

BENEFITS OF YAMOUSSOUKRO DECISION (YD)

The Single African Air Transport Market

Towards an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena.

The **Single African Air Transport Market** (“SAATM”) is one of the Flagship Projects of the African Union’s Agenda 2063. It will ensure that aviation plays a major role in connecting Africa in order to achieve social, economic and political integration and boost intra-Africa trade. The SAATM will be launched by the African Union (“AU”) Heads of State and Government in January, 2018. So far, 23 African States have formally signed on to the SAATM and we expect this number to increase substantially as more countries commit to the immediate implementation of the SAATM and notify stakeholders of the concrete measures they have taken in this regard.

Travel and tourism is vital to the globalized economy. Aviation is a vital tool for development globally and has the potential to greatly transform and improve economic and social benefits across Africa. The SAATM is therefore a clear path for a more prosperous and secure African future. Improved intra-Africa connectivity facilitates business and trade, enables tourism, connects friends, families and cultures, and promotes the exchange of knowledge and ideas. Aviation is the foundation of many established and emerging economies e.g. UAE, Singapore, Rwanda, Ghana, Cote D’Ivoire. The African aviation market however remains underdeveloped, especially when it comes to connectivity within the continent, presenting infinite opportunities ahead.

Maximizing the economic and social benefits of Aviation in Africa

Aviation - A critical economic enabler

The AU vision as codified in the **Yamoussoukro Decision** of 1999 is for the full liberalization of air transport in Africa and the relaxation of non-physical barriers to the movement of persons, goods and services. When these two goals are achieved, the socio-economic benefits to the African continent will be enormous. In 2014, the aviation sector directly accounted for 113,000 jobs and supported over US\$21 billion in GDP across the continent. In addition, a 2014 IATA commissioned study, in partnership with the African Civil Aviation Commission (“AFCAA”) and the African Airlines Association (“AFRAA”), covering 12 strategic African States, indicated that the total air traffic flow between those 12 countries would increase by 81% if they fully liberalized their skies amongst themselves in accordance with the principles of the YD. This would represent an increase of 5 million passengers. Furthermore, the liberalization of air transport between the 12 countries was estimated to generate 155,000 jobs in aviation, tourism and the wider economy and would contribute US\$1.3 billion to the annual GDP of the 12 States under the study.

The Yamoussoukro Decision

Open Skies for Africa

The Yamoussoukro Decision (“YD”) remains the single most important air transport reform policy initiative by African Governments to date. It was adopted out of the recognition that the restrictive and protectionist intra-African regulatory regime based primarily on Bilateral Air Services Agreements (“BASAs”) hampered the expansion and improvement of air transport on the continent. One of the vital parts of the Decision was air service liberalization, which was viewed as a means to develop air services in Africa and stimulate the flow of private capital into the industry.

The YD entered into force in 2000 evolving from the Yamoussoukro Declaration of 1988. However, throughout the years, the full potential of the YD is yet to be realized. In essence, the YD is a **multilateral agreement** among the 44 African signatory States which allows the **multilateral exchange** of up to fifth freedom air traffic rights between African Yamoussoukro Decision Party States using a simple notification procedure.

Avoiding old habits

Africa is home to 16.75% of the world’s population, but its share of global passenger traffic has varied between 2-4%

Africa’s under-served status is partly attributable to the protectionist strategies many African States employ to protect the existing (and future) market share of their domestic airlines; some of which are state-owned. African aviation burgeoned in the early 1960s due to a wave of newly-independent African states creating national airlines to assert their status as nations and serve its citizenry. Several decades later, a combination of these established protectionist strategies and other factors (excessive bureaucracy, monopolies, high industry costs etc.), have resulted in expensive ticket costs, poor airline cooperation and poor intra-Africa connectivity culminating in the constriction of air traffic growth within Africa. Realizing the full potential and benefits of the YD would unleash the full potential of the African aviation industry, helping to enhance connectivity, facilitate trade and tourism, create employment, and ensure that the industry plays a more prominent role in the global economy and significantly contributing to the AU’s Agenda 2063.



What are the benefits of Implementing the YD?

The importance of enhanced intra-Africa connectivity

Air connectivity is a measure of economic potential and opportunity. The better connected a country is by air, the greater its ability to unlock the economic and social benefits that air transport can deliver. Currently, air connectivity in Africa is focused on international routes, most especially from Europe and the Middle East whilst intra-Africa connectivity is much more limited. Air connectivity has many dimensions; the number of routes, the range of destinations served, the frequency of services and 'number of seats' available to and from a country.

1. **Passenger Benefits of enhanced connectivity:** air service liberalization would result in substantial benefits for passengers such as fare savings, more direct routes, increased route frequencies resulting in greater convenience and time savings. For example, there is currently no direct service between Algeria and Nigeria. The most convenient routing available is via Morocco (Algiers-Casablanca-Lagos). The minimum journey time for this routing is **9 hours**, but depending on connecting times could be as much as **17 hours**. A direct service would reduce the travel time between Algiers and Lagos to approximately **4.5 hours**.
2. **Wider Economic Benefits of Enhanced Connectivity:** The impact of enhanced connectivity extend beyond those to passengers. The increased air service levels

will stimulate employment in the aviation industry to handle passengers and their baggage and to operate, service, and maintain aircraft. Liberalization would also be expected to stimulate trade and tourism between the countries, generating an estimated US\$1.3 billion in additional spending. And perhaps most significantly, the increased air services could facilitate many other sectors of the economy by supporting increased trade, attracting new businesses to the region, encouraging investment and enhancing productivity and competitiveness. Industries and activities that would otherwise not exist in a region could be attracted by improved air transport connectivity.

3. **The future of air transport in Africa:** The goal of the YD is to strengthen Safety and Security oversight on the continent and promote a climate of cooperation among African carriers through partnerships, mergers and consortiums. Improved airline brands will be able to compete favorably with stronger States or blocks of States from outside the continent. The full implementation of YD will guarantee the creation of a larger market for African carriers and an improved access to capital. In addition, airlines and governments can optimize existing capacities.

African Open Skies creates much more opportunities and economies of scale. When African airlines are empowered by this realization, economic development on the continent would be accelerated, thousands more jobs would be created and the movement of people within the continent will be enhanced.

THE WAY FORWARD FOR STATES...	...AND INDUSTRY
AFCAC (as the Executing Agency of AU on YD) will continue to sensitize and create awareness among stakeholders on the benefits of liberalization and the SAATM.	Africa's global share of air traffic must increase from 2.3% to 4% by 2022. Intra - Africa traffic must also increase by 20% by 2022. The 23 Champion SAATM States should begin immediate implementation and countries with the highest potential to drive intra-Africa growth should be specially targeted.
States to Gazette commitment to immediate implementation of the YD under the terms of the Declaration of Solemn Commitment in line with the AU Agenda 2063.	Work with African Governments to recognize aviation's strategic importance and support for the broad economic and social development objectives across Africa.
States to notify other State Parties that their Skies are liberalized in accordance with the YD (removal of all restrictions on traffic rights under the 3 rd , 4 th and 5 th freedoms - frequencies, fares and capacity).	Work with African Governments to remove or reduce all financial, operational, policy and regulatory barriers hindering the growth of air connectivity across Africa e.g. visa restrictions on African citizens.
Review of BASAs to ensure conformity with the Yamoussoukro Decision and to remove any restriction (Note: YD has precedent over non-compatible BASA provisions).	Work with African Governments to Implement good regulatory practices (Smarter Regulation) by ensuring that key international treaties (e.g. MC99 and MP14) are ratified and coherent national/regional policies to support sustainable development of aviation are adopted across Africa.
States shall propose to AFCAC at least one airline established in their state for international air services for consideration under the eligibility criteria article 6.9 of the Yamoussoukro Decision.	Work with African Governments to develop masterplans for infrastructure development, balancing consumer experience and protection with airline sustainability.
States are advised to immediately constitute their National YD Implementation Group and shall designate a dedicated desk and notify the RECS and AFCAC.	Support celebration of the YD (1999) on the anniversary of its signing on 14 November and other public awareness activities on YD and the SAATM.
The FULL commitment of all stakeholders is required.	
State and Industry should organize joint industry events to promote SAATM objectives and support its implementation.	