



Better Skies for Africa

AFRAA AIR TRANSPORT REPORT

QUARTER 4 - 2021



Foreword

This report presents the state of the African airline industry in 2021. It shows the evolution of the Air passengers and cargo traffic with sub-regional breakdown, African airlines and airports rankings, Airport charges, intra-African connectivity index, and countries' openness in Africa.

The Covid19 situation unprecedentedly affected the travel and tourism sector in 2020, with border closures, travel bans, and lockdown measures being taken worldwide.

2021 was the year of the re-start. Airlines ASKs reached 49% of 2019 levels, while RPKs reached 43%. Cargo activities rebounded and air cargo volumes rose by 18.7% year-on-year. Compared to 2019, global airlines' cargo tonne-kilometres (CTKs) increased by 6.9%.

The discovery of the Covid Omicron variant in South Africa during the fourth quarter of the year affected African airlines. Over 2021, they carried 43.6 million passengers, representing a year-on-year increase of 25.6% but a decline of 54.4% compared to 2019. ASKs and RPKs reached 54.7% and 57.8% of 2019 levels, respectively. African airlines continued to lose money in 2021: Passenger revenue losses were estimated at 8.6 billion USD.

Airport charges are generally high in Africa. However, the busiest airports in Africa charge less than the average. It indicates that the volume of traffic and the level of charges are linked.

Abdérhmane Berthé
Secretary General

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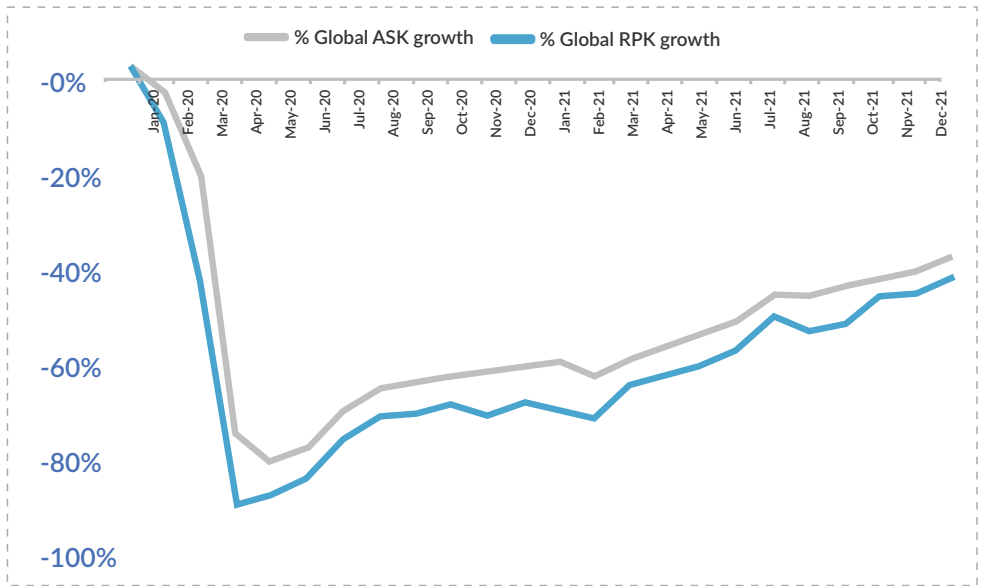
GLOBAL AIRLINE INDUSTRY PERFORMANCE

2021 was the year of the re-start after the terrible Covid crisis that hit hard the airline industry in 2020. For the first quarter of 2021, ASKs and RPKs declined by 55% and 70%, respectively, compared to 2019.

ASKs and RPKs dropped by 54.9% and 60.8% respectively during the second quarter. In Q3, ASKs reduced by 45.7% and RPKs by 52.4%.

The airline industry was expecting a solid traffic growth during the Christmas season. However, the second wave of infection during the fourth quarter of the year slowed down the recovery, especially in Africa. The ASKs and RPKs drops were 40.7% and 44.9%, respectively, compared to 2019 in Q4.

Figure 1: Global industry ASK and RPK growth



Source: AFRAA /OAG

According to IATA, in 2021, air cargo volumes rose by 18.7% year-on-year (compared to 2020), the second-best yearly performance since 1990, driven by robust demand for goods. Cargo volumes were 3.5% above the 2018 peak. Compared to 2019, global airlines' cargo tonne-kilometres (CTKs) increased by 6.9%.

Industry-wide CTKs grew by 9.4% in October 2021 compared to the same month in 2019. In November, a slow down was observed: CTKs were 3.7% above their November 2019 levels. Finally, in December, CTKs rebounded to 8.9% above December 2019.

AFRICAN AIRLINES PERFORMANCE

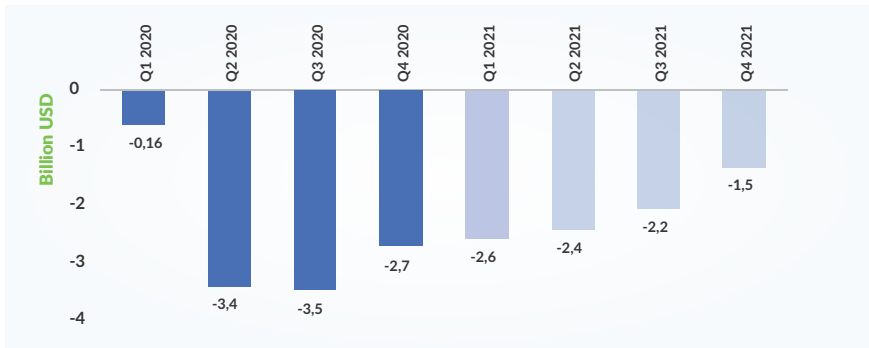
African airlines continue to experience the effects of the Covid19 outbreak.

Financial performance

In 2020, Passenger revenue losses were estimated at USD 10.21 billion.

By 2021, the situation slightly improved. Unfortunately the losses continued and reached an estimated USD 8.6 billion, representing 49.8% of 2019 revenues.

Figure 2: Passenger Revenue Loss



Source: AFRAA / IATA Watts

During the fourth quarter of 2021, the Passenger revenue loss was estimated at USD 1.5 billion.

Passenger traffic Evolution

Figure 3: Scheduled passengers carried by African airlines

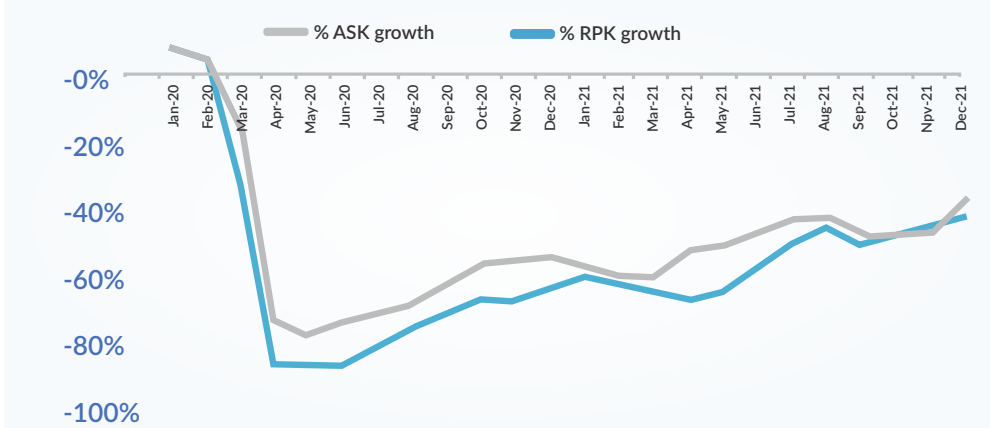


Source: AFRAA / IATA Watts

The number of scheduled Passengers carried by African Airlines is estimated to rebound from 34.7 million passengers in 2020 to 43.6 million in 2021. This represents a year-on-year increase of 25.6% but a decline of 54.4% compared to 2019.

Passenger traffic Evolution

Figure 4: African airlines ASK and RPK growth



Source: AFRAA /OAG

African airlines were more impacted by the Covid Omicron variant discovery in South Africa during the year's fourth quarter. Over 2021, African airlines' ASKs and RPKs reached 54.7% and 57.8% of 2019 levels, respectively.

Passenger traffic distribution

Figure 5: African airlines passenger distribution Q4

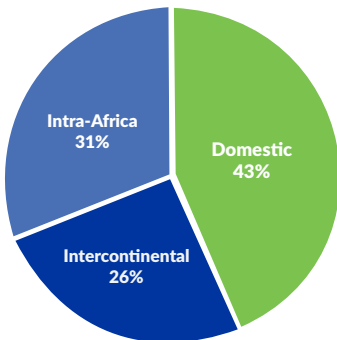
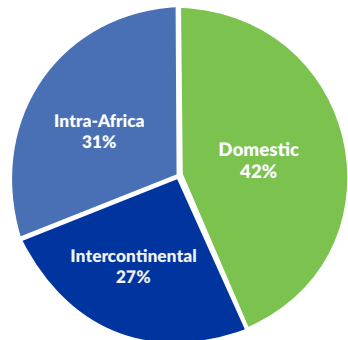


Figure 6: African airlines Passenger distribution 2021

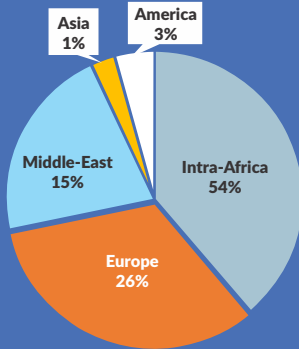


Source: AFRAA /OAG

The share of intercontinental traffic significantly reduced, from 34% in Q3 to 26% in Q4. This can be attributed to the travel bans imposed on Southern African countries after the surge of the Covid Omicron variant.

The traffic repartition shows that African airlines globally carried more domestic passengers in 2021, around 42% of the total traffic, and Intra-African represented 31%.

Figure 7: African Airlines international passengers destinations 2021



Source: AFRAA /OAG

Europe is the first international destination of African airlines outside the continent, representing 27% of the non domestic traffic over 2021. Traffic to the Middle East is also significant, around 15%. Asia and America represent less than 5%.

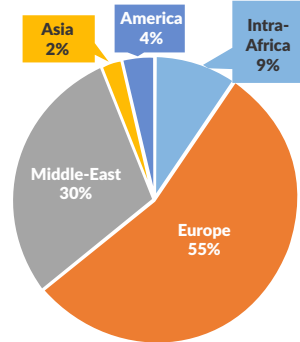
Regional Insights

- Northern Africa remains the leading region in terms of passengers, representing 35.6% of the total continental traffic. During the fourth quarter of the year, a significant part of the traffic was directed to Europe (56%), mainly to France; and Morocco is the top origin country.

Middle-East is also a preferred destination (30% of the traffic). Egypt was the leading contributor to the traffic to this region, and the main destinations from this country are Saudi Arabia and the United Arab Emirates.

Over the entire year 2021, the share of domestic traffic was 24%. Intra-African traffic represented only 9%, while traffic outside the continent was absolutely dominant.

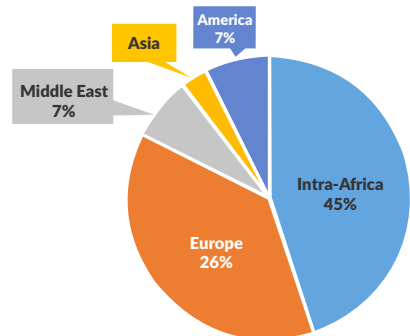
Figure 8: Traffic repartition - Northern Africa 2021



Source: AFRAA /OAG

- Central and Western Africa regions represented 23.2% of the African traffic in 2021. The share of the Domestic traffic was 44%. Intra-African dominates the non-domestic traffic with a share of 45%. Outside the continent, Europe is the leading destination, representing 38%, and the traffic to this continent is mainly directed to France and UK. The Middle East, America, and Asia share are 7%, 7%, and 3%, respectively.

Figure 9: Traffic repartition - Central and Western Africa 2021



Source: AFRAA /OAG

- The share of the Eastern African region in the continental traffic was 20.5% during Q4 and 20.9% over the year 2021. Domestic traffic represented more than 50%. Intra-African traffic has an important part of the non-domestic, around 41% in Q4 and 43% for the entire year.

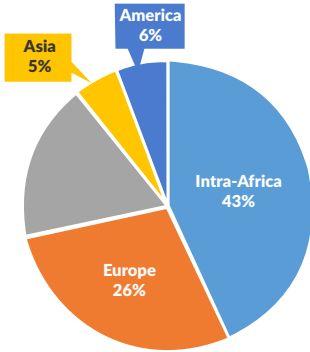
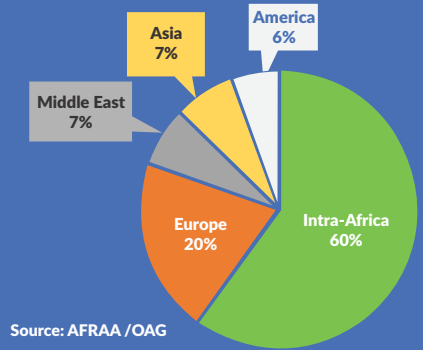


Figure 10: Traffic repartition - Eastern Africa

Outside the continent, traffic to Europe is dominant, with 28% of the traffic. France is the leading country destination. Traffic to the Middle East is also significant, with 18%.

Source: AFRAA /OAG

- Southern Africa continued to suffer from the Covid Pandemic effect in 2021. The regional contribution to the continental traffic was 19.1%. The traffic to other continents decreased in Q4 compared to Q3 due to the travel bans imposed during the Omicron crisis. Over the year, Intra-African traffic represented 60%. Europe, particularly the UK, was the preferred destination outside Africa. The share of domestic is high, representing 69% of the total traffic.

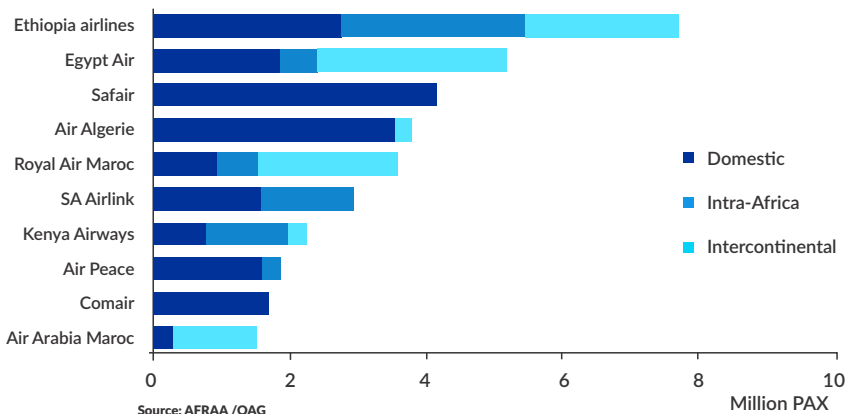


Source: AFRAA /OAG

African airlines ranking by traffic (AFRAA estimations)

Figure 12: African airlines ranking by traffic 2021*

(*The data here are estimations and have not been confirmed by airlines)

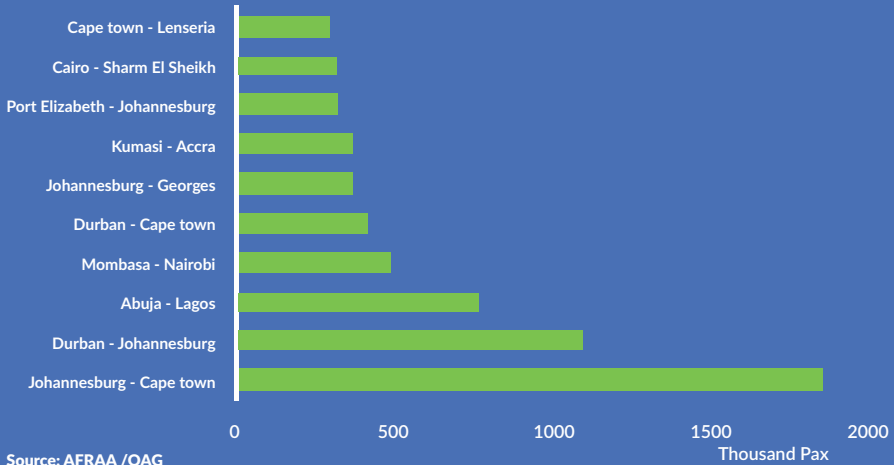


Source: AFRAA /OAG

Routes ranking by traffic (AFRAA estimations)

Top 10 domestic routes by passengers carried 2021 (AFRAA estimations)

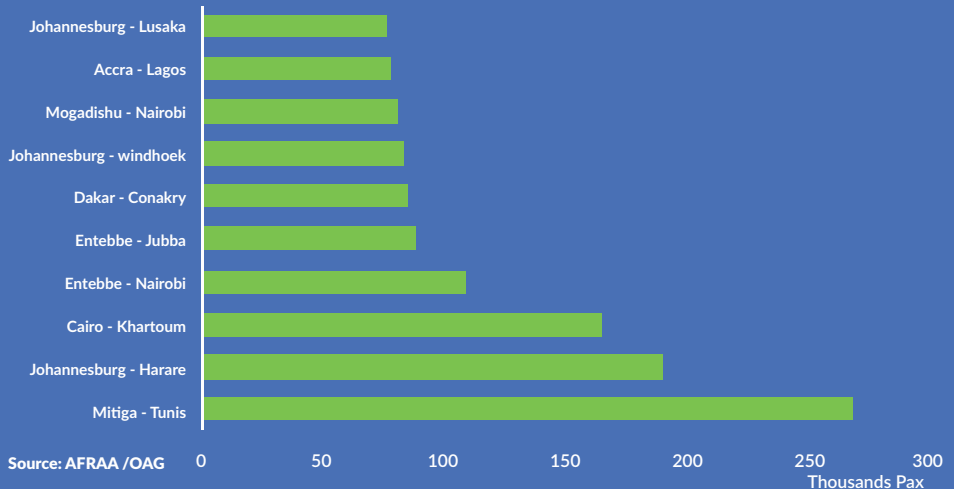
Figure 13: Domestic routes ranking



The South African domestic market is bustling and has six routes on the top 10 busiest domestic routes in 2021. Egypt, Ghana, Kenya and Nigeria each have one domestic route among the ten busiest.

Top 10 Intra - African routes by passengers carried 2021 (AFRAA estimations)

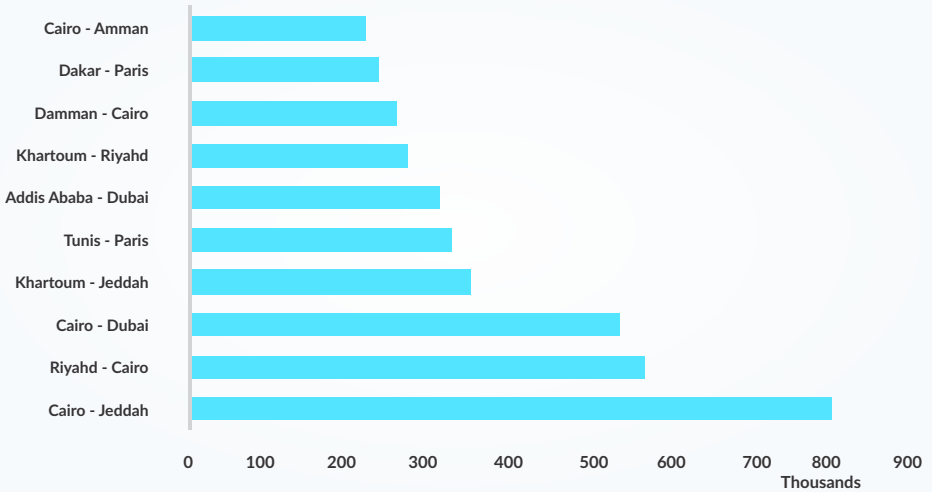
Figure 14: Intra-African routes ranking



All the regions are represented in this top 10. However, the traffic volumes remain low.

-Top 10 Intercontinental routes by passengers carried 2021 (AFRAA estimations)

Figure 15: Intercontinental routes ranking

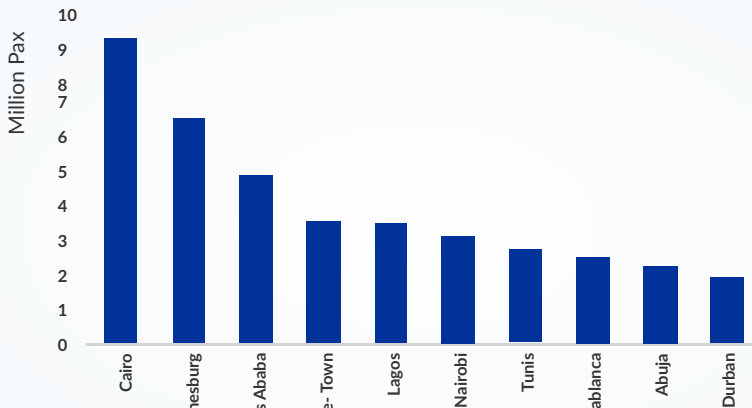


Source: AFRAA / OAG

Cairo airport is a key origin for the intercontinental traffic in Africa, and Egyptair is the leading carrier on the Africa – Middle East routes.

Airport Ranking by Passengers (Estimations)

Figure 16: African airports ranking by passengers

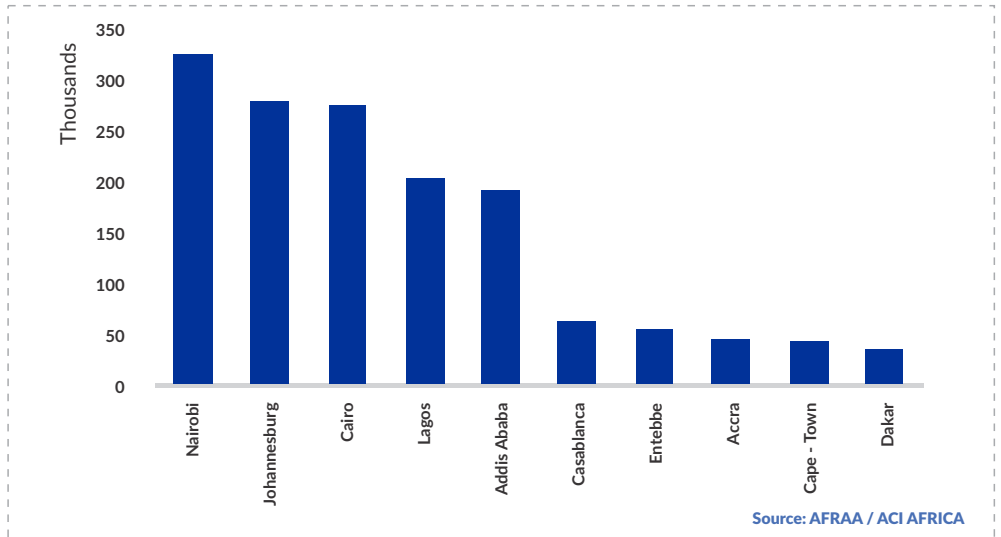


Source: AFRAA / ACI AFRICA

Cairo, Johannesburg and Addis remain the busiest airports in Africa. South Africa has three airports in the top 10. Northern African airports show good passenger traffic performance.

Airport Ranking by Freight Traffic (Estimations)

Figure 17: African airports ranking by freight



Nairobi Jomo Kenyatta airport handled more than 300 thousand tons of freight during 2021. Johannesburg and Cairo are following with 282 thousand and 275 thousand tons respectively. Three West African airports are among the top 10, namely Lagos, Accra, and Dakar.

Airport charges

Methodology:

A comparative study based on a single aircraft type applies to all airports with more than 300 thousand passengers in 2021.

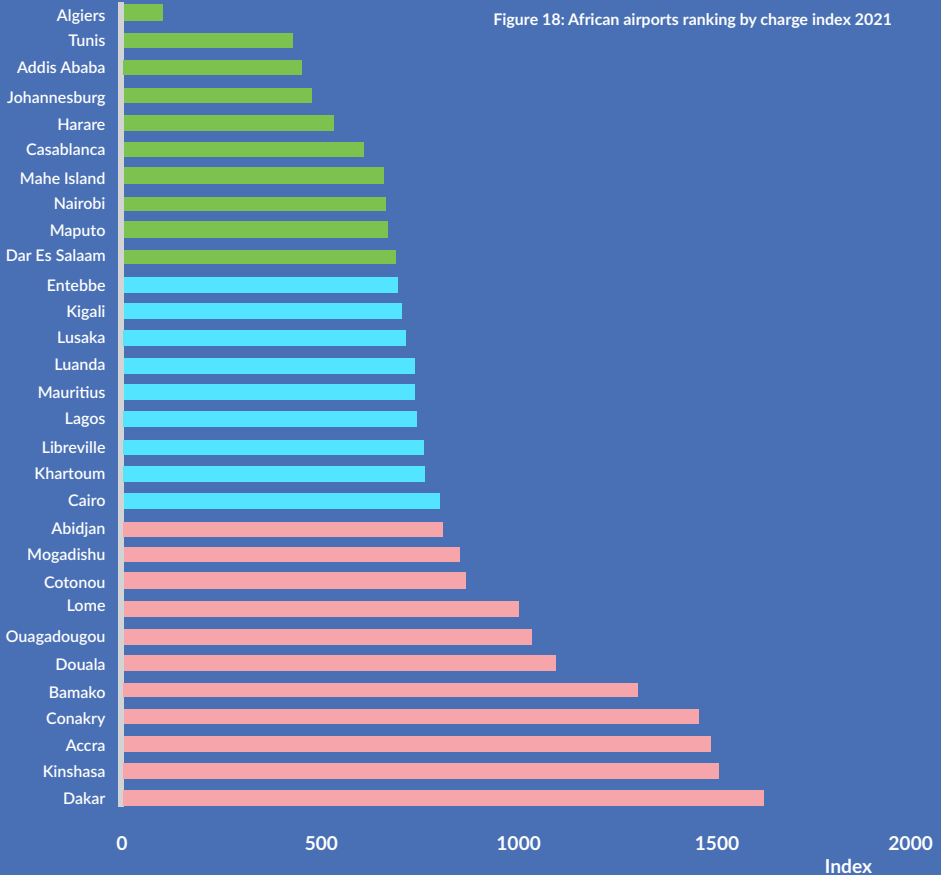
The type of aircraft chosen is the B737, the most popular aircraft type in the region.

Following the applied criteria:

Aircraft Type	B737
MTOW	70.08 Metric Ton
Flight Type	International
Origin & Destination	100
Pax Total Departing Pax	100
Parking Time	2 Hour
Boarding bridge time	1 Hour
Arrival Time	12:00
Cargo	0 Kilograms



Figure 18: African airports ranking by charge index 2021



Source: AFRAA / IATA ACIC

Dakar has the highest level of charges among the selected airports, and Algiers has the lowest level. Addis, Johannesburg, Casablanca and Nairobi, among the busiest airports in Africa, charge less than the average. This indicates that lowering airport charges can have a positive effect on traffic.

Intra-African Connectivity

Methodology:

We calculate the total number of possible Intra-African connections between inbound and outbound flights on 20 important African hubs in 2021.

The rules selected for the computation are as follows:

- Single connections only to/from the chosen airports,
- Minimum Connection Time from OAG table,
- Maximum Connection Window of 6 hours

The Covid19 situation dramatically affected connectivity within Africa with a sharp drop of 97% during the second quarter. The situation gradually improved, and intra-African connectivity grew by almost 60% over the year 2021.

Figure 19: Intra-African connectivity growth by quarter

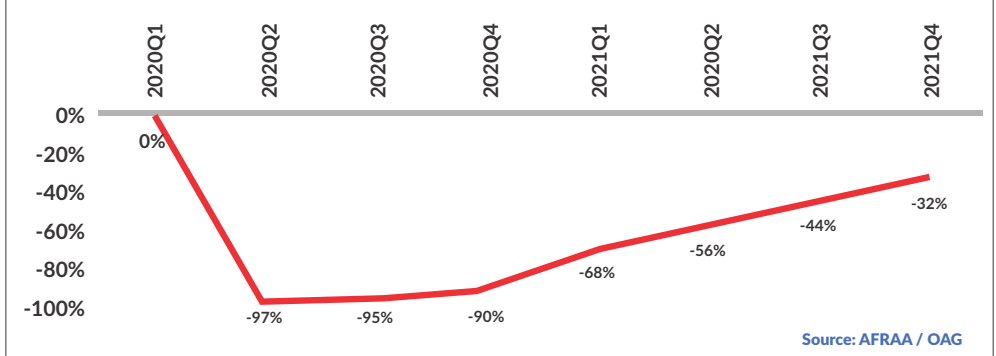


Table 1: Intra-African connectivity index 2021

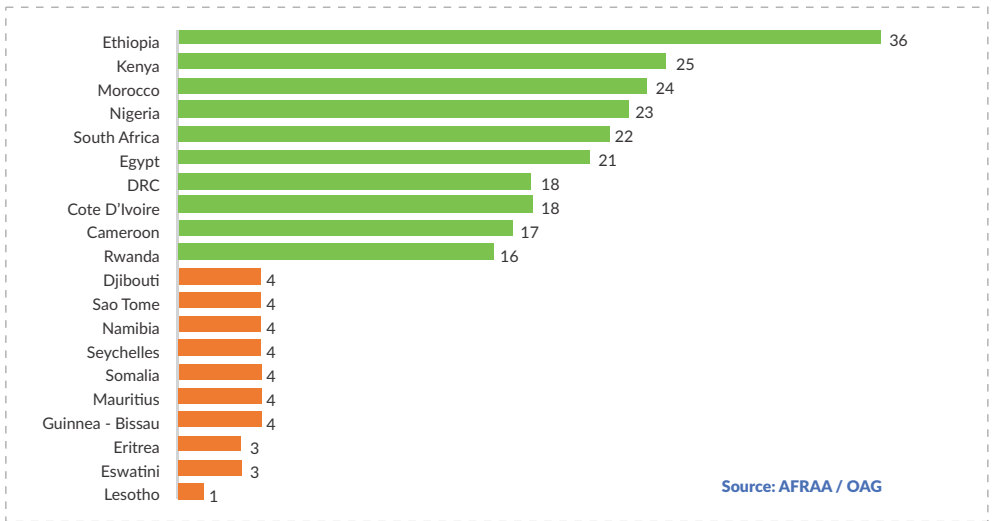
AIRPORT	INDEX Q1 2021
Johannesburg	142324
Addis Ababa	124264
Nairobi	45854
Algiers	36970
Cairo	36816
Lome	25684
Abidjan	14466
Lagos	14393
Casablanca	12536
Dar Es Salaam	8066
Kigali	7835
Accra	4340
Entebbe	3550
Khartoum	2800
Antananarivo	2690
Luanda	1350
Libreville	722
Kinshasa	442
Ndjamena	232
Douala	156

The connectivity at the Johannesburg hub was impacted by the pandemic in 2020. However, the situation gradually improved from Q2 2021, and the airport regained its place as the most intra-African connected airport. Airports like Lome and Abidjan are close to their pre-Covid situation, benefiting from less strict restrictions.

Direct flights between African countries

The Covid19 pandemic worsened the already poor situation of Intra African connectivity, as shown in the previous section. AFRAA is constantly advocating for the removal of travel barriers between African countries.

Figure 20: Number of direct flights between African countries



Among the 54 countries in the African continent, only six had direct flights to more than 20 African countries in 2021, a decline compared to 2020 (14 countries used to have direct flights to other countries). Ethiopia is leading with 36 direct flights to other countries within Africa.

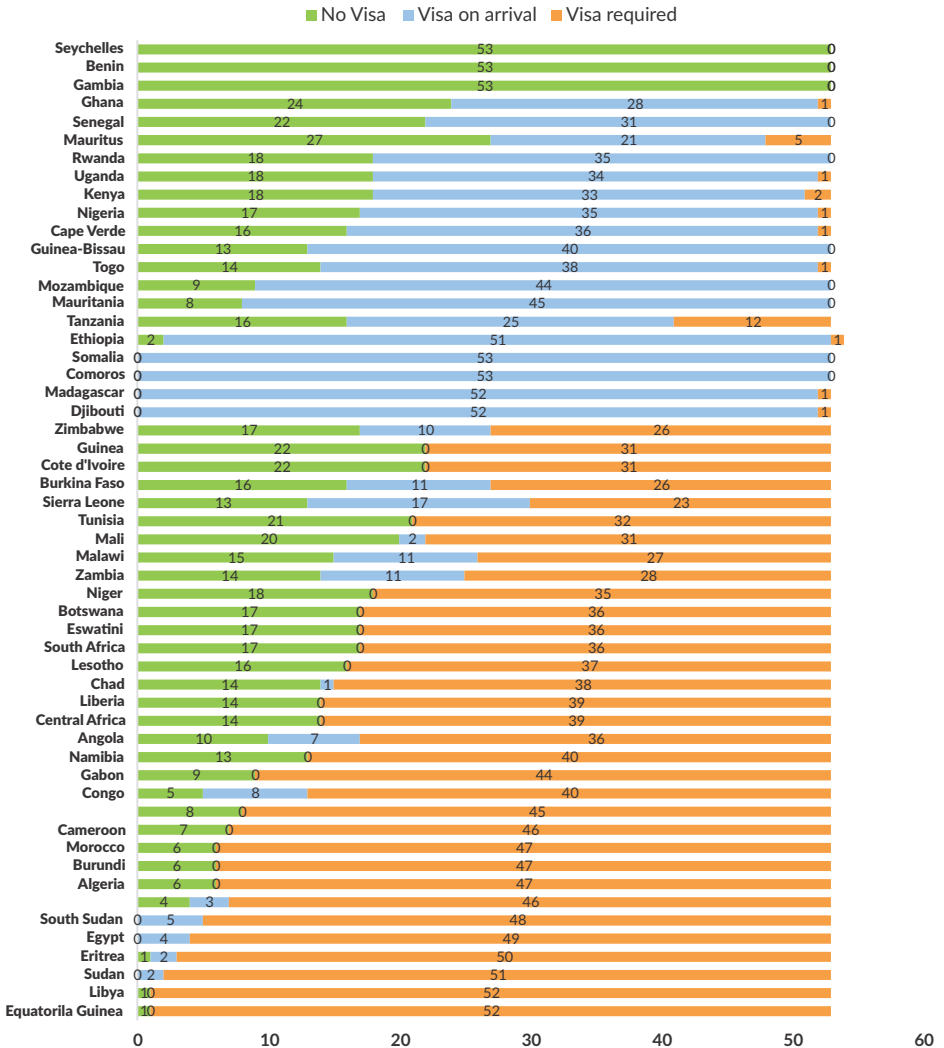
Table 1: Connectivity between African regions

	Central Africa	Eastern Africa	Northern Africa	Southern Africa	Western Africa
Central Africa	45%	15%	22%	9%	28%
Eastern Africa		36%	12%	19%	8%
Northern Africa			47%	3%	30%
Southern Africa				38%	2%
Western Africa					53%

The table above represents the percentage of direct connections between all the countries within a region or toward another African region in relation to the total number of possible connections. While intra-connectivity is relatively high within Western Africa (53%), connectivity across regions remains poor. The highest rate is between Northern and western Africa with only 30% (this is a decline, as this percentage used to be 41%). Southern Africa is less connected with other regions, particularly with the Northern.

Visa Openness within Africa 2021

Figure 20: Visa openness in African countries



In terms of Visa openness within, more and more countries are opening their borders to other African countries. In 2020, The Gambia joined Seychelles and Benin in the group of totally Visa-free countries. Thirty-two countries now accept visas on arrival across Africa. Unfortunately, 51% of African countries still require African visitors to obtain a visa before arrival.

ANNEX: GLOSSARY

ACIC:	Aviation Charges Intelligence Center
AFDB:	African Development Bank
AFRAA:	African Airlines Association
FMTK:	Freight and Mail Tons Kilometers
ICAO:	International Civil Aviation Organization
IATA:	International Air Transport Association
MoM:	Month on month
RPK:	Revenue Passenger Kilometers
WCAF:	West and Central Africa
YoY:	Year on Year



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