

# AFRAA timeline of activities, June – December 2023

## AFRAA Secretary General intervention at the 12<sup>th</sup> Pan American Aviation Safety and Operations Summit



AFRAA firmly believes that African aviation has the potential to achieve even greater safety performance at an accelerated pace. To realise this, it is imperative for all aviation stakeholders to continue their collaborative efforts in alignment with the following 5 pillars:

- Cooperative Approach in Safety Improvement in Africa – Abuja Safety Targets;
- Operational Compliance of African carriers with International standards;
- Data-driven Safety Management;
- Infrastructure Safety and;
- Fleet Modernisation.

By actively engaging in events like the Pan American Aviation Safety & Ops Summit, AFRAA aims to foster knowledge sharing, explore best practices, and strengthen partnerships to further advance safety standards in the African aviation industry. Through concerted efforts, stakeholders can pave the way for a safer and more prosperous future for African aviation.

AFRAA prioritises safety as one of its key strategic objectives. Demonstrating this commitment, Mr. Abdérahmane Berthé, AFRAA Secretary General, attended the 12<sup>th</sup> Pan American Aviation Safety & Ops Summit organised by ALTA – Latin American & Caribbean Air Transport Association from 12-13 June 2023.

## AFRAA collaborates with the International Air Cargo Association (TIACA) to stage the TIACA Regional Summit in Kenya



AFRAA had the opportunity to contribute to various sessions at the International Air Cargo Association TIACA Regional Summit – Africa held on 19-21 June 2023 in Nairobi, Kenya.

Mr. Denis Kimani, Manager – Government, Legal and Industry Affairs, made a presentation on Workforce Challenges – Attracting, Retaining and Developing the Next Generation Workforce continues to be a Universal Challenge. How Africa is tackling this crucial topic.

Ms. Maureen Kahonge, Senior Manager – Business Development and Communications, moderated a panel discussing a Spotlight on Air Cargo East Africa.

Ms. Raffaella Irie, Manager – Training, Data and Statistics, moderated a panel on Digital Innovation in Cargo Operations.

## AFRAA kicks-off the Free Routing Airspace (FRA) trials workshop in Addis Ababa – Ethiopia

With the objective accelerating the implementation of Free Routing Airspace in Africa, AFRAA kicked off the Free Routing Airspace (FRA) trials workshop in Addis Ababa, Ethiopia on 31 October 2023.

The FRA project is one of the five LAB Projects of the African Aviation Industry Group African Aviation Sustainability Laboratory to revamp Air Transport in Africa that was held from 27 June to 1 July 2022 at AFRAA Headquarters in Nairobi, Kenya.

The FRA implementation aligns with the common strategy of providing efficiency in operations, lowering air navigation fees while reducing flight operating costs and CO2 emissions. A total of eight (8) routes will be on trial – five from Ethiopian Airlines and three from Kenya Airways.

In his opening remarks, AFRAA Secretary General, Mr. Abdérahmane Berthé stated: “Implementing these trial routes will annually bring significant cost savings to the participating airlines and will support a sustainable future for the African Industry.”

The FRA workshop provides the opportunity to conduct trials along the paths linking various city pairs across different FIRs. The results of the trials will be shared with the AFI FRA Project Management Team and APIRG, which is meeting in the second week of November 2023 in Cotonou, Benin.

### Present at the workshop included:

Daniel Abebe – Ethiopian Airlines Group VP Strategic Planning & Alliances – representing Mr. Mesfin Bekele, Group Chief Executive



Officer of Ethiopian Airlines, Yohannes Abera, Director representing Mr. Getachew Mengiste, Director General of the Ethiopian Civil Aviation Authority, Nene Addo and Ms. Chisom Ozoemena, representatives of the Afreximbank, Thabani Myeza, Director Africa Affairs CANSO, Eric Ntagengerwa, Representative of the African Union Commission, Robert Lisinge, the UN Economic Commission for Africa (ECA) Representative, Experts from ASECNA, Civil Aviation Authorities and Air navigation Service Providers, ICAO, IATA, Ethiopian Airlines and Kenya Airways.

Hosted by Ethiopian Airlines, the FRA trial kick-off workshop preparation was spearheaded by CANSO and AFRAA under the kind sponsorship of Afreximbank.

## AFRAA CEO dialogues session with ASTRAL Aviation CEO



Astral Aviation Ltd CEO – Mr. Sanjeev Gadhia, hosted AFRAA Secretary General, Abdérahmane Berthé, at the airline’s offices in Jomo Kenyatta International Airport Nairobi – Kenya on 29 June 2023, for an ‘AFRAA member airline CEOs Leadership Dialogues’ session. Both AFRAA and the two airline’s Leadership teams were present at the dialogues session. The CEO dialogues initiative is a drive-by AFRAA to create close engagement with member airlines and a space for dialogue necessary to develop transformative

initiatives for AFRAA's actions, which are anchored on five pillars, including:

- Safe, secure, and reliable air transport;
- Visibility, reputation, and Influence of African airlines;
- Sustainable air transport;
- Cooperation;
- Data Intelligence.

## AFRAA at the Uganda Airlines media Lab



AFRAA Secretary General – Mr. Abdérahmane Berthé and Senior Manager Business Development & Communications – Ms. Maureen Kahonge joined Uganda Airlines Leadership Team to facilitate a media Lab for Uganda Airlines and Ugandan Media from 4-5 July 2023 in Uganda.

Due to the industry’s complexity, it is imperative to find ways of bridging the information gap between the media and the Airline and with a long-term goal of the media understanding aviation and observing balanced reporting. The objectives of the initiative included:

1. To understand the media’s perspectives, share information from Uganda Airlines Leadership Team and subject matter experts;
2. To create a support framework for balanced media coverage of aviation and airline sector matters;
3. To bridge and strengthen relationship between Uganda Airlines and media;

4. To manage the expectations of the media and start a journey of nurturing journalists to practice responsible reporting;
5. To broaden the pool of journalists for reporting on aviation and airline industry subsector matters.

The interactive Media Lab provided much-needed clarity on the industry perspective. Selected Editors and Senior Journalists attended, including leading media houses: New Vision, Daily Monitor, The East African, NTV, NBS Television, Capital FM, CBS Radio, Radio One, Weekly Observer, Business Focus, Business Times, Uganda, Media Centre, 256 Business News, Chimp Reports, Bukedde News Paper, Government Citizen Interaction Centre.

In depth presentations made by AFRAA covered:

- The State of the Airline Industry in Africa – Global Positioning;
- Operation of an Airline;
- Media and the Airlines Industry – How to Make a Developmental Pact.

## AFRAA CEO dialogues with Uganda Airlines



The Secretary General of the African Airlines Association (AFRAA), Mr. Abdérahmane Berthé, in a bid to foster closer engagement with member airlines of the Association, met the CEO of Uganda Airlines – Ms. Jennifer Bamuturaki and the airline's Leadership Team on 7 July in Entebbe – Uganda at the airline's head-office.

The issues covered in the deliberations included: current and future plans of Uganda Airlines, priorities for the airline industry by the Government, AFRAA and industry initiatives to support the attainment of sustainability of the air transport industry in Africa, AFRAA Projects for win-win value addition to Uganda Airlines and the preparations towards the forthcoming 55<sup>th</sup> AFRAA Annual General Assembly & Summit scheduled to take place from 19-21 November 2023 in Uganda.



AFRAA aims to facilitate better understanding of individual airline needs, local matters and challenges, priorities and business plans thereby enabling the Association to tailor specific actions that enhance its relevance to member airlines.

The CEO's dialogues are continuous, round-the-year sessions that engage the member airlines' decision makers with AFRAA leadership towards effective implementation of added-value projects and actions supporting members' sustainability. AFRAA's actions are anchored on 5 pillars including:

1. Safe, secure and reliable air transport;
2. Visibility, reputation and influence of African Airlines;
3. Sustainable air transport;
4. Cooperation;
5. Data intelligence.

## AFRAA officiates the Juja Preparatory School Aviation Day

AFRAA officiated and participated at the Juja Preparatory School's Aviation/ Aerospace Day on 21<sup>st</sup> July 2023. AFRAA was represented by Ms. Maureen Kahonge, the Senior Manager of Business Development & Communications, as the Guest of Honour, Mr. Denis Kimani, Manager of Government Legal & Industry Affairs, and Ms. Dicie Okaya, Business Development & Communications Assistant.

The event focused on addressing sustainability in the aviation industry, emphasising the need to train and groom youth to meet future demands. The theme was 'the launch of aviation dreams' and was organised by Juja Preparatory



and Senior Schools in partnership with the Young Aviators Club of Africa (YACA). The ceremony concluded with a tree-planting exercise at the school compound.

## African airlines' performance updates by AFRAA – August 2023

**Airline Performance:** In August 2023, traffic carried by African airlines reached 98.4% of the 2019 level. Domestic market share was estimated at 34%, intra-Africa at 29%, and intercontinental at 37%. The total number of intercontinental routes operated by African airlines exceeded pre-COVID levels since October 2022. In some major airports (Johannesburg, Nairobi, Addis Ababa, Lusaka, Cairo, Casablanca, Abidjan, and Lomé) intra-Africa connectivity has reached or exceeded pre-COVID level since December 2022.

2023 is witnessing a narrowing of the airline revenue gap attributed to COVID-19 compared to 2022. In the first 3 months of the year, African airlines missed the levels attained in a similar period in 2019 by US\$0.3 billion. This is expected to further narrow in the second quarter to US\$0.2 billion, according to AFRAA data. Though full-year estimated revenue gap is yet to be computed, it appears 2023 would be a better year compared to the prior year. The 2022 full-year cumulative airlines revenue gap was US\$3.5 billion for all African airlines compared to 2019.

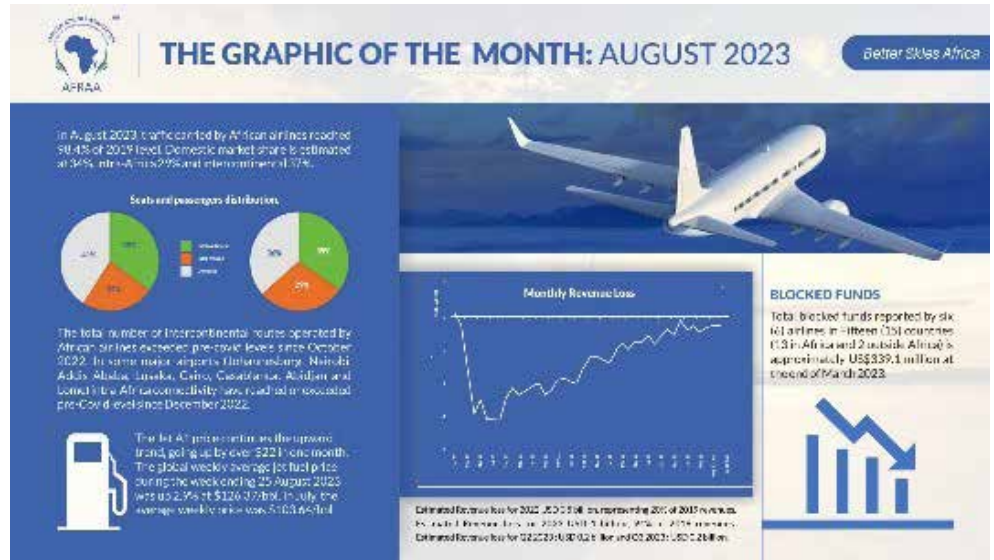
The Jet A1 price continues the upward trend, going up by over \$22 in one month. The global weekly average jet fuel price during the week ending 25 August 2023 was up 2.9% at \$126.37/bbl. In July, the average weekly price was \$103.64/bbl.

### Blocked Funds

Total blocked funds reported by six (6) airlines in Fifteen (15) countries (13 in Africa and 2 outside Africa) is approximately US\$339.1 million at the end of March 2023. AFRAA has requested meetings with some central bank Governors and will soon meet them to agree on a solution to this recurrent problem as part of engagements to have the funds released.

### Regulatory/Industry Affairs

Canada's Air Passenger Protection Regulations Update: Canada passed amendments to strengthen Air Passenger Protection Regulations, with the Canadian Transportation Agency (CTA) proposing changes for more stringent passenger compensation and complaints resolution processes. AFRAA urges airlines operating in



Canada to familiarise themselves with the details of the passenger protection regulations to avoid failing victims.

Amendment 29 to ICAO Annex 9 on travel facilitation: The amendments to ICAO Annex 9 became necessary following the disruption to the aviation business during the COVID period. To avoid a repeat of the facilitation lapses that occurred at the time, Amendment 29 sought to introduce new guidelines on passenger name record (PNR) handling and health protocols while reinforcing the requirements for handling passengers, especially those with reduced mobility, hearing and visual disabilities.

The new public health standards updated requirements relating to aircraft and facility disinsection and disinfection. Details are available here: WHO disinfection Procedures.

On facilitation, the New Standards for transport of persons with disabilities outlines special assistance to persons with reduced mobility, hearing- and vision-impairment to enable them obtain flight service-related information in accessible formats. The amendment also required that designated pick-up, drop-off points for PWDs and access routes be clear with no obstacles and adequate provision of parking facilities for PWD closer to the terminal building.

Other amendments include:

- Advance notice of assistance required for persons with reduced mobility;
- Ensure that airport facilities and services are adapted to the needs of PWDs;
- Establish measures to ensure that procedures are in place to combat trafficking in persons.

## AFRAA interventions at the AFI Aviation week

Mr. Abdérahmane Berthé, AFRAA Secretary General made a presentation at the 8th AFI Aviation Week on 22 August 2023 on 'AFRAA and industry initiatives on connectivity in Africa for Air Transport Economic Development.'

In terms of the number of international routes operated by African Airlines, Mr. Berthé reported that according to AFRAA analysis, African airlines exceeded their pre-COVID number of international routes in October 2022. With respect to intra-African connectivity, this reached 87% of the pre-COVID level during Q3 2022 and exceeded the pre-COVID level during Q4.

He reported that the general Intra-African connectivity is estimated to have reached the pre-COVID level since December 2022.

However, the number of existing connections is far lower than the real potential. 'We can see a slight improvement from June to July,' he stated.

On the share of Fifth Freedom flights – Q1 2023, Mr. Berthé reported that 85% of intra-African flights are direct vs 15% connecting with one stop or more. 'Among those direct flights, 5th freedom represents only 21%, while the share of 3rd and 4th freedom flights is 79%,' he remarked. Among the 54 countries in the African continent, only 7 have direct services to more than 20 African countries, a decline compared to 2020 (13 countries used to have direct flights toward other countries). Ethiopia is leading with 35 direct services to other countries within Africa.

## Industry initiatives to enhance intra-African connectivity

Improving intra-African connectivity is one of AFRAA's priorities. To achieve this, AFRAA has taken a series of initiatives:

1. The Route Network and Cargo Committee and
2. The AFRAA route intelligence portal, which objectives are:
  - i. Network coordination,
  - ii. Harmonisation of flight schedules,
  - iii. Increased intra-Africa flight frequency,
  - iv. Synergy through collaborative network development,
  - v. Development of virtual alliances through commercial agreements,
  - vi. Ensure that the Cargo business portfolio grows significantly.
3. AFRAA is involved in joint aviation stakeholders' initiatives:
4. Collaboration with AFCAC for the implementation of the Single Air Transport Market (SAATM);
5. The Roadmap of the Air Transport Sustainability LAB under the African Aviation Industry Group (AAIG) hosted by AFRAA in June 2022;

### Safety

"As we increase connectivity and develop new routes, our commitment to ensuring the highest aviation safety standards remain paramount." Mr. Berthé stated.



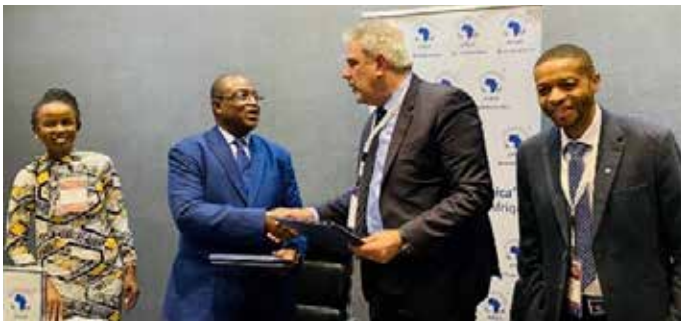
Enhancing safety is one of AFRAA's priorities through workshops and consulting activities. Promoting safety is also one of our strategic objectives. In this regard, AFRAA and Flight Safety Foundation (FSF) will launch the 1<sup>st</sup> Africa Safety and Operations Summit on 15 May 2024 back-to-back with the Aviation Stakeholders Convention (ASC) in Addis hosted by Ethiopian Airlines. The summit seeks to bring together the aviation stakeholders to discuss, strategise, and collaborate on shaping a safer future for African aviation.

On (22 August 2023), Mr. Gaoussou Konate, AFRAA Director of Technical and Operations, took the stage at the 8<sup>th</sup> AFI Aviation Week. His presentation centered on AFRAA and industry initiatives to enhance air navigation capacity and efficiency.

During his session, Mr. Konate highlighted the progress-to-date and deliverables for 2023 and beyond on the Roadmap implementation of the Laboratory on Air Transport Sustainability in Africa.



## AFRAA and IATA reinforce collaboration to create a brighter future for the African aviation industry



**23 August 2023, Nairobi – Kenya:** Aviation plays a crucial role in connecting people and facilitating economic growth; Africa stands out as the region with the greatest potential. The industry is estimated to support \$63 billion in economic activity and 7.7 million jobs according to the Air Transport Action Group (ATAG). Amid the potential and opportunities for growth, the air transport sector in Africa faces various challenges that impact the delivery of safe, secure and efficient operations, as well as the competitiveness of Africa's aviation market.

It is on this backdrop that on 22 August 2023, the African Airlines Association (AFRAA) Secretary General, Mr. Abdérahmane Berthé, and Mr. Kamil Alawadhi – International Air Transport Association (IATA) Regional Vice President Africa & Middle East inked a Letter of Intent for the renewal of the existing Memorandum of Cooperation between AFRAA and IATA. Abdérahmane and Kamil further formalised a letter of reciprocal commitment for mutual support towards the six focus areas of Focus Africa initiatives and AFRAA

initiatives such as the Aviation Stakeholders Convention (ASC) and the Africa Safety and Operations Summit.

The MoU, which was initially signed in 2018, provides a framework to synergise joint efforts by AFRAA and IATA to aid Africa's economic growth through a safer, more connected and sustainable aviation industry. Under the MoU, IATA and AFRAA will work on a joint action plan based on the following main areas of cooperation:

1. Building airline resilience through capacity building activities;
2. Attainment of cost containment on user charges and taxes;
3. Enhancement of intra-African connectivity through supporting the implementation of the Single African Transport Market (SAATM);
4. Reduction of carbon emissions in aviation, as aligned with ICAO's strategy on environment;
5. Various initiatives in safety, security and flight operations;
6. Passenger and baggage facilitation;
7. Training and commercial;
8. Events.

“The renewal of the MoU between AFRAA and IATA is a noteworthy testament of the commitment of our two organisations to better serve the air transport industry and deliver our respective mandates for the African region. Through enhanced collaboration, the MoU facilitates the realisation of AFRAA and IATA’s common vision for the development of a safe, secure and sustainable aviation industry in Africa,” said Mr. Abdérahmane Berthé, AFRAA’s Secretary General.

“Further collaboration on the AFRAA Aviation Stakeholders Convention (ASC) and the AFRAA Africa Safety and Operations Summit and the six focus areas of the Focus Africa initiative including: safety, infrastructure, connectivity, finance and distribution, sustainability and future skills will help unlock the economic opportunities that will drive the growth of the aviation industry across Africa. Together, we can make a difference and create a brighter future for the African aviation industry.” Mr. Berthé added.

## AFRAA – AFCAC collaboration: Review of Annual Action Plan

AFRAA and African Civil Aviation Commission AFCAC held a working session on 23 August at the sidelines of the AFI Aviation Week to align on the areas of collaboration under the framework of the existing MoU between the two organisations for the development of air transport in Africa. The focus areas include:

- Joint engagements on the implementation of the Single African Air Transport Market (SAATM);
- Human Capital Development – Capacity Building;
- Aviation Infrastructure;
- Aviation Security and Facilitation – One-Stop Security;
- Safety enhancement program (IOSA/ISSA support);
- Economic Oversight Regulation;
- Aviation Taxes and charges;
- Statistical data exchange;
- Roadmap for net zero emission by 2050 and initiatives towards SAF production/infrastructure.





## AFRAA – ACI Africa collaboration: Review of Annual Action Plan

AFRAA Secretary General, Mr. Abdérahmane Berthé, and the Secretariat team had a working session with Airports Council International – ACI Africa Secretary General, Mr. Ali Tounsi, on 25 Aug 2023 at the sidelines of the 8<sup>th</sup> AFI-AviationWeek to review the annual work plan of actions under the framework of the AFRAA-ACI Africa MOU for mutual support to develop air transport in Africa. Some of the areas covered include:

- Intra-Africa connectivity and route development
- Runway Safety improvement at African Airports
- Africa Safety and Operations Summit
- Initiatives to enhance passengers' travel experience at airports
- Environment initiatives to achieve the 2050 Net Zero targets



## The 9<sup>th</sup> meeting of the YD/SAATM monitoring body, 28– 30 August 2023 in Addis Ababa, Ethiopia

At the Headquarters of the African Union Commission in Addis Ababa – Ethiopia: The African Union Commission (AUC) in collaboration with the United Nations Economic Commission for Africa (UNECA) and the African Civil Aviation Commission (AFCAC) organised the 9<sup>th</sup> meeting of the YD/SAATM Monitoring Body, from 28-30 August 2023, in Addis Ababa, Ethiopia.

AFRAA, as a member of the YD Monitoring Body, was represented by the Secretary General – Mr. Abdérahmane Berthé and Manager Government Legal & industry Affairs – Mr. Denis Kimani.

The main objective of the meeting is to develop an implementation roadmap for the YD/SAATM Annex 3 relating to the Regulations on Dispute Settlement Mechanism (DSM) under the Yamoussoukro Decision, approved by the Extraordinary Session AU Sectoral Technical Committee for Transport, Transcontinental and



Interregional Infrastructure, Energy and Tourism (STC TTIET) dated 14 June 2022, and, adopted by the AU Executive Council on 14 July 2022.

It was held under the theme: **'Accelerating Infrastructure to Deliver on Agenda 2063 Aspirations African Union Commission'**.

## AFRAA meets to Z. Boskovic Air Charters Ltd

AFRAA Secretary General, Mr. Abdérahmane Berthé paid a courtesy visit to Z. Boskovic Air Charters Ltd CEO, Mr. Jimmy Kibati on Monday (4 September) to discuss;

- Potential areas of collaboration under the framework of AFRAA membership;
- Boskovic Air Charters' storyline and plans as well as industry developments.

AFRAA Leadership Team joined the engagements in a hybrid format followed by a site visit of Boskovic Air Charters facilities at Wilson Airport.



## Zambia Airways joins AFRAA membership

On 5 Sept 2023, Mr. Abdérahmane Berthé, the Secretary General of AFRAA, paid a courtesy visit to Mr. Abiy Asrat Jiru, CEO of Zambia Airways, in Zambia. This visit follows Zambia Airways' recent enrollment in the AFRAA Membership programme.

Zambia Airways is the flag carrier of the Republic of Zambia and is based in Lusaka, Zambia, with its hub at Kenneth Kaunda International Airport. The airline operates flights to South Africa, Zambia, and Zimbabwe.



## AFRAA Secretary General intervention at CANSO Africa conference



AFRAA Secretary General – Mr. Abdérahmane Berthé, made an intervention at the CANSO Africa Conference in Livingstone – Zambia, on 6 September 2023 on the topic: **‘Perspectives on African Aviation – Challenges and Opportunities for Collaboration’**.

Starting off his intervention, Mr. Berthé made a highlight of the state of the industry. According to AFRAA data, in August 2023, traffic carried by African airlines reached 98.4% of the 2019 level the same month. In terms of revenue loss by African airlines attributed to COVID-19, this is expected to reduce to USD 1 billion. The global intra-African connectivity is estimated to have reached the pre-COVID level since December 2022 while the percentage of international routes operated by African airlines exceeded the pre-COVID level since October 2022.

In terms of collaboration to support jointly Aviation growth in Africa, Mr. Berthé gave a perspective on joint initiatives that will anchor aviation now and in the future. He gave a detailed narration of initiatives where AFRAA is collaborating with CANSO and other stakeholders. The main areas of collaboration include: The African Aviation Industry Group (AAIG), the Air Transport Sustainability Laboratory roadmap, infrastructure improvement and the SAATM Joint Prioritized Action Plan.

On infrastructure improvement, CANSO and AFRAA are spearheading the Free Routing Airspace (FRA) project which aligns with the common strategy of reducing ANSP navigation fees while decreasing flight operating costs. Hence, the gains toward air service affordability will generate air traffic volume to benefit air



operators and ANSPs in Africa. The kickoff workshop is planned for October 2023 for five (5) trial routes from Ethiopian Airlines and Kenya Airways. The implementation of these routes will annually achieve the following benefits:

- Prevent burning 3,200 metric tonnes of fuel;
- Avoid emitting 10,100 metric tonnes of CO<sub>2</sub>, and
- Attain cost savings of US\$ 2,784,000.

The SAAM Joint Prioritized Action Plan pillar 4 on infrastructure improvement is another area of collaboration for AFRAA, CANSO and other stakeholders. “We need to develop a Seamless Airspace Architecture. Consequently, through Collaborative Decision-Making (CDM), airspace users, and Air Navigation Service Providers (ANSPs) must select relevant Aviation System Block Upgrade (ASBU) modules and new technology pieces of equipment to ensure seamless operations safely and efficiently,” Mr. Berthé concluded.

## AFRAA attends the 4<sup>th</sup> Ordinary Session of the African Union Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, and Energy (STC-TTIIE)

AFRAA was represented at the 4<sup>th</sup> Ordinary Session of the African Union Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, and Energy (STC-TTIIE) taking place this week from 12-15 September 2023 in Zanzibar.

As a member of the YD Monitoring Body and under the framework of the Air Transport Sustainability LAB Roadmap, AFRAA is supporting the African Union Commission's actions in the implementation of the Single African Air Transport Market (SAATM). Together, we're advancing connectivity and unlocking new opportunities for aviation across the continent.



## AFRAA Secretary General at the 2023 African Aviation Summit

AFRAA Secretary General – Mr. Abdérahmane Berthé, made an intervention at the 2023 Edition of the African Aviation Summit in Abuja – Nigeria themed: 'painting the big picture for African airlines'.

Mr. Berthé's intervention comprised of a presentation and participation in a panel session. The presentation covered: the state of the airline industry, the economic trends, challenges and opportunities for the airline industry.

On connectivity, the outlook is positive – the total number of intercontinental routes operated by African airlines exceeded the pre-COVID levels since October 2022. In some major airports (Johannesburg, Nairobi, Addis Ababa, Lusaka, Cairo, Casablanca, Abidjan, and Lomé), the intra-Africa connectivity has reached or exceeded pre-COVID level since December 2022.

In terms of revenue loss attributed to COVID-19, Mr. Berthé reported that 2023 is witnessing a narrowing of the gap. 2023 is expected to be a better year compared to 2022. Amid the high oil price above the pre-COVID levels of 2019, the Jet fuel price continues the upward trend, going up by over \$22 in one month from July to August.

On cargo, the average market share of African airlines per cargo origin is 31% Year to date. North Africa comes first with 37%, followed by East Africa with 30%. The highest cargo traffic growth year on year is in North Africa, with 21% Year to date.



Among the main challenges facing the airline industry is the issue of blocked funds. Mr. Berthé reported that the total blocked funds reported by six (6) AFRAA member airlines in fifteen (15) countries (13 in Africa and 2 outside Africa) is approximately US\$339.1 million at the end of March 2023.

AFRAA has established a Blocked Funds Task Force with some member airlines to engage with the concerned States to unlock the funds. 'We call upon governments to consider Aviation as a priority sector and reduce the level of blocked funds.' He stated.

On intra-Africa connectivity, Mr. Berthé stated: “In as much as the connectivity level has exceeded the pre-COVID level, it still remains low with regards to the potential. 85% of flights are direct, and 15% are connecting flights. Only 21% of the direct flights are operated under the 5<sup>th</sup> freedom traffic rights.”

This is a concern because, for many airlines, the 5<sup>th</sup> freedom traffic can improve the routes’ profitability and intra-Africa connectivity.” He added.

Another major focus area challenging the industry is the affordability of air travel. “The global average GDP per capita in 2023 is \$13,920. Twenty-five (25) African countries have a per capita income of less than \$1,000, while only eight (8) have more than \$5,000 per capita. For a given average trip length, taxes excluded, ticket fares are more expensive in Africa. On average, ticket fares are twice and thrice higher than in Europe and Asia. With high fares and lower GDP per capita, air transport is not affordable for African citizens.” Mr. Berthé emphasised.

With regards to environmental sustainability, Mr. Berthé highlighted that carbon emissions from commercial flights are set to triple by 2050 amid surging travel and freight demand. Nonetheless, emissions could be slashed through aircraft technology, operations efficiency, and alternative fuels. “AFRAA members are committed to the global industry efforts towards the reduction of CO<sub>2</sub> emissions and mitigating the impact of aviation on climate.” He stated.

“As the global Aviation industry focuses on Sustainable Aviation Fuel (SAF), Africa has an opportunity to act as a leader in feedstock production. However, there are concerns about the SAF production in volume, accessibility at airports, and cost, which is currently high. AFRAA is engaged to work with stakeholders on actions towards the 2050 Net Zero emissions goal.” He added.

He concluded his intervention by emphasising on the need for a collaborative approach among relevant stakeholders to achieve a successful and viable African aviation industry.

## AFRAA advocacy action for practicable solutions to remedy the blocked funds situation in Burundi

On advocacy for the release of airline blocked funds in Burundi, AFRAA Secretary General – Mr. Abdérahmane Berthé and Mr. Raphael Kuuchi – Director Government, Legal, and Industry Affairs, met the Governor of the Bank of the Republic of Burundi – Mr. Dieudonné Murengeantwari, on 21 September 2023.

AFRAA Leadership was accompanied by various representatives of AFRAA member airlines with operations in Burundi that are impacted by the blocked funds situation, including: Ethiopian Airlines, Kenya Airways, RwandAir, and Uganda Airlines.

The deliberations with the Burundi Central Bank Governor on how to support the efficient operations of airlines was very fruitful. Specifically, the Central Bank committed to facilitate the repatriation of the proceeds of airlines’ sales. AFRAA appreciates the Burundi Central Bank Governor’s and his team’s openness to come up with practicable solutions to remedy the situation very soon.



The issue of blocked funds in many countries is challenging for African airlines. To address the matter, AFRAA has established a Blocked Funds Task Force with some member airlines to engage with the concerned States to unlock the funds.

“AFRAA calls upon governments to consider Aviation as a priority sector and reduce the level of blocked funds.” Mr. Berthé stated.

## AFRAA participates in the SAATM PIP roadshow in Namibia

AFRAA participated in the Single African Air Transport Market – Pilot Implementation Project (SAATM-PIP) Cluster 1 Coalition Roadshow in Namibia from 21-22 September 2023. Mr. Kimani, AFRAA's Manager of Government, Legal & Industry Affairs represented AFRAA at the event. During the event, he delivered a presentation providing updates on the Sustainability of Air Transport Road Map Implementation from the perspective of airlines.

The Road Show also covered discussions by Airports, Health, Customs, and Ministry of Trade, Tourism, and Transport representatives on the critical role they play in the implementation of SAATM. Mr. Kimani participated in a panel discussion on the theme: "Mitigation/Removal of SAATM Impediments".



## AFRAA Secretary General keynote address at the 53<sup>rd</sup> AASA AGA

AFRAA Secretary General – Mr. Abdérahmane Berthé, delivered a keynote address at the 53<sup>rd</sup> Annual General Assembly of the Airlines Association of Southern Africa (AASA).

He made a brief on the state of the airline industry highlighting traffic, connectivity and profitability performance of African airlines and articulated on AFRAA actions on blocked funds, affordability, environmental sustainability and Sustainable Aviation Fuels.

On traffic performance, as at September 2023, the traffic exceeded the level of the same month in 2019 by reaching 101.4%. The traffic repartition for the first semester of 2023 was as follows:

- North Africa represented 40.1% of the total traffic, of which 17% is domestic, and 57% is directed to Europe;
- Central and West Africa represented 20.8% of the total traffic, of which 49% is domestic, and 43% of the non-domestic traffic is intra-Africa;
- Eastern Africa represented 18.7% of the total traffic, of which 45% is domestic, and 30% of the international traffic is directed to Europe;
- The Southern African region represented 20.4% of the total traffic, of which 64% is domestic. 50% of the non-domestic traffic is intra-African, mainly within the sub-region. 19% of the traffic is Intercontinental, of which 28% is directed to Europe.

In terms of connectivity, the total number of intercontinental routes operated by African airlines exceeded the pre-COVID levels since October 2022. In some major airports (Nairobi, Addis Ababa, Lusaka, Cairo, Abidjan, and Lomé), the intra-Africa connectivity has reached or exceeded the pre-COVID level since December 2022. With regards to revenue losses attributed to COVID-19 impacts,



Mr. Berthé reported that the 2022 full-year cumulative airline revenue gap was US\$ 3.5 billion for all African airlines compared to 2019. Though the full-year estimated revenue gap is yet to be computed, 2023 will be better.

In terms of cargo performance, he reported that the average market share of African airlines per cargo origin was 30.6% Year-to-date for August 2023. East Africa comes first with 37%, followed by North Africa with 30%. The highest cargo traffic growth year on year is in North Africa, with 20% Year to date. For the southern African region, Mr. Berthé reported that Cape Town and Harare were the top two airports in the region in terms of cargo traffic growth, year to date. The issue of blocked funds in many countries is challenging for African airlines. The total blocked funds reported in September 2023

by eleven (11) AFRAA member airlines is approximately US\$391.8. Mr. Berthé informed the Assembly that AFRAA has established a Blocked Funds Task Force with some member airlines to engage with the concerned states to unlock the funds. “We call upon governments to consider Aviation as a priority sector and reduce blocked funds,” he stated.

In terms of connectivity, the level has exceeded the pre-COVID level. However, it still remains low in regard to the potential. 85% of flights are direct, and 15% are connecting flights. Only 21% of the direct flights are operated under the 5<sup>th</sup> freedom traffic rights. “This is a concern because, for many airlines, the 5<sup>th</sup> freedom traffic can improve the routes’ profitability and intra-Africa connectivity.” Mr. Berthé stated.

The global average GDP per capita in 2023 is \$13,920. Twenty-five (25) African countries have a per capita income of less than \$1,000, while only eight (8) have more than \$5,000 per capita.

“A strong and consistent middle-class citizenry in the African continent is needed to boost intra-Africa traffic.” Mr. Berthé stated.

For a given average trip length, taxes excluded, ticket fares are more expensive in Africa. On average, ticket fares are twice and thrice higher than in Europe and Asia.

“With high fares and lower GDP per capita, air transport is not affordable for African citizens.” he added.

With regards to environmental sustainability, Mr. Berthé reported that in 2021, aviation accounted for over 2% of global CO<sub>2</sub> emissions. Aviation-related emissions have grown faster than road, rail, or shipping in recent decades.

Carbon emissions from commercial flights are set to triple by 2050 amid surging travel and freight demand. Nonetheless, emissions could be slashed through aircraft technology, operations efficiency, and alternative fuels.

“AFRAA members are committed to the global industry efforts towards the reduction of CO<sub>2</sub> emissions and mitigating the impact of aviation on climate.” Mr. Berthé added.

As the global Aviation industry focuses on Sustainable Aviation Fuel (SAF), Africa has an opportunity to act as a leader in feedstock production. However, there are concerns about the SAF production in volume, accessibility at airports, and cost, which is currently high. AFRAA is engaged to work with stakeholders on actions towards the 2050 Net Zero emissions goal.

Highlighting that the enhancement and promotion of safety are among AFRAA’s priorities, Mr. Berthé stated that: “While we have the challenge of aviation professionals, our focus should also be on safety to sustain our business.”

He announced that AFRAA and Flight Safety Foundation (FSF) will launch the 1<sup>st</sup> Africa Safety and Operations Summit on 15 May 2024, back-to-back with the Aviation Stakeholders Convention (ASC) in Addis Ababa hosted by Ethiopian Airlines.

“At AFRAA, we stand willing and ready to collaborate to transform African Aviation into a vibrant logistic service sustaining the economic development in Africa.” He concluded.

The event was hosted by TAAG Angolan Airlines under the theme “Possibilities from Realities.”

## AFRAA, in partnership with ATR hold a workshop for African airlines on the theme: ‘Leveraging airline-OEM relationships’

The workshop took place on 16 October 2023 at 14.00hrs EAT (11.00hrs UTC) in virtual format. With the objective of enabling airlines to maximise the value of investment and their relationships with OEMs, the workshop gave a fresh perspective on the support an OEM can provide with an African angle: from business planning and start-up support to network development, assistance with aircraft financing, aircraft induction and daily in-service support. Airline executives and management of the following functional areas participated:

- Strategy;
- Financial Planning;
- Network Planning;
- Operations and Support.



## AFRAA-Amadeus workshop on airline retailing transformation for sustainable airline growth



In today's rapidly evolving aviation industry, successful retailing has become more crucial than ever for airlines to remain competitive and achieve sustainable growth. The shift towards retailing transformation has firmly established itself, shaping the future of the airline and travel industry. On this backdrop, AFRAA, in partnership with Amadeus held a workshop in virtual format for African airlines on airline retailing and payments.

The workshop took place on 17 October 2023 at 13.00hrs EAT (10.00hrs UTC) in virtual format. Held under the theme: '**Airline Retailing Transformation for Sustainable Airline Growth**', the aim of the Workshop was to enable airlines embrace this transformative shift, provide a range of valuable IT assets available for immediate adoption to kick-start the transformation with instant value, empower ongoing operations and pave the way for a more profitable and customer-focused future.

The workshop further focused on equipping airlines with insights on how to put in place a smooth and simple payment experience to convert visitors into paying travellers, manage cross-border flows, turn on new payment methods, accept payments in new markets, access fraud services, all in one place, while having full control of their strategy.

Representatives of the following functional areas from various African airlines participated:

- Strategy;
- Finance;
- Commercial.

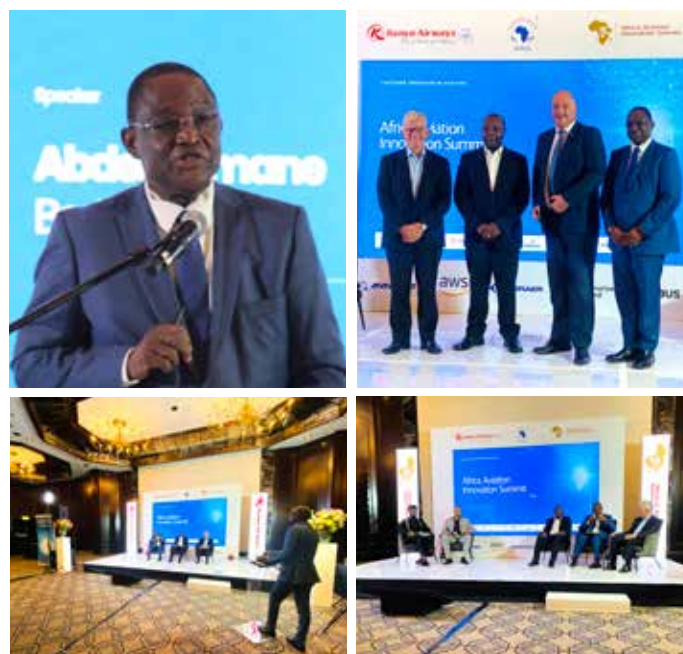
## AFRAA SG intervention at the African Aviation & Travel Innovation Summit

AFRAA Secretary General, Mr. Abdérahmane Berthé, made a keynote speech at the African Aviation & Travel Innovation Summit in Cape Town on 18 October 2023. The African Aviation Innovation Summit which is now in its second edition was staged by Kenya Airways in collaboration by AFRAA under the theme: 'Customer Obsession in Aviation'.

In his remarks, Mr. Berthé highlighted the importance of innovation to transform and revolutionise the aviation industry. "Air Traffic will double by 2040, and digitisation will facilitate handling this growth to keep and improve customers' experience." He stated.

Mr. Berthé articulated on some of the innovative features that drive the progress of passengers' experience, including:

1. **Passengers' facilitation:** Processing at airports is the most challenging part of passengers' experience. Improving passengers' identification, check-in, security check, easy gate access, and internet availability is essential to customer satisfaction.





2. **Biometrics:** Biometrics is a game changer in aviation: fingerprints, iris recognition, and facial recognition. Using unique physical characteristics to identify passengers is revolutionising processes: ticketing, baggage dropping, security checks, and boarding.
3. **Baggage handling:** New solutions are being developed in view to facilitate baggage tracing.
4. **Artificial Intelligence:** AI can transform the aviation industry. AI applications in aviation include Customer Service, Distribution, Analytics, Safety Enhancement, Predictive Maintenance, Flight Planning and Optimization, Air Traffic Management, Crew Resource Management, and Security.
5. **Connectivity:** In-flight connectivity and entertainment have come a long way over the past few years and are used for various systems, including: internet access, aircraft position tracking, aircraft performance status and streaming movies and TV.

Noting that digitalisation and Innovation are opportunities for airlines, Mr. Berthé called upon airlines to transform and embrace these opportunities, rethink their strategies to capture the new opportunities relevant to operations and customers, integrate the

new tools into the existing business and organisation to measure and monitor customer satisfaction.

“At AFRAA, the sustainability of our member airlines is a priority. In this regard, in collaboration with AFRAA partners, we bring practical, innovative solutions to our members. Collaboration is essential to improve passengers’ experience. All Aviation stakeholders, including service providers, should work hand in hand to make the transformation effective for customers. For example, the One-Stop-Security concept can only be implemented by collaborating with regulators, airports, and airlines.” He concluded.

He further participated in a panel discussion on the theme: “Tailwinds of Transformation: Creating an Enabling Environment for End-to-End Customer-Centric Aviation”. The panel comprised of the following executives:

- Allan Kilavuka, CEO & GMD – Kenya Airways;
- Abdérahmane Berthé, Secretary General – AFRAA;
- Patrick Roux, Chief Executive Officer – SkyTeam;
- Mr. Shaheed Regal, Ag. General Manager – Airport Company of South Africa (ACSA).

## AFRAA in partnership with SITA held a three-tiered workshop for African airlines

The workshop took place on 24 October 2023 at 13.00 hrs EAT (10.00 hrs UTC) in virtual format. Held under the theme: ‘**enhancing airline profitability, call collection and baggage processes**’, the workshop delivered a set of tools to allow African airlines address the changing passenger expectations through flexible cloud-based platforms, elevate their cost management processes to bolstered profitability and get insights on breakthroughs in the

world of baggage to increase operational efficiency and passenger satisfaction.

Representatives of the following functional areas from various African airlines participated:

- Operations;
- Finance (Cost/invoice Control Team);
- Commercial;
- Ground Handling.

## Free Routing Airspace in Africa inches closer to reality with trial flights kicking off on 2 November 2023



Cooperation, collaboration, and commitment of stakeholders, including CANSO, AFRAA, IATA, ICAO, and Air Navigation Service Providers (ANSPs), made free routing flights a reality for the first time in Africa on 2 November 2023. In the Free Routing Airspace (FRA) Trial kick-off workshop, participants coordinated with all relevant operational services and secured approvals for the two trial flights. Shortening the flight time, flights ET935 and KQ 508 operated safely outside the existing routes directly from Addis Ababa to Abidjan and Nairobi to Accra, respectively. Implementing the Free Routing Airspace will annually bring

significant cost savings to the participating airlines and will support a sustainable future for the African Industry. Cumulating over a year, the shortened flight time on one of these one-way flights avoids burning 292 metric tonnes of fuel, prevents the emission of 340 metric tonnes of CO<sub>2</sub>, and reduces the operator's fuel bill by an estimated USD310,000. Assuming similar savings on the return leg, extending free routing flights to 20 daily flights, the operators' CO<sub>2</sub> footprint will be reduced by 5 million metric tonnes, and the airlines will cut more than USD 1.2 million from their fuel bill.

The project kick-off workshop was graciously sponsored by AFREXIMBANK. Various ANSPs provided navigation services to the historic flights, including: Ethiopia CAA, Kenya CAA, CAA Uganda, RVA (DRC), ASECNA, NAMA (Nigeria), and Ghana CAA. The FRA project is one of the five LAB Projects of the African Aviation Industry Group African Aviation Sustainability Laboratory to revamp Air Transport in Africa that was held from 27 June to 1 July 2022 at AFRAA Headquarters in Nairobi, Kenya.

The next trials in the first quarter will contribute to making the FRA a reality in 2024.

## AFRAA-Aviapro workshop on data-driven analysis for enhanced decision making for network and fleet, 9 November 2023, virtual format

Network and airport planners, fleet operators, and lessors constantly need to review their business plans and evaluate options to further increase revenue potential. In aviation, more data driven analysis is required to yield results that can be assessed quickly to support timely business decisions. On this backdrop, AFRAA in collaboration with AviaPro Consulting held a workshop on data-driven analysis for enhanced decision making for network and fleet. The workshop took place on 9 November 2023 at 14.00hrs EAT (11.00hrs UTC) in virtual format.

Held under the theme: **'Data-driven analysis for enhanced decision making for network and fleet'**, The workshop illustrated how digitisation, agile processes, and modular technologies can deliver high value analysis which is easy to use, affordable available in a timely manner. The workshop further demonstrate how African airlines can use AviAnalysis online platform to have access to important analysis results in the areas of aircraft performance, aircraft operating economics, and passenger demand analysis.



The workshop was attended by the following personnel from African airlines:

- Network Planning;
- Network Development;
- Strategy;
- Commercial;
- Corporate Development.

## AFRAA and Afreximbank agree to enhance collaboration for development of Africa's Air Transport Industry



**Cairo, 14 November 2023:** The African Airlines Association (AFRAA) and the African Export-Import Bank (Afreximbank) today in Cairo signed a memorandum of understanding (MoU) to concretise cooperation toward the development of a safe, reliable, efficient and environmentally sustainable air transport system in Africa.

Under the framework of the MoU, signed by Abderahmane Berthé, AFRAA's Secretary General, and Kanayo Awani, Executive Vice President, Intra-African Trade Bank, at Afreximbank, AFRAA and Afreximbank will coordinate activities, joint projects and programmes, exchange of information and data, and best practices to facilitate the achievement of shared objectives.

The key areas of collaboration include:

i. Aviation safety and security;

- ii. Environmental sustainability initiatives;
- iii. Air Transport Liberalization – implementation of SAATM Joint Prioritised Action Plan;
- iv. Economic sustainability of air transport – cost reduction, taxes and charges;
- v. Airline consolidation;
- vi. Human capital development and capacity building;
- vii. Facilitation of trade, business and tourism;
- viii. Exchange of statistical data, information and best practices.

Speaking at the signing ceremony, Mr. Berthé stated: "AFRAA and Afreximbank share a common goal to support a sustainable air transport system in Africa and thereby effectively contribute to the continent's socio-economic development, trade and integration.

Signing this MoU will facilitate the mobilisation of necessary financial resources to undertake projects that will benefit African airlines.

“Traction on collaborative actions is on-course. For the first time in Africa, trials for the free routing flights became a reality on 2 November 2023, thanks to the funding by Afreximbank and technical support by aviation experts. Flights ET935 and KQ 508 operated safely outside the existing routes, directly from Addis Ababa to Abidjan and Nairobi to Accra, respectively. Implementing the Free Route Airspace (FRA) will annually bring significant cost savings to airlines, shorten travel times for passengers and put less CO<sub>2</sub> emissions into the environment. The trials, which started in November 2023, will continue to provide critical data to accelerate the FRA implementation in the entire African Airspace, improving air navigation efficiency,” added Mr. Berthé.

Ms. Awani noted that AFRAA and Afreximbank shared a common goal of promoting the development of a safe, reliable and environmentally sustainable air transport system in Africa in order to effectively contribute to the continent’s socio-economic development, trade and integration. She welcomed the MoU and expressed the Bank’s pleasure at the successful free routing trials, saying that implementation of FRA in Africa will contribute towards ensuring an efficient aviation market to support intra-African trade and tourism which was critical to the full realisation of the objectives of the AfCFTA.

#### **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 54 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.

#### **About Afreximbank**

African Export-Import Bank (Afreximbank) is a Pan-African multilateral financial institution mandated to finance and promote intra-and extra-African trade. For 30 years, the Bank has been deploying innovative structures to deliver financing solutions that support the transformation of the structure of Africa’s trade, accelerating industrialisation and intra-regional trade, thereby boosting economic expansion in Africa. A stalwart supporter of the African Continental Free Trade Agreement (AfCFTA), Afreximbank has launched a Pan-African Payment and Settlement System (PAPSS) that was adopted by the African Union (AU) as the payment and settlement platform to underpin the implementation of the AfCFTA. Working with the AfCFTA Secretariat and the AU, the Bank is setting up a US\$10 billion Adjustment Fund to support countries to effectively participate in the AfCFTA. At the end of 2022, Afreximbank’s total assets and guarantees stood at over US\$31 billion, and its shareholder funds amounted to US\$5.2 billion. The Bank disbursed more than US\$86 billion between 2016 and 2022. Afreximbank has investment grade ratings assigned by GCR (international scale) (A), Moody’s (Baa1), Japan Credit Rating Agency (JCR) (A-) and Fitch (BBB). Afreximbank has evolved into a group entity comprising the Bank, its impact fund subsidiary called the Fund for Export Development Africa (FEDA), and its insurance management subsidiary, AfrexInsure, (together, ‘the Group’).



# Training conducted in 2023

## AFRAA training conducted the following courses in the year 2023:

### 1. Safety Management Systems Course

This course was conducted by AFRAA on 30 May – 2 June for participants from National Institute of Transport in Dar es Salaam, Tanzania. This course was a physical course attended by 25 participants. At the completion of the course, participants were able to apply knowledge to assess an SMS to identify areas of excellence and improvements, formulate actions and assess the potential impact of safety related issues for an organisation, Appraise the organisational context when considering safety improvements, create defensible safety positions to support corporate decision-making, while reducing safety risk, develop and implement actions to strengthen key safety culture drivers supporting the continuous improvement of an organisations' safety performance, differentiate contrasting leadership styles and their influence in implementation and ongoing effectiveness of safety initiatives.

### 2. Crew Resource Management for Instructors Course

AFRAA conducted this course on 8-12 June 2023 for National Institute of Tanzania in Dar es Salaam, Tanzania. 24 participants attended the in-person course. Through this course, participants were able to define and implement the basic rules of good CRMI Instructional Techniques, demonstrate how to effectively, prepare for, start, conduct and wrap-up a training event, apply basic principles of learning and active training and demonstrate appropriate CRMI Instructional techniques, design a CRM Course module template and evaluate the effectiveness of a training event and skill as a facilitator.

### 3. Root Cause Analysis Course

This virtual course was conducted by AFRAA to Astral Aviation on 24-27 July 2023. 10 participants attended the training. At the end of the course, the participants were able to describe the principles of root cause analysis, explain the objectives of root cause analysis as a procedure to find and evaluate the causes of problems, understand regulatory requirements and standards, describe the problem solving process, use problem cause data collection tools, apply root cause analysis tools and develop efficient corrective action plans.

### 4. Training Needs Assessment Course

AFRAA conducted this physical course to Rwandair on 7-9 August 2023. The course had 15 participants. This course allowed participants to apply the basic principles of an effective needs assessment process to a performance improvement need in your organisation and develop a Training Needs Assessment Plan.

### 5. Quality Management Systems Course

AFRAA conducted this course for National Institute of Transport on 30 August – 2 September 2023. The physical class had 24 participants. At the end of the course, the participants were able to be conversant about the evolution of quality and quality assurance as applied to aviation, understand the quality requirements of key regulatory bodies and national authorities such as ICAO, ISO, IATA, be knowledgeable about specific quality requirements for aviation and how to merge them in an integrated Quality Management System, apply quality management principles to your organisation and create a quality culture and know how to assure and audit for quality.

