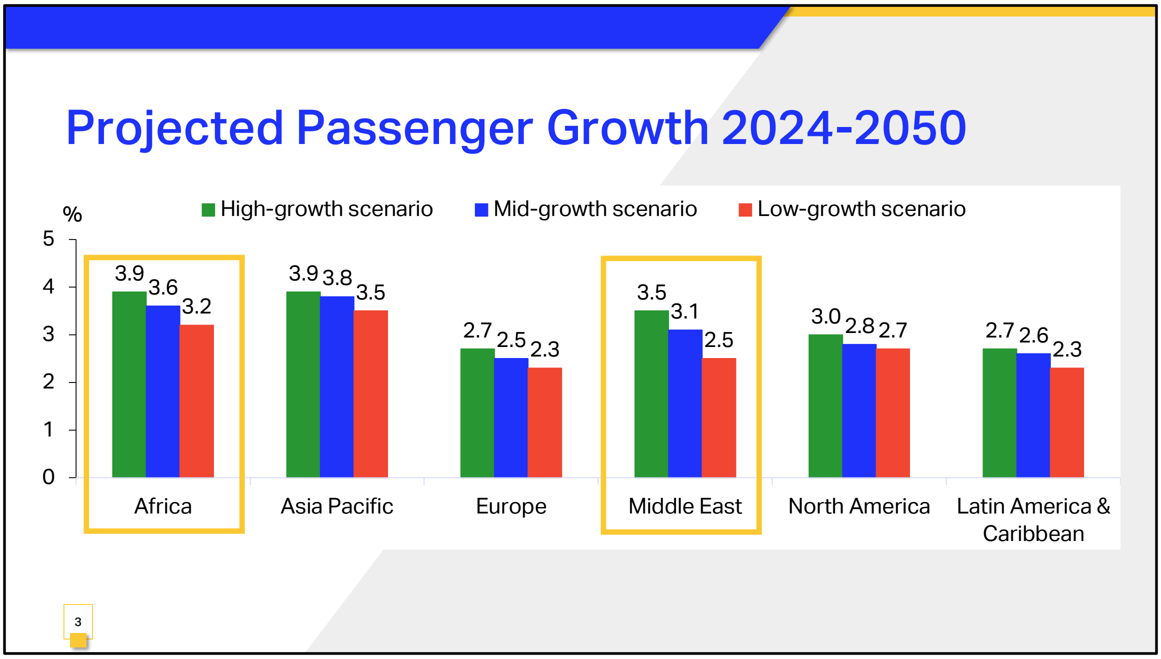
Good morning and thank you for joining us for Africa and Middle East's media briefing.

Africa and the Middle East sit at the crossroads of global air transport—linking major markets and supporting tourism, trade, and economic development.

They share key structural characteristics:

- A strong reliance on international traffic
- High exposure to external shocks
- And increasingly complex geopolitical and operational environments

This means the defining issue for both regions is not just growth—but resilience.



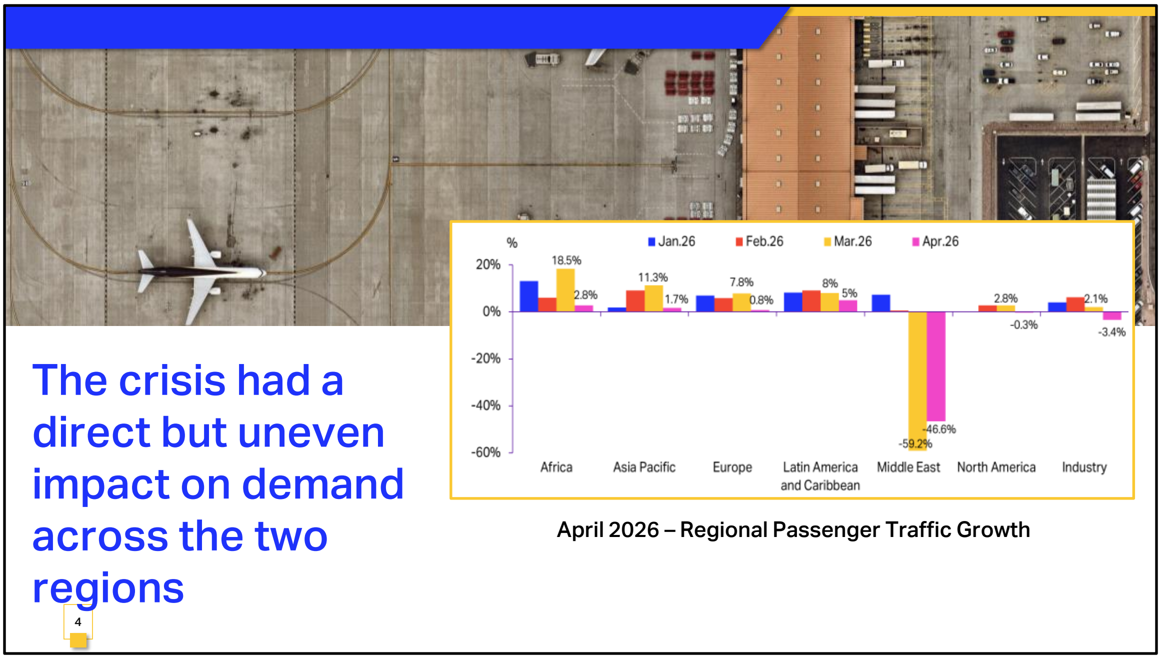
Before the recent crisis, the 2026 forecast for Africa and Middle East was strong. Both regions were expected to grow faster than the global average.

The chart here shows the long-term outlook for 2024-2050, which is also very positive for our region.

In the mid-growth scenario, Africa will grow by 3.6% annually from 2024 to 2050, the second-fastest region.

The Middle East will grow by 3.1% annually for the same period.

The fundamentals remain intact—particularly for Africa, where the opportunity is driven by demographics, connectivity gaps, and economic development.



- The war in the Middle East had a direct—but uneven—impact across the two regions.

- A revision of the financial outlook will be presented tomorrow, but a look at April's performance gives us an indication. It shows the divergence between the regions.

- Middle Eastern carriers saw a dramatic drop. Total demand was down 46.6% year-on-year for April.

- African carriers reported 2.8% year on year increase in total demand for April. Although positive, it is a huge drop compared to March demand of 18.5%.

- Africa maintained positive demand but faced significant cost pressures, particularly from fuel.

The impact of the war was immediate and tangible across four areas:

Airspace: closures and rerouting increased flight times and costs. 10 Flight information regions across Middle East were affected.
Fuel: rising prices and increased volatility. The highest we've ever seen jet fuel and the crack spread - The peak for jet fuel was USD 218/bbl, while highest spread was USD 96/bbl. In Africa, the fuel costs are higher than the rest.
Demand: a significant decrease in demand in transit traffic, while demand grew elsewhere. We saw a shift away from Middle East hubs.
Capacity: reduced aircraft utilization and schedule adjustments. GCC carriers not at full capacity yet, have recovered around 75% of capacity.

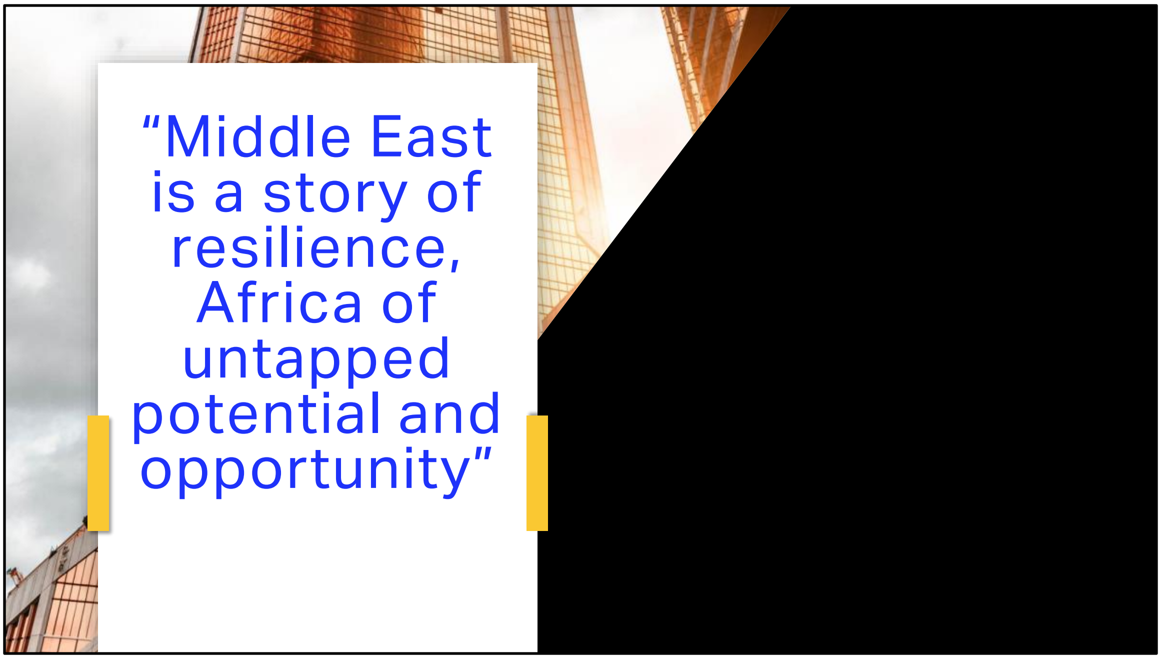
The overall effect is clear: Higher costs, lower efficiency, and pressure on demand.

Despite this, both regions demonstrated remarkable resilience but in different ways.

In the Middle East:
Airlines, governments, and ANSPs responded with high levels of coordination
Rapid rerouting, regulatory flexibility, and cross-border cooperation helped maintain

connectivity. And I’ll come back to this a little later.

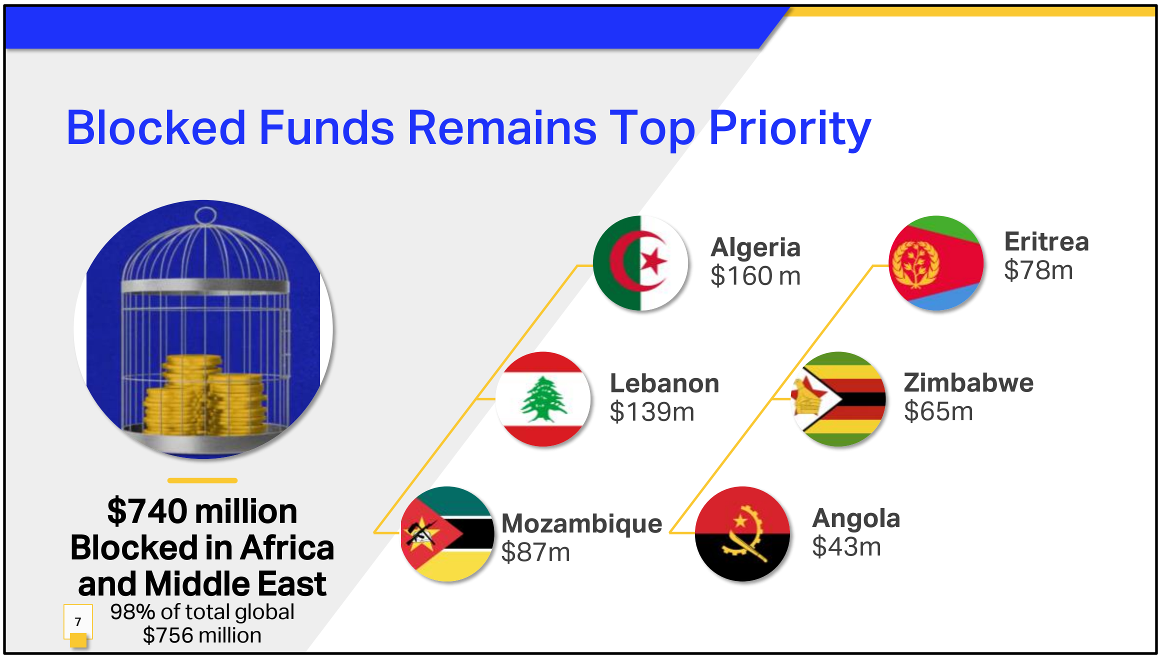
In Africa:
Airlines operated under severe fuel constraints and price volatility
Yet flights kept operating and traffic continued to grow



This brings us to how we define Africa and the Middle East.

The Middle East is a story of resilience
Africa is a story of untapped potential and opportunity

But supporting this resilience and opportunity requires addressing structural challenges, to ensure operational sustainability, financial sustainability and environmental sustainability for the region’s industry.



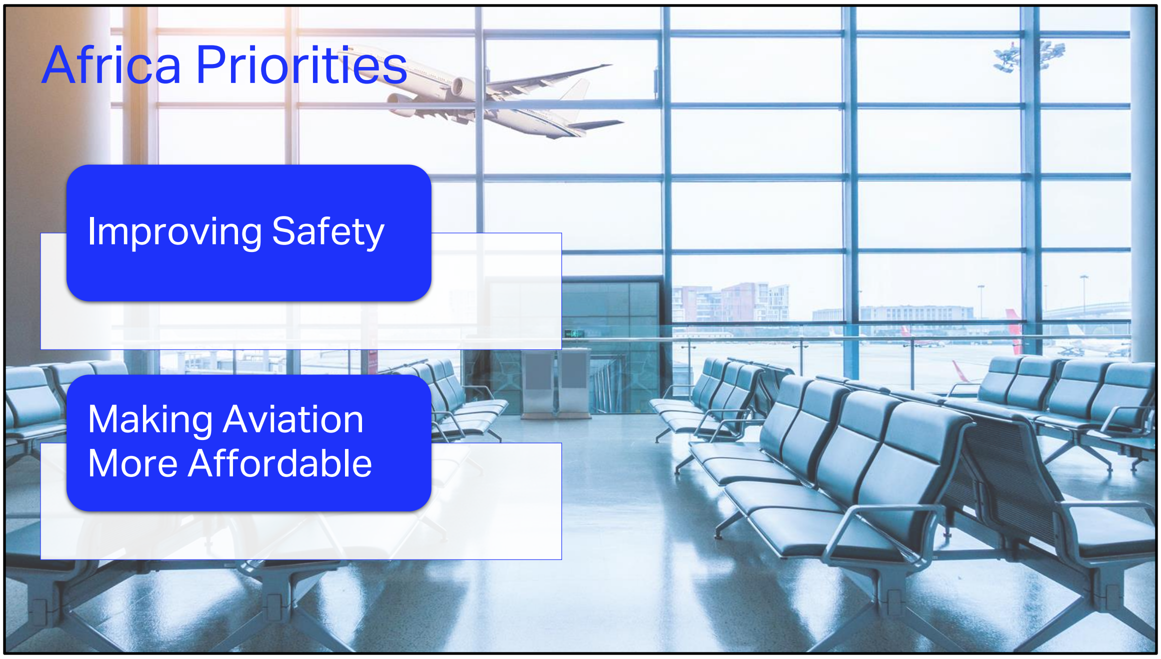
Shared Priority: Blocked Funds
Before turning to regional priorities, one issue cuts across both regions: Blocked airline funds.

A significant share of global airline revenues remains blocked by governments across Africa and the Middle East. This is due to foreign exchange controls, currency shortages, or regulatory barriers. In all cases, blocked funds are damaging. They create significant financial and operational challenges for airlines, disrupting cash flow and operations.

They also have a wider impact on travelers, businesses and investors, affecting jobs, tourism and trade.

Algeria remains the largest contributor to blocked funds globally. Why? Because the government has added a long and burdensome requirement to repatriation process. Algeria can clear its blocked funds, and should allow airlines to repatriate without delay, as per international obligations.

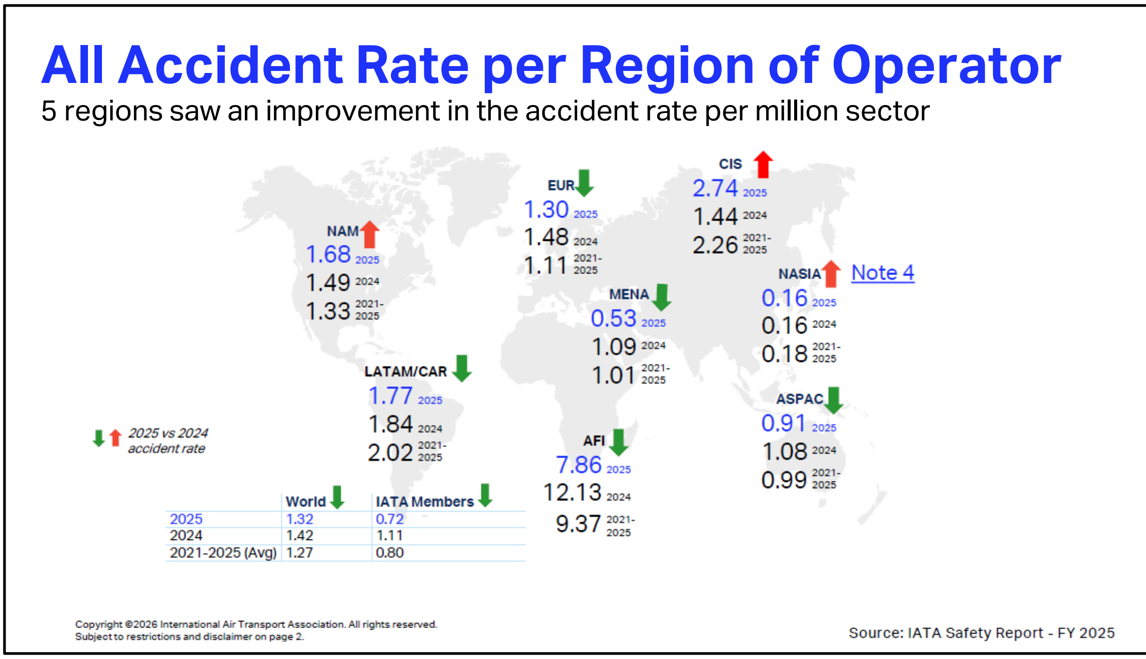
We need all governments to ensure timely access to foreign exchange and simplify the repatriation process – to maintain vital air connectivity.



Turning now to Africa.

Aviation in Africa continues to face structural constraints.
Safety performance, while improving, still lags the global average
High operating costs, driven by taxes, charges, and infrastructure gaps
Market fragmentation, limiting connectivity and economies of scale

Our focus is clear:
Improving safety
Making aviation more affordable



Africa recorded seven accidents in 2025.

The all-accident rate improved from 12.13 per million sectors in 2024 to 7.86 in 2025.

The fatality risk increased from zero in 2024 to 2.19 in 2025. The most common accident types in 2025 were runway excursions and ‘other end state’.

Structural gaps remain:

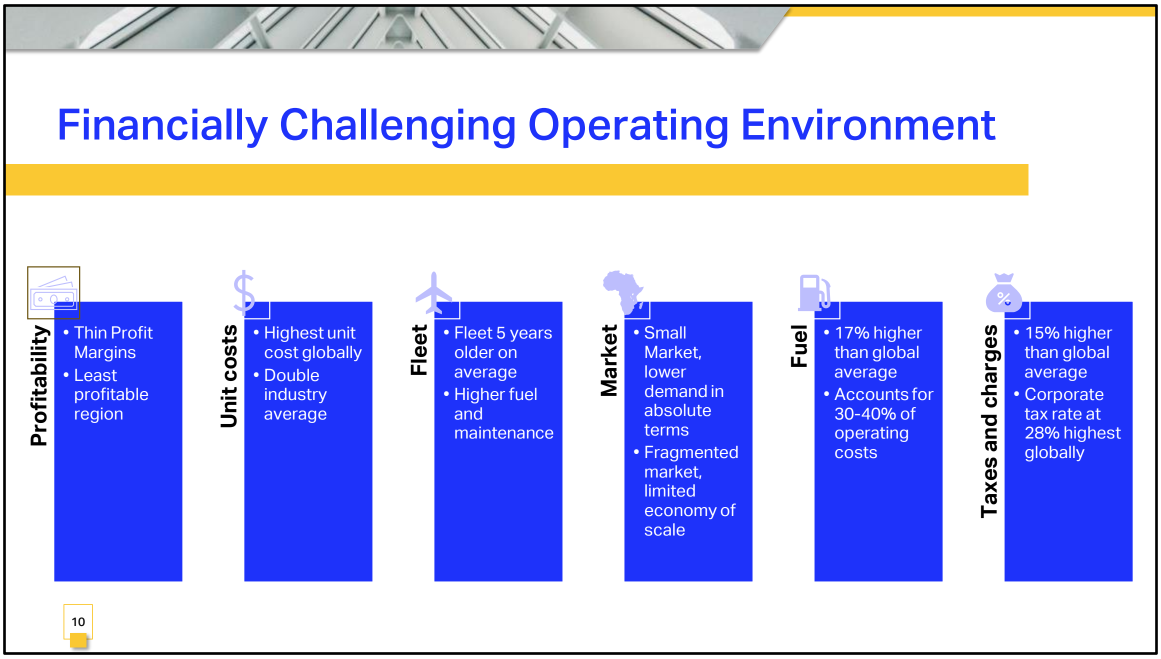
- ICAO SARPs implementation in Sub-Saharan Africa stands at 60.34%, vs 69.46% global average and 75% global target
- Only 19% of accident investigation reports in Africa are completed vs 63% globally, between 2019-2023.

We call on governments to:

1. Strengthen state oversight – this means increasing the implementation of ICAO Standards and Recommended practices, and leveraging global safety audits like IOSA, ISSA and ISAGO.
2. Improve compliance with Annex 13 of the Chicago Convention. This means completing and publishing accident reports without delay.

To support safety improvements in Africa, we have mobilized resources for two new Focus Africa projects:

1. Ramp safety improvement project
2. State Safety Programs harmonization



Affordability and cost competitiveness remain a key challenge in Africa.

Airlines operate with the thinnest global margins, driven by a high-cost environment and relatively small, fragmented markets that limit scale.

Unit costs are around double the global average, with fuel alone accounting for 30 to 40 percent of costs.

This is compounded by older fleets—about five years above the global average—leading to higher fuel burn and maintenance.

These pressures are reinforced by the tax and charges environment. Taxes and charges are roughly 15 percent above the global average, while corporate tax rates around 28 percent add further strain, reducing affordability and constraining growth.
And the growing use of API/PNR charges in Africa is concerning. Under ICAO standards, border security is a state responsibility. Passing these costs to airlines distorts prices and runs counter to global norms. Aviation should be treated as an enabler of growth, not a revenue source.

Finally, proposals for source-based taxation should be rejected. Aviation is inherently cross-border, and the residence-based model remains the most efficient and fair. Moving away from it risks double taxation.

In this challenging context, ECOWAS's decision late last year to cut air transport taxes and reduce select charges by 25 percent was very welcomed. Côte d'Ivoire is the first country to implement this decision just a month ago. The priority now is ensuring consistent rollout across all ECOWAS states.

In short: costs must align with ICAO principles, and aviation must be enabled, not taxed as a revenue tool.

But allow me here to talk about the progress and positive developments. Across Africa, the momentum is building and there's real opportunity for the continent to stand out.

1. One area of progress is visa openness. The Republic of Congo and Togo have recently joined Benin, The Gambia, Rwanda, Seychelles and Ghana in offering visa-free entry to all African nationals. We call on African states to support intra-regional connectivity by lifting visa restrictions for African citizens.

2. Infrastructure investment is also moving.

- In Ethiopia, construction officially began in January 2026 on Bishoftu International Airport, which is expected to handle 60 million passengers annually in phase one and 110 million when fully completed.

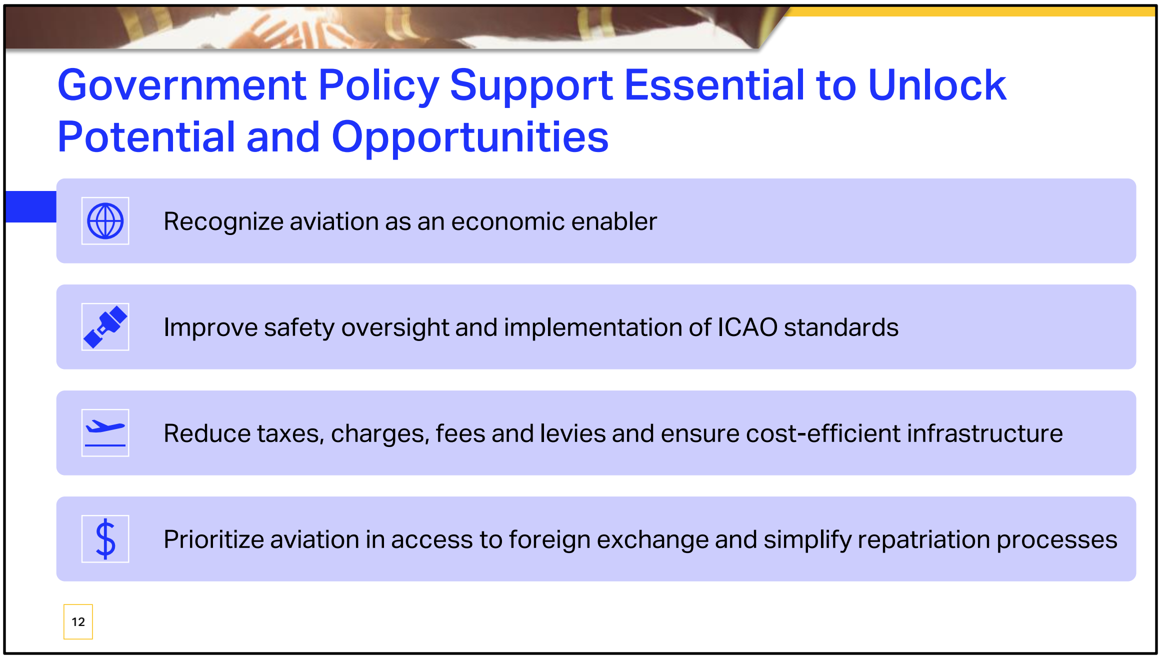
- And in Morocco, the expansion of Casablanca's Mohammed V Airport is moving ahead under the country's "Airports 2030" strategy, with the new terminal designed to add 20 million passengers a year, taking total capacity to 35 million when complete.

- I want to highlight here the importance of governments consultation and close coordination with airlines and users, in adherence to ICAO policies. This will help ensure that infrastructure investment is demand-driven, cost-efficient, and aligned with global best practices.

3. Recent global energy disruptions have reinforced the link between energy security and sustainability, creating a clear opportunity for Africa to benefit from the aviation energy transition.

- First on CORSIA and the carbon markets. Africa could supply up to 57.6 million Eligible Emission Units (EEUs)—unlocking significant climate finance. So far Tanzania, Malawi, Rwanda, Gambia, Sierra Leone and Madagascar) have made EEUs available. Expanding participation offers a clear revenue opportunity.

- Second on SAF production. Sub-Saharan Africa has the potential to supply up to 106 million tonnes of SAF feedstock by 2050. With the right policies and investment, this could scale production, create jobs, generate revenue, and strengthen energy security.



Unlocking aviation’s potential in Africa is a policy matter. It requires political will, collective effort and a long-term vision.

Four priorities for governments to maximize the benefits of aviation:

1. Recognize aviation as a vital enabler of economic growth, regional integration, and social development.
2. We need to improve safety, with a focus on improving safety and security oversight, accident reporting and the effective implementation of ICAO’s Standards and Recommended Practices (SARPs).
3. Avoid using aviation as a revenue source through excessive taxes and charges, and in parallel promote infrastructure development that is cost-effective, scalable, and aligned with long-term traffic growth—ensuring airports and air navigation services remain accessible and affordable.
4. Prioritize aviation in the access to foreign exchange on the basis that air connectivity is a vital key economic catalyst for the country.

Turning now to the Middle East.
This is a mature, globally integrated market, defined by scale and resilience.

The crisis severely impacted traffic and the industry as a whole in the Middle East, but what stood out is the response.

Within the GCC, we saw strong coordination across governments, airlines, and ANSPs to support flexible airspace management and rerouting, and regulatory agility.

A defining feature of the response was cross-border operational flexibility. Airlines were able to reroute flights and temporarily operate from airports in neighboring countries, ensuring continuity for both passengers and cargo.

An example is Saudi Arabia’s rapid accommodation of airlines such as Kuwait Airways, Jazeera Airways, and Gulf Air to enable continued operations. At the same time, coordination across Oman and the UAE supported alternative passenger flows, effectively allowing airports to function as extensions of each other’s networks.

Despite the severe disruption on GCC countries, if the crisis had happened outside of

the Gulf, we wouldn’t have seen the same resilience. In other parts of the Middle East, we would see greater operational strain and less flexibility.
This takes us back to what I highlighted last year about the Middle East disparity in aviation, and why we are focusing on Capacity-building and Regulatory Harmonization.

One of our key priorities in the Middle East is capacity-building for states and aviation markets in recovery, to strengthen resilience across the region and create a more level playing field.

We're working to help countries coming out of sanctions or political instability, like Iraq, Syria, Yemen and Libya rebuild their aviation sectors, with a focus on:

- safe and compliant operations
- regulatory oversight and governance
- and access to global standards and systems, including strong financial settlement systems like the BSP.

Second key priority is advancing regulatory harmonization.

The GCC had already taken a landmark step in this when it announced the creation of a unified GCC Civil Aviation Authority.
And it's safe to say it has proven its value during the crisis response.

But gaps remain in other areas, particularly in consumer protection regulations.

We're noticing an increasing divergence from ICAO principles across some elements of the regulations coming out of the region. This increases the risk of inconsistent and punitive frameworks with high compensations. Dubai sets a good example for adopting a proportionate approach to passenger entitlements and steering away from punitive regulations like EU261 - avoiding fixed compensation schemes.

In this context, we ask governments to:

- Follow ICAO principles.
- Avoid high compensation amounts.
- Include a list of extraordinary circumstances—covering situations where operations cannot be recovered due to reasons outside airlines' control. This helps create legal

certainty for airlines and passengers.

- Emphasize the shared responsibility of disruptions as most are outside the control of the airline.

In closing, to sustain growth and resilience in the Middle East, we call for:

- Greater regional integration and cooperation
- Support for states emerging from instability
- Harmonized and balanced consumer protection regulations

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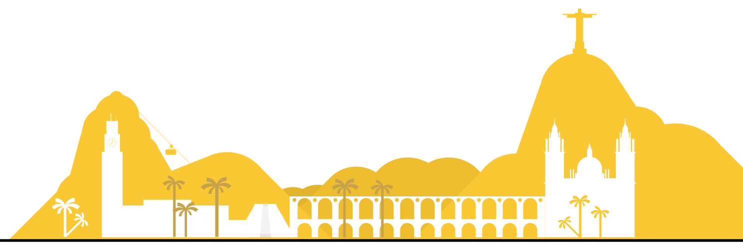
Q & A



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