

PRESENTATION 5

“Prioritizing Air Cargo in Airline Strategies, Fleet and Network Development”

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Chairman of the AFRAA Route Network & Cargo
Committee

Vice Chairman & Board Member of TIACA
(The International Air Cargo Association)



Company Profile



- ❖ All-Cargo Airline which is based at JKIA, Nairobi and operational for 20 years.
- ❖ 2020 Data > 110,000 Tons / 4,422 Flights

- ❖ **SCHEDULED FREIGHTER SERVICE EX NAIROBI / EX SHARJAH / EX JOHANNESBURG**
 - Europe > London & Liege, Belgium
 - Middle East > Sharjah, UAE
 - Intra-Africa > Tanzania, Mozambique, Somalia, South Sudan, Zambia, Zimbabwe, South Africa & Uganda

- ❖ **ON DEMAND CHARTER SERVICE**
 - Covid-19 Medical Items (PPEs, Ventilators, Testing Kits) & Vaccines Flights
 - Humanitarian, Aid & Relief Flights
 - Perishables Flights including Flowers, Vegetables, Live / Fresh / Frozen Fish & Meat
 - Express / E-Commerce Cargoes / Mining, Oil & Gas Flights / Peacekeeping & Rations / Project Cargoes
 - Consumer Goods including Mobile Phones & Electronics / Excess Baggage

- ❖ Fleet is B747-400F; B767-200F B727-200F, DC9F, & F27
- ❖ Co-operates with 20 Airlines including 5 African Airlines on Cargo.
- ❖ Member of AFRAA / Current Chairman of Route Network & Cargo Committee
- ❖ Member of TIACA / Board Member, Trustee and Vice-Chairman

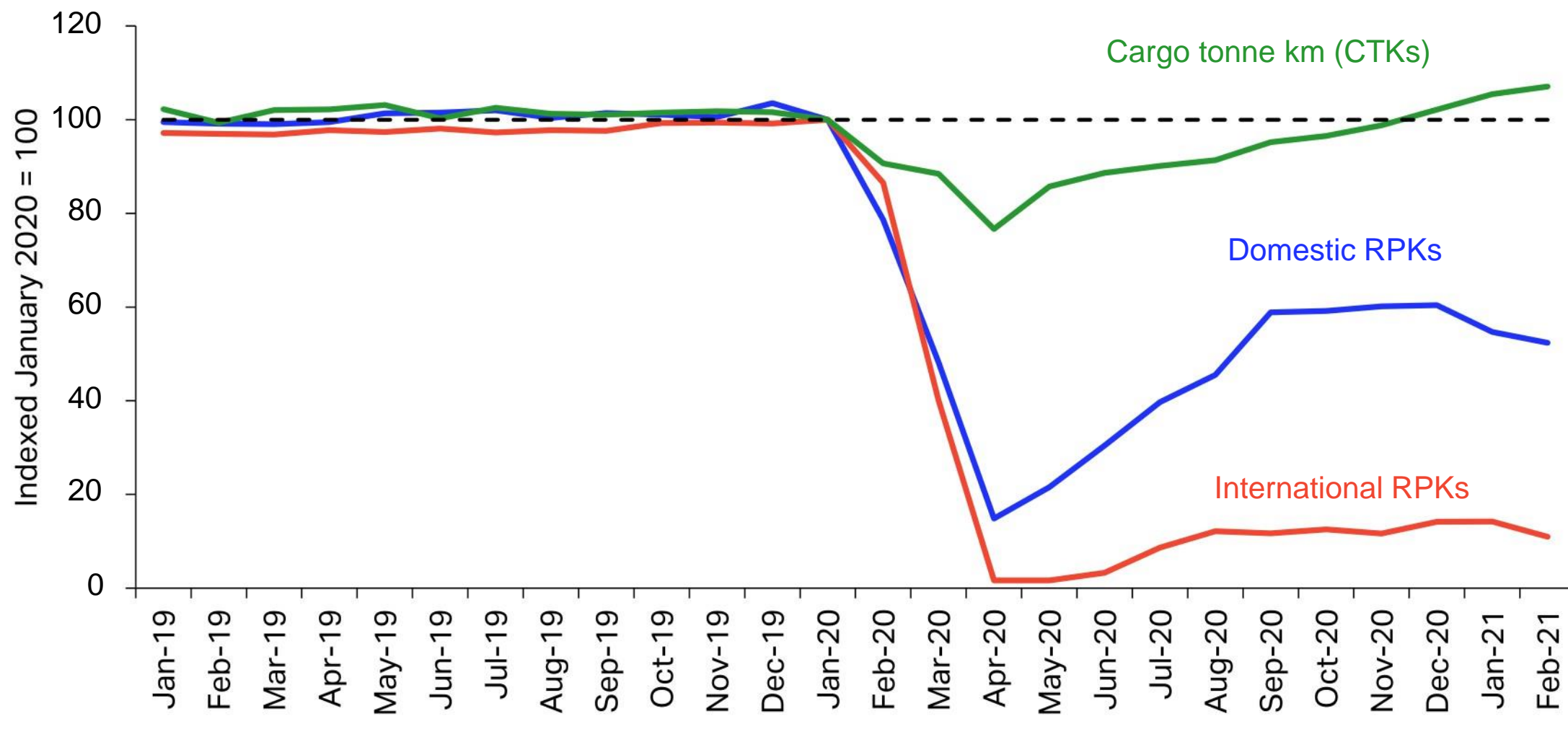
AFRAA Route Network & Cargo Committee



- ❖ In December 2020 AFRAA merged the Route Network Committee and Cargo Committees into one committee
- ❖ Astral Aviation (Chairman); Egypt Air (Vice Chairman Cargo); Kenya Airways (Vice Chairman Passenger) along with AFRAA Member Airlines are participating in the Route Network & Cargo Committee with 3 meetings per year.
- ❖ 2nd AFRAA Route Network & Cargo Committee took place on 15-April 2021 with presentations from -:
 - ❖ **Predictive Mobility** (Air Connectivity in Africa)
 - ❖ **Kenya Airways** (Passenger Market in Africa)
 - ❖ **Egypt air Cargo** (Air Cargo Industry in Africa)
 - ❖ **Astral Aviation** (Covid 19 Vaccines Transport in Africa)
- ❖ Enhance co-operation in Cargo and Network Coordination between AFRAA Member Airlines during the Pandemic
- ❖ MoU with TIACA (The International Air Cargo Association)

Current Status on Air Cargo

According to IATA March 2021 data, the Air Cargo Sector has **fully-recovered** and has **out-performed** to pre-Covid19 levels, with demand up by 4.4%



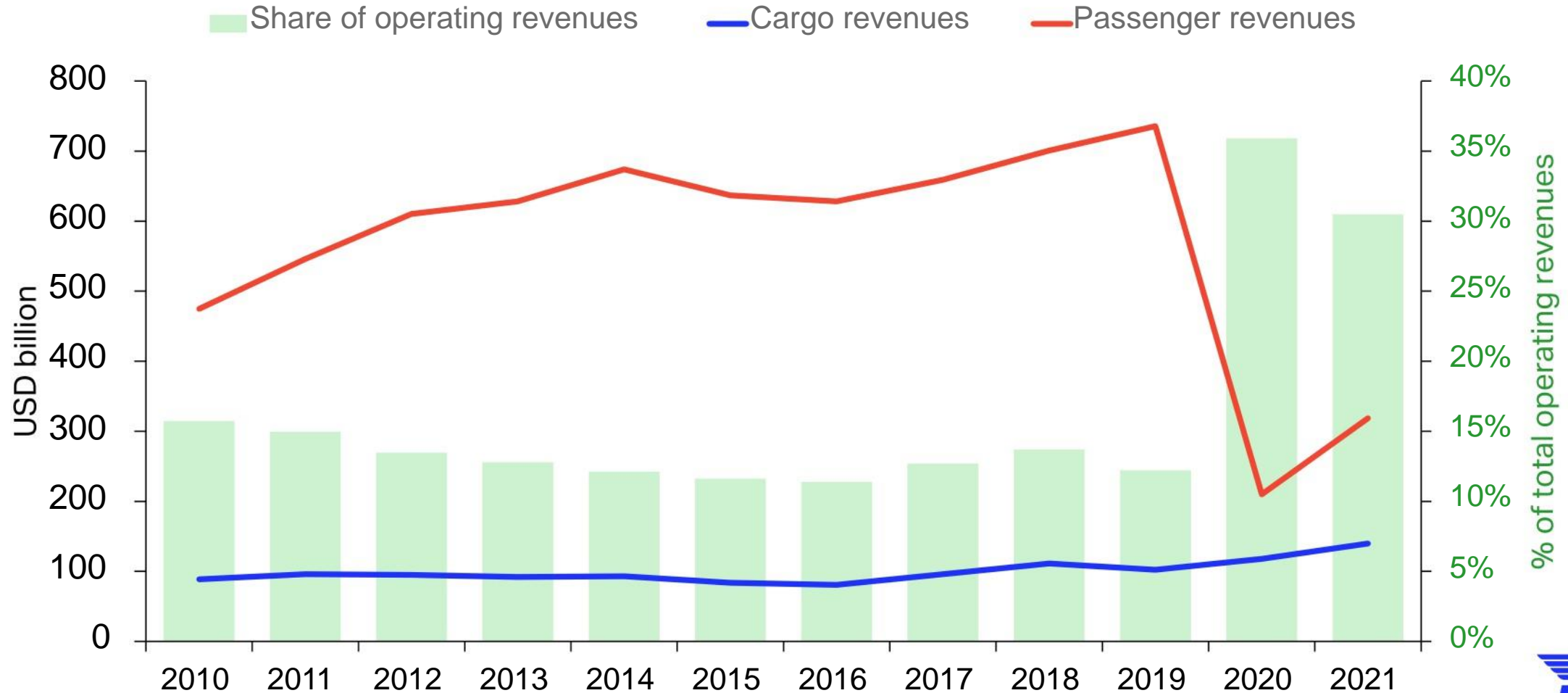
Source: IATA Economics using data from IATA Monthly Statistics. Data is adjusted for seasonality.

Current Status on Air Cargo

Cargo is now one-third of the typical airline business

In the past air cargo was marginal at 10-15% revenues. Now 30-35%.

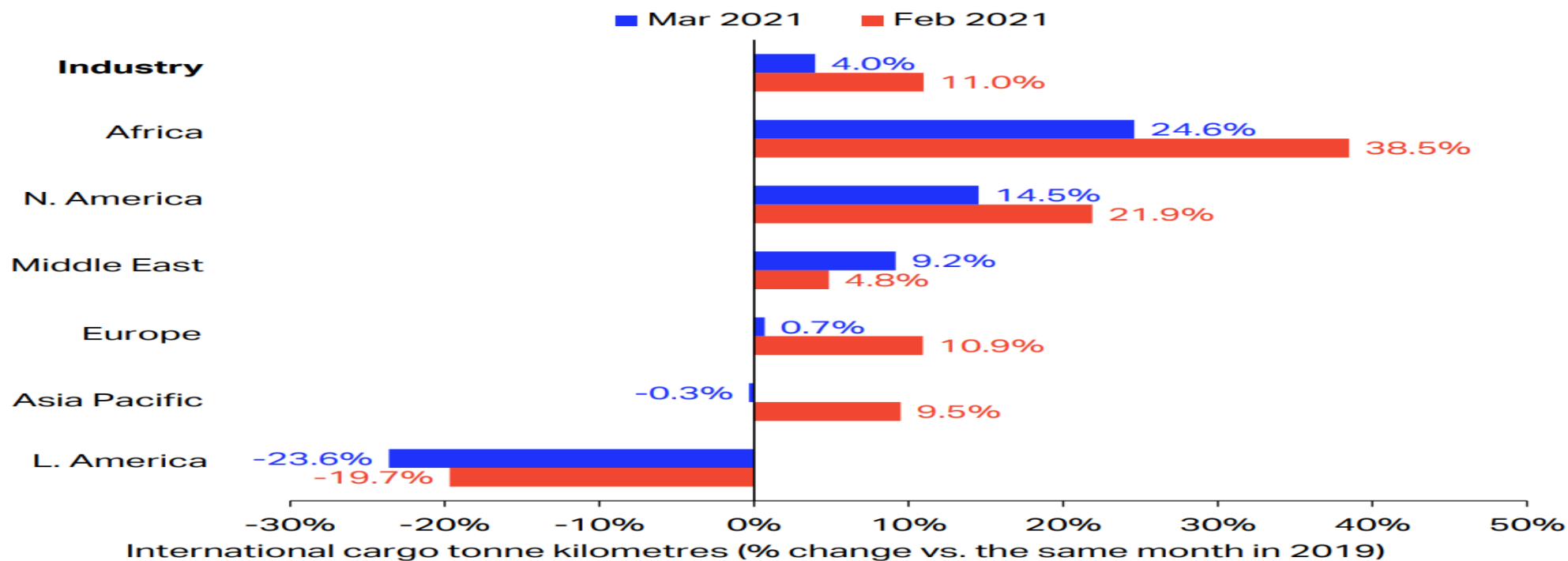
Global airline industry cargo and passenger revenues, USD billion



Current Status on Air Cargo

- ❖ African airlines' cargo demand in March increased 24.6% compared to the same month in 2019, the **strongest** of all regions. Robust expansion on the Asia-Africa trade lanes contributed to the strong growth.

Chart 7: Int'l CTK growth versus the same month in 2019 (airline region of registration basis)



Sources: IATA Economics, IATA Monthly Statistics

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- ❖ The importance of Air cargo has been **neglected** by many African airlines, which did not invest in wide-body freighters and infrastructure and viewed cargo as a by-product of passenger revenue.
- ❖ The pandemic has been a wake-up call and there is a need to treat cargo as **core-business** and to give it priority in strategy, fleet planning, network development and to be represented at the **board-level**.
- ❖ Airports will have an important role to play in terms of **investing** in cargo-infrastructure to support temperature controlled pharma / vaccines along with e-commerce cargo
- ❖ Only 5 Airports in Africa can provide large scale air-side **cold-storage** for Covid-19 Vaccines in Africa hence airports will need to consider expanding their facilities to handle vaccines for the future
- ❖ Airlines & Airports have to recognize importance of air-cargo and **invest** in their cargo management, staff and training, along with resources for cargo business development
- ❖ Airlines & Airports will have to adapt their management to work **virtually**, while maintaining efficiency at the workplace.

THANK YOU

“Building Blocks for the Air Transport Industry Recovery”