



**OPENING REMARKS**

**AASA ANNUAL GENERAL MEETING  
AND CONFERENCE**

**WINDHOEK, NAMIBIA**

by  
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## **OPENING REMARKS OF THE SECRETARY GENERAL OF AFRAA TO THE AASA ANNUAL GENERAL MEETING AND CONFERENCE**

**Mr. John Morrison**, Chief Executive Officer of the Airlines Association of Southern Africa,

**Mr. Kosmos Heinrich Egumbo**, Managing Director and Chief Executive Officer of Air Namibia,

Members of the Board of Directors of Air Namibia,

Distinguished Guests,

Ladies and Gentlemen,

Dear Friends of the Media,

It is my greatest pleasure and privilege to take the floor at this top event of the Airlines Association of Southern Africa (AASA) to share with you some insights on the air transport industry in Africa.

Ladies and gentlemen, I must confess that I am impressed by the high level of expertise gathered here in this audience to the extent that I wonder which message would be of an added value. As the saying goes “You can’t teach old dog new tricks”.

You already know the state of the industry, the main challenges and most of the recommendations of AFRAA. Nonetheless, as priests, pastors and imams usually do, I will highlight some of the current issues and share with you the sentiments of the airline industry in Africa.

### **Globalisation**

Globalisation is taking Africa by storm. In most African States, foreign carriers are dominating the sky. This invasion of the continent is motivated by the fact that Africa is the fastest growing region for air travel after Asia. Yields remain the highest in Africa compared to other continents and

unfortunately, African carriers are weak and pose very little competitive threat to the mega-carriers.

In the future, this dominance of the African sky by foreign carriers is likely to further increase as a result of:

- The implementation of the single airspace concept within the European Union that will allow all European carriers to operate to our states from any airport of the European Union;
- The franchising policy which is being actively promoted by some European carriers in various African countries including South Africa, Kenya, Zambia, Zimbabwe and Swaziland;
- Foreign carriers buying into African airlines in various countries.
- The aggressive penetration of the continent's market by carriers of the Gulf region. These include Emirates and Qatar Airways which are currently operating to all the capital cities of the Magreb region, to those of the Eastern part of the Continent along the Indian Ocean and progressively to those of the West African region up to Senegal. They may soon extend their operations beyond South Africa and into your various markets. You need to beware of this threat and strengthen your core competencies and competitive skills to be able to compete effectively when they come.

Many of our airlines are already bitterly complaining about irregular competition from these Gulf carriers which enjoy unlimited financial resources and are allegedly practising dumping tariffs as they are not in need of running after profits.

African government authorities should not lose sight of the duty incumbent upon them to support their national carriers as all governments do across the world.

### **Brain-Drain Issue**

Another matter of concern is the intensive on-going robbing of the African air transport industry of its most trained and experienced manpower. Pilots are the most targeted population. Air navigation staff and cabin crew are

also more and more siphoned out of the continent with these siren songs from the Gulf.

On this matter of brain drain, it should be recalled that most of our airlines concede heavy financial sacrifices to train these technical staff who vanish overnight to enrich foreign carriers with their wealth of education, training and experience without any compensation.

This needs to be regulated along similar lines that the International professional football Federation, FIFA handles transfers. Indeed, professional football players can always be solicited and transferred to third parties provided that the receiving team does it under regular contract whereby it pays for the player.

The African Airlines Association is hereby urging African governments and the AU to give consideration and thought to this bleeding issue and to establish rules and regulations to govern it properly for the interest of Africa. Should need be, diplomacy must also be referred to, to achieve our goal.

### **Progress made on Yamoussoukro Decision**

Ladies and gentlemen, one of the over-repeated sermons of AFRAA has been, so far, the need to implement fully and thoroughly the Yamoussoukro Decision so as to:

- Create a conducive environment for our airlines to get used to competition and muscle up for globalisation.
- And give way to the airlines that can afford it to extend their network across the continent with the objective of availing more air services to the African travellers and traders.

I must pay tribute here to Mr. John Morrison and his team for their tremendous contribution to raising awareness on the need to expedite the implementation of the Yamoussoukro Decision.

Their efforts, in association with those of AFRAA, AFCAC and the AU Commission Department of Energy and Infrastructure led to the organization of the Sun City meeting of African Ministers in charge of civil aviation.

Ladies and gentlemen, discussions in Sun City were not easy. Various countries wanted to buy time and put hurdles across the roads. But due to the unmatched leadership of the President of the Ministerial Conference, Honourable Minister Jeff Radebe, Minister of Transport of the Republic of South Africa, the conference made substantial progress towards the implementation of the continental liberalisation programme. I know that even in this audience, the progress made in Sun City can be termed as “a glass of water that is either half full or half empty”. Irrespective of how one looks at it, what matters most is the resolution that was adopted at the meeting. It specifically called for the setting up of a core group to champion the full implementation. The resolution also gave consideration to the requests of airlines in need of assistance and extending an avenue of help that will enable them to quickly embark on full implementation.

Distinguished guests, further to the conference, and in compliance with the decisions, the monitoring body spelt out the implementation criteria for the Yamoussoukro Decision. We have also made progress on the African Common Position on bilateral re-negotiations with the European Union Commission. Under AU coordination, AFRAA, AFCAC and a panel of other African legal experts have laid down cardinal principles to guide our States and Civil Aviation Authorities in such re-negotiation. These principles are likely to be adopted at the next AU Heads of States summit.

### **Need for African Carriers to Re-possess their Sky**

As Africa is moving ahead on the regulatory and the creation of a conducive environment, African airlines ought to quickly expand their network across the continent with the objective of repossessing the continent’s sky.

In this regard, we recognize with praise the frantic job being done by some airlines which are developing their services across the continent. They include; Ethiopian Airlines, Kenya Airways, South African Airways, Afriqiyah, Belleview Airlines and Air Senegal International.

While acknowledging these developments, there is a need to do more in order to pave way to free and easy movement of people and goods across the continent.

Privatisation must govern the future development strategy of all our current successful airlines. History and experience clearly demonstrate that all of

them would be much more profitable, successful and fast developing if they turned completely private without any reservation.

The time of the industry Oedipus complex when flag carriers are associated with national pride has elapsed. At this point in history when Air France is merging with KLM, across-border investments should be encouraged in Africa and airlines should drop out their national flag references to pave the way for regional ownership which is the key for sustainable future development and prosperity.

### **Big versus Small Airline Misconception**

Ladies and gentlemen, permit me to touch on the subject of big and small airlines in Africa and particularly within your sub-region. Having one of your members that is probably bigger than all the others put together can be worrying for the smaller airlines. It is therefore possible that most of you would view South African Airways a threat to your success and growth. But let me assure you that, you all have common threats, and these are coming from the global mega-carriers of Europe and the Gulf region. These foreign carriers are what you must team-up against.

SAA could serve as a rallying point around which carriers in your sub-region can build synergies in operations because it has the “cloud” in the eyes of the mega carriers of this world. By teaming-up, you can share resources; interconnect your networks; use each others traffic rights for mutual benefit; etc. This way, you would collectively be able to compete against the foreign carriers and benefit from your solidarity.

But SAA must not use its size and dominance to take advantage of the smaller carriers. As I indicated earlier, no airline today thinks or feels it is big enough. KLM and Air France, each of which is probably the size of all scheduled airlines in Africa put together, have merged. Big and small airlines in Africa must collaborate. This collaboration can take many forms; joint purchasing of essential airline services including fuel, joint implementation of IT projects such as E-ticketing, reciprocal handling services at each others airports, code-sharing, buying into each other airlines, etc.

Airlines all over the world are inter-dependent and we must explore all the benefits of inter-dependence irrespective of size.

## **Safety – A Burning Issue**

Ladies and Gentlemen, kindly allow me now to touch briefly on the issue of safety. Safety is the number one priority in our airline business. African scheduled airlines make no exception. On average, the safety record of these African airlines, members of AFRAA and AASA proudly stand comparison with that of the mega carriers of the world. Yet the message goes around the globe that the African sky is not safe. It always sounds as if our scheduled legacy carriers are not. As most of you travelled here on African airlines you well know how misplaced such a message is. It is ill-intentioned for competition purpose, to the extent that when accidents involve carriers on other continents, as regrettably happened recently the Western media find it more convenient to attribute their comments largely to the unsafe African sky. These relentless negative safety related messages are highly damaging for our well performing carriers.

The accidents that established the bad safety record for the African continent involved in majority of cases very old aircrafts, that include Old Russian built Antonov operated by unscheduled carriers in previously war torn countries such as DRC, Angola, Sudan, Liberia, etc. Between 1994 and 2003, 65% of all accidents in Africa took place in five countries. DRC and Angola accounted for 40% of all accidents within this period.

## **Recommendations on Safety**

I propose that:

The African Union Commission leads a joint AFRAA/AFCAC mission to sensitise and advise the concerned governments to stamp out this bad image on the continent.

African Governments should ban the importation into the continent of aircraft that are over 20 years old as governments of Nigeria and Angola did with very good results.

“Flag of convenience” countries should be blacklisted.

Civil Aviation Authorities should carry out their safety oversight responsibilities thoroughly and with more rigor.

## **Conclusion**

In conclusion, Ladies and Gentlemen, it has been my pleasure to fly you over these key issues of the industry. As we are looking forward to a pleasant conference, I will invite you to consider these boulevards of reflection throughout your deliberations.

I thank you for your patience and attention. And further more I wish you very successful deliberations and practical conclusions to the AASA Annual General Meeting and Conference.