The opportunities presented by air transport are particularly relevant to Africa, however the sector is hampered by lingering over-dependence on governments, supervisory bodies that are often inefficient or corrupt, outdated fleets and poorly-equipped airports. With appropriate political, financial and technical initiatives, the sector could make a significant contribution to the Continent’s development.

Air transport presents a wonderful opportunity for Africa. In an environment where road infrastructures are particularly poor, it is the safest, cheapest and easiest mode of transport to operate. Because of their small footprint, airport infrastructures are much easier to secure and maintain than road or rail networks. They are also cheaper. A 1,600-metre runway is sufficient for any short or medium-haul aircraft and, although running costs per km are higher, the difference is largely offset by low maintenance costs. Air transport is also highly standardised and regulated, making it relatively easy to operate. However, the sector’s current status in Africa does not reflect its potential.

After decolonisation, every newly independent country wanted its own international airline. This spawned numerous companies, such as Air Mali, Air Mauritanie, Air Sénégal and Air Gabon, which were not all able to survive in an environment that was being rapidly deregulated. These days, most African airlines suffer from inadequate capital and poor management and are struggling to survive without the means to develop (Box 1). The sector is hampered in particular from disadvantageous political circumstances and inadequate fleets and infrastructures.

Overview of African air transport

In Africa, 40 countries have at least one airline; 16 have several. But of the 97 African companies registered in the Official Airline Guide (OAG, 2016), only 23 have IATA codes. Assigned by the International Air Transport Association (IATA) and made up of two or three letters, these codes are recognised internationally and allow airlines to sell tickets worldwide through travel agents. The continent is characterised by a high proportion of very small companies that only operate locally. A total of thirteen companies offer low cost fares.

Africa is also defined by low passenger traffic. Fourteen companies carry more than 500,000 passengers per year and only nine exceed more than a million, which is still very modest. With a total of around 100 million passengers per year, African carriers account for less than 3% of global traffic - and these figures do not include passengers carried by non-African companies (European or Gulf carriers), which are well established in some destinations. Only two African airports appear on the list of the world’s 150 top airports in terms of traffic (Airline Business,
Johannesburg, which is in 98th position with 20.076 million passengers, and Cairo, in 117th position with 14.678 million passengers. All the other African airports handle less than ten million passengers per year.

Finally, with regard to aviation safety, 13 African states are not deemed fit to carry out checks on their airlines and all their carriers are consequently on the European Union’s air transport blacklist, in accordance with the regulation of 21 December 2015 concerning the operating ban for safety reasons. Two states nevertheless have an exemption for their national carrier. A total of 114 companies are on this blacklist, and it must be said that many of them are marginal in the air transport sector.

A DIFFICULT ENVIRONMENT

The 1988 Yamoussoukro Declaration paved the way for “open skies” agreements in Africa - at least on paper, however individual countries still have reservations about freeing air transport from political control and continue to safeguard their own national carriers. However, imposing traffic restrictions is not an efficient means of protection and opening up airspace gives airlines an opportunity to re-structure. Royal Air Maroc is a good example. Under pressure from tourism, Morocco signed an “open skies” agreement with Europe. Stiff competition from European airlines forced Royal Air Maroc to find a new growth model and it opened a high-performance hub in Casablanca to link West Africa with Europe - a strategy that proved highly successful.

But for most African countries, lifting air transport restrictions remains a tricky issue. In their view, the airspace belongs to them and retains a strong symbolic and political dimension and governments rarely have the necessary skills and resources to manage this sector effectively. In many cases, airline managers are still appointed based on their closeness to the country’s political leadership rather than on their skills.

Air transport in Africa is also hampered by inefficient supervisory bodies which often lack credibility. Each country has its own civil aviation authority tasked with ensuring that all players in the sector comply with international rules. The International Civil Aviation Organization (ICAO) delegates responsibility for auditing airlines to each country’s aviation authority. The airlines should receive certificates authorizing them to carry out their activities anywhere in the world, however certain civil aviation services are so inadequate that ICAO no longer authorises them to certify their country’s carriers. This has extremely serious consequences for the airlines. Even if they operate to high standards, they are immediately placed on a blacklist and their activities are restricted to the country in which they are registered. This has happened in 15 African countries, notably the Democratic Republic of Congo. Their civil aviation authorities are deemed negligent and corrupt, the ICAO refuses to approve the audits they carry out and consequently all their airlines are blacklisted in Europe.

Air transport in Africa is also blighted by corruption and misappropriation of funds to the point where airlines’ very existence is threatened. Although such practices are not confined exclusively to
Africa, they are especially widespread here. There are many unfortunate examples – in Mali, Gabon and Madagascar inter alia – of crimes ranging from overcharging for aircraft to embezzlement of profits earned abroad.

RAGTAG FLEETS AND INADEQUATE INFRASTRUCTURES

Many African countries lack the funds needed to finance their airlines and ground infrastructures. Modern planes are very expensive, costing around 500,000 dollars per seat. A medium-sized aircraft with 150 seats (such as an Airbus 319) costs 75 million dollars and a medium-haul fleet requires 10 to 20 planes. Where will this money come from? Most aircraft are now rented or leased, but banks still demand appropriate guarantees before financing any investment. Moreover, due to the Continent’s political instability, the situation is even more fraught if the airline is government-owned. As a result, African airlines very often use planes that are cheap to buy but onerous to maintain and run. Without a modern fleet and a high-quality ground operation and maintenance infrastructure, air transport cannot be profitable. In addition, many fleets consist of 10 or fewer – often poorly-matched – planes. It is quite common for all the models in a fleet to be different. How can proper maintenance and training be provided in such circumstances?

The main advantage of air transport, for both passengers and freight, is the relative freedom from dependence on road and rail infrastructures. Providing the Continent with airports is much cheaper than building roads and railway lines. Large airports can be equipped with appropriate facilities but this is not always possible for the “secondary” air network – even when there is one. To meet the needs of the population and sustain economic growth, every medium-sized town would need paved rather than unsurfaced runways and efficient air traffic control systems suitable for modern planes. Villages would also need to be equipped with unpaved runways at the very least for planes with fewer than 20 seats. This sort of regional network does not exist.

MAKING AIR TRANSPORT MORE EFFICIENT

To improve efficiency and reduce corruption in the sector, the first step needed is to implement ICAO and International Air Transport Association (IATA) standards. These two organisations establish regulations governing air transport: countries are represented by ICAO, airlines by IATA. The different countries are audited regularly by ICAO inspectors. If they do not comply with the regulations, ICAO withdraws their certification to audit airlines registered in their own country and they are immediately blacklisted. Fortunately, the vast majority of African countries currently comply with ICAO legislation. IATA rules are just as strict. This organisation facilitates billing between airlines and travel agents and acts as a clearing house for the airlines. Its financial tools are essential for every airline – unless they want to join the small group of low-cost companies operating primarily through direct sales with huge amounts of advertising. IATA’s services – especially the Billing and Settlement Plan and Interline Clearing House (Box 2) – actually prevent misappropriation of profits and are thus an extremely efficient measure against corruption. Unfortunately, many African airlines are unaware of these products and technical training in this area would undoubtedly lead to more widespread use.

IATA products and services

The Billing and Settlement Plan (BSP) is used by all travel agencies. Rather than holding a stock of tickets for each airline, agencies use a neutral document allowing them to issue travel tickets and assign them to an airline. For example, a ticket from Dakar to Copenhagen via Paris, involving Air France and SAS, would be issued by the Dakar travel agent on a neutral BSP...
document and assigned to Air France. At the end of each month, the BSP management body collects sales proceeds from all the travel agents, and distributes them among the airlines. As there is no intermediary, the system is an effective way to avoid any misappropriation of funds. In this example, Air France has collected the full price of the ticket, while SAS has transported the passenger without yet being remunerated. The two companies share an “interline” agreement allowing the mutual acceptance of tickets. Once the passenger has been transported, SAS sends its bill to Air France. As each airline owes money to several others, and is also owed money by them, transactions are made through the Interline Clearing House (ICH) which belongs to and is managed by IATA.

To give the sector fresh impetus, African governments also need to make a firm commitment to the “open skies” agreements already signed, and to designate a continental body – perhaps the African Union – to negotiate traffic agreements with Europe and the Arab States of the Persian Gulf. Africa is developing fast and its airspace is in demand so reciprocal agreements should be possible. However, no single African country is powerful enough to negotiate on an equal footing with European authorities or the powerful airlines of the Gulf States (Emirates, Etihad and Qatar Airways) and Africa needs to present a united front at these negotiations.

Finally, there is a need for a dedicated air transport investment fund whose resources would finance both infrastructure and airlines. Such a fund should be a private, neutral entity, totally independent of governments and focused solely on its own profitability. It would need a capital base of at least 100 billion dollars and should only finance those projects deemed to be most worthwhile.

It is essential to develop projects that match the needs of local communities. The priority for equipment and infrastructures should be to grow the “secondary” air network – with the aim of serving even small towns. At the same time, governments should endeavour to make this kind of transport accessible to the majority of the population. In a second phase, powerful regional networks will no doubt be possible – indeed, some already exist, although they are limited by poor service. Finally, intercontinental services will follow. Africa is witnessing strong growth, boosted by greater political stability, a growing population and the emergence of a well-educated middle class. Provided it does not miss this opportunity, air transport could act as a powerful economic growth vector.

Footnotes:

1 Nevertheless, there are some high quality carriers that have, for the most part, adopted global systems. These include Ethiopian Airlines, Kenya Airways, Egyptair and Royal Air Maroc.
2 The Yamoussoukro Declaration granted all African airlines the “fifth freedom traffic right”; in other words, the right to carry passengers from the home country to second and successive countries.
3 The right to fly over for technical reasons has been extended to cabotage privileges, allowing airlines to serve domestic routes within the countries.

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