Executive Interview 1

How do we Revamp Aviation, Tourism and Trade in Africa through implementation of SAATM and AfCFTA?

Mr. Eric Ntagengerwa
Senior Policy Officer, Air Transport, Infrastructure & Energy Department, AUC

Ms. Sthembiso Dlamini,
Acting CEO,
South African tourism

Moderator
Mr. Gaoussou Konate
Director Technical & Operations, AFRAA

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• Vast Landmass
  o Africa can accommodate **Europe, USA, and China combined**;
  o Air Transport is the most suitable mode of transport in Africa for business, tourism, and trade;
  o Connectivity requirements follow trade:
    ▪ The trading of **manufactured products from SA** to the Eastern African States **boosted** the connectivity requirements from SA to Kenya, Uganda, Tanzania, Rwanda, Burundi;
    ▪ The **developing trade** between **China and Africa** is also **increasing connectivity requirements** between China and the African States.
    ▪ The sales of Serengeti at Africa’s Travel Indaba to Germans, require connectivity between Germany and Tanzania;
  o Yet, over four decades, the African Aviation sector follows to alarming marginalizing trends.
    ▪ On intercontinental routes, African airlines’ **market shares moved from 45% in the 80s to less than 20% before COVID-19 Pandemic**.
    ▪ By 2019, a **third of intra-Africa** air traffic demands is serviced **via hubs outside the Continent**.
    ▪ African Aviation is not competitive; the entire continental air transport business is **2% of the world**
**Setting the Scene**

Africa’s population accounting for 16% of the world population
- Africa growing Middle Class has a low per capita GDP;
- Africa has many prime raw materials
- The local manufacturing sector does not transform the African raw materials into goods for the middle-class consumption
- Africa exports its natural resources and imports the goods made from these commodities by international industries for the consumption of Africa’s middle-class citizens
- The African private sector’s competitiveness is challenged to regain Africa’s markets of good and services
- Intra-Africa trade is about 16%; its entire continental business volume represents 2% of global trade
- Tourism portrays similar statistics though the Great Pyramid of Giza, Great Migration of Serengeti and Masai Mara, Victoria Falls, and Table Mountain are parts of various 7 wonders of the World

Africa’s Policy Makers launched two flagship programs the SAATM and AfCFTA
- Two invitees, to discuss How to Revamp Aviation Tourism, and Trade in Africa through Implementation of SAATM and AfCFTA?
  - Eric Ntagengerwa,
  - Ms. Sthembiso Dlamini, Ag. CEO of SA Tourism.
How to Revamp Aviation Tourism, and Trade in Africa through Implementation of SAATM and AfCFTA
The LAB’s purpose avoids individual stakeholder incremental improvements; instead, the set objectives require the participants to seek out-of-the-box solutions to implement AfCFTA and SATAM collectively and efficiently.

- Manufacturing industries transform Africa’s raw materials into competitive products to develop intra-Africa trade to rise to 50% by 2025;
- Each stakeholder in the Aviation supply line reduces costs significantly to ensure that air passengers and freight forwarders pay total fares and cargo rates three times lower than 2019-prices by 2025;
- The supply chain stakeholders, of Aviation, Trade, and Tourism sectors must make air transport, consumption products, and hospitality facilities and services affordable to African citizens.
- The competitiveness gains in these three sectors on the intra-Africa markets will blossom their sustainable developments on the World markets.
- Financial institutions and African States need to fund the initiatives that support the expansion of the manufacturing industry, hospitality, trade, and air transport.
“Flightpath to Africa’s resilient travel ecosystem”