

IATA
ANNUAL
GENERAL
MEETING

Media Center sponsor



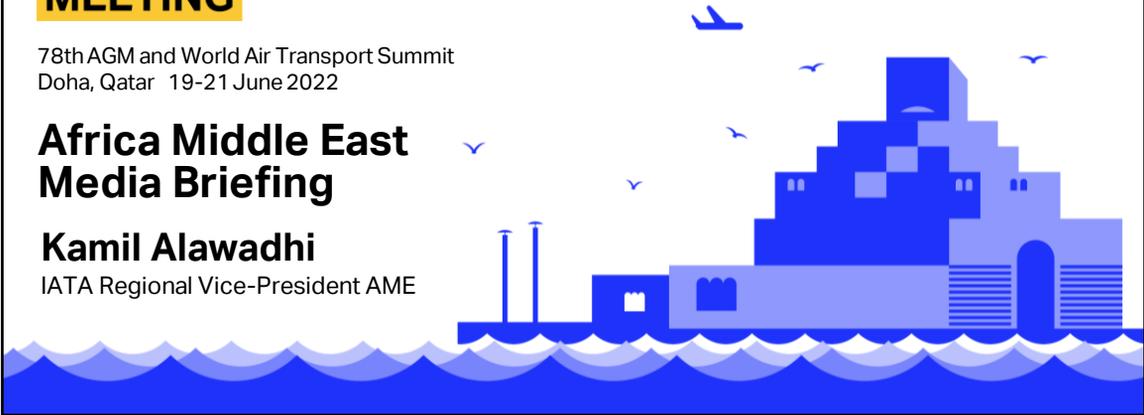
Host airline



78th AGM and World Air Transport Summit
Doha, Qatar 19-21 June 2022

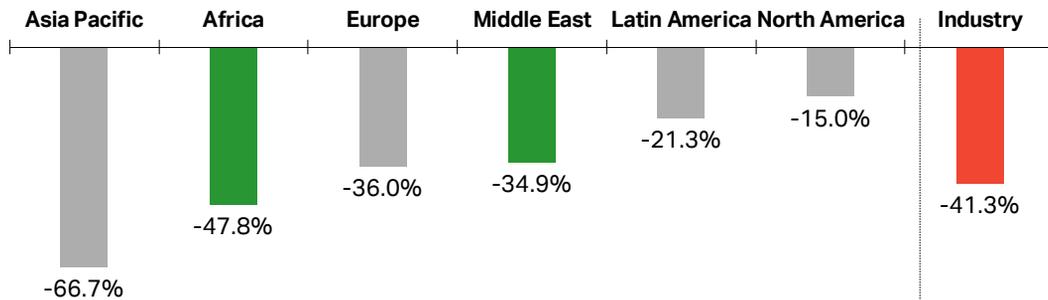
Africa Middle East
Media Briefing

Kamil Alawadhi
IATA Regional Vice-President AME



Growth in passenger volumes (RPKs)

% change in March 2021 vs. 2019

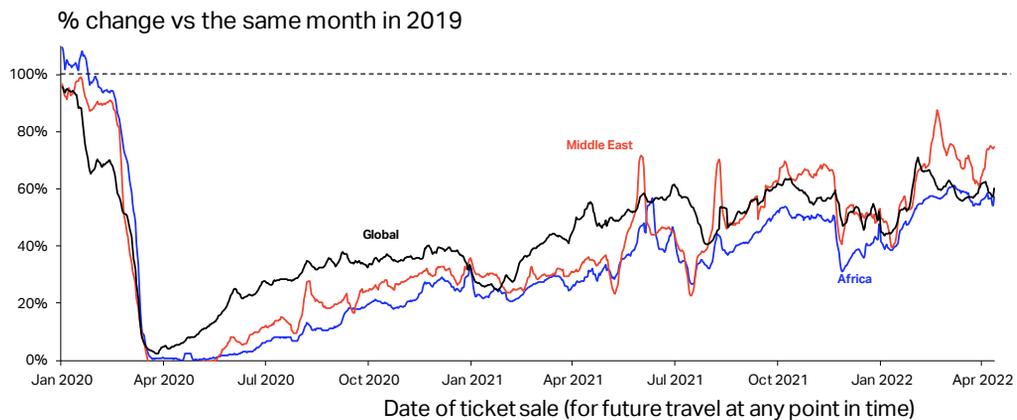


Source: IATA Monthly Statistics



- Air traffic recovery has been slower in Africa than in some other regions. The Middle East is recovering more quickly.
- Africa's RPK are still only at 52% of pre-crisis levels, while Middle Eastern airlines are currently at 65% of 2019 levels, which is a better performance than in the previous quarter.
- The opening of the international markets, especially China for which Middle Eastern countries serve as hubs, facilitated the recovery and will drive further growth in RPKs.

Ticket bookings by region



Source: IATA Economics based on DDS data

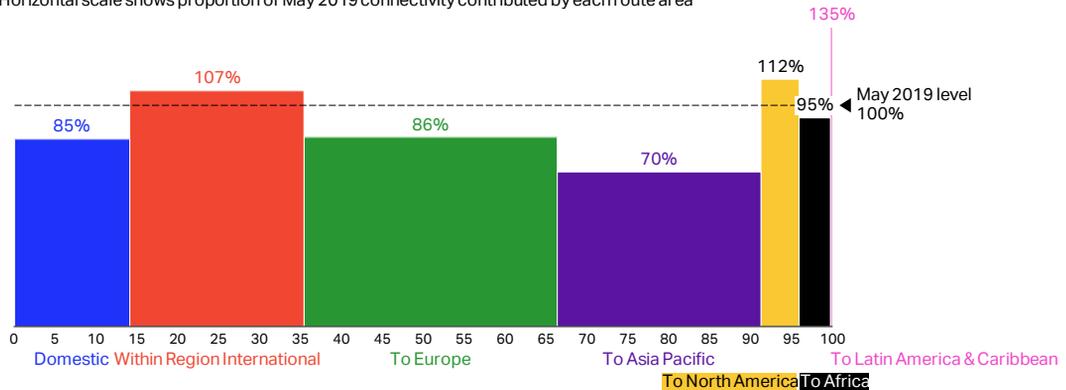
3 19 June 2022



- In terms of ticket bookings. The first quarter of 2022 showed some volatility in ticket bookings in the Middle East, oscillating between 73-80% of 2019 levels.
- Bookings in Africa have been lagging behind, reaching only around 57% of pre-COVID levels.
- It is clear from the chart there is a great degree of volatility, given the frequent changes in border restrictions due to COVID-19 as well as local outbreaks.

Extent of recovery to May 2019 connectivity for Middle East by May 2022

Middle East connectivity recovery by route area in May 2022 as % of May 2019 level
Horizontal scale shows proportion of May 2019 connectivity contributed by each route area



IATA Connectivity Index using data from OAG

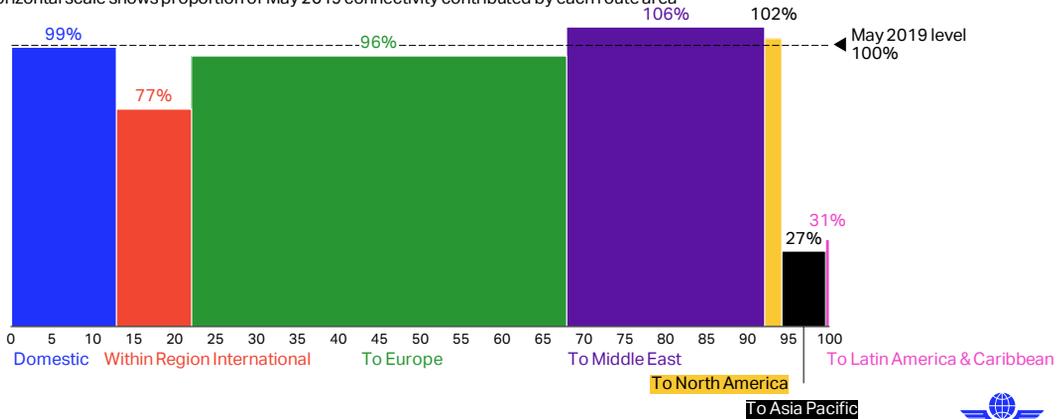


© 2019 OAG, 2022 IATA

- The AME region has done a lot of work to re-establish connectivity. We're seeing positive trends in re-establishing routes and connectivity but the stories are different for both regions.
- The Middle East is well on its way to reestablishing routes with the rest of the world.
- Connectivity between countries 'Within the region' have exceeded pre pandemic levels as has connectivity between the region and North America.
- As expected connectivity between the region and Asia-Pacific remains depressed due to COVID restrictions in China.
- In the Middle East, this year's re-opening of international routes and long-haul flights in particular will provide a welcome boost for many.

Extent of recovery to May 2019 connectivity for Africa by May 2022

Africa connectivity recovery by route area in May 2022 as % of May 2019 level
Horizontal scale shows proportion of May 2019 connectivity contributed by each route area

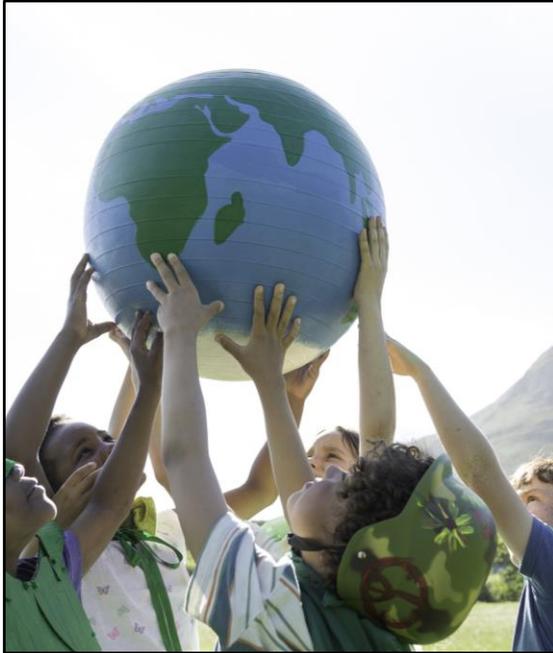


IATA Connectivity Index using data from OAG



© IATA 2022

- Air connectivity in Africa is recovering well.
- Connectivity between the Africa and the Middle East and North America have exceeded pandemic levels.
- Domestic connectivity is also recovering well and connectivity to Europe is nearly fully restored.
- But 'Within Africa' recovery is slow



Africa has reestablished connectivity with the rest of the world better than within itself.

Lack of Liberalization of intra-Africa air connectivity is hampering recovery.



SAATM Benefits Across the Continent (study based on full 55 countries)

- \$2.7bn increase in GDP
- Additional 300,000 jobs across
- \$1.85bn increase in Trade
- 27% increase flight frequencies of
- 26% reduction in fares
- 51% overall traffic growth

Air Cargo Operating Above Pre-crisis Levels

18%
Middle
East



9%
Africa



- The cargo business is doing well already operating at 9% above pre-crisis levels in Africa, and in the Middle East 18%.
- Air cargo has been a lifeline for many—delivering vaccines, PPE, medical equipment and even e-commerce.
- In doing so, it has also been the revenue star for many airlines in our industry.
- The region's carriers specifically Qatar Airways, Emirates and Etihad Airways played a critical role in this mammoth task by keeping flying throughout the crisis.

AME Priorities

1. Removing all barriers to travel
2. Clearing blocked Funds
3. Safety



Barriers to travel must be lifted

Fully vaccinated travelers should face no additional barriers



Consider travelers as fully vaccinated 14 days after their final dose

Accept all WHO EUL vaccines

Use testing for non-vaccinated passengers



Minors
Previously infected
Medical exemptions

Apply a consistent set of exemptions

Need for more vaccines in Africa

Only 15% of Africa's population is fully vaccinated. With more countries lifting travel restrictions for those vaccinated, the freedom of movement will be limited until vaccines are universally available.

9



- Where governments have not restricted travel, the passenger business recovery has been swift.
- While most countries in Africa and the Middle East have opened up and eased travel restrictions, we're still seeing unnecessary travel barriers in some countries in the region.
- For example, we have Equatorial Guinea and Sierra Leone still requiring PCR tests even for vaccinated travelers and Cameroon, Rwanda, Angola and Liberia requiring two PCRs one before travel and one arrival
- In the Middle East there is a disparity in vaccine validity. Some countries ask for a 4 four month vaccine validity, some nine and some in between. The number of doses also varies. Between. In view of the limited global supply of vaccines the WHO has said that booster jabs should not be a requirement for international travel.
- In line with ICAO policies Governments need to ensure
- Vaccines are available to all
- Vaccinated travelers should not face any barriers to travel
- Testing should provide a means to travel for those without access to vaccines
- Where required, cost-effective antigen tests should be used to facilitate travel, Governments should pay for testing if they make it a requirement
- With low vaccination rates across Africa, the continent and its people are vulnerable and the economic recovery from COVID-19 is at risk. Moreover, with more countries lifting travel restrictions for those vaccinated, the freedom of movement will be limited until vaccines are universally available. With only 15% of Africa's population fully vaccinated, the challenge is particularly acute.

Blocked Funds Remains an Issue in Africa Top countries with blocked funds (as of May 2022)

Nigeria – \$450m
Zimbabwe – \$100m
Algeria - \$96m
Eritrea - \$79m
Ethiopia - \$75m



67%
of blocked funds are in Africa

\$1
billion of blocked funds in Africa



12
countries in Africa with blocked funds

- Connectivity is precious. The crisis has demonstrated that everybody suffers when aviation stops.
- A financially viable air transport sector supports jobs and must be a driving force for Africa and the Middle East economic recovery from COVID-19.
- A priority is releasing blocked funds.
- As of April, globally, there is a total \$1.6 billion in funds blocked by 20 countries worldwide.
- Of this, 67% is blocked in Africa for a total of \$1 billion, tied up in 12 African countries.
- Zooming in a little more, Nigeria alone is holding back \$450 million. It is the most amount blocked by any single African country, and the amount is rising every week.
- Cash flow is key for airlines' business sustainability - when airlines are unable to repatriate their funds, it severely impedes their operations and limits the number of markets they can serve.
- The consequences of reduced air connectivity include the erosion of that country's competitiveness, diminished investor confidence and reputational harm caused by a perception that it is a high-risk place to do business.
- Strong connectivity is an economic enabler and generates considerable economic and social benefits.
- We call on governments to prioritise aviation in the access to foreign exchange on the basis that air connectivity is a vital key economic catalyst for the country.



- African governments recognized the need to improve safety in the Abuja Declaration in 2012.
- Since then progress has been made. In 2021, Airlines based in sub-Saharan Africa experienced four accidents however they were all with turboprop aircraft, none of the operators was on the IOSA registry. There were no jet hull loss accidents in 2021 or 2020.
- After nearly two years of closed services it's essential that we build back safer. We can't let up now.
- Global standards need to be applied. African governments recognized the need to improve safety in the Abuja Declaration's goal of reaching world-class safety levels by 2015.



Main Lesson from the Pandemic: The Need for Regional Implementation

- Finally I'd like to touch on the main lesson learnt from the pandemic.
- Africa and the Middle East are big and diverse regions. They cover a large geographical area. And while both Africa and the Middle East have regional governing bodies such as the African Union and the Arab League, the effectiveness in driving harmonized regional agenda for air transport varies.
- During the pandemic, the lack of regional harmonization and implementation transpired, leading to a patchwork of regulations and measures in response to COVID-19. This and the lack of consultation with aviation industry existed pre-COVID on other matters such as taxes and charges but during the pandemic, this coordination and consultation was especially critical.
- For example, in the Middle East, the industry came together with regional regulators on an initiative for mutual recognition of vaccine certificates for Arab states. A resolution was agreed upon but as many regional initiatives, it stayed on paper and unfortunately, we didn't see any state progress on this matter. This patchwork was also evident in the way governments were enforcing and lifting covid-measures and restrictions.
- In a region where governments have prioritized air transport and in many instances are leading the way on important industry initiatives, we have to see a stronger regional regulatory body like we do in Europe for example and better coordination and harmonization so that the region can drive the aviation agenda to further benefit the region, and to be better prepared for future crises that may impact aviation.
- In Africa, harmonization is institutionalized through the AU and AFCAC – both have demonstrated effective regional coordination and harmonization in many areas, for example on safety, security, covid response and SAATM, the latter having a clear framework for the liberalization of air transport despite the challenge we are facing now with implementation.
- We call on governments to work closely with industry and with each other to drive a harmonized agenda for air transport in the region.

