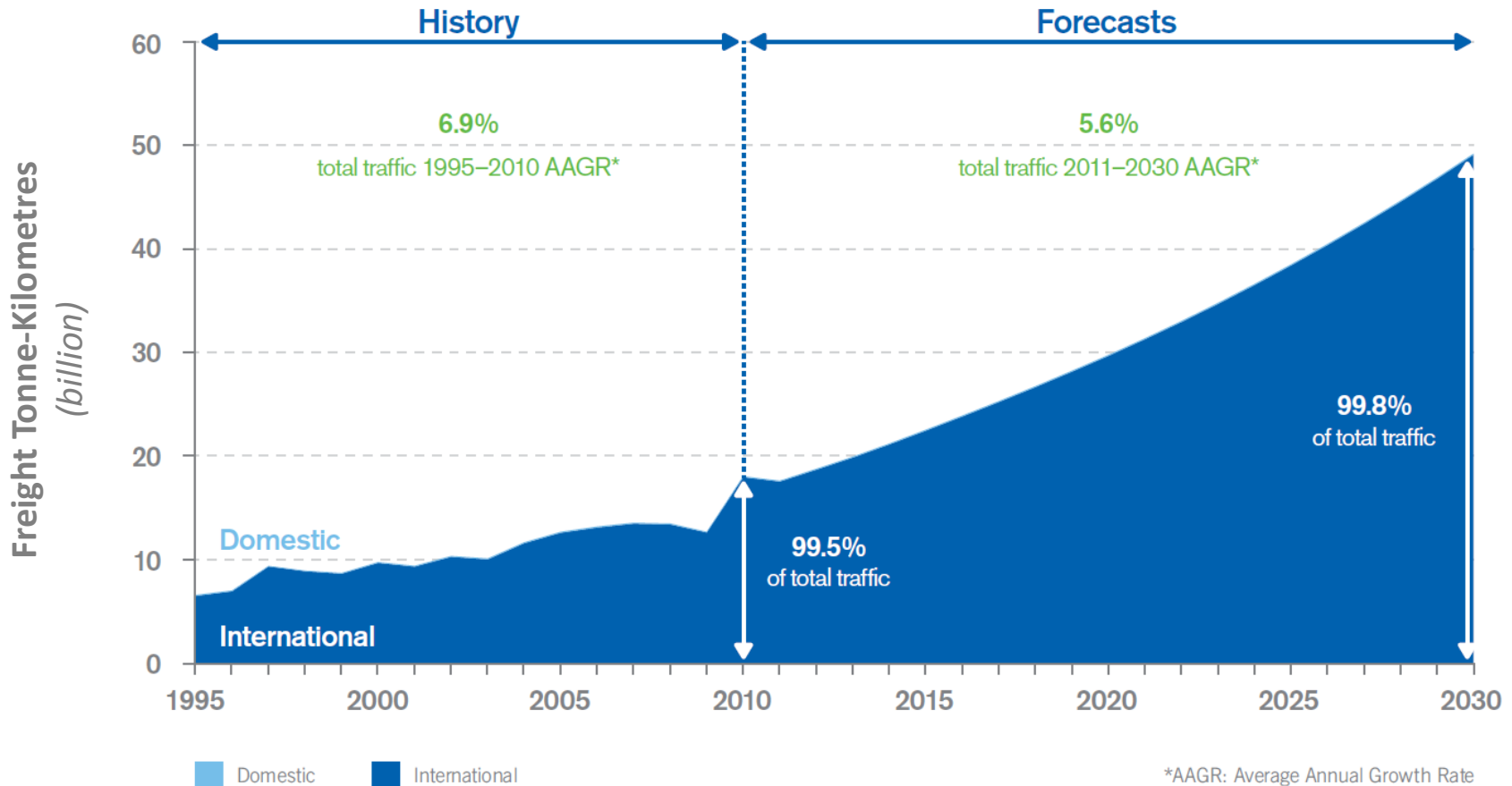
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Africa: Outlook to 2030: Passenger traffic



Source: ICAO's Global Air Transport Outlook to 2030 – Cir 333

Africa: Outlook to 2030: Cargo traffic



Source: ICAO's Global Air Transport Outlook to 2030 – Cir 333



African operators traffic in 2012

67 million

+4.5%
vs 2011

Passengers carried

879 thousand

+0.6%
vs 2011

Aircraft departures

126 billion

+4.2%
vs 2011

Revenue Passenger-Km

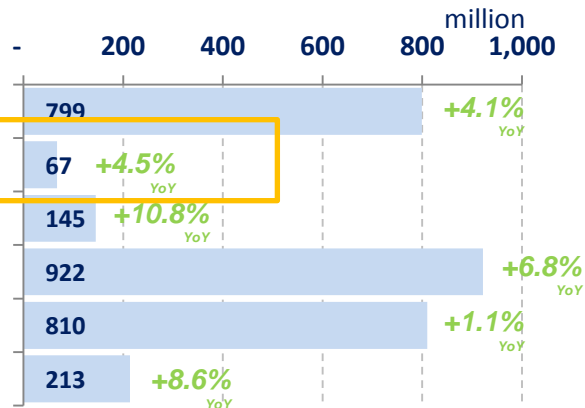
3 billion

+12.1%
vs 2011

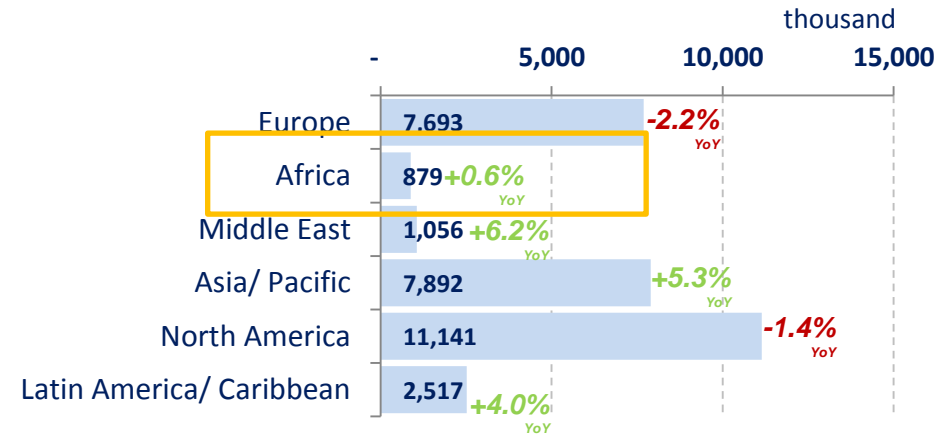
Freight Tonne-Km

The world of air transport in 2012

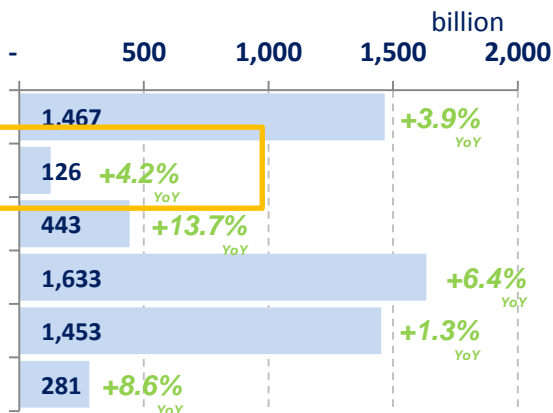
Regional distribution*



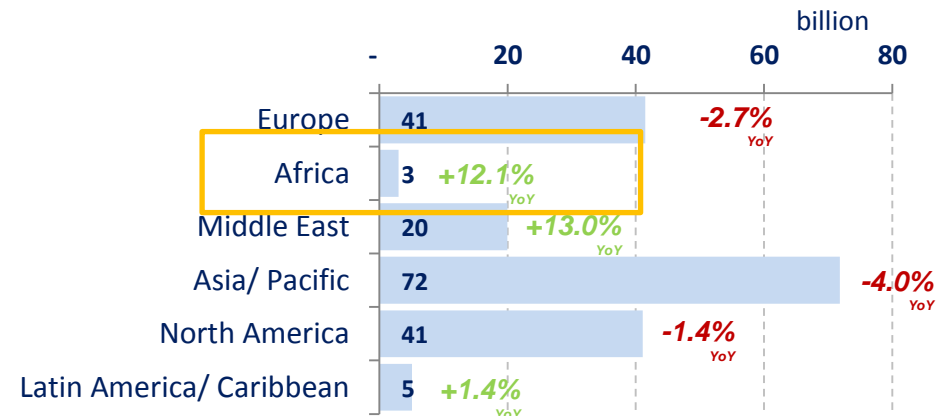
Passengers carried



Aircraft departures



Revenue Passenger-Km

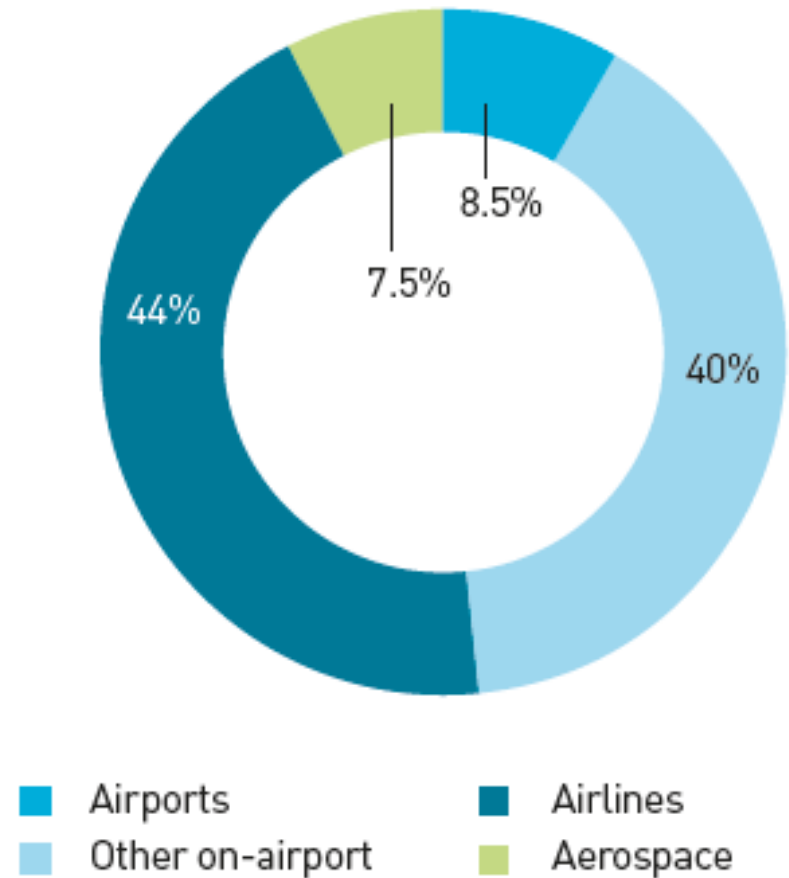


Freight Tonne-Km

257,000 direct jobs created by air transport in Africa (2010)

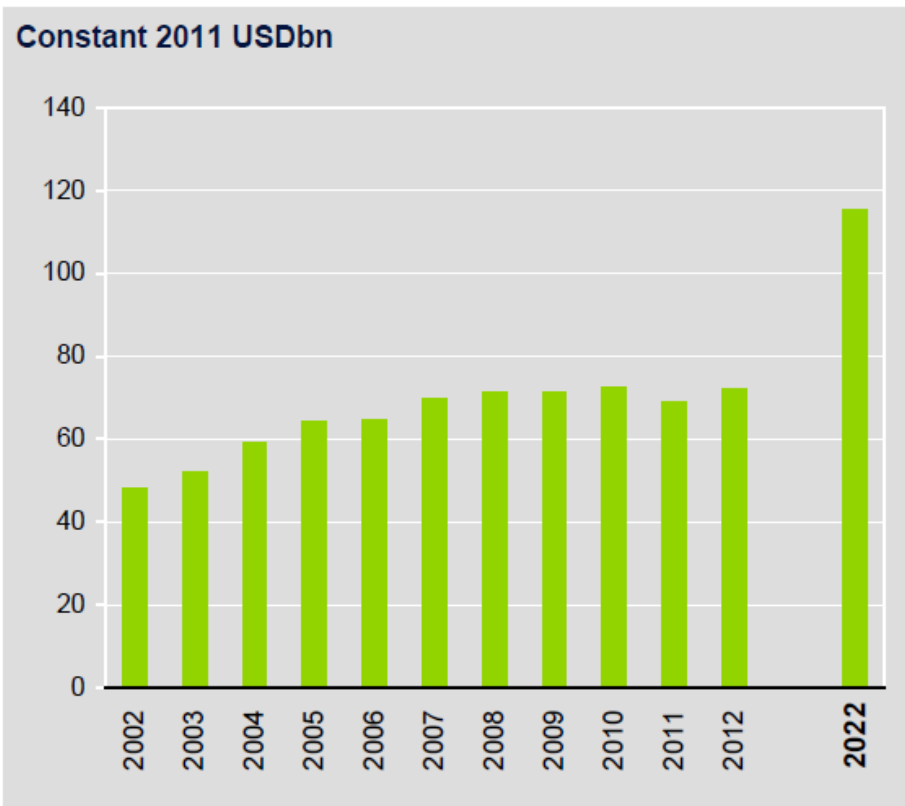


- 113,000 (44%): airlines, handling agents (flight crews, maintenance, reservations)
- 104,000 (40%): governments agencies (customs, security) or services (restaurants, hotels) on airports
- 21,000 (8.5%): airports (management, maintenance, etc...)
- 19,000 (7.5%): civil aerospace sector (manufacture of aircraft systems, components, airframes and engines)



Source: ATAG, 2012

Contribution of travel and tourism to global African GDP



- Direct contribution of travel and tourism 2012: USD 69 billion
- Reflects economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services

Source: World Travel and Tourism Council 2012

Connectivity: an important value chain to stimulate air transport development in Africa

Connectivity in air transport



Capacity of the transport value chain to move passengers, mail or cargo from **one point to another**

- in the **shortest possible time**
- with **maximum user satisfaction**
- at an **adequate price**

Supporting regulatory framework



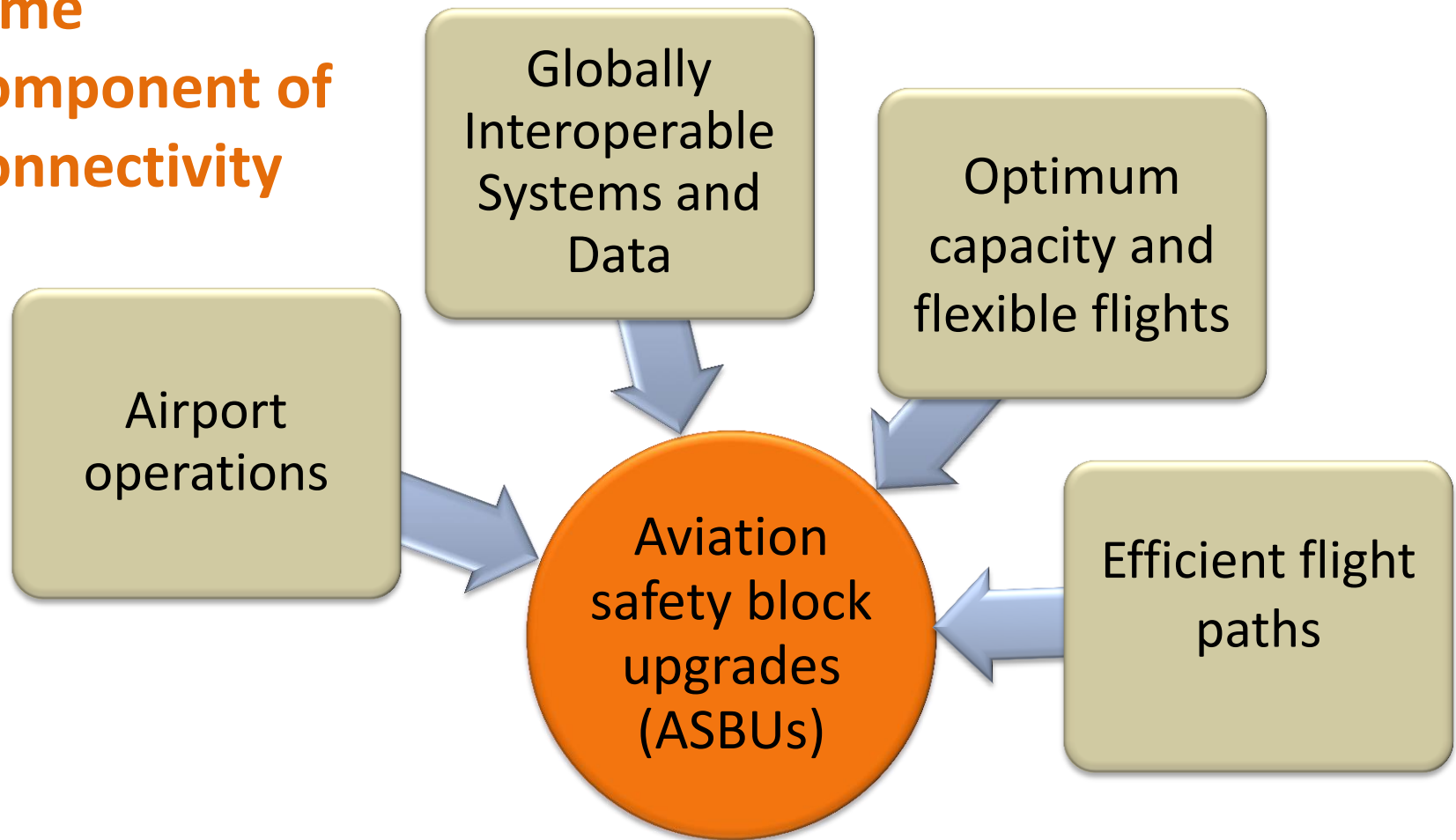
ICAO's contribution to connectivity



Optimal use of air navigation systems



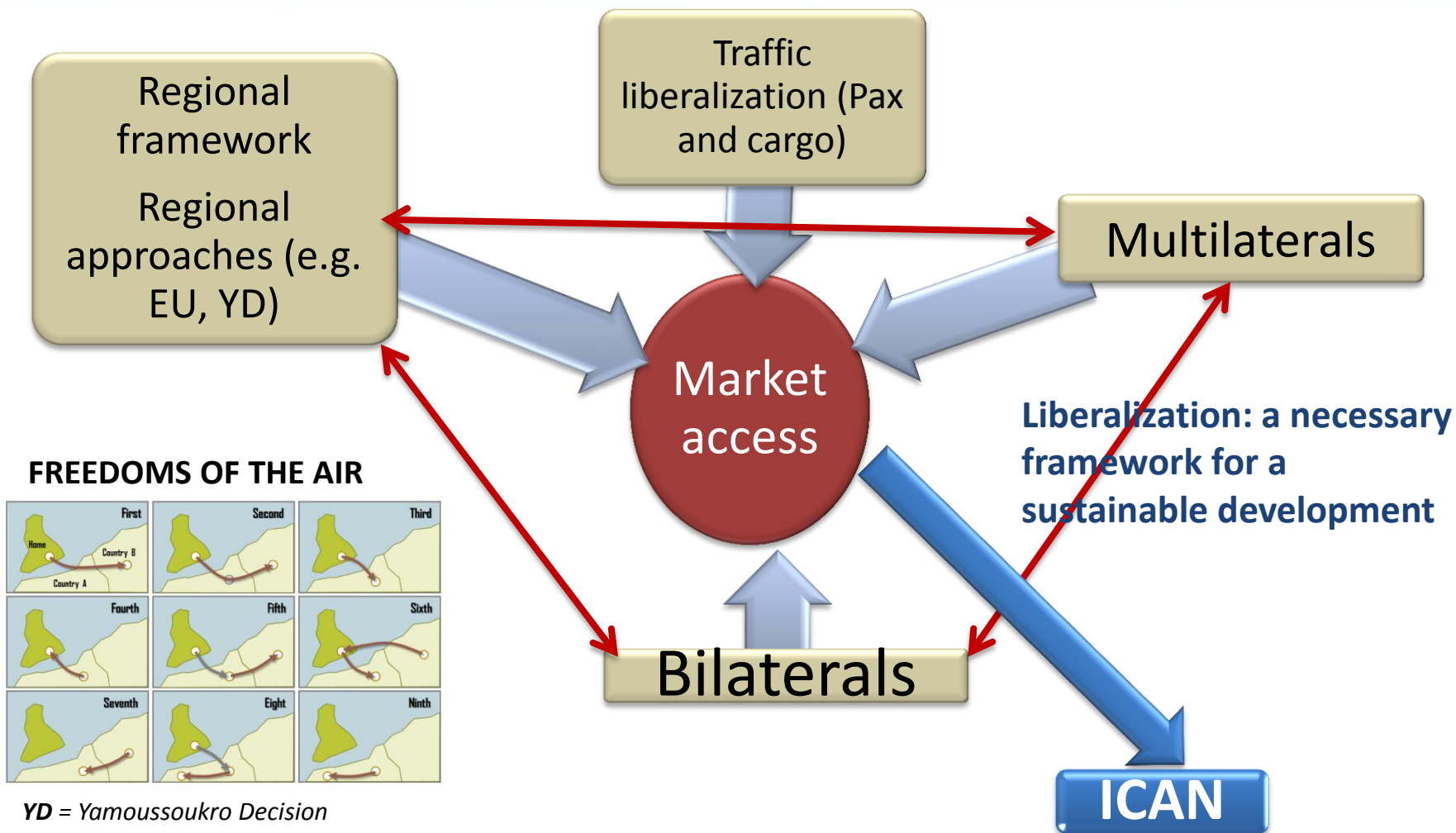
**Time
component of
connectivity**



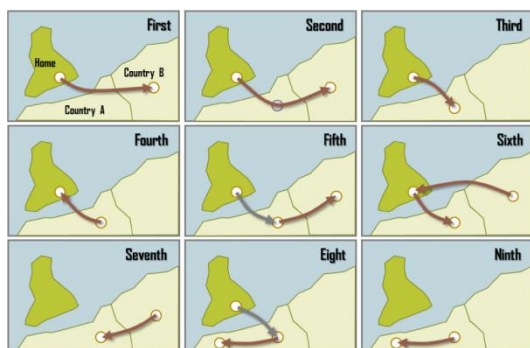
Facilitation/security component



Market access: Supporting framework



FREEDOMS OF THE AIR



YD = Yamoussoukro Decision
EU = European Union

Value and benefits of connectivity enhancement



Market access → Connectivity → Economic development

- **Connectivity** brings concrete value - what air transport is all about
- If conditions are met: **good end-user experience** will bring **more travel, more economic development and hence more traffic growth**
- Connectivity is in line with **Chicago Preamble:**

*THEREFORE, the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a **safe and orderly manner** and that international air transport services may be established on the **basis of equality of opportunity** and **operated soundly and economically**;*

Funding of aviation infrastructure and oversight functions

Economic development of air transport is constrained by availability of infrastructure



- In order to meet an increased demand of air traffic, sufficient airports and air navigation services capacity should be available as a critical component of the air transport system
 - Which investments or other actions are required to overcome infrastructure capacity constraint?
 - How to improve organizational and managerial capability of infrastructural management and development?
 - How to secure and access to funding for infrastructure to cope with the forecast demand?

Airport and air navigation services infrastructure financing



- There is **difficulty of many airlines, airports and ANSPs in Africa to adequately access funds** for the modernization and expansion of their infrastructure
- **Revenues** generated by the civil aviation sector should be **re-invested** in this sector in accordance with ICAO's policies on charges (Doc 9082)
- **Regional cooperation and integration** should be explored as the best way to secure cost-effective investments and achieve better returns

Financing aviation safety block upgrades (ASBUs)



ATConf/6 (Recommendation 2.7/1 b) :

- Establish a multi-disciplinary working group to:
 - Assess the challenges associated with the **establishment of operational and economic incentives**
 - Estimate the early benefits of new technologies and procedures - **ASBUs** modules
- Multidisciplinary Working Group met on 20 August 2013
 - Its work plan will support operational improvements
 - While maximizing safety, capacity and overall system efficiency
 - Taking into account the specific needs expressed at the Twelfth Air Navigation Conference (AN-Conf/12)

Oversight function: a State responsibility



- When considering the commercialization or privatization of airports and ANSPs, States should bear in mind that they are **ultimately responsible for safety, security and economic oversight** of these entities (ICAO's policies in Doc 9082)
- States can choose **government funds or charges** for funding of oversight functions at the airport and air navigation services provider (ANSP) level
 - proposal for a passenger-based charge to fund safety and security oversight activities is not in line with ICAO's policies on charges

Sustainable funding of RSOOs: Air safety charge



Additional guidance was developed on funding of safety oversight function at the regional level

- Based on ICAO's policies in Doc 9082, **air safety charges** would recover the RSOO's cost of providing certain safety oversight services
- Strict safeguards should be in place before the implementation of any air safety charge

Revision of Chapter 5
of *Safety Oversight Manual – Part B*
(Doc 9734)

The way forward

Liberalization of air transport



Implementation of recommendations made by Sixth Worldwide Air Transport Conference (ATConf/6):

- Liberalization has provided broad benefits for national economies
- Liberalization is a means and process, not an end
- The objective is to develop international air transport in a sustainable manner,
- **Without compromising Safety and Security**
- **Safety and Security are prerequisites to Liberalization**

International Flights from and to Africa

Liberalization without compromising Safety



Africa – European Union :

- External Air Transport Policy – Community Clause
- Safety Assessment of Foreign Aircraft (SAFA) and banning of airlines found to be unsafe from operating in European airspace.

Africa – USA:

- Open Skies (21 African States)
- International Aviation Safety Assessments (IASA) Program
- Safe skies for Africa Program

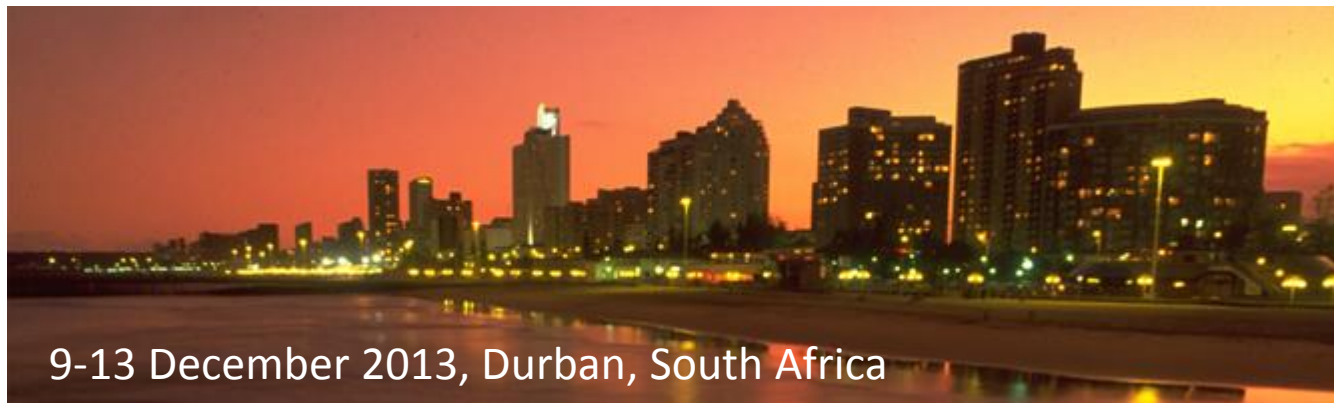
ICAO can enhance connectivity at the African level



ICAO Air services negotiation (ICAN) provides

- A central meeting place to conduct multiple air services agreements negotiations
- A forum to get info, discuss issues
- A platform for bilateral, multilateral talks

Since 2008 the number of participating African States has increased from 8 to 19 in 2012



9-13 December 2013, Durban, South Africa

Air transport and tourism partnering for economic development



Air transport and tourism are major contributors to global economic prosperity. In 2012, more than one billion tourists crossed international borders, more than half by air. The total number of international tourists, which includes both business and leisure travellers, is expected to reach 1.8 billion by 2030. This will further increase the demand for air transport services, with overall annual aircraft departures forecast to grow from today's 30 million to 60 million in 2030.

The symbiotic relationship between aviation and tourism is reflected at the global level in the respective mandates of the International Civil Aviation Organization (ICAO) and the World Tourism Organization (UNWTO). While ICAO sets standards and policies for aviation safety, security, efficiency, environmental protection and the economic development of air transport, UNWTO promotes tourism as a driver of economic growth and

sustainable development, offering leadership and support to the sector in advancing knowledge and tourism policies worldwide.

Accordingly, ICAO and UNWTO have decided to strengthen their collaborative efforts towards building a more sustainable future in all of the three pillars of the United Nations definition of sustainability – social, environmental and economic – and to position air transport and tourism as strategically interrelated sectors that benefit the global society they both serve.

To that end, the two Organizations – hereinafter referred to as “we” – affirm their common understanding and shared intent through the following Joint Statement on Aviation and Tourism, symbolically signed on the occasion of the official opening of the ICAO Sixth Worldwide Air Transport Conference, convened under the theme of “Sustainability of Air Transport”.

A solid track record

ICAO and UNWTO are designated inter-governmental bodies responsible for aviation and tourism respectively. As sister agencies within the United Nations system, we together contribute to securing the social, economic and environmental pillars of sustainability.

In 1978, we entered into a Working Arrangement for consulting each other on questions of common interest, so as to ensure optimal coordination of activities and avoid duplication of efforts.

In 2010, we signed a Memorandum of Co-operation to strengthen collaboration in several areas of strategic importance to air transport and tourism:

- Security and facilitation for travellers.
- Promotion of investments in aviation infrastructure and safety.
- Crisis management.
- Health issues, including those pertaining to the spread of communicable diseases through travel.
- Sustainable development, including environmental protection, mitigation of, and adaptation to, climate change.
- Liberalization of international air transport.
- Economic studies on aviation and tourism, and their impacts on the economy.

A firm intention

Looking ahead, we intend to further optimize the benefits of aviation and tourism through:

- Maximizing synergies between air transport and tourism, while finding ways to continually enhance collaborative endeavours.
- Cooperating for the modernization of the air transport regulatory framework.
- Enhancing air transport connectivity further through cooperation:
 - Regarding visa and other travel document formalities and issuance, including the simplification of visa processing and the development of multi-State regional visas and e-visas;
 - For the improvement of air passenger flow management at airports;
 - For the implementation of the Essential Service and Tourism Development Route (ESTDR) concept.
- Contributing to the emergence of globally convergent rules on the protection of passengers, tourists and tourism service providers, within our respective mandates and the framework of existing or future international bilateral or multilateral agreements.
- Contributing to the reduction of greenhouse gas emissions from aviation and tourism.
- Giving due consideration to the particular importance of air transport for tourism development in long-haul destinations and landlocked or island countries.
- Assessing the impact of taxes, charges and other levies on aviation and tourism, and thus on global economic growth and jobs.

Working together on common issues will more effectively position aviation and tourism as leaders in the pursuit of sustainable development.

Signed in Montréal on 18 March 2013:

ICAO:

Mr. Raymond Benjamin, Secretary General

UNWTO:

Mr. Taleb Rifai, Secretary General

ICAO/UNWTO Joint Statement

www.icao.int/Meetings/atconf6

Joint Conference on air transport connectivity with the participation of African Ministers in charge of air transport and tourism in October 2014 (TBC)

ICAO also teams up with WCO for air cargo security and facilitation



Unite all stakeholders in the supply chain, thereby:



- Enhancing the efficiency and modernization of air cargo for global trade and economic development
- Promoting facilitation of trade and movement of goods by air
- Safeguarding the reliability of the air transport mode by offering a high level of security while promoting a balanced approach to security and facilitation (such as through e-freight)

Moving Air Cargo Globally

Air Cargo and Mail Secure Supply Chain and Facilitation Guidelines



First Edition





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**Thank You, Merci,
Shukran, Spasiba, Xie Xie,
Gracias**

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