

Africa Media Briefing COVID-19

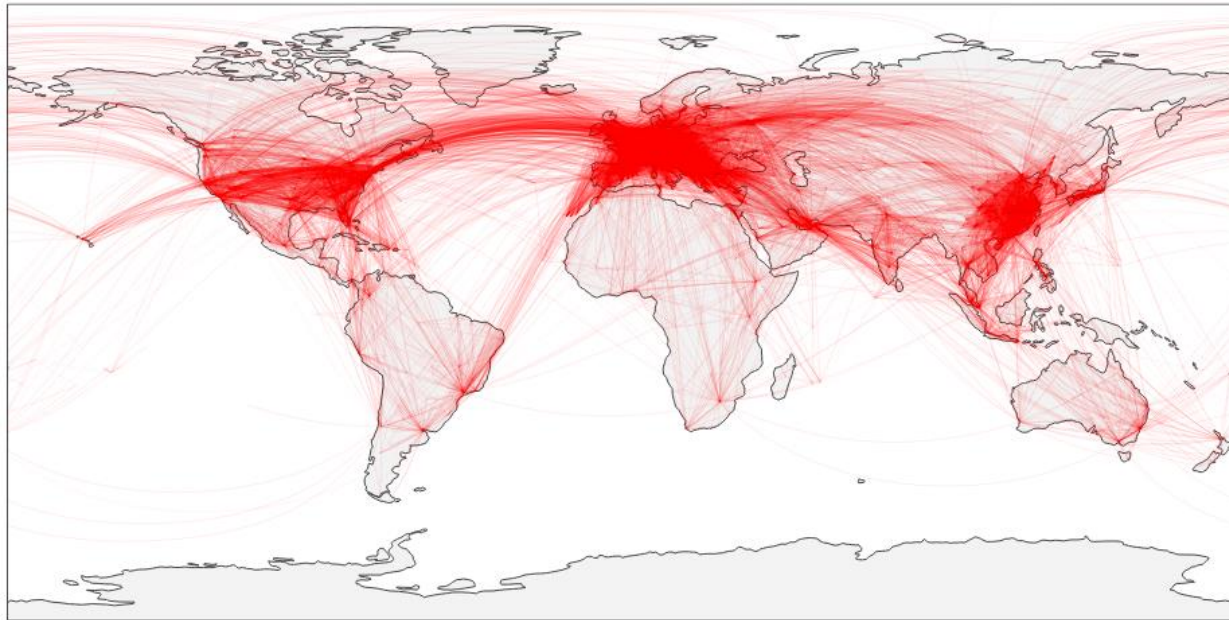
29th July 2020

Muhammad Ali Albakri

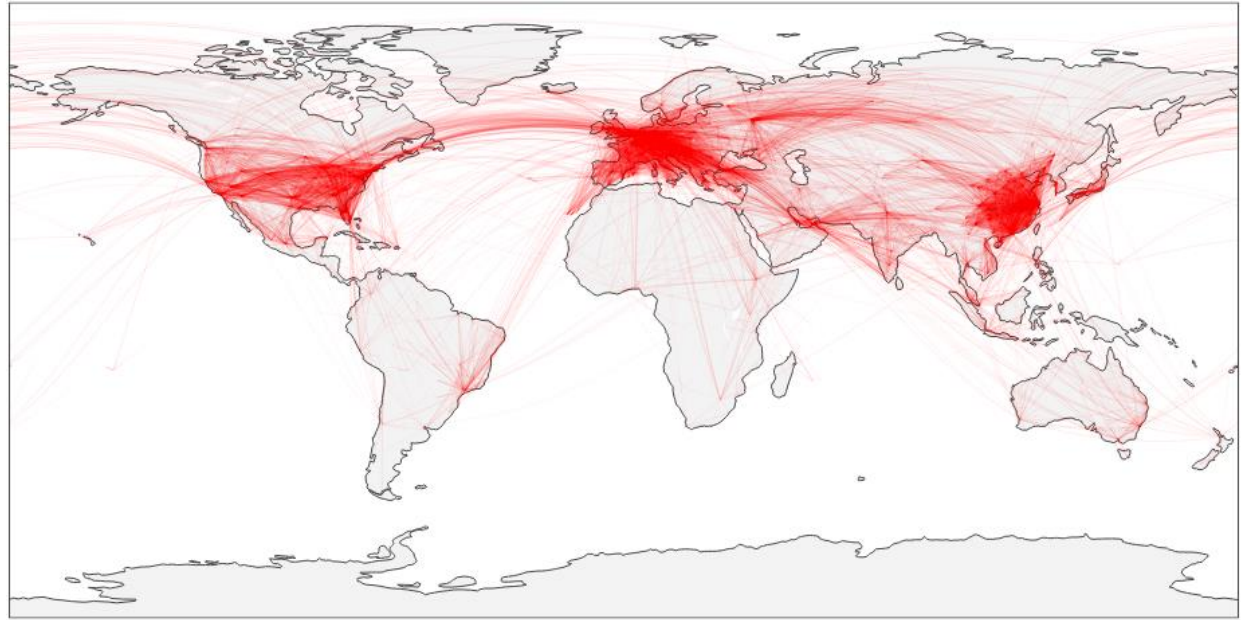
IATA Regional Vice President
for Africa & the Middle East



COVID-19 has seriously disrupted air connectivity globally



5 July 2019

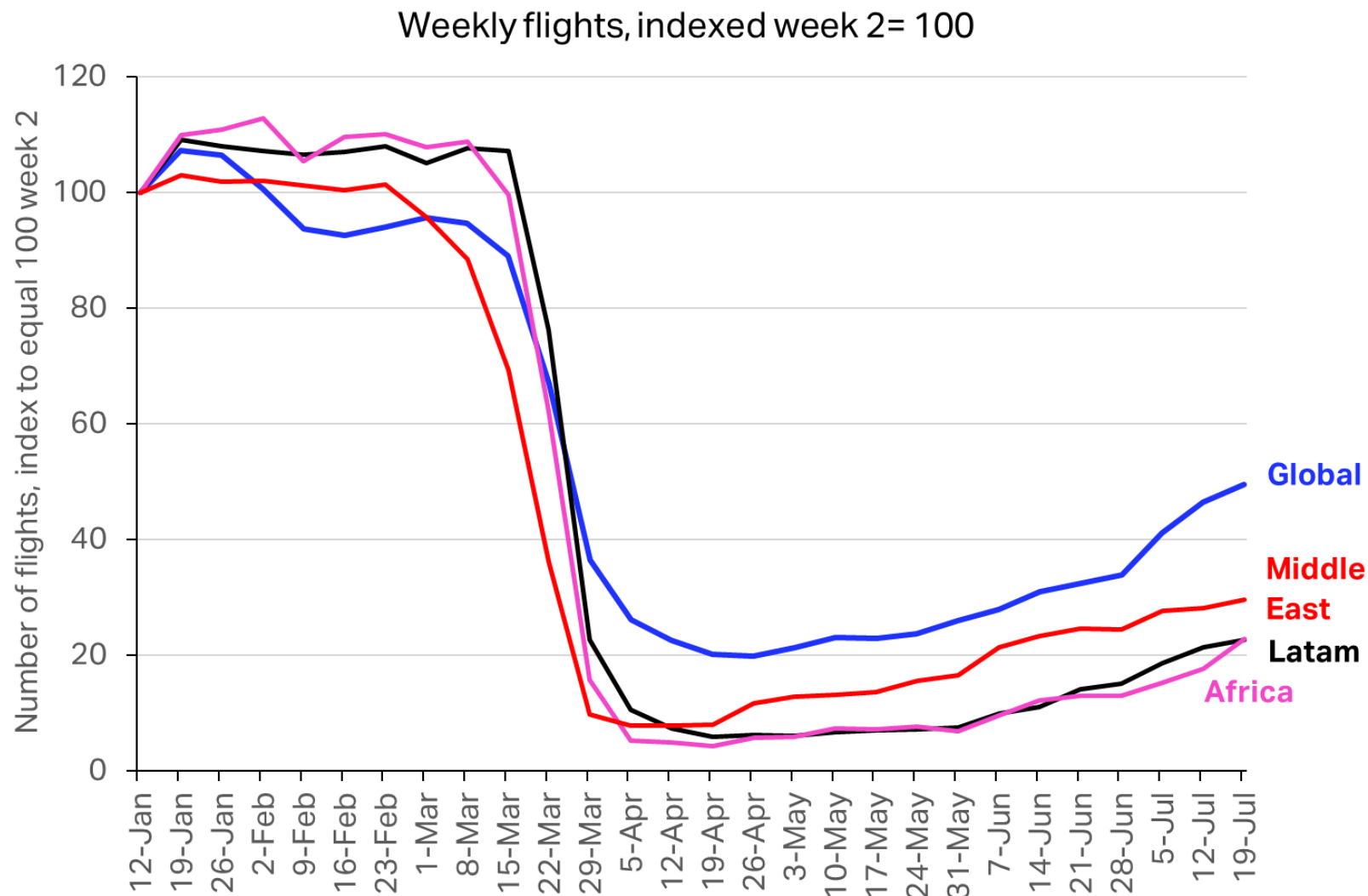


3 July 2020



Worldwide flights are 50% lower in July relative to early January

Lowest point reached end April- flights reduced by 80%

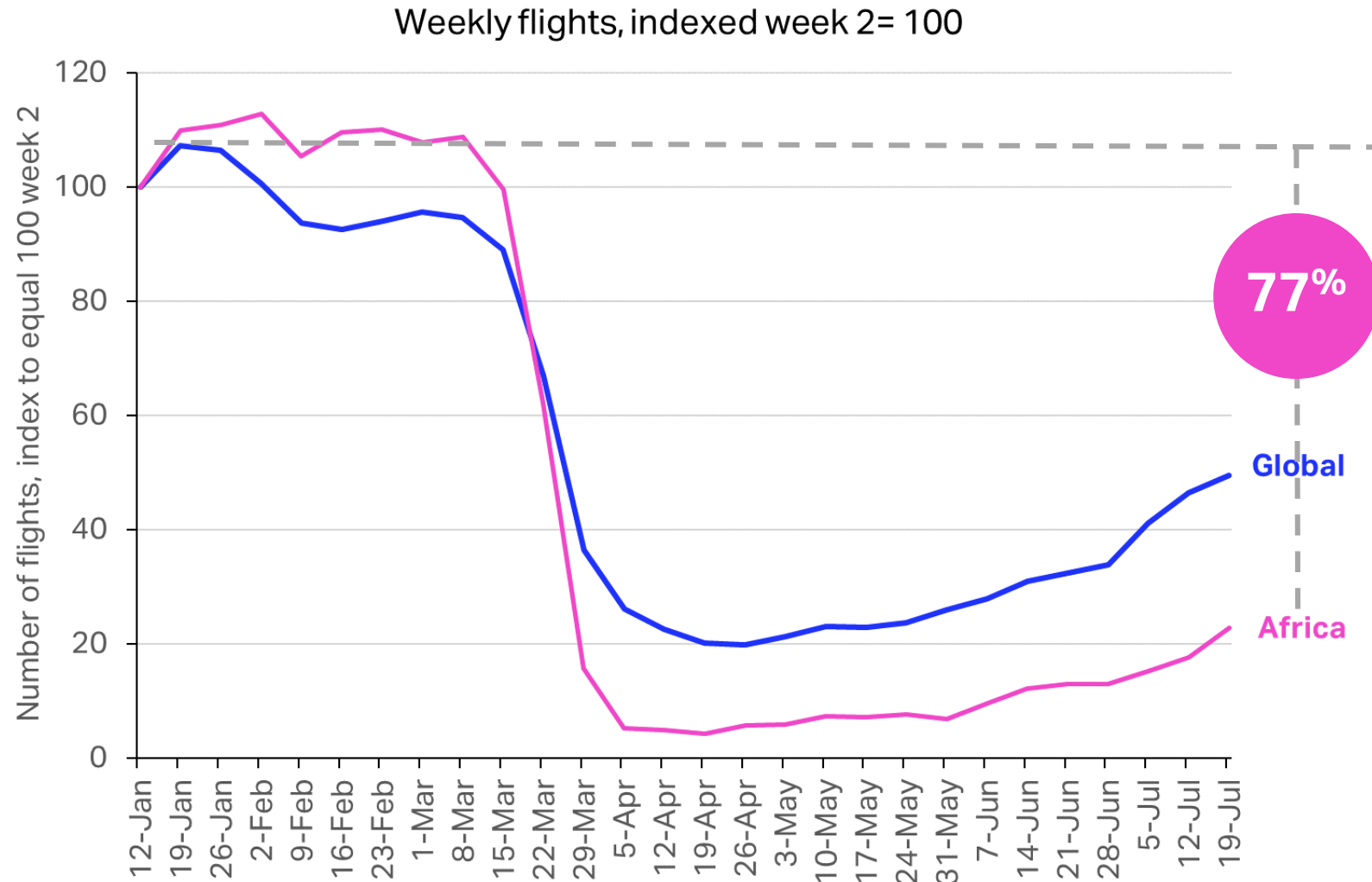


Source: IATA Economics analysis based on data provided under license by FlightRadar 24. All rights reserved.



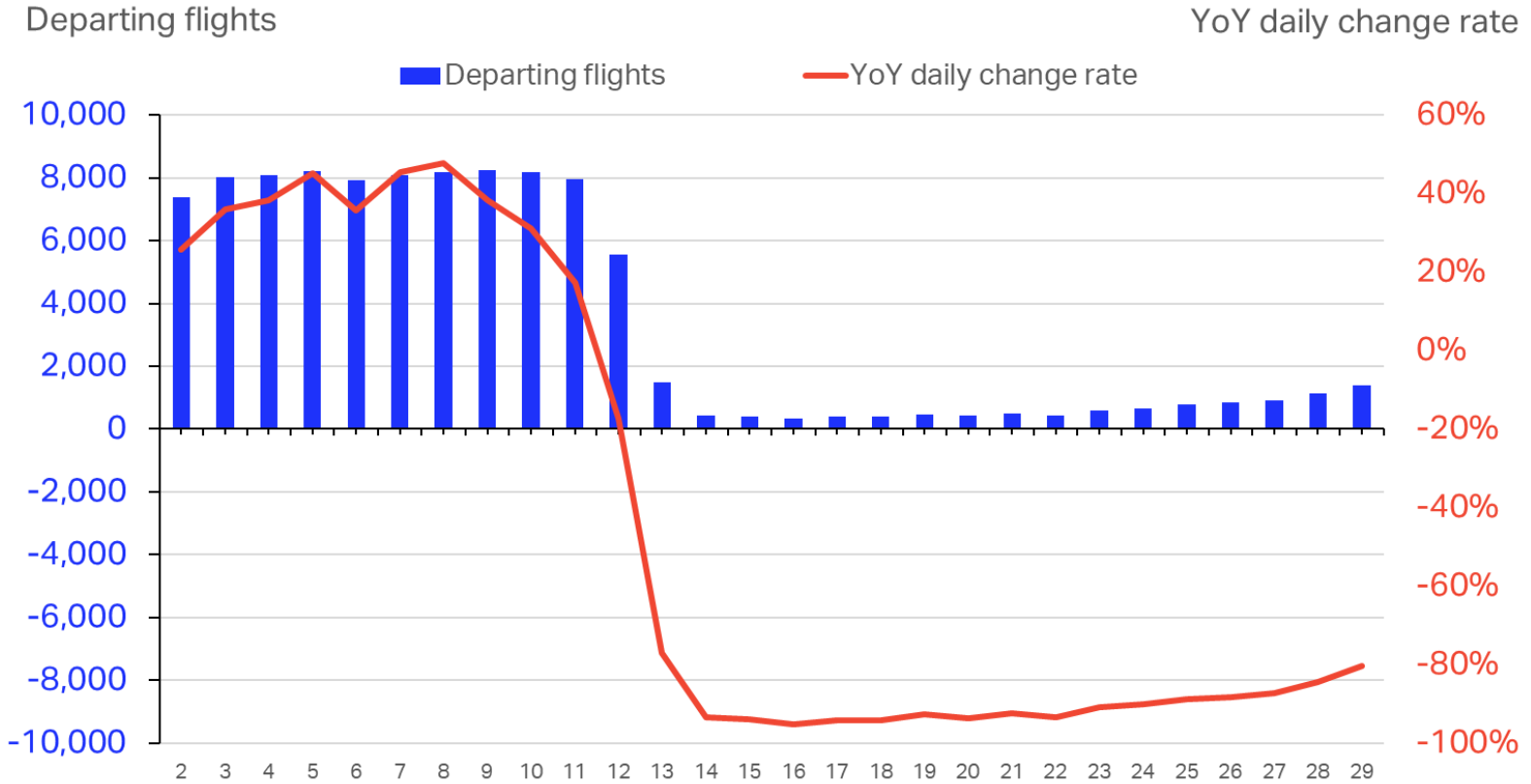
Africa flights are 77% lower in July relative to early January

Lowest point reached mid April- flights reduced by 96%



Africa: weekly departing flights and yoy % change

Africa-to-Africa departing flights, Jan-July 2020



Source: IATA Economics analysis using data from FlightRadar24



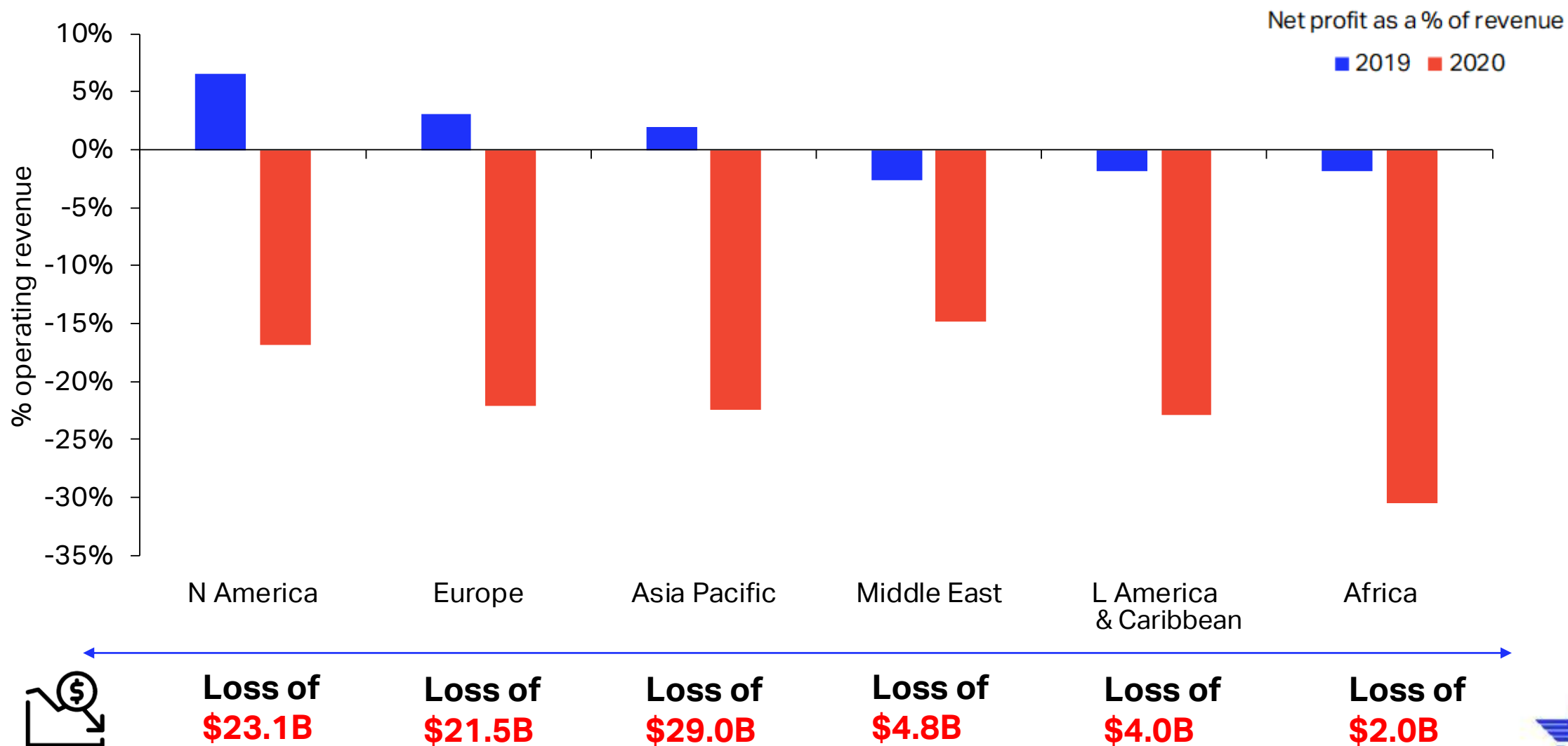
COVID-19 Effect on African Aviation

African Region	Airline Revenues	Passenger Numbers
East Africa	- 56%	- 53%
Western Africa	- 60%	- 58%
Northern Africa	- 58%	- 56%
Southern Africa	- 60%	- 58%

➤ **Airlines in Africa will lose USD \$42 for every passenger they carry in 2020**

Profit margins devastated in all regions this year

Net losses of 15-30% of revenues as some costs unavoidable



Updated IATA 5-year forecast – Africa

2020

- Passenger demand (RPKs) down **almost 60%** compared with the same period a year ago
- Passenger numbers are currently forecast to fall by around **54% this year** – or more than **80 million** passenger journeys.
- Demand is expected to recover gradually and will not reach the level of 2019 until **2023**, a year later than we anticipated in our April forecast update.

2025

- Over the period to 2025, growth in the number of passengers is expected to average **3.1% per year**. While relatively modest compared with the pre-COVID-19 performance, it is faster than the global average. This would result in an additional 30million passenger journeys in 2025 compared with 2019.
- The near-term outlook remains highly uncertain. The risks remain firmly to the **downside** over the next five years, although it is possible that the industry recovery will be quicker than our baseline suggests.
- We have developed two scenarios which incorporate such considerations and suggest average annual growth could be between **0.8% and 3.9% per year**.
- Over the longer term, the fundamental drivers for air transport demand remain favourable for Africa which is expected to remain one of the **world's fastest growing regions**.

Call to Action to Governments across the Region



1

Provide financial relief to the industry and unblock bottlenecks in aid

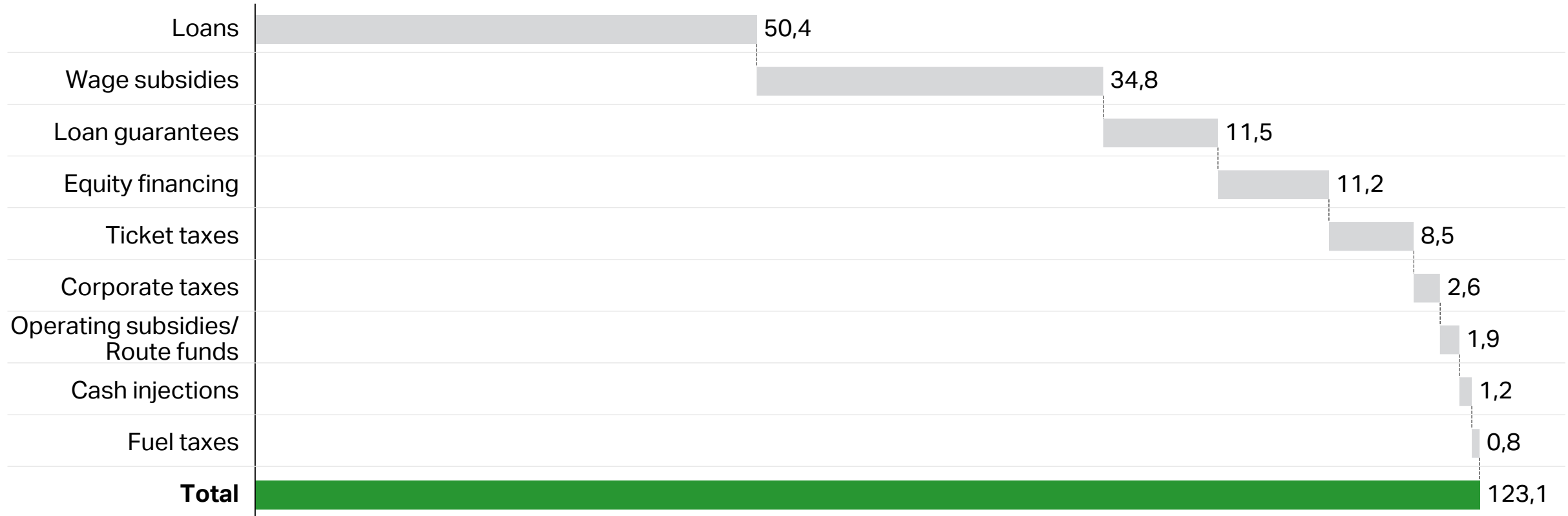
2

Follow ICAO CART Takeoff Guidelines to safely restart the industry

Governments have provided over USD 120bn of cash

Financial aid in a variety of forms is keeping the industry on life support

Global government aid made available to airlines due to COVID-19, by type (USD bn)



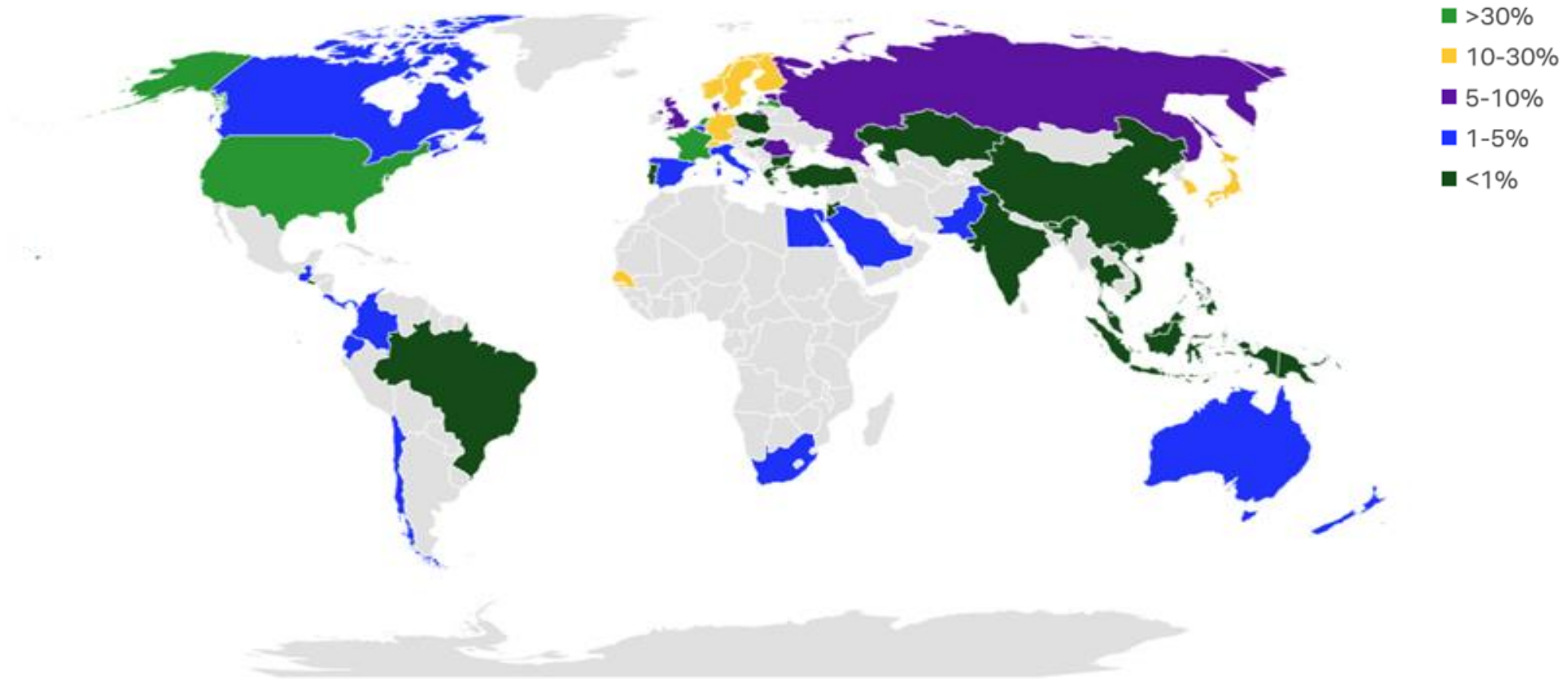
Source: IATA Economics using public information and data from SRS Analyser, DDS, FlightRadar 24, TTBS, ACIC, Platts, Airline Analyst, annual reports. Government measure included up until 15 May 2020



But Government cash is very unevenly spread by country

Very limited support for emerging market airlines

Total amount of government aid as % of airline ticket revenues to/from/within country in 2019



Source: IATA Economics using public information and data from SRG Analyser, DDS, FlightRadar 24, TTBS, ACIC, Platts, Airline Analyst, annual reports. Note: revenue data is base fare revenue for all services flying within, to and from the country.

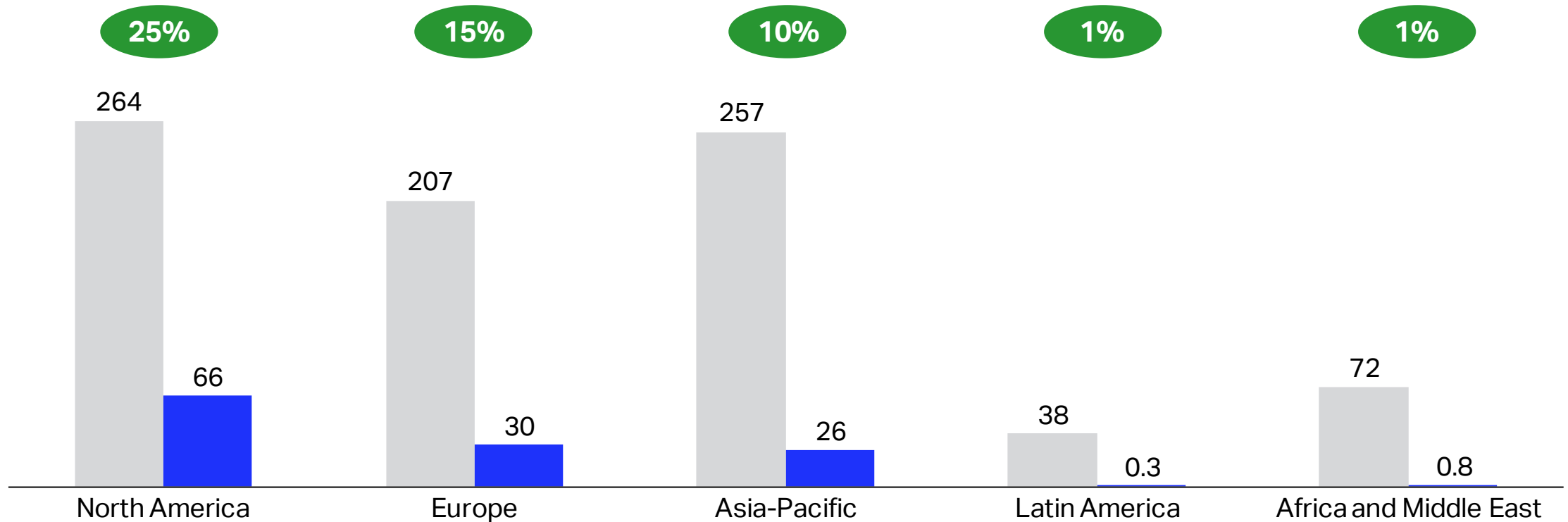
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Financial aid varies from 1% to 25% of regional revenues

Total amount of government aid vs. airline revenues to/from/within region in 2019 (USD bn)

2019 revenues
Financial relief



Source: IATA Economics using public information and data from SRS Analyser, DDS, FlightRadar 24, TTBS, ACIC, Platts, Airline Analyst, annual reports. Note: revenues in this slide are total airline operating revenues by region of registration.



Relief Committed in Africa

USD 311 million has been guaranteed in direct financial support to air transport in sub-Saharan Africa by the governments of Rwanda, Senegal, Côte D'Ivoire and Burkina Faso

Relief Committed in Africa

USD 30 billion has been promised by some governments, international finance bodies and other institutions including the African Development Bank, African Export Import Bank, African Union and the International Monetary Fund (IMF) for air transport and tourism

Relief blocked due to institutional bureaucracy, complex application and creditworthy processes & cumbersome conditions



Call to Action to Governments across the Region



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Provide financial relief to the industry and unblock bottlenecks in aid

2

Follow ICAO CART Takeoff Guidelines to safely restart the industry

Continent is starting to reopen slowly

Benin, Ethiopia, Ghana, Kenya, Rwanda, Senegal and Tanzania have allowed or announced the imminent resumption of scheduled international passenger flights.

Combined, they account for 19% of passenger traffic on the continent.



The importance of a harmonized restart process by implementing ICAO's CART Guidelines



Value of Air Transport & Tourism in Africa

Africa



US\$169 billion

GDP supported by air transport and tourism sector



24.6 Million

Jobs are supported by transport and tourism sector

**SUSTAINABLE
DEVELOPMENT
GOALS**

15

Aviation contributes to 15/17 of the UNSDGs



1 Billion

Aviation contributes to globalization which has lifted 1 billion people out of poverty since 1999

Questions

www.iata.org

