PRESENTATION 5

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

Sanjeev S Gadhia – Founder & CEO, Astral Aviation
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
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)
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%
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Cargo Revenues (USD billion)</th>
<th>Share of Operating Revenues (% of Total Operating Revenues)</th>
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</thead>
<tbody>
<tr>
<td>2010</td>
<td>800</td>
<td>40%</td>
</tr>
<tr>
<td>2011</td>
<td>700</td>
<td>35%</td>
</tr>
<tr>
<td>2012</td>
<td>600</td>
<td>30%</td>
</tr>
<tr>
<td>2013</td>
<td>500</td>
<td>25%</td>
</tr>
<tr>
<td>2014</td>
<td>400</td>
<td>20%</td>
</tr>
<tr>
<td>2015</td>
<td>300</td>
<td>15%</td>
</tr>
<tr>
<td>2016</td>
<td>200</td>
<td>10%</td>
</tr>
<tr>
<td>2017</td>
<td>100</td>
<td>5%</td>
</tr>
</tbody>
</table>

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.
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.
“Building Blocks for the Air Transport Industry Recovery”

THANK YOU