

African air travel growth to outpace rest of world's

By [Neels Blom](#)

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Airline passenger numbers in Africa are expected to more than double in less than 20 years based on a growth rate of about 5.6%, the International Air Transport Association (IATA) said this week.

The rate would raise the African number to about 200 million, exceeding that of the global annual compound growth rate, which IATA estimated at 3.6%. At the global rate, the number of global airline passengers would increase from about four billion to about 7.8 billion.



The world will have to prepare for 7.8 billion air passengers by 2036

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The estimate for Africa is, however, off a low base, said airline insider Linden Birns, and made up a mere fraction of the global figure.

Region at risk of missing an important opportunity

A week ago Paul Steele, the senior vice-president of external relations at IATA, told the annual assembly of the Airlines Association of Southern Africa (AASA) that the region, and SA in particular, was at risk of missing an important opportunity.

"African airlines are not in a healthy financial state. This year, while the global aviation industry will make a profit of \$31.4bn, African airlines will lose \$0.1bn. For every passenger an African airline flies, it will lose \$1.50. Compare that with North America, the industry's current profitability standard setter, where airlines make more than \$16 per passenger."



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Chris Zweigenthal, the CE of AASA, said SA was a big market in Africa, but with the country's GDP growth at less than 1% a year, passenger growth (international and domestic) is projected at between 3% and 4% a year for the next five years. With expectations of an economic recovery over the next few years, SA's growth will return to match that for the rest of

Africa at about 5.7%, he said.

"Although many Southern African Development Community (SADC) countries have high GDP growth rates (some as high as 5% to 7% per annum), we believe SADC's passenger growth rates will mirror the performance of SA."

Passenger growth rate constrained

Passenger growth in SA and in Africa was constrained by several factors. One was the delay in the implementation of an open-skies policy, he said.



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Negotiations about liberalisation had been underway since 1999 with the signing of the Yamoussoukro decision, said Zweigenthal. This had not been realised, though there was limited liberalisation in certain regional economic blocs and between certain markets.

"A new initiative of creating a single African aviation market was initiated by SA in January 2015 and to date, 21 states have signed a commitment to this. An initial date of implementation by 2017 was proposed and not realised and a new date of 2018 is being targeted. This project is now being driven through the African Union's programme (to create a single Africa air transport market)."

Steele said that for Africa to achieve its full potential, the Yamoussoukro decision needed to advance quickly and fully. "While there has been some progress over the past two years, with 22 states committing to full implementation of the decision and more than 50 new routes launched intra-Africa, politicians and industry need to act in cooperation to bring the vision to reality," Steele said.

SA's share would be about R284m a year added to its GDP, which translated into 14,500 more jobs, he said.

Source: Business Day