Annual report of the Secretary General of AFRAA
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Where are we coming from?
WHERE ARE WE COMING FROM? 2020

GLOBAL ECONOMIC GROWTH 2020:
-3.5% (from 2.5%)

AFRICAN ECONOMIC GROWTH 2020: -2.1% (from 3.4%)

Average jet fuel price decreased to USD 46.6 per barrel, from USD 79.7 in 2019.

GDP per Capita in Africa 2020: USD 1847

Source: IMF / AFDB
WHERE ARE WE COMING FROM? 2020

TOURISM

✓ AFRICA: 18.1 Million tourists in 2020 (74.2% drop compared to 2019) generating USD 14.02 billion of receipts.

✓ 4.5% of the global number of tourists

Source: UNWTO
WHERE ARE WE COMING FROM? 2020

AFRICAN AIRLINES PERFORMANCE

- 34.7 Million passengers
- 960 Thousand tons
- 60.1% Passengers LF
- 42.4% Cargo LF
- USD 10.2 Billion Revenue loss
- 63.7% YoY traffic drop

Passengers carried by African airlines 2010 – 2020

African Airlines Year-on-Year Freight Carried 2012 – 2020

Source: IATA / ATAG
WHERE ARE WE COMING FROM? 2020

AFRICAN AIRLINES PASSENGERS PERFORMANCES

**Africa**
- 2019: 95.6 Million PAX
- 2020: 34.7 Million PAX
- Decrease: 65.7%

**World**
- 2019: 4543 Million PAX
- 2020: 1807 Million PAX
- Decrease: 60.2%

Source: IATA

*AFRAA 53rd ANNUAL GENERAL ASSEMBLY 16-17 November 2021*
WHERE ARE WE COMING FROM? 2020

AFRICAN AIRLINES CARGO PERFORMANCES

Source: IATA
WHERE ARE WE COMING FROM? 2020

AFRICAN AIRLINES FINANCIAL PERFORMANCES

Estimated Revenue loss for 2020: USD 10.21 billion representing 58.8% of 2019 revenues

Source: AFRAA

GLOBAL loss per passenger 2020: USD 76.2
AFRICA loss per passenger 2020: USD 44.6

Source: IATA
African airlines continue to improve on safety standards in the continent due to the efforts by various stakeholders including AFRAA.

5 Fatal accidents worldwide

0 in Africa or involving African carriers

Source: IATA
State of the Industry 2021
STATE OF THE INDUSTRY 2021

THE COVID19 PANDEMIC (OCT 2021)

Weekly evolution of infections cases per region

Most impacted countries in Africa

- 244 million cases Worldwide
- 8.5 million cases in Africa

Source: Worldometer
# STATE OF THE INDUSTRY 2021

## THE COVID19 VACCINATION (OCT 2021)

<table>
<thead>
<tr>
<th>#</th>
<th>WORLD</th>
<th>AFRICA</th>
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</thead>
<tbody>
<tr>
<td>Total of supply Administered</td>
<td>6.78 Billion</td>
<td>176.6 Million</td>
</tr>
<tr>
<td>Vaccine Administered (1 Dose/ % of Population)</td>
<td>48.19%</td>
<td>7.95%</td>
</tr>
<tr>
<td>Vaccination Completed (% of Population)</td>
<td>36.63%</td>
<td>5.23%</td>
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Source: ourworldindata.com / CDC AFRICA
Due to the Covid19 outbreak, economic activity slowed down sharply in 2020. This resulted in a contraction of 3.5%.

The global economy is expected to return to growth in 2021 and reach a 5.6% GDP growth in 2021.
COVID19 IMPACT ON AFRICAN ECONOMY

- GDP of Africa contracted by 2.1% in 2020, the first recession in the continent over the last 50 years.
  - The continental economy is expected to resume and grow by 3.4% in 2021, supported by a resumption of tourism, a rebound in commodity prices and the gradual lifting of restrictions related to the pandemic.

Source: AfDB
STATE OF THE INDUSTRY 2021

COVID19 IMPACT ON AFRICAN AIRLINES

Passengers Revenue losses compared to 2019


Capacity and traffic evolution

- From January to October 2021:
  - the **capacity** (ASKs) reached 51.2% of same period 2019,
  - while the **traffic** (RPKs) reached 40.78%.
  - The **average load factor** was 60.73%.

Source: AFRAA
Compared to February 2020, African airlines reopened 81.3% of their international routes in October 2021.
Future outlook 2022 and Beyond
Future outlook 2022 and Beyond
Looking at Recovery: Ingredients for success

- Financial support to airlines
- Safe travel measures and removal of travel restrictions
- Technology to shape the ‘new normal’
- Reinvention and redefinition of airline business models
- Cooperation among African airlines
- Passenger confidence
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AFRAA Priorities for 2022
AFRAA PRIORITIES FOR 2022

1. Safe reopening of borders
2. Financial relief
3. Airlines sustainability

4. AFRAA 5-Year Strategic Plan
5. AFRAAConsultancy Services
Future outlook 2021 and Beyond

AFRAA STRATEGIC OBJECTIVES

Support safe, secure and reliable air transport in Africa

Enhance the visibility, reputation and influence of African Airlines

Sustainable air transport

5 strategic objectives

Cooperation

Data intelligence

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Future outlook 2021 and Beyond

AFRAA PROJECTS

AFRAA CAPACITY SHARING PORTAL
Member airlines’ airplane cooperation
A One-Stop-Shop to meet airlines’ sale, purchase and leasing needs

AFRAA - UTD MRO PROJECT
Member airlines’ revenue generation.
A portal to facilitate purchase/exchange of spare-parts surplus.

AFRAA FLITEPLAN NAVIGATION CHARGES TOOL
Data intelligence tool to reduce navigation charges.

AFRAA SPARE PARTS POOLING PROJECT
A portal to reduce airlines’ fuel burn by eliminating the unnecessary carrying.

AFRAA DISTRIBUTION PROJECT
A distribution system that supports transactions between airlines and travel agents.
Future outlook 2021 and Beyond

AFRAA PROJECTS

AFRAA CONNECTIVITY PORTAL
A portal for airlines to consult connectivity opportunities.

AFRAA-PRODIGY ATO PROJECT
A partnership with PRODIGY Avia Solutions for transformational aviation capacity building.

AFRAA HOLIS OPERATIONS MANAGEMENT PROJECT
Initiative to help member airlines manage operations disruptions and crisis.

AFRAA MEMBERS ATOS PARTNERSHIP FRAMEWORK
A cooperation with member airline ATOs to provide training.

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Future outlook 2021 and Beyond

AFRAA LAB - SUSTAINABILITY

CONTEXT

- Sustainability and competitiveness are challenges for African Air transport.
- Factors such as high operational costs, affordability of air transport, market restrictions to blossom air traffic growth, and intra-Africa connectivity affect the industry.
- The COVID-19 pandemic, has aggravated the situation.

CONCEPT

- Bring together all the industry stakeholders and beyond.
- The lab is designed to be a space where all industry players can think together to find out of the box solution for our industry challenges.
- AFRAA will organize the LAB during the 1st Quarter of 2022 with partner organization (AFCAC, AUC, AAIG).
CONCLUSION
THANK YOU

“Flightpath to Africa’s resilient travel ecosystem”