



43RD AFRAA ANNUAL GENERAL ASSEMBLY

OPENING REMARKS

By
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Secretary General

21 NOVEMBER 2011
KINGDOM OF MOROCCO

- Honourable Minister for Transport & Equipment of the Kingdom of Morocco, Mr Karim Ghellab
- The Chairman of the Board & CEO of Royal Air Maroc, and President of AFRAA, Mr Driss Benhima
- The IATA Director General & CEO, Mr Antony Tyler
- The Chairman and CEO of EgyptAir and Chairman of the AFRAA Executive Committee Eng. Hussein Massoud
- Distinguished guests
- Ladies and gentlemen
- Members of the media
- Bonjour à tous

INTRODUCTION

It gives me great pleasure to welcome you to AFRAA 43rd Annual General Assembly meeting here in Marrakech, the Kingdom of Morocco, our generous hosts.

We have all already been welcomed so warmly by our eminent host, the Chairman of the world renowned Royal Air Maroc and witnessed the exceptional hospitality of our hosts through the activities throughout yesterday and so look forward to all that is planned for us here.

What a tremendous gathering this is and such a powerful opportunity we have to gather under the inspired theme ... **“Harnessing the Growth Opportunities Together”**.

This is our vision that with so many growth opportunities on our continent, the vision of all of us working together, airlines, airports, regulators, our suppliers, our service providers, our partners, respecting and supporting one another.

Today, it is my great pleasure to reflect on an important year that has passed since we last gathered in Addis Ababa, Ethiopia but more importantly on the year ahead.

I believe there is both tremendous potential and urgent pressure on us all as leaders of our organisations to facilitate, support and create real change in our industry.

TRIBUTE TO THE HOST

I would like to pay tribute to the Government and people of the Kingdom of Morocco for the warm welcome not just to the delegates to this conference but to all visitors who visit this wonderful country.

The Kingdom of Morocco is a great country with a long and proud history which realized the enormous potential for air transport and had the vision to exploit it to earn huge revenues from tourism.

The Government has wisely created a conducive climate that has resulted in the substantial growth and development of the tourism and hospitality industry and all of us have witnessed some of the most beautiful, charming and romantic hotels in the world.

TRIBUTE TO ROYAL AIR MAROC

Distinguished delegates, allow me to pay tribute to the sterling work that Royal Air Maroc, one of the largest airlines in Africa, is doing to connect Africa together and to the rest of the world.

The Airline has one of the most extensive networks into the continent flying to 24 destinations from its hub in Casablanca.

Due to the visionary leadership of Mr Driss Benhima, the airline has stood its own despite tough competition from low cost EU carriers following the open skies agreement with the EU in 2006.

AFRAA values the active support from this great airline.

IATA DIRECTOR GENERAL AND CHIEF EXECUTIVE OFFICER

A warm welcome to the Director General and CEO of IATA, Antony Tyler. He has found time from his very busy schedule to share his vision for our industry. We look forward to your words of wisdom and we wish you well in your new challenging post and pledge to provide you support within our capacity.

I would like to take this opportunity to thank you for the generous support that IATA continues to provide to AFRAA particularly in the critical area of training and human resource development. This year, for example, IATA provided four free training courses for African airlines as well as sponsoring

two important workshops on Simplified Interline Settlement and Regulatory Forum. We look forward to the continued cooperation and collaboration.

IMPORTANCE OF AIR TRANSPORT

Distinguished delegates, in terms of tourism development, airlines bring into Africa more intercontinental tourists than any other mode of transport.

Air transport is fast becoming a means of mass transportation and no longer a luxury for the rich and affluent.

Directly, air transport creates about 470,000 and generates billions of Dollars in revenue in Africa.

GOVERNMENT SUPPORT

Therefore such a critical economic sector needs Government support, not aid, to ensure that it is not put at a competitive disadvantage in the face of stiff competition from carriers outside the continent.

GOVERNMENT SUPPORT: FACILITATING AFRICAN AIR TRANSPORT DEVELOPMENT

Permit me to highlight some of the areas that Government support is vital which are shown on the screen.

- Even Playing Field

- Internal Liberalisation
- Excessive Taxes and Charges
- Monopoly Service Providers
- Improve Safety Image
- Retain Skilled Human Resources
- Environment

Even Playing Field

Globalisation and the influx of foreign airlines to Africa is unleashing havoc to some carriers due to the uneven playing field. We are yearly witnessing the entrance of new players on the African markets from the USA, Europe, the Middle and Far East.

Competition is good for any industry but there is need for regulations to prevent predatory competition and discrimination in favour of foreign carriers.

Internal Liberalisation

There has been too much talk not matched by equal measure of action on the implementation of the Yamoussoukro Decision. For rapid market development, States and regulators must open up the African market to African operators.

Unjustifiably High Taxes and Charges

The airline industry in Africa is over-taxed and over charged, making it difficult to establish lower fares and constraining the realization of the huge traffic growth potential of the continent .

To stimulate demand and realize the full potential of the market, governments should reduce the amount of taxes imposed on airlines, passengers and on fuel.

In particular, some African airports especially in Accra, Ghana; Dakar, Senegal; Malabo, Equatorial Guinea; Ouagadougou, Burkina Faso; Abidjan, Ivory Coast and Libreville, Gabon need to reduce their exorbitant fees of between USD40 – USD80.00 which are well above the world average.

Monopoly Service Providers

There are several airports on the continent where there are monopoly service providers in ground handling, catering and/or fuel supply. We urge governments to liberalise the market so as to encourage competition and boost efficiency in service delivery.

This will accord users the flexibility to choose service providers that delivers value for money and bring an end to monopoly pricing by service providers.

Improve Safety

Safety is the greatest challenge facing African aviation.

The perceived poor safety image of Africa is being exploited by others for commercial gain and this requires that we put our house in order. Let me be emphatic here that civil aviation authorities must take their safety oversight responsibilities seriously. In addition, airlines, airports and ground handlers must adhere to industry standards and best practices in safety.

To help enhance a safety culture, we urge States to make IOSA registration a requirement before issuing an air operator's certificate.

So far over a quarter of African countries are on the EU blacklist and the list continues to grow and no country in Africa has ever been removed from the blacklist.

If African skies or airports are unsafe, why would the carriers from the EU find it safe to fly to those same States? African States need to speak with one voice to condemn the EU blacklist which is doing nothing to improve safety on the continent but just to further the commercial interests of EU carriers.

Retain Skilled Human Resource

Distinguished delegates, the skilled manpower challenges staked against the African aviation industry are huge. Africa suffers from the perennial and

accelerating challenge of the brain-drain with the continent losing highly skilled and experienced personnel to entities outside the continent.

It is necessary for the aviation stakeholders on the continent to craft strategies and policies to effectively train and develop people as well as retain the highly qualified personnel to lead the growth of this vastly technologically driven and competitive industry and also to allow the industry to play its role in the development of the continent.

Environment

The African aviation industry needs and is indeed committed to environmentally responsible growth.

The industry is committed to improve fuel efficiency by designing straighter routes, modernizing its fleet and adopting operational measures to reduce fuel usage. It is also committed to work together with the rest of the world under the ICAO framework to find a global solution to the environmental challenge of aviation emission.

African States however should collectively express their opposition to the unilateral measures by States or groups of States such as the EU to impose its Emission Trading Scheme which is contrary to the well-established norm of ICAO being the only global body that is mandated to regulate international air transport.

Closing Commitment...

To conclude, allow me to express my gratitude to our hosts. I know that hosting an Annual General Assembly is not an easy exercise. It requires preparation, dedication, and a lot of hard work. To our Moroccan colleagues, on behalf of participants, we thank you very much.

It is my utmost commitment that during my term as AFRAA Secretary General, with the strong support of the Executive Committee members, AFRAA will give priority to the needs of our member airlines so that together we can effectively face the various challenges in our industry.

I consider it my responsibility as the Secretary General of AFRAA to ensure that we have activities that are pertinent and appropriate for each and every member airline.

I thank you for joining with me and the entire Assembly today. I look forward to the days ahead, to our reflections and deliberations and setting our course forward, together.

Thank you and good day.