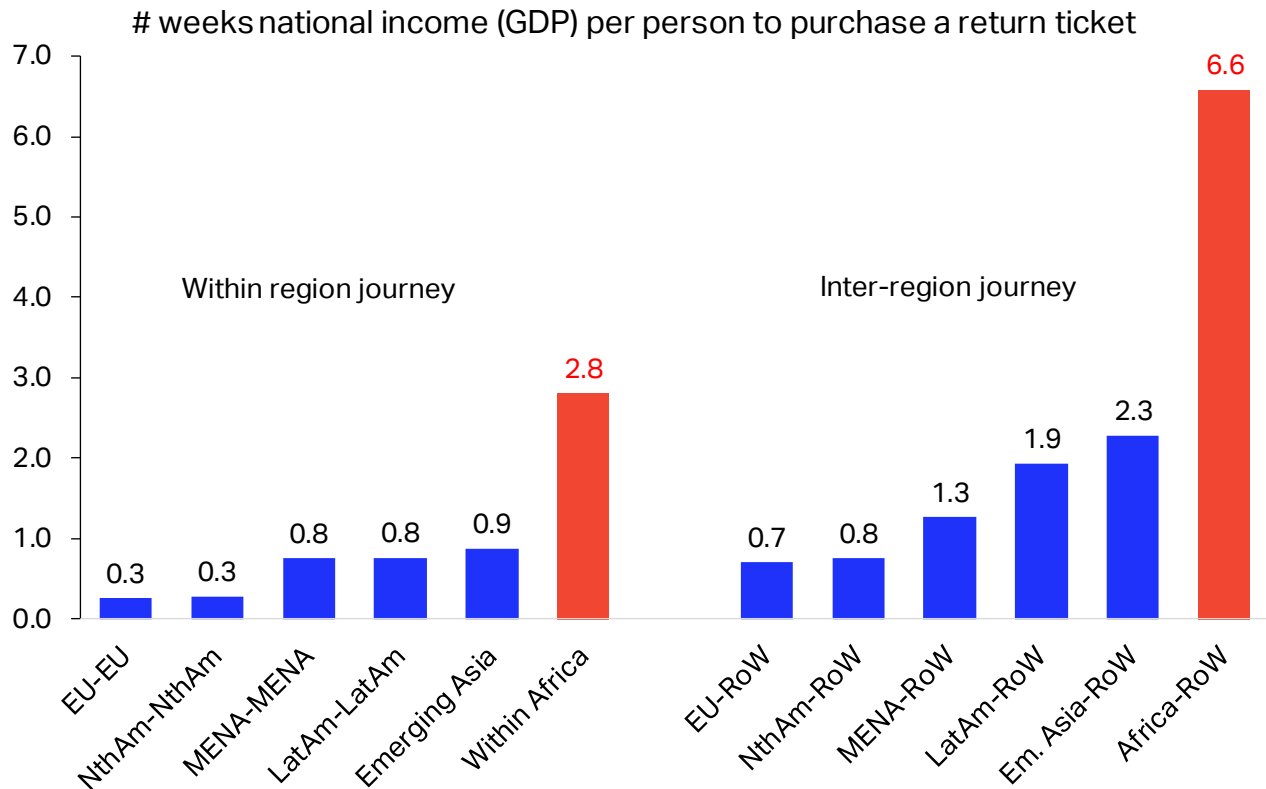




# IATA Economics' Chart of the Week

1 March 2019

## The challenge of delivering affordable air travel in Africa



Source: IATA DDS, IMF World Economic Outlook Database

- Africa, home to 1 billion people or 13% of the world's population, travels very little by air today. The passenger kilometers flown by African airlines in 2018 were just 2.1% of the world total i.e. more than 6x less than the population share. In Europe or North America, the average person takes at least one return trip each year. In populous Nigeria, and in the important market of Ethiopia, the average person takes just one return trip every 50 years.
- Yet Africa needs to travel by air. East-West transport connections by rail or road are extremely poor and average distances, between cities and businesses wanting to trade, are great. Air transport has not yet filled that gap partly because of government restrictions. We published a [study](#) demonstrating the benefits of opening up air transport markets between 12 African economies, which could add \$1.3 billion to their joint GDP. The proposed Single African Aviation Market (SAATM) is an even more ambitious project, linking 28 economies.
- One challenge to implementation will be delivering affordable air travel. Fares within Africa are relatively high but Africa to the rest of the world fares are relatively low, compared to other markets of a similar sector length. The problem is not so much high fares by international standards, but that living standards are so low on average, so buying a typical return ticket from Africa will cost almost 7 weeks of national income per person. It costs less than 1 week's national income per person in Europe or North America.
- An implemented SAATM would deliver more GDP than the \$1.3 billion we estimated would result from better connecting the 12 economies. That would go some way to raising living standards. But for air travel to become affordable to more people there is no alternative to cutting operating costs, allowing airlines to reduce the cost of air travel. That can't be done unless policy-makers implement smarter regulations and tackle inefficient infrastructure.

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