State of the Region:

Africa & Middle East

IATA Economics

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Contact: economics@iata.org

GDP growth, exchange rates, oil & jet fuel price

- The trade-weighted US dollar (USD) index ended January down by 0.6% after seven consecutive monthly increases. Among the key regional currencies, the ZAR was the main mover, gaining 3.3% against the USD. Other FX movements were relatively muted.
- The average monthly jet fuel price increased by 16% in January versus December to USD100.9/barrel – the highest level since October 2014. The price increase partly reflects concerns about the impact of geopolitical tensions in eastern Europe on oil supply chains.

GDP growth

% change on a yr ago	2021	Q2 2021	Q3 2021	Q4 2021
Saudi Arabia	--	1.9	7.0	--
Nigeria	3.6	5.4	4.1	4.6
Egypt	--	7.2	9.3	--
South Africa	--	19.0	3.1	--
UAE	2.2	--	--	--
Kenya	--	11.6	10.3	--
Jordan	--	3.2	2.6	--
World	**5.8**	**11.6**	**4.7**	**4.3**

Exchange rates

end of period, # per US$	% 2022 YTD	Nov-21	Dec-21	Jan-22
US$ broad index	-0.6%	115.0	115.8	115.1
Saudi Arabian riyal (SAR)	0.1%	3.75	3.75	3.75
Nigerian naira (NGN)	-0.5%	413.8	413.8	415.8
Egyptian pound (EGP)	0%	15.7	15.7	15.7
Sth African rand (ZAR)	3.3%	16.0	16.0	15.5
UAE dirham (AED)	0%	3.67	3.67	3.67
Kenyan shilling (KES)	-0.4%	112.6	113.2	113.6
Jordanian dinar (JOD)	0%	0.71	0.71	0.71

Oil and fuel price

US$/barrel (period ave.)	2021	Nov-21	Dec-21	Jan-22
Crude oil (Brent)	70.9	80.9	74.7	85.6
Jet fuel	77.7	91.8	87.1	100.9

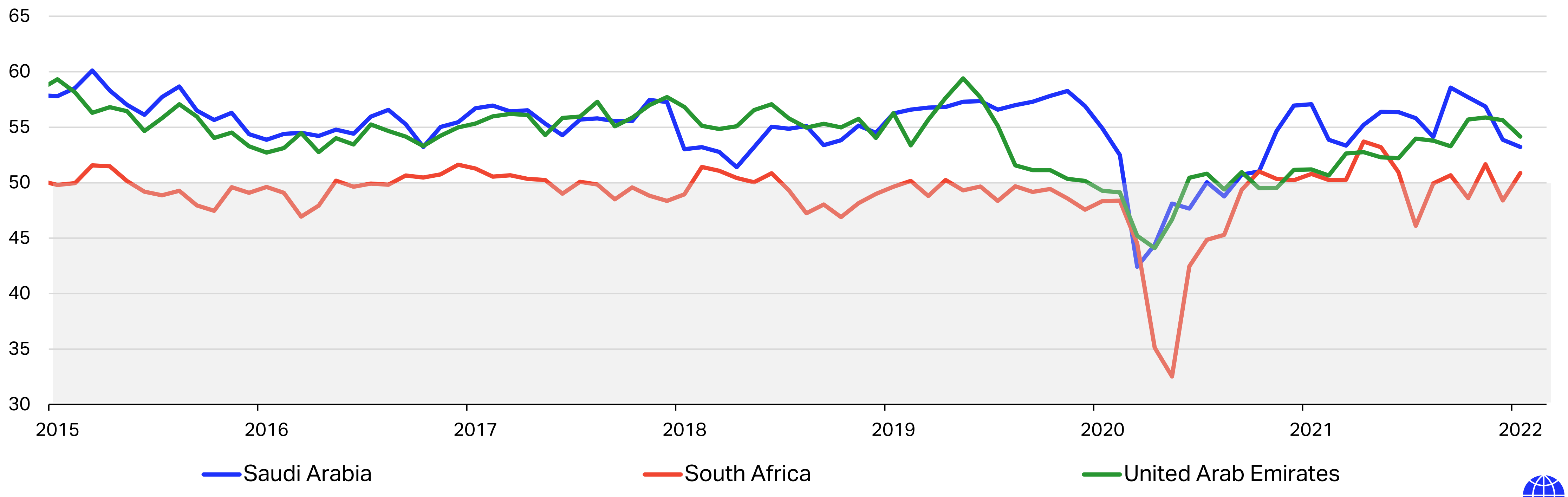
Source: Refinitiv Eikon, S&P Platts

Purchasing Managers' Index

- Economy-wide PMIs – a monthly indicator of economic activity – ticked down in the United Arab Emirates and Saudi Arabia, reflecting the negative effects of the Omicron wave. That said, in both countries the metric remained in a territory associated with economic expansion. South Africa's PMI improved to 50.9 in January as the latest COVID outbreak started to subside, and customer demand picked up.

Purchasing Managers' Index - economy-wide

50=no change, seasonally adjusted



Source: Markit

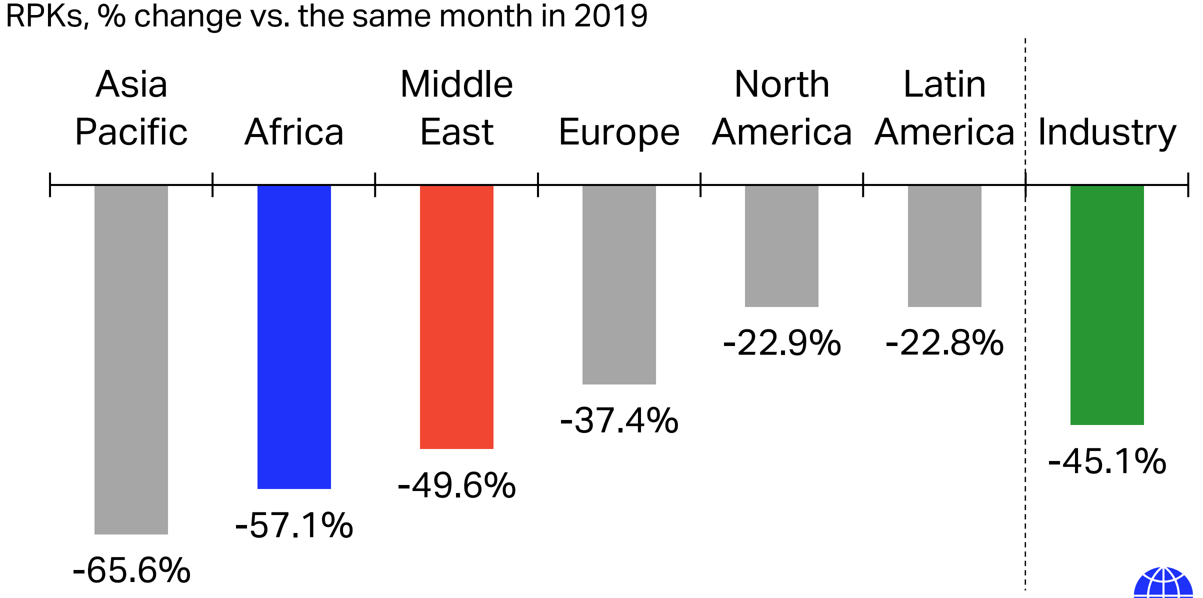
Passenger market

- Global air travel recovery continued in December since strong demand over the holiday season helped to offset Omicron-related disruptions. Industry-wide revenue passenger-kilometres (RPKs) fell by 45.1% versus December 2019 and by 58.4% in 2021 overall compared with 2019 – a slight improvement on a 65.8% contraction in 2020 as more markets reopened with vaccination progress.
- RPKs of Middle Eastern airlines fell by 49.6% in December 2021 versus December 2019 – a modest improvement on a 52.5% fall in November. Meanwhile, the rate of decline in traffic flown by African carriers accelerated to -57.1% due to Omicron-related travel bans. The air travel recovery in both regions lagged the industry average throughout the year due to high reliance on muted international traffic. In 2021 as a whole, RPKs of African airlines fell by 62.8% versus 2019 while that of Middle Eastern carriers shrank by 69.9%.

Revenue passenger-kilometres (RPKs)

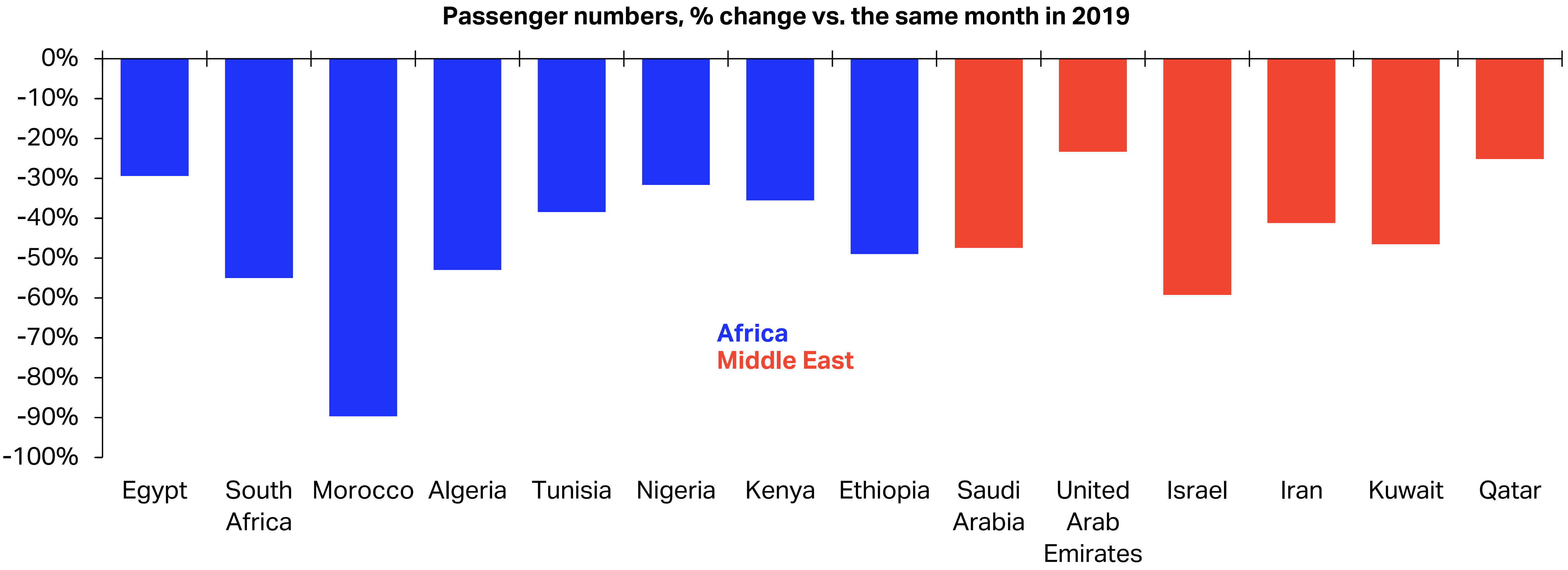
% ch vs. the same period in 2019	2021	Oct-21	Nov-21	Dec-21
Region (registration basis)				
Middle East	-69.9	-59.2	-52.5	-49.6
Africa	-62.8	-56.5	-54.9	-57.1
World	-58.4	-48.9	-47.0	-45.1
Routes (segment basis)				
Middle East - Asia	-78.1	-71.6	-66.8	-63.8
Middle East - Europe	-70.8	-54.8	-48.2	-44.2
Africa - Europe	-57.9	-40.7	-36.8	-44.1
Middle East - Nth America	-44.4	-24.1	-15.5	-12.2
Africa - Middle East	-59.7	-39.6	-39.6	-58.6
Africa - Asia	-91.9	-91.9	-92.4	-93.1

Growth in passenger volumes (RPKs), by region



Source: IATA Monthly Statistics

Passenger numbers by country – December 2021



Source: IATA Economics using DDS

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Air cargo market

- Air cargo ended the year on a strong note, with cargo tonne-kilometres (CTKs) up 8.9% versus December 2019. In 2021 overall, air cargo volumes rose by a robust 6.9% versus 2019. The growth throughout the year was supported by increased demand for air cargo services during the global inventory restocking cycle and a congestion in the shipping industry.

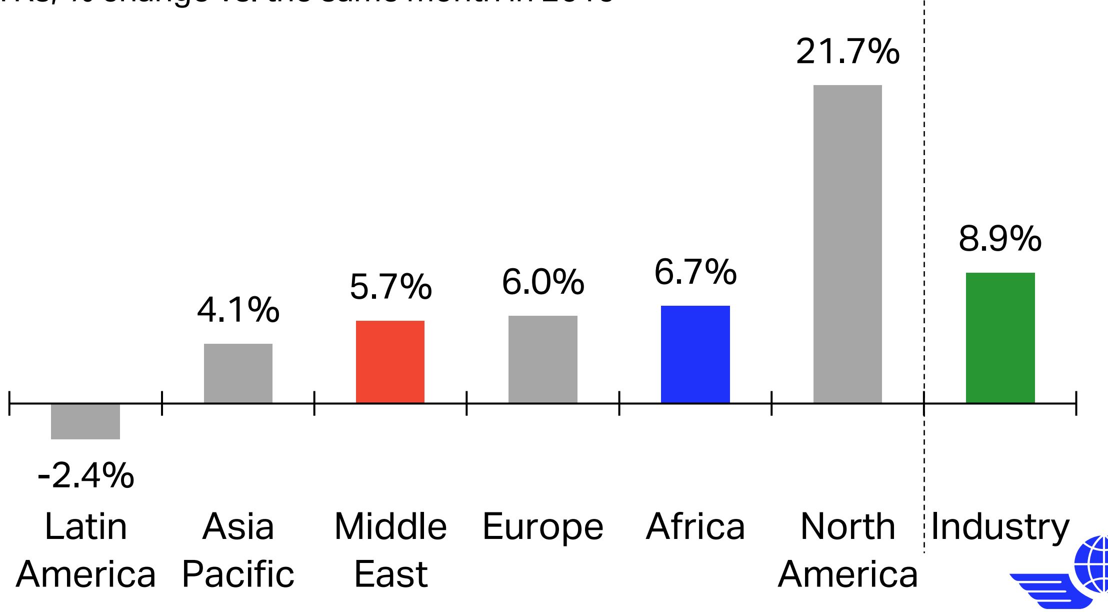
- Carriers in Africa experienced a 6.7% increase in their CTKs in December 2021 versus December 2019, up from 0.1% in November. Growth in the region was dynamic for most of the year, up 10.2% versus 2019, driven by Africa-Asia market. Cargo volumes of Middle Eastern carriers expanded by 5.7% in December 2021 compared to December 2019. Growth decelerated in the year-end, partly due to a downward trend in volumes in the important Middle East-Asia market. Overall, in 2021, CTKs were 10.5% above 2019 volumes.

Cargo tonne-kilometres (CTKs)

% ch vs. the same period in 2019	2021	Oct-21	Nov-21	Dec-21
Region (registration basis)				
Middle East	10.5	9.7	3.7	5.7
Africa	10.2	11.3	0.1	6.7
World	6.9	8.4	3.9	8.9
Routes (segment basis)				
Middle East - Asia	17.3	14.7	8.1	11.6
Middle East - Europe	-3.4	0.2	-1.1	-3.1
Africa - Europe	-6.1	-5.6	-1.3	-0.5
Middle East - Nth America	39.4	40.6	34.1	33.7
Africa - Middle East	-18.1	-18.9	-22.3	-28.0
Africa - Asia	34.1	23.3	13.5	30.6

Growth in cargo volumes (CTKs), by region

CTKs, % change vs. the same month in 2019



Source: IATA Monthly Statistics

Capacity growth and load factors

- Despite the new wave of flight cancellations linked to the Omicron outbreak, the rate of decline in global seat capacity (ASKs) eased to -37.6% in December 2021 versus December 2019. ASKs flown by African airlines fell by 52.1% over the same period while that of Middle Eastern carries shrank by 41.3%. In 2021 as whole, African and Middle Eastern airlines' ASKs contracted by 55% versus 2019 – underperforming the global average (-48.8%).

- Global air cargo capacity continued to recover in 2021 with the return of international passenger capacity. It was down 4.7% in December and 10.9% in full 2021 compared with the same period in 2019. For African carriers, the rate of ACTK decline accelerated sharply to -20.8% in December, partly due to Omicron related disruptions. Middle Eastern airlines recorded broadly unchanged rate of capacity decline at -9.2% (versus 2019). Overall, in 2021, African and Middle Eastern ACTKs fell by 16.1% and 10.1% respectively versus 2019.

Capacity growth and load factors

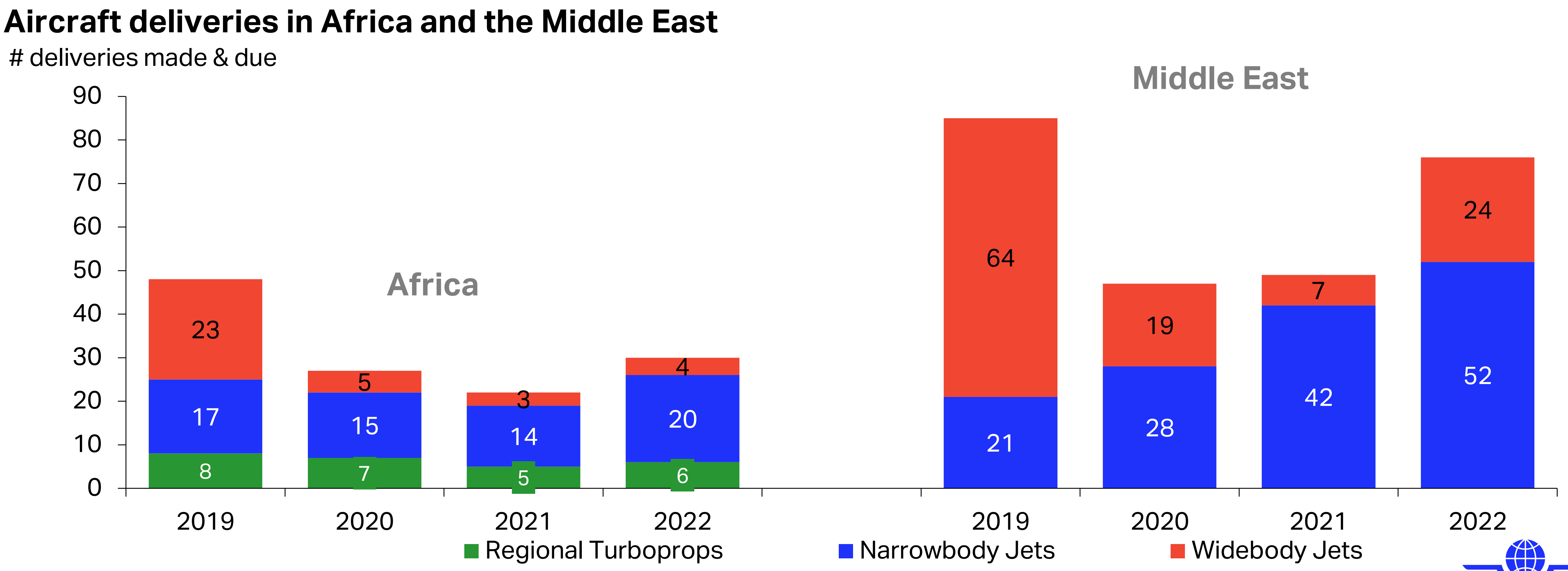
ASK/ACTK: %ch vs. the same period in 2019, LF: % of ASK/ACTK		2021	Oct-21	Nov-21	Dec-21
Passenger					
Middle East	ASK	-55.5	-47.9	-43.6	-41.3
	PLF	*51.5*	*57.6*	*61.7*	*66.3*
Africa	ASK	-55.1	-48.6	-48.1	-52.1
	PLF	*59.5*	*59.3*	*61.5*	*64.7*
World	ASK	-48.8	-40.8	-39.8	-37.6
	PLF	*67.2*	*70.8*	*71.3*	*72.3*
Cargo					
Middle East	ACTK	-10.1	-8.4	-9.6	-9.2
	CLF	*57.4*	*57.2*	*57.3*	*55.6*
Africa	ACTK	-16.1	-3.9	-7.0	-20.8
	CLF	*47.6*	*44.1*	*43.5*	*50.2*
World	ACTK	-10.9	-7.4	-7.6	-4.7
	CLF	*56.1*	*55.6*	*56.0*	*54.2*

Note: LF=load factor. ASK=available seat kilometers. ACTK=available cargo tonne-kilometers.

Source: IATA Monthly Statistics

Jet aircraft deliveries made & scheduled

- As of February 2022, African airlines are scheduled to receive 41% more aircraft deliveries in 2022 compared with 2021 while Middle Eastern carriers are expected to obtain 55% more deliveries over the same period.



Source: Cirium Fleet Analyzer