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Is freedom of air transport in Africa a pipedream?

Visa restrictions, exorbitant costs, and protectionism are some of the roadblocks hindering the realisation of open skies in Africa.



Source: <u>Pexels</u>

These factors were brought to light by travel and tourism expo, WTM Africa in a meeting of minds initiated by the Single African Air Transport Market (Saatm) (a flagship project of the African Union's Agenda 2063).

Present at a panel discussion on the topic were Rui Carreira, non-executive Board member of Taag Angola Airlines; David King, project manager of Cape Town Air Access, an air-route development project; Afzal Parambil, regional manager Southern Africa at Emirates, and Adebayo Adedeji, chief executive officer of Wakanow.com.

Until these issues are effectively addressed, airlines will not be able to achieve the required load factors to make their routes financially viable, rendering the benefits of open skies irrelevant, said Carreira.

Carreira explained that the African Union elected the African Civil Aviation Commission (Afcac) as the executing agency of Saatm. However, Afcac

currently lacks the power to enforce regulations, which poses a challenge to the implementation of Saatm.

Afcac can only rely on voluntary compliance by airlines and national authorities, explained Carreira. This, in turn, leads to

uneven implementation of SAATM across different countries as some countries fully embrace liberalisation, while others are hesitant to do so. The result is an uneven playing field for airlines and limited investor confidence.

Local African currencies are another obstacle to open skies because multiple currencies and exchange rates can create added complexity and costs for airlines that operate across multiple countries, added Carreira.

The red tape of visa access

King pointed out that visa accessibility is another massive challenge. Although visa controls are necessary, the process should be easy and seamless. The lack of visa accessibility is currently preventing airlines from attracting passengers. This, in turn, hinders the development of Saatm.

Carreira agreed and reiterated the importance of opening up borders and removing obstacles to enable airlines to explore new markets and grow the economy. He explained Taag is keen to embrace open skies and explore more countries in Africa, but first, the challenges need to be addressed.



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"The benefits of Saatm are undeniable," said Carreira. He explained that Taag was forced to close some African routes because load factors were simply too low to justify weekly flights. "It is imperative that Africa follows the example of the EU. The EU started as an economic community of

just six countries, and gradually expanded over time to include more member states. The region also developed a common market and customs union, which have helped to eliminate trade barriers and promote economic growth within the region."

Building economic partnerships

Carreira pointed out that similarly to the EU, African countries can start small and focus on building economic partnerships and regional integration at a smaller scale before scaling up. African countries could also benefit from developing institutions to promote intra-regional trade and economic co-operation.

The panellists acknowledged that the benefits of open skies are immense.

Parambil explained that the Saatm would help all airlines, not just African carriers. This is because the opening up of borders would help connect passengers to secondary and tertiary destinations in Africa, which is currently a significant challenge.

Adedeji stated that commerce should be a driver in the aviation strategy. The benefits of opening up countries commercially are evident, he said, as airlines need at least an 80% load factor to continue operations.



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Parambil also noted that liberalisation would change the game, as it did for Emirates and Dubai. He explained that by taking advantage of new opportunities created by open skies' agreements and establishing a strong hub-and-spoke model, Emirates has been able to expand its operations and become one of the world's leading airlines.

The aviation industry is an essential player in driving economic growth and job creation in Africa.

According to King, for every 100 tourists arriving on a plane in Cape Town, one job is created. "Every flight that enters your airport is valuable and grows the economy," he said.

"It is vital to remove obstacles and achieve open skies to enable airlines to connect African countries and passengers to their destinations and grow Africa into a global and powerful aviation hub."

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