



**"REDEFINING  
AIR TRANSPORT  
FOR A NEW ERA"**

# AGA 52 News

## **AFRAA's 52nd AGA maps way for a new era for the Air Transport Industry in Africa**

The African Airlines Association (AFRAA) concluded its 52nd Annual General Assembly with a rallying call for airlines to take specific measures to build resilience and emerge stronger after the crisis. The Assembly further called for a multi-sectorial and pragmatic approach by governments and stakeholders to support the recovery of air transport industry and interrelated sectors such as tourism.

The AGA, which was hosted by TAAG Angola Airlines, was held in a historic virtual meeting under the theme: "Redefining Air Transport for a New Era" bringing together top African airline CEO's, industry partners, leaders of international and regional air transport associations including the African union, IATA, ICAO, AFCAC, TIACA and over than 500 delegates from 76 nationalities across the globe.

The Assembly emphasized the importance of coordinated efforts and a collaborative approach as a way to secure business continuity. An appeal was made to governments and development financial institutions to continue supporting the industry as a means to secure the continent's social and economic recovery given the sector's strategic contribution to national GDP.

This year's summit saw the expansion of AFRAA's fraternity with two new members including: Overland Airways Limited and Syphax Airways; bringing the association's membership to 47 African airlines. Similarly, De Havilland Canada, PRODIGY Avia Solutions Limited and South African Tourism joined the Associations' partnership programme which serves as a forum for industry-related organizations to support the development of air transport in Africa.

The 52nd AFRAA AGA re-elected Mr. Rui Carreira President of the Association for the year 2021. Mr. Desire Bantu Balazire, Chief Executive of Congo Airways was elected Chairman of the Executive Committee. Ms. Yvonne Makolo Chief Executive of RwandAir was elected 1st Vice Chairperson of the Executive Committee while Ms. Amal Mint Maouloud, CEO of Mauritania Airlines was elected 2nd Vice Chairperson for the year 2021.



**Mr. Abdérahmane Berthé**  
AFRAA's Secretary general

## AFRAA Secretary General Keynote Address

In his inaugural speech, AFRAA's Secretary General Mr. Abdérahmane Berthé said: "This is a pivotal moment in our history as we aim to reposition the African air transport market towards recovery and sustainability. Now more than ever, operational challenges faced by African Airlines have to be prioritized and addressed. On our part as AFRAA, we tackled the crisis by resolutely pivoting our strategic and tactical resources to support recovery efforts. We have embarked on various initiatives to support the restart of the air transport industry. Key among these initiatives include: the launch of an interactive capacity sharing portal to

provide access to market-leading services to African airlines, AFRAA's 9-pillar industry recovery plan and AFRAA's 5-year comprehensive strategic plan that is geared towards helping the industry meet its aspirations."

It was observed that this year's AGA would give aviation stakeholders a unique opportunity to work closely together to find solutions and determine actions for the restart and recovery of the African air transport market.

Mr. Berthé urged governments and development financial institutions to continue supporting the industry as a means to secure the continent's social and economic recovery given the sector's strategic contribution to national GDP. He reiterated the Association's commitment to keep by its mission to promote and serve African airlines and champion Africa's aviation industry.

## Opening Speech by the Transport Minister of the Republic of Angola - Honourable Ricardo de Abreu

Speaking as chief guest of the 52nd Annual General Assembly, the Transport Minister of the Republic of Angola, Honourable Ricardo de Abreu recognised that the year has been challenging for all sectors and particularly the aviation industry which is one of the most affected he stated. "We are all conscious of the importance that the air transport sector represents and the enabling role that aviation plays in facilitating trade and growing our national economies. As we collectively navigate this stormy weather, we seek to emerge from the pandemic, more resilient, organized and more determined to succeed," he said.

Outlining his country's support of the aviation industry and some of the key activities undertaken during the pandemic he said: "We have



**Mr. Ricardo de Abreu**  
Transport Minister of the Republic of Angola

opened our international airspace with effect from 21st September, enabling airlines to commence services from their local hubs into Luanda; this was all done in coordination with our national health authorities and following the health protocols and guidelines set by the world health organization and ICAO." He added.

Honourable de Abreu informed the Assembly that long before the pandemic, Angola had established its commitment to develop the aviation sector with a new legal and regulatory framework of the civil authority which has been revised to empower the civil aviation authorities to be more proactive in not only overseeing the sector but in coming up with progressive policies that will enable he country to align and grow with the fourth industrial revolution.

"Angola is investing in infrastructure such as the new international airport of Luanda and we are strongly committed to improve human capital quality which will enable our staff to perform according to industry standard recommended practices. "

He also indicated that although the country is not a signatory yet of the Single African Air Transport Market, Angola is committed to the spirit of the Yamoussoukro decision and has already been implementing several air services agreements with other African countries and airlines based on SAATM principles.

Closing his opening speech, Honourable de Abreu encouraged the African aviation industry to deliberate and come up with game changing resolutions for the benefit of the continent and its people: "I am confident that we are all up to the challenge and we anxiously await your recommendations with excitement knowing that the future is in your capable hands."

## AFRAA President and TAAG Angola Chief Executive Officer Speech

In his address to the 52nd AFRAA AGA, Mr. Rui Carreira TAAG Angola CEO and President of AFRAA remarked: “2020 is a year never experienced in all facets of our lives. That makes our AFRAA 52nd AGA a very special one, the AGA that will be kept in the annals of history for a very long time. At the same time, I am confident that this remote meeting will encourage all of us to be resilient as we face the challenges of the day with a determination to secure our future. “

Sharing his view on the situation of African airlines, he said “Unfortunately, 2020 has been a very difficult year for our industry, mainly for us, African carriers. Our struggles come from way before the pandemic, and with COVID-

19, many African airlines have faced the biggest challenge of their lives. Although the upcoming years will be challenging, and recovery may be slow, we should not be discouraged but see the positive side.

“This is a time of resetting, restructuring, and setting a new course. This is indeed our wakeup call; we must embrace the moment and take heed of the challenges as we map the way forward,” he added.

Echoing the sentiment of other key speakers, Mr. Carreira concurred that the AGA was the perfect occasion to improve the aviation environment on the continent with discussions geared towards finding solutions and ideas for the rapid recovery of the sector and exploring the common interests of African airlines.



Mr. Rui Carreira  
TAAG Angola CEO and President of AFRAA

## Keynote Address by the African Civil Aviation Commission (AFCAC)



Mr. Tefera Mekonnen  
AFCAC director

In his message to the industry, AFCAC Secretary General, Mr. Tefera Mekonnen noted that the African aviation industry had been characterized by massive losses in revenues and jobs for airlines, civil aviation authorities, air navigation service providers and airports due to the COVID-19 pandemic.

Providing some insights on how the African air transport market can effectively rise to the challenge he asserted “*the aviation industry has been put in a situation where it must focus on every opportunity to recover, build resilience and become sustainable through rethinking its strategies and collaboration in ways that will truly redefine air transport for a new era*”

Highlighting some of the activities AFCAC has embarked on in support of the African aviation industry he mentioned AFCAC's coordination of the **African Immediate Relief and Recovery Measures** with various stakeholders including AFRAA on the development of immediate relief measures for the African aviation sector through which some important resolutions were taken as a result to support the African aviation sector; as well the mobilization of industry partners across the aviation supply chain to establish a High Level Task Force (HLTF) that will ensure Africa's aviation sector's response to the impact of COVID-19 follows a structured and coordinated approach for a successful restart and sustainable recovery.

He added that AFCAC has also been championing the harmonization and coordination of the implementation of COVID-19 protocols that will effectively support African airlines in the resumption of International Travel.

Touching on the progress of the intra-African connectivity he said: “SAATM, a flagship project of the African Union for the continent to liberalize air transport continues to grow from strength to strength. I am happy to inform you that thirty-four African States have signed the Solemn commitment to join the SAATM and unconditionally open their markets to eligible African airlines. Existing African continental initiatives such as the SAATM, AfCFTA and other Agenda 2063 flagship projects provide a good basis for the growth of intra African air travel ready to be exploited by African airlines”





**Mr. Alexandre de Juniac**  
Director General and CEO of International  
Air Transport Association (IATA)

## Keynote Address by IATA

Mr. Alexandre de Juniac, Director General and CEO of the International Air Transport Association (IATA), commended the commitment of all stakeholders to contain the COVID-19 pandemic, a health crisis that has evolved into a jobs and economic disaster in keynote address.

Issuing a call to governments to support the industry, Mr. Alexandre de Juniac said: “I call on you to join IATA in calling for governments to unblock committed financial relief, airlines will go bust without it. Already four African carriers have ceased operations and two are in administration. Without financial relief, many others will follow. Over

US\$31 billion in financial support has been pledged by African governments, international finance bodies and other institutions, including the African Development Bank, the African Union and the International Monetary Fund. Unfortunately, pledges do not pay the bills. And little of this funding has materialized.”

He emphasized that relief for aviation is an investment in the future of the Africa as the continent will need financially viable airlines to support the economic recovery from COVID-19. Another priority area communicated was the need for policymakers to safely re-open borders using testing but without quarantines.

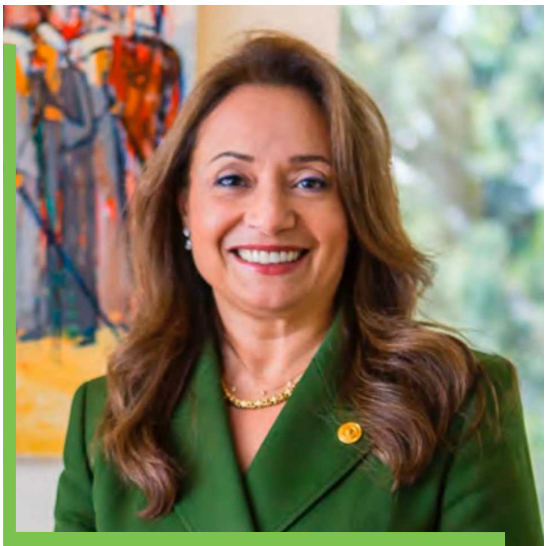
“Forty-four countries in Africa have opened their borders to regional and international air travel. In 20 of these countries, passengers are still subject to a mandatory 14-day quarantine. Who would travel under such conditions? Systematic testing before departure provides a safe alternative to quarantine and a solution to stop the economic and social devastation being caused by COVID-19.”

He concluded sharing his confidence in the future and the resilience of the industry which has been proven many times.

## Keynote Address by the African Union Commission

Her Excellency, Dr Amani Abou-Zeid, Commissioner for Infrastructure and Energy in her speech paid homage to the efforts that SAATM has done to liberalize air transport services and drive economic integration on the continent with the collaboration of key partners such as AFRAA, ICAO, IATA and the overall coordinator AFCAC.

“Currently, 34 states with a total of more than 800 million people accounting for 61% of the population in the African continent and



**Dr Amani Abou-Zeid**  
Commissioner for Infrastructure and Energy

89% of intra-African air transport market are solemnly committed and have opened up their markets to each other unconditionally and the potentials are even higher to capture additional millions of passengers within the SAATM group states.

The full operationalization of the Single African Air Transport Market, supported by appropriate infrastructure and regulatory framework will offer a great opportunity for African airlines to improve connectivity between African countries, increase routes and flights between the various capital cities of Africa and also reduce the cost of air travel. “

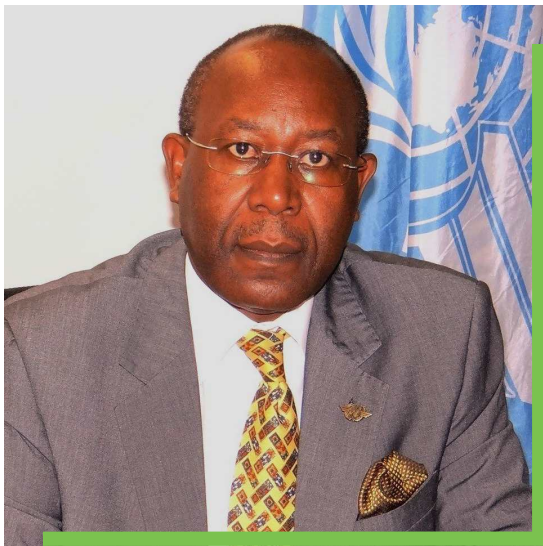
Commenting on the African air transport market, she pointed to the fact that growth projections on the continent have been among the top worldwide (5% annual traffic growth) showing tremendous potential for growth and socio-economic development.

“It is high time that Airlines' cooperation in various forms be given precedence in AFRAA's priorities for 2021 and onward, in order to establish stronger and more efficient Airlines with business models that will allow them compete internationally and improve Africa's air traffic market share which is currently very low at less than 3%.”

Her Excellency, Dr Amani Abou-Zeid reassured the Assembly that the African Union Commission will continue to mobilize all the required resources to undertake its important role of advocacy for more member States to join and enjoy the benefits of SAATM.

“The operationalization of SAATM remains our priority in the post COVID-19 recovery. AUC has currently initiated a continental study on the benefits of full liberalization of air transport services through the implementation of SAATM and this will be an important tool to convince more Member States to join and also to formulate policy recommendations that can be submitted to our Member States for further adoption by the AU Summit. “

Addressing one of African aviation's long-standing challenge, Dr. Amani communicated AUC's commitment to coordinate on-going efforts by AFCAC, AFRAA and IATA to standardize the taxes, fees, and charges levied on airline operations by establishing continental experts working groups that will come up with recommendations for consideration and adoption by Member States in Africa.



**Mr. Barry Kashambo**  
Regional Director for international  
Civil Aviation for Eastern and Southern Africa

## Keynote Address by the International Civil Aviation Organisation

The Regional Director for the International Civil Aviation Organisation (ICAO) for Eastern and Southern Africa, Mr. Barry Kashambo in his speech, commended all stakeholders for the ongoing efforts to secure the restart and recovery of commercial air transport services. “It is critical that we work together to make sure that air travel recovery is given priority through provision of necessary financial stimulus, committed political will, and continuous improvement of international alignments while recognizing that the COVID-19 crisis provides an opportunity to build a resilient future,” he said.

He acknowledged that this is a time when the aviation industry is recovering from a devastating halt due to the COVID-19 pandemic given that the public transport and tourism came to a complete standstill globally.

“The ICAO Civil Aviation Council Task Force report and the related take off guidelines together with other implementation tools, supported by the African union's high-level task force are being employed by many States and organizations towards the realization of the alignment efforts of aviation. We remain steadfast in providing leadership of global and regional coordination of the aviation sector and the provision of international support to air transport towards the economic reactivation procedures being explored by states,” he said.

He concluded by urging the Assembly to harness synergies, strengthen collaboration while ensuring to tighten weak links in the challenging times: “Our success is as strong as our bond and cooperation.” he emphasized.

## AFRAA's Annual Report - Highlights

Mr. Abdérahmane Berthé, AFRAA's Secretary General presented a comprehensive analysis of the industry's current situation, the outlook for 2021 and beyond in AFRAA's annual report.

With regards to the impact of COVID-19 pandemic, he highlighted that the economic recession will affect Africa with data from the African Development Bank (AfDB) showing the continent's GDP may experience a recession of 3.4% in the worst-case scenario.

“In the African aviation sector, the reopening of borders started with an unprecedented drop in activity after the second quarter. For 2020, AFRAA estimates the revenue loss for African Airlines at USD 9 billion compared to 2019. Airlines are adapting their network plans to the demand pattern and in October, African airlines reopened 70.8% of their existing international routes,” he stated.

Providing insights on the way forward, Mr. Berthe said: “The airline industry's recovery will require coordinated efforts and a collaborative approach with all stakeholders to ensure the industry's survival and Business continuity.

“Complementing SAATM, are the other AU Agenda 2063 flagship projects that foresee an integrated Africa with seamless borders to support African airlines' recovery post-COVID-19, these include: the African Continental Free Trade Area (AfCFTA) and the Free Movement Protocol,” he said.

He expressed that the recovery of traffic in Africa is expected to start with domestic markets. Intra-African routes are projected to follow suit, while international traffic is expected to take more time to reach pre-crisis levels due to a challenging operating environment.

## Presentation 1: Getting back to business: Planning networks and fleet beyond 2020



**Rob Watts**  
VP Advisory ACC Aviation

Rob Watts, VP Advisory ACC Aviation, made an analysis showcasing that although Africa is the smallest market globally, it has been impacted just as much if not the worse than other markers due to an absence of large domestic markets. Markets with larger domestic networks such as Asia Pacific, domestic china and north America domestic US have been a little more resilient.

Giving his take on what airlines can take into account in projecting passenger demand, required networks and fleet, he outlined the following considerations:

- **How long might the pandemic last and what will be the severity levels**
- **How deep and how long will the global recession be?**
- **How long will lockdowns and travel restrictions continue?**
- **How fast will consumer confidence in air travel be restored?**
- **Will there be a structural shift in industry and consumer's behavior?**
- **How long can the air transport industry withstand the financial adversity?**

Rob Watts advised that these should be taken into account from a combination of the airline's business model, economic growth, air service agreements, travel restrictions which would determine potential market size across routes & time, the aircraft type and product. Adding that competition as well has a play on what aircrafts should be planned for operation.

"Your market size and market share should determine your passenger demand capture then what your airline schedule should be and your utilization which then determines your fleet requirements. It is important to model what to expect the future to look like in order to remodel fleets and networks to best match this projection," he said.

"With a diversification exercise, some assets can be repurposed and in this case aircraft type, maintenance condition and market conditions will determine optimal exit strategy," he remarked.

In sharing strategies to help airlines save cash to make it through the rest of the pandemic, he pointed out that for fleets that are unencumbered or debt financed aircraft, they can be utilized to raise additional capital via refinancing or sale and leasebacks while aircraft on operating lease agreements could be renegotiated for temporary deferrals or offered as aircrafts for ad-hoc charter.

He concluded with a mention of the partnership with AFRAA to support their consulting initiatives in the AFRAA consulting by ACC product, a joint project with the aim of providing a platform that will raise the profile of African airlines globally effectively maximizing their fleet utilization and delivering a range of consultancy services designed to help them improve organizational resilience and respond even more effectively to global market opportunities.



## CEOs Roundtable Discussion



**Ms. Yvonne Makolo**  
RwandAir CEO



**Mr. Alan Kilavuka**  
Group MD and CEO Kenya Airways



**Mr. Sanjeev Gadhia**  
Astral Aviation CEO

### Journey to recovery: Effective collaborative strategies for recovery and sustainability

In a scene setting analysis for the much-anticipated CEO roundtable moderator Ms. Catrin Drawer, Associate partner at Lufthansa Consulting outlined the types of partnerships that can help in the dynamics of rebuilding the aviation industry.

“There is intense competition for the diminishing pool of customers and for this reason airline partnerships can deliver an efficient solution to balance the desire for expansion with the risk of overcapacity,” she highlighted.

The various benefits that can be found in airline partnerships were identified as:

Higher load factors by two or more cooperating airlines observing mutual capacity discipline

- Deeper market access
- Additional revenue streams
- Lowered commercial risk
- Further lower financial risk by leveraging economies of scale and sharing best practices

### What new approaches are emerging in light of COVID19 - Panelists Insights

Ms. Yvonne Makolo, RwandAir CEO said, “The partnership between RwandAir and Qatar is a win-win. For RwandAir to partner with a world class airline like Qatar we benefit in terms of knowledge sharing and on commercial aspects in terms of broadening our network. Qatar sees the continent as an underserved market with a lot of growth potential thus they do see value in an African airline especially in light of the ongoing pandemic. We have had to resize our airlines like most others and once we reset and are ready to grow again it's a partnership we are looking forward to.”

Mr. Alan Kilavuka, Group MD and CEO Kenya Airways stated: “During the initial periods when we restarted in August 2020, the focus was on rebuilding the networks almost from scratch and we were doing this in collaboration with our government and airports and in alignment with health protocols. It was not easy to have our usual coordination with our partners Air France and KLM and therefore we suspended the cooperation for now. This will enable us to continue monitoring traffic and to wait for a better schedule integrity between the airlines and within the airline. But we believe this is a partnership that will deliver great results once we have a bit more clarity”

“With the pandemic, new kinds of partnerships have been formed between airlines, airports, governments and tourism boards to help the industry by ensuring safety in the travel industry. The need to have more harmony in health protocols put in place by governments and other health organizations will encourage people to travel,” Mr. Kilavuka added.

Representing cargo operators on the panel Mr. Sanjeev Gadhia, Astral Aviation CEO said: “We have seen some fantastic growth in cargo volumes which have resulted in an increase in our fleet and schedule networks and during this time we have had a number of partnerships and great opportunities the largest being with the WFP and WHO who have entrusted us to move PPE, testing kits and ventilators from China and Europe to our Nairobi hub. To date we have moved about 600 tons of cargo.”

He further informed the Assembly that Astral Aviation had also done a number of flights for the African health platform which is supported by the Africa CDC transporting PPE's and testing kits to over 42 countries in Africa.

### Recommendations on the best strategy for recovery

Speaking on African airlines' Mr. Sanjeev Gadhia remarked: “Airlines need to do more on cargo by this as part of the core business. CEO's please take cargo seriously, give it a priority in fleet and strategy planning, network development and make sure cargo is represented at the board. This is something that has not happened in many airlines.”

Ms. Yvonne Makolo in her closing remarks shared: “We are seeing beyond the normal airline alliances more partnerships between airlines, airports, tourism boards, governments especially in light of the need to have the right protocols in place to make travel more comfortable and give people confidence to travel in order jumpstart the industry. Airlines need to collaborate on thinner routes to share risks and benefits.”

Mr. Alan Kilavuka concluded by saying: “Incoherence in terms of policy makes it very difficult for airlines. All stakeholders need to help and support us in terms of the policy alignment so that we can see improved uptake. We are also looking into interesting and innovative ways of fundraising in addition to cash preservation and having a culture of innovation internally and long-term digitization projects.”

The CEOs on panel concurred that leaning on partners whether on existing contracts or new contracts will be highly relevant. Thinking out of the box, finding mutually beneficial solutions for collaborative strategies will be key to sustainable traffic developments for all African airlines.

## Executive Interview 1: Getting back to business in the era of COVID-19

In her introductory remarks, Maureen Kahonge, the Senior Manager Business Development & Communications at AFRAA and the session's moderator pointed to the fact that it's not business as usual in the aviation Industry and a pragmatic approach is necessary to ensure the survival of the sector.

Mr. Rui Carreira in his intervention stated: “During the pandemic our operations decreased by 90%, we have received support from the state but States are also facing challenges so the support is not enough. We have set a business survival plan according to some guidelines set out by AFRAA and undertaken major reforms to adapt the company to the new season.” On the airline's restructuring strategy pre-COVID 19 which has seen the addition of new planes to the TAAG Angola fleet he said: “The new planes will

improve domestic lines in the country and benefit some regional routes in Africa, namely to neighboring countries, at low cost tariffs. We strongly believe this strategy will promote economic growth and help us gain perspective of traffic growth.”

Mr. Sameer Adam, the Regional VP, Sales (EMEAR), De Havilland Canada stated: “Aviation Manufacturers have equally been impacted like the rest of the aviation market. From my perspective, regional operations are going to be the starting point for the successful recovery of the industry, there is still need for connectivity, to ensure goods and people are travelling, markets are being reinstated and new markets are created.”

A key part of how aviation manufacturers can survive is to increase focus on understanding the customer context. “We have to support the customer with what is happening on their side as well to find that common ground to be able to move forward in this environment” added Mr. Adam.

As building blocks for African airlines, Mr. Rui Carreira emphasized the need to create synergies with other airlines as well as partnerships with Original Equipment Manufacturer (OEM's) in order to adapt faster to this new era. Mr. Adam closed the discussion by calling upon airlines to work with suppliers and conveyed the need for clear and open communication with key partners and suppliers. “If we understand each other's issues and the opportunities available to us then we will focus on the same targets and positive outcomes,” he concluded.

## Executive Session 2 – Air Transport Recovery Trends and Building blocks for Africa



**Mr. Sebastien Mikosz**  
IATA SVP Member and External Relations

The session, which was led by Mr. Sebastien Mikosz, IATA SVP Member and External Relations, highlighted key figures that put into context the current crisis in the sector. According to the presentation, African aviation supported 7.7 million jobs pre-COVID, a number that now stands at 2.3 Million. From a strategic standpoint, the sector's contribution to economic activity decreased from \$63 Billion to \$26 Billion.

“Passenger revenues are not expected to get back on track quickly and even with the availability of a vaccine in 2021, it may take several years for air travel to recover. Even after large cash raise many airlines will remain at risk and will most likely not turn cash positive until 2022.” He noted.

- Assigning some key priorities for a successful restart of the industry, he advised stakeholders represented at the 52nd AGA to push for:
- Reopening of borders
- Removal of travel restrictions
- End of quarantine measures

### Speakers



**Maureen Kahonge**  
Senior Manager Business Development & Communications at AFRAA



**Mr. Rui Carreira**  
TAAG Angola CEO and President of AFRAA



**Mr. Sameer Adam**  
Regional VP, Sales (EMEAR)



## Executive Session 3- Are African airports geared up for the restart and recovery of the air transport industry

In an insightful discussion moderated by Captain Gilbert M. Kibe, Director General – Kenya Civil Aviation Authority, ACI Africa's presented a six-pillar guideline for a successful restart highlighting the following:

- 1. Airport preparedness
- 2. Staff motivation
- 3. Healthy airport measures
- 4. Healthy airport experience
- 5. Financial sustainability
- 6. Communication

### Speakers

Moderator



**Captain Gilbert M. Kibe**  
Director General –  
Kenya Civil Aviation Authority



**Mr. Ali Tounsi**  
Secretary General –  
Kenya Civil Aviation Authority

Mr. Ali Tounsi Secretary General ACI Africa spoke of ACI's Airport Health Accreditation programme, a key project of the Association which recognizes the commitment to health and welfare of passengers, airport staff and the public, by supporting airports to assess the new health measures and procedures introduced further to the COVID19 pandemic in accordance with ICAO Council Aviation Restart Task Force (CART) recommendations along with industry best practices.

“The programme is designed to help reassure the travelling public that airport facilities remain safe and that precautions are being taken to reduce any risk to their health,” Mr Tounsi said.

During the discussion, Mr. Tounsi called for widespread deployment of testing to foster international travel in Africa, the adoption of consistent, risk-based and harmonized health protocols; the Implementation of internationally agreed and recognized COVID-19 testing as well as the Removal of cumbersome quarantine measures amongst other actions.

## Executive Interview 2: navigating the crisis, an airline experience

### Speakers

Moderator



**Mr. John Howell**  
Founder and CEO AviaDev Africa



**Mr. Desire Balazire**  
Congo Airlines CEO



**Mr. Raja Indradev Buton**  
Officer in Charge and Accountable  
Manager - Air Mauritius

In an engaging conversation by Mr. John Howell- Founder and CEO AviaDevAfrica, the top tier panelists in the first session of the second day of the AGA shared great ideas on the windows of opportunity that airlines could seize during these times and key tools to consider in the collective goal to emerge stronger from the impacts of COVID-19.

Mr. Desire Balazire, Congo Airlines CEO said, “During this pandemic period Congo Airways has been able to carry more cargo even though the revenues were a bit marginal; we also expatriated citizens who had been stranded abroad. In addition to this, we had the opportunity to evaluate our operations which will give us insights on ways to cut costs as an airline. We are now in the process of revising contracts, rescheduling our debts with contractors to improve our commercial strategy.”

Mr. Raja Indradev Buton, Officer in Charge and Accountability Manager - Air Mauritius gave his take on some key characteristics that African airlines will need to survive. He stated: “I think that the most efficient airlines with State backing that manage to reconcile what we see as conflicting objectives will be successful; as African airlines we also need to enhance our ecosystems to survive in the future.” He mentioned some of the basics for survival such as managing liquidity, protecting employees and customers and looking at all opportunities for revenue to keep the airline afloat as well as a focus on strong industrial relations elaborating.

“Strong industrial relations are key in these turbulent times, it's good to have all the unions with you rather than against you,” Mr. Buton said.

On his part Mr. Balazire underscored the importance of innovation: “Carriers must put in place new approaches like digitalization, cost reduction and pragmatism in business models. Today the classic theories will not be applicable in a post COVID environment. Investing in customer satisfaction to stimulate customer confidence will help an airline survive.”

The COVID period was highlighted as a window of opportunity to restructure, reassess business models and make airlines leaner and more efficient.


Executive Interview 3: Alignment of Tourism and Air Transport Sectors for Recovery

Moderator



**Mr. Aaron Munetsi**  
Consultant

**Ms. Elcia Grandcourt**  
Director Regional Department  
for Africa –UNWTO





**Mr. Chris Zweigenthal**  
CEO – Airline Association  
of Southern Africa

Addressing the critical need for the alignment of tourism and the air transport sector, Mr. Aaron Munetsi the moderator of the session pointed out that tourism and the airline industry are interconnected – one cannot exist without the other.

Ms. Elcia Grandcourt, Director Regional Department for Africa –UNWTO stated: “From a survey we conducted, we have identified 3 critical areas for the recovery of tourism in Africa; these are tourism and security in regards to crisis management and branding Africa as well as investment opportunities. Beyond this, UNWTO Secretary General has put together a global crisis committee bringing together different partners from the public and private sector and other UN bodies in order to look at how we can help to mitigate the crisis.”

She further mentioned: “We have introduced a tourism recovery package that focuses on three pillars: Economic recovery, Promotion and marketing and Building resilience in partnerships in order to assist member states restart their tourism sector.”

Mr. Chris Zweigenthal, CEO – Airline Association of Southern Africa stated: “There has been a serious liquidity shortage in the aviation industry. We have approached governments particularly in our member airline States to request any sort of financial relief like guaranteed loans, cash injections through equity or subsidization for wages and most especially a reduction of taxes and charges. The important thing is to work with governments to ensure we have the necessary mechanisms and protocols in place to ensure we can start operating as normal.”

”Connectivity within the continent and beyond is key. In terms of visa regulations and policies, how can we make it an easier process and more accessible to? Working in synergies in order to build these two sectors that have been severely affected by the pandemic and give travellers confidence,” added Ms. Grandcourt.

Mr. Chris Zweigenthal on his part added: “Discipline is important. If we comply with the protocols set in place and ask the public to also play their part in wearing their masks and practicing social distancing and sanitization, we can show effectively that there is safety in travel. Broad consultations between governments and stakeholders from travel and tourism not only from a decision-making standpoint but also from a strategy point will strengthen and harmonize processes.”

Restoration of passenger confidence through Technology and innovation



**Mr. Johan Pauwels**  
Regional Vice-President Africa and  
France Airline Business Group –  
Hahn Air Lines GmbH



**Mr. Pete Newell**  
Practice Leader, Network  
Planning & Scheduling (NPS)



**Mr. Wassim Kreidy**  
Director Business Development  
– SITA



**Mr. James Hardie**  
Head of Regional Marketing, EMEA,  
Information Management Services –  
Collins Aerospace



**Dr. Justin M. Maeda**  
Head Surveillance and  
Disease Intelligence – Africa  
CDC

In his introductory session remarks, the moderator Mr. Johan Pauwels, Regional Vice-President Africa and France Airline Business Group – Hahn Air Lines GmbH highlighted the importance of passenger confidence for recovery of air transport. He stated that passengers require reassurance and clear communication from all stakeholders. “In order to improve confidence all stakeholders will rely on technology for the communication of new guidelines and protocols,” he added.

Session Highlights:

Mr. Pete Newell, Practice Leader, Network Planning & Scheduling (NPS) – Sabre, said: “The industry has taken a lot of steps to alleviate the fear of travelling for passengers. Communication is key. The thing that we are aware of as an industry is, we need to spread awareness of the facts and science that we have and dispel the myths. It will be important to train our customers and emphasize on the precautions and changes made within airlines and airports”

He signaled that the path to achieve passenger confidence is to overcommunicate.

Mr. Wassim Kreidy, Director Business Development – SITA, shared: “The key for our industry today is to move forward; we need to understand the challenges, embrace technology and really execute a clear vision that goes beyond the limitation of each individual stakeholder. There is a growing interest from to market to automate and optimize operations through the use of smart technology and automation enables a better social distancing and passenger flow through the airport and in certain places it can even improve on processing times.”

“In addition to weathering the storm caused by the pandemic, airports and airlines, stakeholders have adopted many regulations that are affecting their operations and now they need to redesign their processes to protect the health and wellbeing of their staff and travellers,” Mr. Kreidy added.

Mr. James Hardie, Head of Regional Marketing, EMEA, Information Management Services – Collins Aerospace stated: “The whole flying process is an anxious undertaking for most passengers. What we should be looking to do is use the available technology whether in the airport or on the aircraft or just adding applications that are stored on people’s personal devices to give back some element of control and yet still also manage the data that goes on behind the scene that enables the whole optimization of this process.

Dr. Justin M. Maeda, Head Surveillance and Disease Intelligence – Africa CDC said: “The Africa CDC is the public health agency that has been mandated by the African union to safeguard the health of the continent; we recently launched the Africa Against COVID-19: Saving Lives, Economies and Livelihoods initiative to ensure that as we are trying to protect lives we should also not jeopardize economic activities on the continent. Together with other partners including AFRAA we are actively promoting a standardized, harmonized and coordinated entry and exit to for travelers in the African union member states through digital solutions.”

The panel noted that flexibility, agility, collaboration and coordination between the different parties are significant measures for restoration of passenger confidence. There are some great opportunities with technology and biometrics. As the industry looks to the future and moving forward, these technologies will enable the growth of aviation.”

## Executive interview 4- Air cargo: A Key Contributor to Sustainability of the Air Transport Industry

The moderator, Mr. Reji John, Editor, the STAT Trade Times, drew the Assembly's attention to the reality that the COVID pandemic demonstrated the importance of air cargo which became the lifeline as the only revenue generating segment for airlines around the world.

According to industry data, the continent posted the strongest increase in air freight demand, the only region with a of year-on-year growth among all regions in international volumes.

Mr. Vladimir D. Zubkov, TIACA Secretary General said: "Knowledge about cargo, its importance and issues is very low amongst decision makers that is why we have developed training courses for senior people in civil aviation administration on cargo and we are promoting the benefits of air cargo through our channels. "Digitization of air cargo operations is one of the

practical ways of integrating cargo into the air industry. Cargo movement goes through a lot of contact physically and through paper thus digitization of this part of the industry will allow it to become seamless. We're heading into the modernization of the air cargo supply chain," Mr. Zubkov added.

"The industry must realize that priority must be given to cargo in the next years to come. Not only for supplying PPEs and ventilators but also vaccines that are scheduled to be released in the first quarter of 2021. Also, ecommerce is growing in Africa and we must make room for this growth in our industry in terms of infrastructure" declared Mr. Sanjeev Gadhia, CEO – Astral Aviation.

He shared that the pandemic is going to lead to a sharp increase of the ecommerce industry but airports do not have the proper infrastructure in terms of process, people, space and aircraft. "We have to make sure that there is sufficient investment in terms of human resource and capacity building in order to handle the COVID-19 and e-commerce freight."

Mr. Zubkov added: "International cooperation is key. The best thing that has happened is the formation of a body under ICAO where all international organizations are represented which gives access to all regional officers of ICAO, AFRAA and any other organizations representing the interests of Africa. Together we are discussing the most important issues that have appeared because of COVID 19 and also planning a way forward."

Mr. Sanjeev Gadhia further observed: "Unfortunately we have a situation in Africa where we talk about these things but there no implementation. However, there is the exception with AFRAA who have taken as their mandate and objective to encourage cooperation between member airlines and have actually created a route network committee which I chair with the simple objective to make sure that we cooperate and collaborate more the African way on a one-on-one basis." He maintained that rebuilding and reshaping the industry through collaborations must involve key elements like a win-win proposals, communication, openness and transparency.

### Speakers

Moderator



**Mr. Reji John**  
Editor, the STAT Trade Times



**Mr. Vladimir D. Zubkov**  
TIACA Secretary General



**Mr. Sanjeev Gadhia**  
CEO – Astral Aviation



## Panel 2: A New Dawn: Can we Rewrite the Narrative of Air Transport in Africa? Shall Aviation stakeholders address Africa's high air transport operational costs collaboratively to accelerate the slow recovery?



**Ms. Adefunke Adeyemi**  
IATA Regional Director



**Mr. Sanjiv Kapoor**  
Senior Advisor – Alton



**Mr. Michal Nowak**  
Marketing Director EMEA &  
Central Asia – Embraer Airbus



**Mr. Rui Vaz Fernandes**  
Regional Director Marketing –  
Boeing



**Mr. Olivier Catault**  
Airline Marketing Manager  
Airbus

One of the main challenges hindering the development of African aviation as highlighted by Ms. Adefunke Adeyemi, IATA Regional Director, Advocacy and Strategic Relations, Africa and Middle East, is the prohibitive cost of African travel which is among the highest in the world. Just before the pandemic high taxes and charges in African aviation were reported to be 35% higher than the rest of the world while fuel cost represented about 40% more. For international travel AFRAA, reported during the AGA reported that taxes and fees at departure represented an average of around 64 USD per passenger. As the industries and economies restart now more than ever cost will be an overriding issue for passengers.

It was noted that the industry cannot prepare for a new dawn without addressing the issue of cost and how it affects airlines in Africa and the business ecosystem as a whole.

Mr. Sanjiv Kapoor, Senior Advisor – Alton Aviation said: “The pandemic has given us a chance to go back to the drawing board and completely reinvent how we look at aviation be it from a regulatory, tax, government and airline perspective. Taxes and fees can really cripple an industry like aviation. Whatever the governments and airports can do to reduce the cost with the long-term goal to increase traffic in mind will help the industry. But most importantly if we want to get cost advantages, airlines need to have scale. Airlines in Africa with few exceptions have limited economies of scale. In order to have this, there must be a big market to serve so borders need to be opened.”

Mr. Michal Nowak, Marketing Director EMEA & Central Asia – Embraer Airbus said, “From the commercial side, Utilization and load factor are the biggest lever points for airlines to reduce costs. They impact the unit cost of everything in other categories. In Africa, the load factors historically have been in the mid-60s which is significantly below what is observed in more mature markets that are at 80-85%. If this gap is bridged airlines can reduce the cost per passenger by 20-25%. The post COVID-19 period can be used to reset those strategies and work on these two parameters.”

Mr. Rui Vaz Fernandes, Regional Director Marketing – Boeing Commercial Airplanes on his end articulated: “There are quite a few things that airlines can do to optimize their operations. We have tools that we can offer the airlines to help optimize flight plans, to minimize fuel burn or maintenance plans. As the aircraft manufactures, we know the aircrafts well, we can help the airlines look at the maintenance plans and how to reduce the costs on the maintenance side. On the side of fleet, what we have elsewhere in the world is that airlines are retiring the least efficient aircrafts in their fleet and that is something that is important. In Africa there are still a number of old aircrafts in operations and this crisis can be an opportunity to replace some of those older aircrafts with more efficient ones at a cheaper cost than they would have been in the past.”

Mr. Olivier Catault, Airline Marketing Manager Airbus, brought to light the aspect of having tailor-made business models and strategies that fit the specificities of the African market. On the kind of ecosystem can be put in place to support the airlines he stated: “The airline is just a small piece of the cake, the fact that African governments are controlling the different parts of the ecosystem, they are in charge of airlines but also take control of the airports, are responsible for visa policies, the traffic rights etc. Thus, it is extremely important to ensure there is clear collaboration between these different parts.”

### Links

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