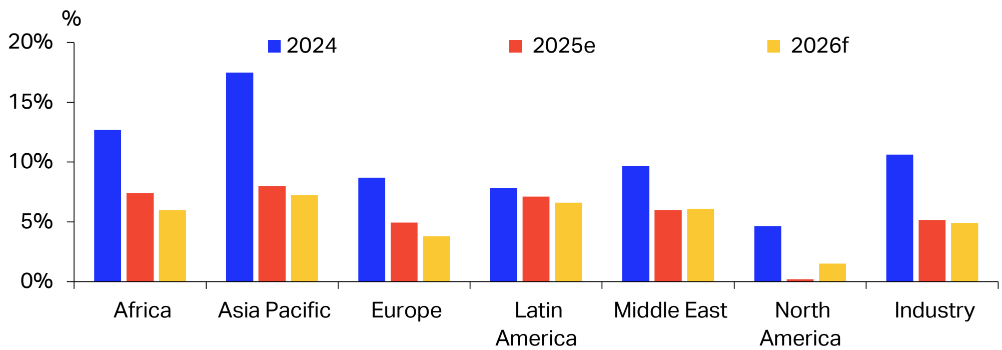
Good morning, good afternoon.

Thank you for joining us for Global Media Day's regional roundtable for Africa.

Total passenger traffic to grow 4.9% in 2026

Africa growing ahead of industry average

Annual growth in Revenue Passenger-Kilometers (RPK) by world region



Source: IATA Sustainability and Economics, IATA Information and Data – Monthly Statistics

We've just announced our 2026 Outlook for the aviation industry, so I will start with a global overview.

We forecast growth of 4.9% in 2026.

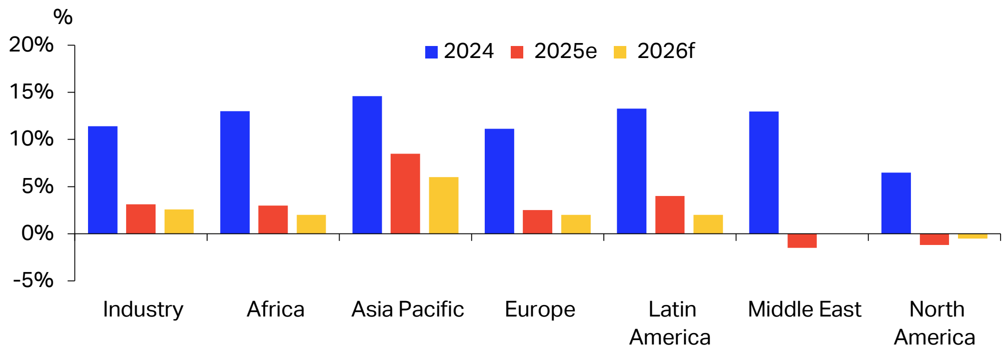
This is slightly below our estimate for 2025 which we forecast to be 5.2%

For Africa in 2026, we forecast growth of 6.0% which is above industry average.

2.6% growth for air cargo in 2026

Africa growth slightly slower

Annual growth in Cargo Tonne-Kilometers (CTK) by world region

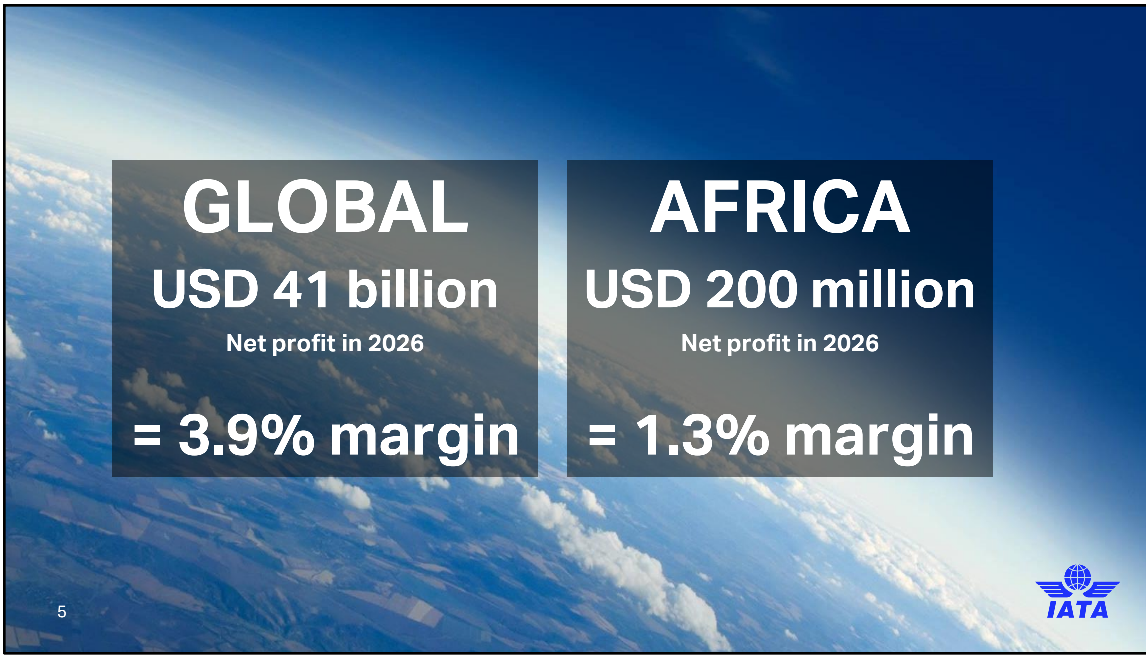


Source: IATA Sustainability and Economics, IATA Information and Data – Monthly Statistics

Cargo is forecast to grow 2.6% globally while Africa’s growth will be slightly slower at 2%.

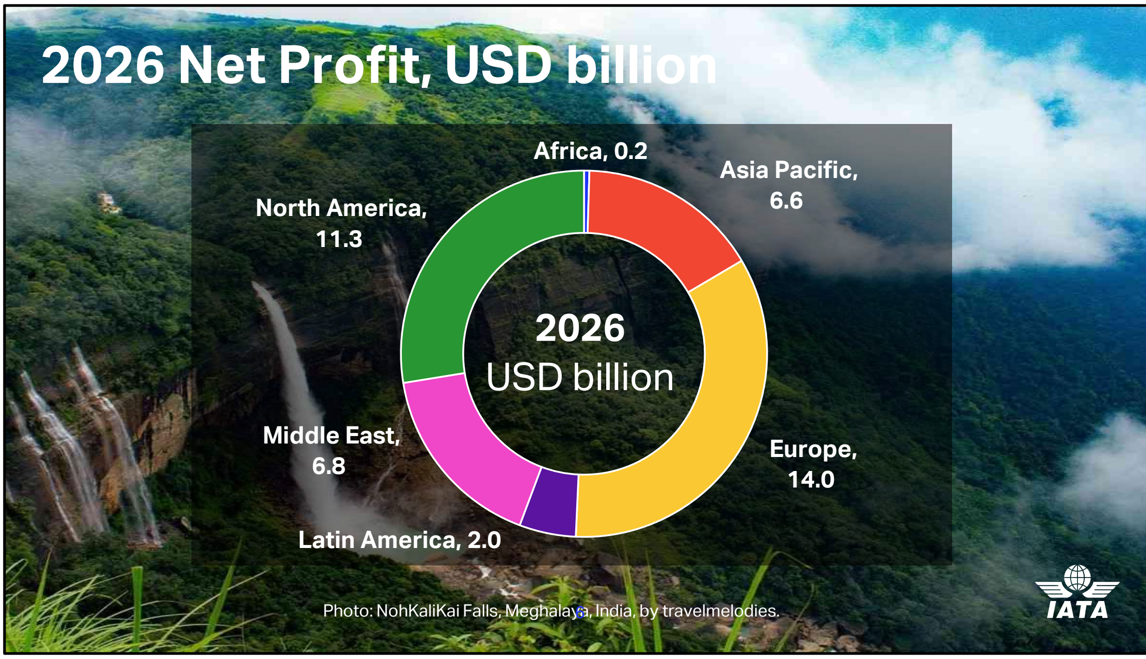
In terms of number of passengers, we are forecasting 5.2 billion passengers globally.

The total number of passengers forecast for Africa is 149 million.

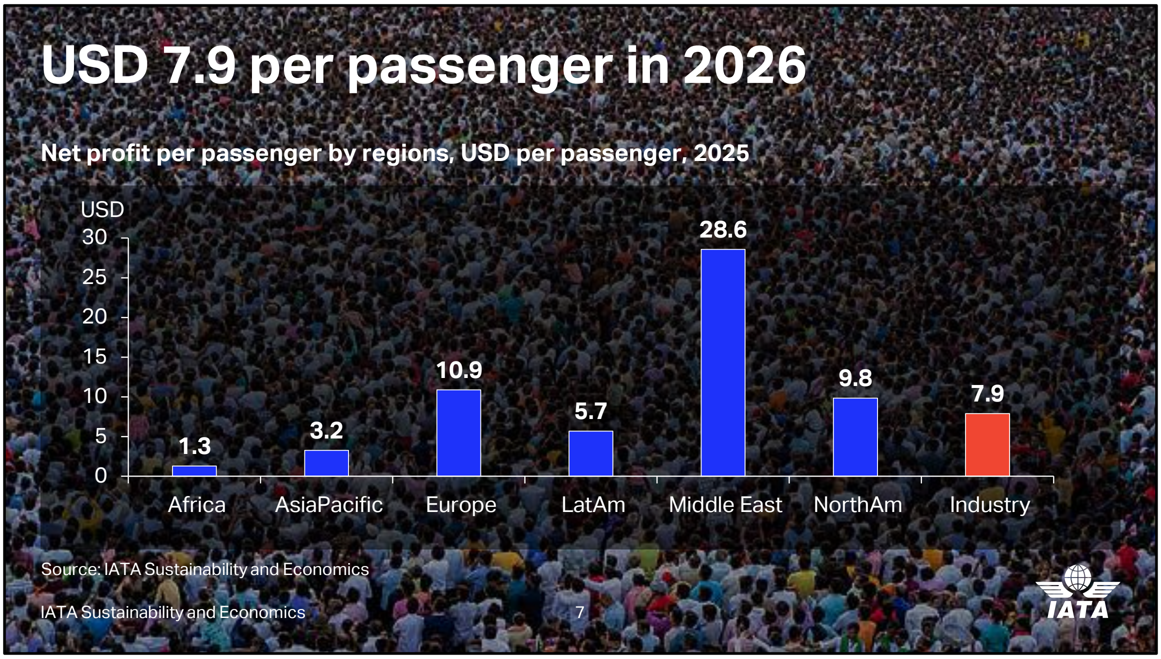


In terms of financial performance, we are looking at a global net profit for the industry of $41 billion in 2026, equal to a 3.9% net margin.

Of this total, African airlines are forecast to make $200 million, with a net margin of 1.3%.



While every region has improved from 2022, Africa makes up the smallest share of this total.



This net profit translates to an average $7.9 per passenger globally. African airlines in comparison will only make $1.3 per passenger.

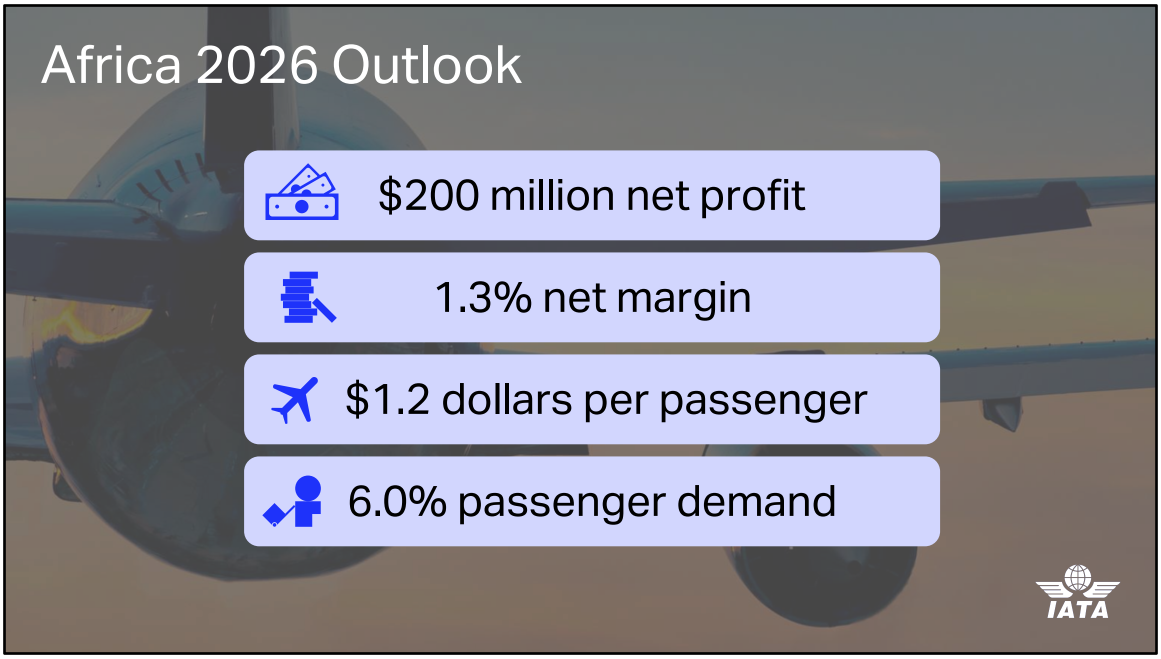
Net profit per passenger in 2026: USD 7.9

Net profit per passenger by region, USD per passenger

USD	2025E	2026F
Middle East	28.9	28.6
Europe	10.6	10.9
North America	9.5	9.8
Latin America	7.3	5.7
Asia Pacific	3.3	3.2
Africa	1.4	1.3
Industry	**7.9**	**7.9**

Source: IATA Sustainability and Economics

- **If we compare with the 2025 expected per passenger profit, we see that the figures are very close.**



In summary, African airlines operate in a challenging environment.

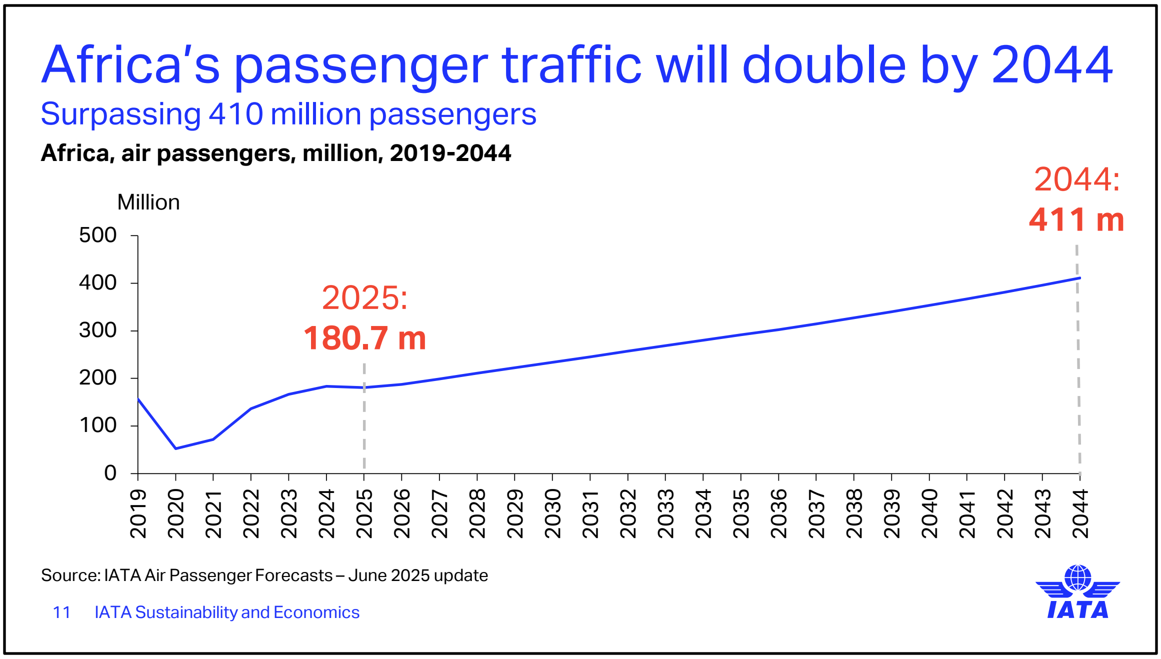
Low GDP per capita across much of the continent limits discretionary spending, making air travel highly price sensitive and restricting its growth potential.

Demand is further restricted by visa restrictions, restrictive bilateral agreements, and high passenger charges. Moreover, African carriers face the highest unit costs globally, with average cost per ATK near 140 US cents, almost double the industry average.

Among the many factors contributing to the high cost of operations in Africa are high fuel costs, fragmented markets, older fleets, and average corporate tax rates of 28% (the highest among all regions).

Until these constraints ease, Africa's airline industry will operate with thin margins and limited resilience, even as traffic expands faster than the global average.

But with all these challenges, Africa has significant potential.



- Africa's aviation market is forecast to grow at 4.1% annually over the next 20 years—the third-fastest globally—reaching 411 million passengers.
- This creates massive opportunities for Africa aviation and Africa's economic growth.

To unlock this potential, we are focused on reducing blocked funds, making aviation more affordable and improving connectivity in order to strengthen aviation and maximize its value for Africa.

Blocked funds – October 2025

$1.2 billion in blocked funds globally - down from $1.3 billion in April 2025.

Top countries with blocked funds in Africa
(as of October 2025)

Algeria - $307m
XAF Zone - $179m
Mozambique - $91m
Angola - $81m
Eritrea - $78

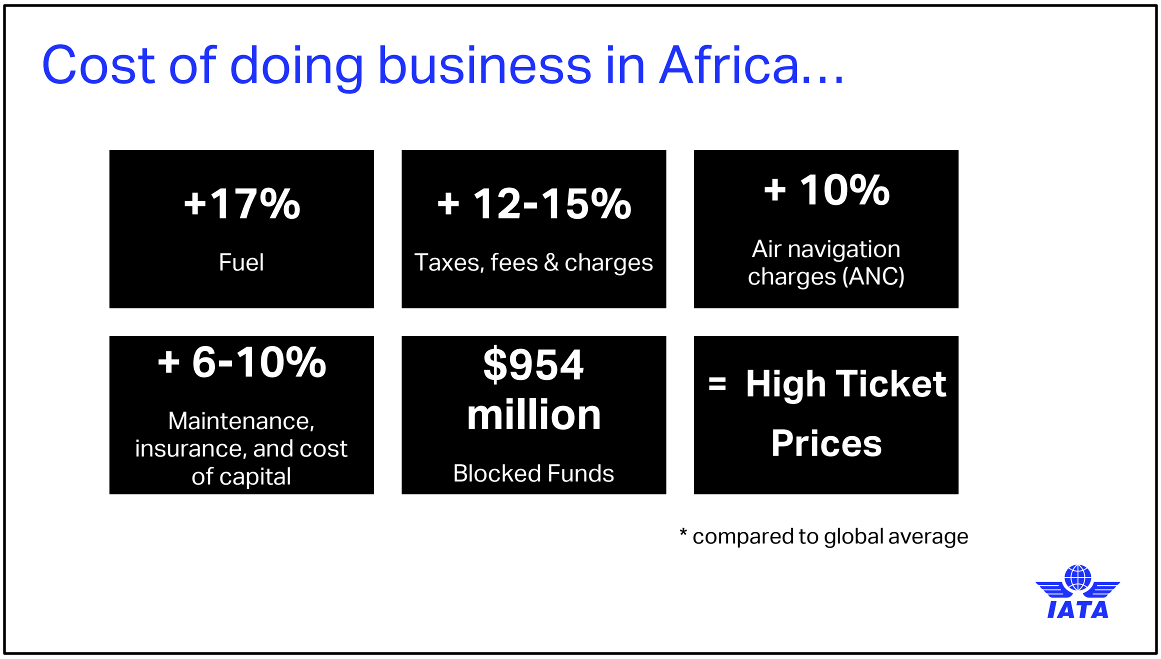
79%
of all blocked funds are in Africa

$954
million blocked funds in Africa

23
African countries with blocked funds

- Blocked funds remain a challenge in the region.
- As of October, globally, there is a total $1.2 billion in blocked funds, down from $1.3billion last reported in April 2025.
- Of this, 79% is blocked in Africa for a total of $954 million.
- For the first time, **Algeria** sits at the top of the list of blocked funds countries. Significant increases have been reported due to a new approval requirement by the Ministry of Trade, adding to the already burdensome documentation requirements. IATA urges the government of Algeria to remove unnecessary processes and requirements for airlines.

- While blocked funds in **XAF Zone** have slightly decreased since last reported in April 2025 from USD 191 million, airlines continue to face repatriation challenges despite submission of required documentation. We call on the BEAC to streamline the internal three-step validation process and improve processing times to continue clearing the backlog.



It's expensive to do business in Africa. I've shared these numbers before but they are critical to understanding why aviation struggles in Africa.

African airlines face unique cost challenges, particularly high operational costs, which are higher than the global average. A few examples:

- **Fuel prices**: 17% higher than the global average, accounting for 40% of operating costs in Africa, compared to 25% globally (2024 data).

- **Taxes, fees & charges**: 12-15% higher than in other regions.
- **Air navigation charges (ANC)**: 10% higher.
- **Maintenance, insurance, and cost of capital**: 6-10% more expensive.
- **Blocked funds** : Africa currently accounts for 79% of the global blocked funds at $954 million out of $1.2 billion.

Supply chain pressures weigh heavily on Africa’s aviation sector.

Aircraft in Africa are, on average, five years older than the global average, with the gap widening due to delivery delays.

Older aircraft consume more fuel and require more frequent maintenance.

Parts sourcing is costly and subject to long lead times, reducing utilization and increasing downtime.

Africa's air transport potential: held back by barriers

Small Share, Big Opportunity

Africa accounts for just 2–3% of global air traffic, despite a growing population and economy—175 million passengers projected in 2024.

Weak Regional Links

80% of flights are international, while only 20% serve intra-African routes—limiting regional integration and economic development.

Market Competitiveness

Over 75% of international passengers fly on non-African carriers, showing the urgent need to strengthen local airline competitiveness.

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In addition to the high cost of doing business, Africa's aviation market faces challenges of access restrictions, limited competition and limited capacity.

Protectionist policies

- Restrictive bilateral agreements limit competition, reducing route availability and keeping fares high.

Limited Capacity

- Most African airlines are small operators with limited fleet sizes and route networks, lacking economies of scale to lower costs and become more competitive.

Limited connectivity

- Intra-African markets are relatively thin, with few airlines operating and limited service options, leading to higher fares. Only 19% of intra-African routes have direct flights, forcing passengers to take longer, costlier journeys.

Market Openness

- Slow implementation of African Union's Yamoussoukro Decision (YD) and the Single African Air Transport Market (SAATM) is a challenge.

Visa openness

- **Champions of Mobility:** Benin, The Gambia, Rwanda, and Seychelles and Ghana welcome all Africans visa-free.
- **Borders Are Opening:** 28% of intra-African travel routes are now visa-free — up from just 20% in 2016.
- **Digital Progress:** 44% of African countries now offer e-visas — more than triple the 2016 figure.

On visa openness, we have seen notable visa policy improvements across Africa but more can be done to improve connectivity and ease of travel:

1. Visa-Free Access for All Africans: In 2024, four African countries—Benin, The Gambia, Rwanda, and Seychelles—offered visa-free entry to all African nationals. This year in 2025, Ghana joined the list, while Kenya has significantly eased restrictions, offering visa free entry to all African nations except for two (Libya and Somalia). This policy underscores the commitment to enhancing intra-African mobility and integration.

2. Visa-Free Travel Scenarios: In 2024, 28% of country-to-country travel scenarios within Africa allow African citizens to travel without a visa. This marks a significant improvement from 20% in 2016, reflecting progress in facilitating easier movement across the continent.

3. Expansion of E-Visa Availability: In 2024, 26 African countries—representing 44% of the continent—have implemented e-visa systems accessible to African travelers. This is a substantial increase from just nine countries (17%) in 2016, indicating a positive trend toward digitalizing visa processes and improving accessibility. These developments highlight ongoing efforts to promote greater

freedom of movement within Africa, which is essential for boosting trade, tourism, and regional integration.

***data from the 2024 Africa Visa Openness Index (AVOI), jointly published by the African Development Bank and the African Union Commission**

Government support is essential to unlock aviation's potential in Africa

- Make aviation a strategic priority
- Stop over-taxing the industry
- Invest in cost-effective infrastructure
- Enable greater connectivity

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Government support is essential to unlock aviation's potential in Africa.

When setting aviation policy, we urge governments to work in collaboration and consultation with industry.

Four priorities for governments to strengthen aviation:

- Recognize aviation as a vital enabler of economic growth, regional integration, and social development.
- Avoid using aviation as a revenue source through excessive taxes and charges. It's a catalyst for trade, tourism, and jobs—not a cash cow.
- Invest in efficient, scalable infrastructure that supports growth—without passing unsustainable costs to airlines and travelers.
- Implement policies that facilitate access and cooperation, allowing more airlines to serve more routes and better connect communities.

Of course no conversation about aviation's future is complete without sustainability.

Achieving net zero by 2050 will depend primarily on Sustainable Aviation Fuel (SAF) and we see future opportunities for Africa.

- Africa's vast landmass, diverse feedstock availability and growing air traffic make it a prime candidate for SAF development.
- Examples of opportunities:
  - The World Wildlife Foundation published a study showing the potential for **South Africa** to produce 3.2–4.5 billion liters annually, more than double domestic aviation fuel demand.
  - In **Uganda**, an ICAO-led feasibility study confirmed strong SAF potential using agricultural waste and municipal solid waste.
  - Recently, Shell and Green Sky Capital signed a deal for **Egypt's** first commercial-scale SAF plant, expected by 2027, producing 145,000 metric tons annually.
  - Feasibility studies have been conducted for Kenya and Ethiopia, and Kenya is exploring **Power-to-Liquid (PtL)** pathways leveraging renewable energy.

Finally and in the context of sustainability and the industry's commitment to decarbonization, I want highlight the recent partnership with the Airlines Association of Southern Africa which will see the association promote the IATA CO2 Connect emissions calculator among its 16 members and carriers across Africa.

AASA is the first airline association to throw their weight behind IATA CO2 Connect.

We welcome the strong support from AASA in helping to onboard more African carriers that contribute fuel burn data but also in making this data available to passengers across the continent

Thank you.

Thank you

Q & A