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African airlines' performance updates by AFRAA – June 2021

With the alarming spread of the Delta variant, the havoc caused by the Covid-19 pandemic particularly on the aviation industry globally is far from over. Despite the seeming reduction in the number of new cases in many parts of the Western Countries, Africa currently accounts for a worrying number of new infections since the beginning of June. The countries most affected include Zambia, Uganda, Namibia, Botswana and Kenya, which are experiencing very high infection rates. Middle East too experienced a slight increase in infections. As at 25 June 2021, the number of infected cases worldwide reached 180 million out of which 5.3 million were in Africa. The global recovery rate stands at 97.6% as against 97.1% for Africa.

The month of June saw African airlines' traffic decreasing by 59% compared to same month in 2019. Similarly, capacity declined by 49.6% as of June 2021. Domestic markets continue to record better performance with demand for passenger travel outperforming intra-Africa and intercontinental at 63.2% as opposed to 22.2% for intra-Africa and 13.9% for intercontinental. As regards passenger capacity (seats offered), domestic, intra-Africa and intercontinental account for 47.8%, 22.3% and 21.7% respectively.

African airlines restart of operations on international routes continued the positive trend observed in the last couple of months. From a May 2021, recovery of some 62.5% of international routes compared to the pre-Covid period, June 2021 saw an additional 10.2% increase to 72.7%. This impressive trend is partly attributable to the reopening of international boarders by Algeria and Morocco after more than a year of closure in the case of Algeria.

Regarding intra-African connectivity, Mauritius continues to be the most impacted hub, with a reduction of 98% of possible connections to/from African airports compared to February 2020. Connectivity at Nairobi JKIA in June declined mainly due to schedule adjustments and frequency reduction by national carrier, KQ. Up North, intra-African connectivity for Algiers and Cairo decreased by 75% and 64% respectively.

However, Africa passenger traffic volumes across remains low due to the inconsistencies in the messaging regarding border closures, health protocols and continued upsurge in Covid-19 infections in some countries. The result is significant losses incurred by airlines. In the first quarter of 2021, AFRAA estimates airlines' loss in revenues at US\$2.6 billion. The estimated loss in revenues for quarter two is US\$2.4 billion. In 2020, African airlines cumulatively lost \$10.21b in revenues due to the impacts of the pandemic. This poor performance is a direct threat to the survival of the African aviation industry if the trend continues.

Other regulatory developments related to covid19 situation:

- Algeria partially reopens its air borders to international traffic after over 14 months of lockdown.
- ECOWAS air transport and finance ministers are engaging in consultations to reduce and/or harmonize taxes, charges and fees with the view to making air transport in within the sub-regional block affordable and attractive.
- The government of Tanzania has given to the national carrier, Air Tanzania \$194mn bailout.
- Malawian Airlines to resume full operation following recapitalization by the government of Malawi.



About AFRAA

The African Airlines Association, also known by its acronym AFRAA, is a trade association of airlines from the member states of the African Union (AU). Founded in Accra, Ghana, in April 1968, and headquartered in Nairobi, Kenya, AFRAA's mission is to promote, serve African Airlines and champion Africa's aviation industry. The Association envisions a sustainable, interconnected and affordable Air Transport industry in Africa where African Airlines become key players and drivers to African economic development.

AFRAA membership of 46 airlines cuts across the entire continent and includes all the major intercontinental African operators. The Association members represent over 85% of total international traffic carried by African airlines. Follow us on [Facebook](#), [LinkedIn](#), [Twitter](#) and [YouTube](#).