

# Interview with Mr. Abdérahmane Berthé, Secretary General, AFRAA

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**1. Over the past four years, as AFRAA Secretary-General, what has been the key focus and achievements of the Association under your leadership?**

AFRAA was created 53 years ago. I took the office of AFRAA Secretary-General in January 2018. The secretariat's mandate is to add value for AFRAA member airlines and partners. For four (4) years, under my leadership, there have been some changes to position AFRAA as the voice of African airlines achieved through concerted efforts that have seen AFRAA become the leading trade association of airlines in Africa.

I would like to see AFRAA leading the airline industry in Africa to attain a sustainable, interconnected, and affordable air transport industry where African airlines become key players and drivers to African economic development.

We are supporting the African Aviation industry in four main areas:

- Lobbying and advocacy to create a conducive environment;
- Joint projects beneficial to members;
- Data warehouse and studies;
- Consultancy services.

**2. AFRAA has engaged in efforts to drive the industry and particularly airline recovery from the COVID-19, how would you assess the level of recovery achieved so far by African airlines?**

The adverse influence of the COVID-19 is being felt entirely by the African continent. The aviation industry is amongst the worst impacted. On 17 March 2020, AFRAA appealed to all African governments, regulatory authorities, and stakeholders to come together and support our African airlines.

AFRAA held a webinar on Monday, 20 April 2020, which paved the ground for AFRAA 9-pillar recovery plan developed by the secretariat for the African airline industry. The recovery plan outlines a framework of actions to be taken as part of urgent, immediate, and consistent actions for the survival and recovery of the industry.

AFRAA estimates the revenue loss by African airlines in 2020 at USD 10.21 billion. We see some improvement. However, we estimate the revenue loss for 2021 at USD 8.5 billion, 49% of 2019 revenues. We are not expecting a full recovery before 2023, beginning 2024.

### **3. What is AFRAA doing about the challenge of government travel restrictions that hinder African airline industry recovery?**

Lifting of travel restrictions in a harmonised manner and opening of markets is critical for the restart and the recovery of the travel industry. AFRAA urges African governments to remove border restrictions to support the Industry restart.

AFRAA 53<sup>th</sup> Assembly adopted a resolution for a safe reopening of borders. According to ICAO CART guidelines, the assembly called upon African governments to harmonise pre-entry and exit requirements to increase mutual recognition and cross-border information exchange.

The assembly also called upon African governments to accelerate the rapid rollout of vaccines across the continent to facilitate the restart of economies and air transport.

### **4. Would you say that African governments and Multilateral Financial Institutions have done well in supporting African airlines during this pandemic?**

Whereas governments worldwide have provided over USD 400 billion to national and private airlines to support their survival and restart efforts, given the importance of aviation to economies, we have seen very little support to African airlines from African governments and Multilateral Financial Institutions.

In May 2020, AFRAA and other aviation organisations appealed to Multilateral Financial Institutions to support the travel industry. In July 2021, further appeals were made to the Development Finance Institutions to support African airlines.

Some support has been extended by governments and Multilateral Financial Institutions (DFIs) to support the aviation sector, although this is very limited and primarily to State-owned entities. Eight (8) African airlines have either gone into administration or bankruptcy due to the impacts of the pandemic.

Financial relief is critical for the recovery of the air transport industry and the survival of African airlines in a deteriorated financial status.

AFRAA 53<sup>rd</sup> Assembly adopted a resolution for financial support to African airlines.

The assembly called upon African governments to extend the much-needed financial support and reliefs to African airlines and the African aviation industry at large, in the form of loans, direct cash injections, guarantees, taxation waivers and deferrals, wage subsidies, and reduction in Airport, ANSP, and Fuel charges to facilitate faster and sustainable recovery.

The assembly also called upon Development Finance Institutions to make a clear commitment to the financial support they want to give African airlines, publicise the criteria and types of facilities available, and expedite the disbursement to save the industry from collapse.

### **5. How would you assess the Single African Air Transport Market (SAATM) and the African Continental Free Trade Area (AfCFTA), since many African States are yet to embrace these frameworks, and Africa is still replete with very high taxes, charges, and fees on aviation?**

Faced with the slowness in implementing the Yamoussoukro decision of 1999, African states launched the SAATM (Single African Air Transport Market) under the aegis of the African Union.

To date, 35 states out of 55 have signed the SAATM, and 18 states have signed the Memorandum of Implementation committing to bring their air services agreements in line with the Yamoussoukro decision. The implementation of the SAATM is based on a comprehensive plan involving all stakeholders in the aviation sector in Africa.

The implementation is laborious. However, we have seen a lot of progress. In other parts of the world, we have seen the same phenomenon. Liberalisation does not happen overnight. It is a long-term and irreversible process because everyone recognises the expected benefits.

Some states are willing to protect their national carriers by delaying the implementation of liberalisation. This stand does not guarantee sustainability for air transport in these countries.

We need to start by ensuring implementation by the 35 signatory states. The other states will follow sooner or later. A Joint Prioritised Action Plan with set KPIs amongst the concerned stakeholders; reviewed annually to track progress. The air transport liberalisation in the continent through the YD will create a more regionally integrated continent.

The African Continental Free Trade Area (AfCFTA), launched in March 2018, complements SAATM. It aims to significantly accelerate the growth of Intra-Africa trade and use trade more effectively as an engine of growth and sustainable development by doubling intra-Africa trade, strengthening Africa's common voice and policy space in global trade negotiations. As part of the SAATM joint prioritised action plan (JPAP), the industry stakeholders are tackling the challenges hindering the sustainability of air transport.

AFRAA will convene in the 1<sup>st</sup> quarter of 2022 a laboratory with all relevant stakeholders as a transformation opportunity for the economic development of air transport in Africa and the innovation of short-term survival and medium-term sustainability.

### **6. Are there specific instances of African airlines being denied market access into the African States since the SAATM and AfCFTA came into effect? What has been the experience of your members in this regard?**

The African Union commissioned a continental study on SAATM implementation in 2021.

The study revealed that only 39% of the Bilateral Air Service Agreements (BASAs) reviewed were compliant with the Yamoussoukro Decision (YD); meaning 61% were non-compliant and did not follow the provisions of the YD (namely on unrestricted 3rd/4th, and 5th freedom traffic rights, free determination of capacity and free pricing tariff regime).

Of the non-YD compliant BASAs, 28% failed to meet just one of the pre-requisites for YD Compliance, while the remaining 72% failed because of non-compliance on two or more pre-requisites; 18% are fully restrictive across all the provisions of the YD.

88% of non-compliant BASAs are restrictive in terms of 3rd, 4th, or 5th traffic rights, with 82% being restrictive in terms of 3rd and 4th traffic rights

50% of the BASAs restricting 3rd and 4th traffic rights are restrictive because they limit the number of entry points (airports) for designated carriers.

These continental study outcomes give a good picture of the experience of our members in this regard of market access.

#### **7. What were the highpoints of the recently-concluded 2021 AFRAA AGA in Luanda, Angola, and how have AFRAA member airlines benefitted from AFRAA's partnership programmes on fuel, handling, route coordination, among others?**

The 53<sup>rd</sup> Annual General Assembly held in virtual format on 16-17 November 2021 and hosted by TAAG Angola Airlines was successful.

In addition to other statutory matters of the Association, the assembly adopted three (3) critical resolutions on the safe reopening of borders, financial relief to aviation, air transport ecosystem sustainability.

The theme of the AGA was “**Flightpath to Africa's Resilient Travel Ecosystem.**”

It was a good occasion for experts to exchange views on enhancing the African air travel industry's resilience to crisis.

The COVID-19 pandemic is an unprecedented crisis in the aviation industry. During the crisis period, the AFRAA secretariat developed a portfolio of new projects. AFRAA projects aim to facilitate beneficial cooperation among African airlines to implement cost-effective standard solutions on various aspects of airline operations.

The new projects complement the existing fuel, training, route network, and cargo programs.

The newly established AFRAA joint projects for members cover capacity sharing, maintenance, spare parts, operations control and management, training, connectivity, distribution.

#### **8. Do you think big carriers could still emerge among African airlines as a response to the severe passenger, revenue and other losses suffered by most if not all carriers?**

The diversity of carriers in the African market has been a concern well before the COVID-19. We acknowledge the need to have as many airlines as necessary to connect the 55 countries on the continent.

Despite the high growth potential, the African market represents less than 3% of the global market. Hence some consolidations have to happen.

In September 2021, in partnership with Kenya Airways and Lufthansa Consulting, AFRAA organised a workshop on African airlines consolidation. The workshop made recommendations which we are following with implementation actions.

The continent will need 6 or 7 global carriers with a global network to connect the continent to the other regions. Some regional carriers are also required to interconnect African countries and feed and de-feed traffic to/from the main hubs. Enhancement of cooperation among African airlines in areas such as alliances, pooling of resources, code sharing, and interlining are valid considerations for African airlines to succeed.

#### **9. There appear to be increased partnerships between foreign airlines and African airlines, what could be the implications of this regarding the air transport liberalisation in Africa and the interest of African carriers?**

The Yamoussoukro Decision (YD) liberalises the air transport in Africa for African Carriers. The intent is not to open the intra-African market to foreign airlines. African airlines, by the time, have lost market shares on inter-continental routes falling to less than 20% currently. This situation needs to be addressed.

In principle, partnerships between airlines are good as long as they comply with existing regulations and benefit parties. AFRAA encourages these kinds of partnerships.

#### **10. As the industry strives towards recovery, how would you describe the airports-airlines relationship in Africa, and what is your expectation going forward?**

Both airports and airlines are part of the aviation industry. Our activated and all have faced the same impact of COVID-19.

Airports and airlines have been part of the aviation stakeholders' efforts to overcome the consequences of the pandemic. The International Civil Aviation Organization (ICAO), through the Council Aviation Recovery Task Force (CART), has made recommendations to the aviation industry to address the challenges of COVID-19 and provide global

guidance for a safe, secure and sustainable restart and recovery of the aviation sector.

To strengthen our relations, AFRAA has signed in 2021 a Memorandum of Understanding (MoU) with ACI-Africa (Airports Council International). The two organisations will work on a joint annual action plan.

**11. Boeing's 20-year aviation market forecast indicates that Africa would require 1,030 aircraft valued at nearly USD 400 billion; how can Africa double or triple its share of the global passenger and cargo markets over the next 20 years?**

Despite representing 15% of the global population, Africa accounted for only 3% of global air traffic in 2018.

Air traffic growth in Africa has been upward since 2011, with passenger services being the key contributor.

Fueled by a young, vibrant, rapidly urbanizing population, Africa is the fastest-growing continent, making it an attractive prospect for foreign investors.

Despite the COVID-19, we still think that the traffic will double within the next 20 years. The operationalisation of the AUC flagship project (SAATM, AfCFTA, and free movement Protocol) shall further spur this traffic growth.

**12. Where do you see AFRAA and the African airline industry in the next 10 years?**

The world aviation industry is fast-moving which new customers' expectations. Our industry needs to adapt to new transformative initiatives.

At AFRAA, we have redefined our strategic objectives, which are:

- Safe, secure, and reliable air transport;
- Enhance the visibility, reputation, and influence of African airlines in the global Aviation industry;
- Sustainable air transport;
- Cooperation;
- Data intelligence.

We have launched a new 5-year strategic plan in 2021. The purpose is to implement practical actions better to serve our members' and partners' needs.

Albeit the challenges, Africa has a vast potential for development for years ahead. The traffic is said to double every 15 to 20 years. AFRAA airlines need to be prepared to take their market share from this development perspective.

As we expect more and more passengers for years ahead, the industry needs to tackle the challenges related to its future expansion: safety, security, environment, infrastructure on ground and air, regulation, capacity building, market access, and operational costs, among others.

Digitalisation is transforming the customer's experience at all stages of their journey. New technologies will also play a critical role in aircraft designs and operations.

I look for an African air transport where African airlines increase their market share and are more sustainable and where ticket fares are affordable for average African citizens. [🌐](#)

