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GLOBAL  
MEDIA DAYS**



# Africa Regional Briefing

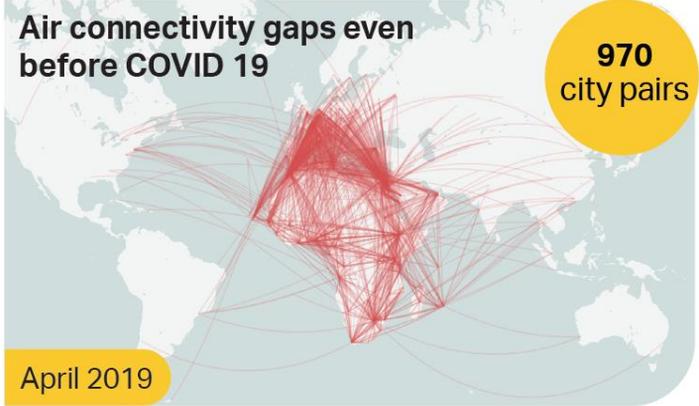
**Muhammad Ali Albakri**

IATA Regional Vice President for Africa & the Middle East

#IATAMediaDays 23 and 25 November 2020



# Air connectivity in Africa before the pandemic



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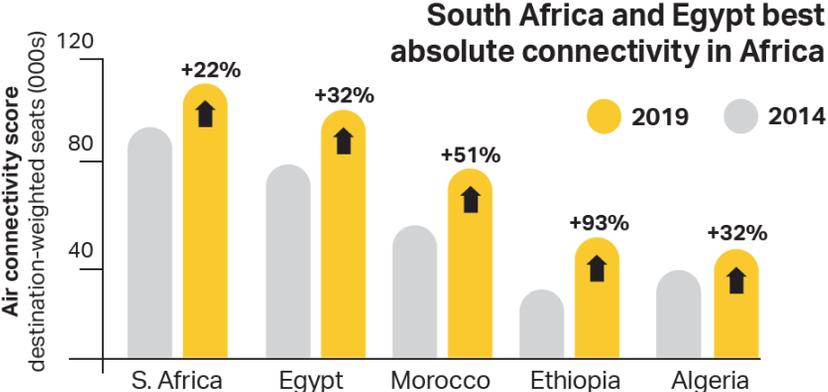
# Air connectivity in Africa seriously disrupted



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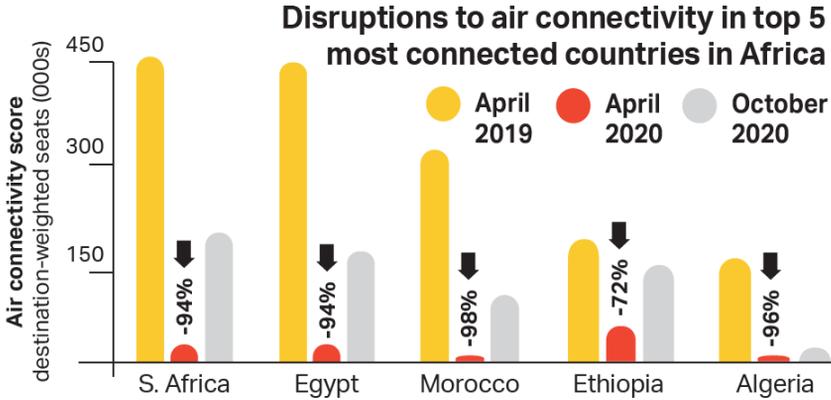
# Air connectivity in the top 5 markets in Africa



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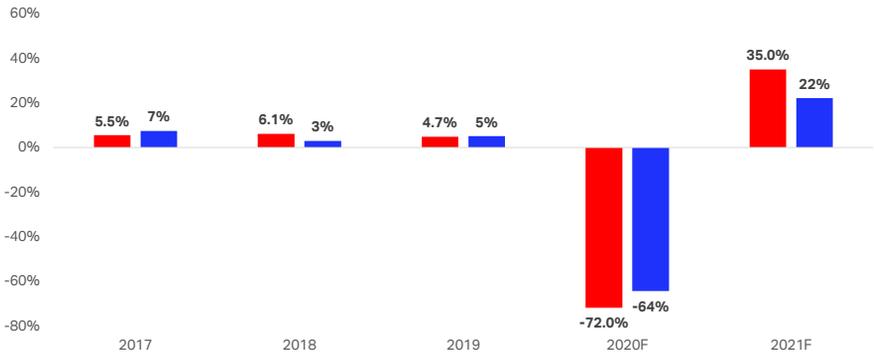
# Air connectivity in the top 5 markets in Africa



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# Africa - Impact of COVID-19 on airline revenues and demand



**Pax Revenue in 2021 will be 35% better than 2020 but it will remain negative territory**

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■ Passenger traffic (RPK), year-on-year change   ■ Revenues, year-on-year change



## Africa's Performance is one of the worst among other regions

Region	2020 Demand vs 2019	2020 Capacity vs 2019	2020 Profits	2021 Demand vs 2020 (vs 2019)	2021 Capacity vs 2020 (vs 2019)	2021 Profits
World	-66.3%	-57.6%	-\$118.5b	+50.4% (-50%)	+35/5% (-43%)	-\$37.8b
Africa	-72.0%	-62.8%	-\$2.0b	+35/0% (-62%)	+21.5% (-55%)	-\$1.7b

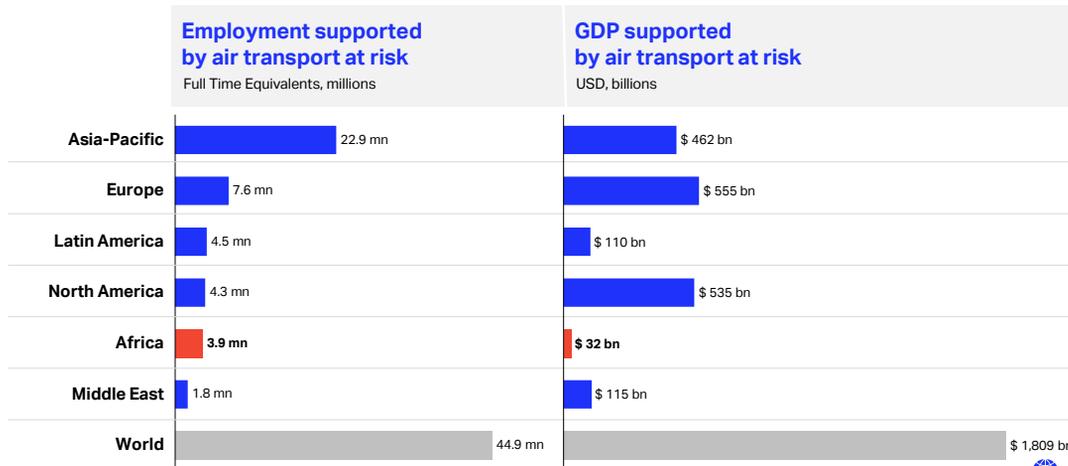
**African airlines will lose \$41.6 per pax**

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- African airlines have also received little government support and there have been a number of failures.
- The relative lack of cold chain facilities in the region may delay the distribution of vaccines and this region is expected to experience a delayed recovery in financial performance.

## Impact of COVID-19 on jobs and GDP



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Another impact on the wider economy comes through the influence that increased airline activity has on jobs in the sector, in its supply chain, and the jobs generated as spending ripples through the economy. In Africa, 7.7 million jobs are supported by the air transport industry. Of those, 440,000 jobs are generated directly by the air transport sector (airports, airlines, ANSPs, manufacturers). The industry also supports about \$63 billion in GDP. Due to the COVID-19 pandemic, more than a half of those jobs and economic activity could be at risk.

# Africa Priorities

- ▶ Re-opening borders safely
- ▶ Relief for the travel & tourism industry
- ▶ Unblocking funds
- ▶ COVID-19 vaccine preparation
- ▶ Connectivity

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# Overview of Current Challenges

## Inability to fly

- Closed borders restricting ops



## Maintenance

- Reduced flight hours
- Deferred maintenance cycles



## Safety

- Compromised safety levels due to reduced ops:
- Human Factors – Fatigue/ Org. Change
  - Unstable approaches
  - Contaminated systems
  - Ground Damage
  - Accidents



## Slots

- Season waiver extension for Northern Winter 2020/21 is critical



## Workforce

- Maintaining workforce competency and licensing for pilots, ATCOs, dispatchers
- Limited OJT training options
- Lost expertise due to layoffs, furlough



## 12,000+ Parked Aircraft

- Prolonged return to service for aircraft in long term storage
- Reduced runway capacity
- Nav aid infringement
- Wing tip clearances
- Non-standard ground movements

## Insurance

- Hardened market
- Premium payment delays
- Future renewal terms



## Unpredicted Demand & Capacity

- Sanitization measures / health protocols
- Greater turnaround times and operational unpredictability for the supply chain



## Future Impact

- Reduced system investment
- Potentially Increased ANSP/Airport charges
- Summer 2021 Slots

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\* Parked Aircraft Source: IATA (as of June 2020)

# Testing needs to be used to replace quarantine to reopen borders

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**45 countries** in Africa have opened their borders to regional and international air travel but **23** of these still have quarantine in place which equates to a closed border.

IATA urges governments to avoid quarantine measures when re-opening their economies.

IATA is calling for the systematic testing of passengers before departure without the need for quarantine on arrival. This will enable governments to safely open borders while balancing social and economic considerations and better support recovery efforts.

If we cannot restart the air transport system in a coordinated, efficient and consistent fashion, we will not be able to restore the much-desired confidence that would see the return of demand across the entire travel and tourism value chain. This will result in many more livelihoods being lost and further economic shrinkage along with hardship and poverty.

# IATA Travel Pass Key to Reopening Borders Safely



## Registry of Health Requirements

powered by Timatic

- Enables passengers to find accurate information on travel, testing (and eventually vaccine) requirements for their journey



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## Registry of testing / vaccination centers

- Enables passengers to find testing centres and labs at their departure location which meet the standards for testing/vaccination requirements of their destination



## Lab App

- Enables authorized labs and test centers to securely send test results or vaccination certificates to passengers



## Contactless Travel App

- Enables passengers to (1) create a 'digital passport', (2) verify their test/vaccination meets the regulations & (3) shares test or vaccination certificates with authorities to facilitate travel.



- Over the last few months IATA, with the support of many members, has been working on developing a digital solution that will manage and verify the secure flow of necessary testing or vaccine information among governments, airlines, laboratories and passengers. The result is **IATA Travel Pass**, which we launched yesterday
- IATA Travel Pass incorporates four open sourced and interoperable modules which can be combined for an end-to-end solution:
  - **Global registry of health requirements** – enables passengers to find accurate information on travel, testing and eventually vaccine requirements for their journey.
  - **Global registry of testing / vaccination centers** – enables passengers to find testing centers and labs at their departure location which meet the standards for testing and vaccination requirements of their destination.
  - **Lab App** – enables authorized labs and test centers to securely share test and vaccination certificates with passengers.
  - **Contactless Travel App** - enables passengers to (1) create a 'digital passport', (2) receive test and vaccination certificates and verify that they are sufficient for their itinerary, and (3) share testing or vaccination certificates with airlines and authorities to facilitate travel. This app can also

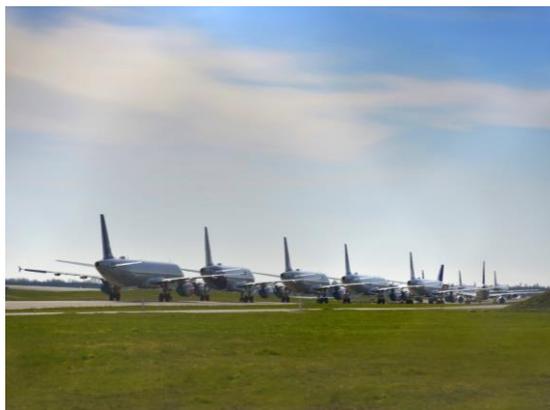
be used by travelers to manage travel documentation digitally and seamlessly throughout their journey, improving travel experience.

- Based on input from the members, IATA Travel Pass has been built using a modular approach based on open source standards to facilitate interoperability. It can be used in combination with other providers or as a standalone end-to-end solution.

## Relief for the travel & tourism industry

Over **US\$30 billion** in financial support has been pledged by international finance bodies in Africa.

However, due to bureaucratic procedures, little has reached airlines.

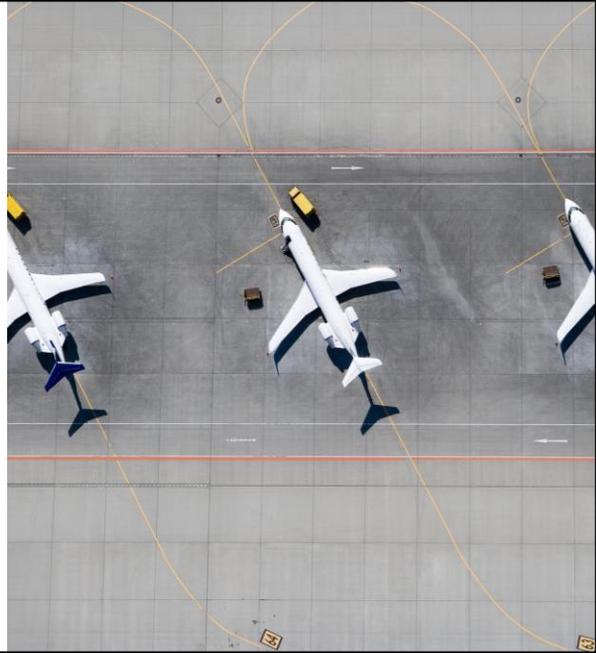


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Financial bottlenecks need to be unblocked so that the money can flow quickly and reach intended participants to prevent more airline closures and job losses.

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

# \$516

million in  
blocked funds  
in Africa



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USD  
**516 million**  
out of  
**824 million in**  
**blocked funds**  
is in **Africa**

Country	Amount of Blocked Funds (million USD)
Zimbabwe	160M
Eritrea	79M
Algeria	54M
Ethiopia	52M
Nigeria	53M
Sudan	45M
Libya	27M
XAF Zone	27M
Angola	9M
Mozambique	6M
Burundi	3M
Zambia	1M

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## African carriers will play a key role in delivering a COVID-19 vaccine



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- [IATA's Guidance for Vaccine and Pharmaceutical Logistics and Distribution](#) provides recommendations for governments and the logistics supply chain in preparation for what will be the largest and most complex global logistics operation ever undertaken.
- Reflecting the complexity of the challenge, the Guidance was produced with the support of a broad range of partners, including the International Civil Aviation Organization (ICAO), International Federation of Freight Forwarders Associations (FIATA), International Federation of Pharmaceutical Manufacturers and Associations (IFPMA), Pan American Health Organization (PAHO), UK Civil Aviation Authority, World Bank, World Customs Organization (WCO) and World Trade Organization (WTO). The guidance includes a repository of international standards and guidelines related to the transport of vaccines and will be updated regularly as information is made available to the industry. Accompanying the guidance, IATA established a joint information-sharing forum for stakeholders.

## Regional Connectivity

Bold steps are needed to restart aviation and economies in Africa

It is expected that the re-start of aviation will commence in domestic markets, then proceed to regional flying, direct long-haul and finally hub operations

Africa is at a significant disadvantage due to the severe limits on intra-Africa connectivity



25 November 2020



**Bold steps will be needed to restart aviation and economies. It is expected that the re-start of aviation will commence in domestic markets, then proceed to regional flying, direct long-haul and finally hub operations. Africa is at a significant disadvantage due to the severe limits on intra-Africa connectivity. It will miss out of the economic boost from regional connectivity. SAATM is the solution, but only a handful of states have implemented.**

## SAATM is the solution to boost regional connectivity

SAATM is the defining factor in determining the speed at which the African Aviation industry will recover.

Only a handful of states have implemented it. While 34 African countries have signed-up for SAATM (representing 75% of African passenger traffic), only ten States have fully implemented the SAATM Concrete measures.

**The continued collaboration amongst key stakeholders particularly under the SAATM Joint Prioritized Action Plan remains crucial.**

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Countries signed up to SAATM: Benin, Botswana, Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Congo Brazzaville, Cote d'Ivoire, Egypt, Ethiopia, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea (Bissau), Guinée, Kenya, Lesotho, Liberia, Mali, Morocco, Mozambique, Namibia, Niger, Nigeria, Democratic Republic of Congo, Rwanda, Sénégal, Sierra Leone, South Africa, Swaziland, Chad, Togo, Zimbabwe.

Countries that have fully implemented the SAATM Concrete Measures: Benin, Burkina Faso, Cabo Verde, Ghana, Mozambique, Niger, Republic of Congo, Rwanda, The Gambia and Togo.

# Value of Air Transport & Tourism in Africa

## Africa



**US\$63** billion

GDP supported by air transport sector



**15**

Aviation contributes to 15/17 of the UNSDGs



**7.7 Million**

Jobs are supported by the air transport sector



**1 Billion**

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

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## Any questions or comment?

Please use the chat to submit any question or comment, we will try to answer as many as possible.

