

Private Sector & Development

PROPARCO'S MAGAZINE



AIR TRANSPORT, A VITAL CHALLENGE FOR AFRICA

COMPLEX JOURNEYS, LIMITED CONNECTIONS AND COVERAGE –
AFRICAN AIR TRANSPORT FACES MANY CHALLENGES.
HOW CAN ITS DEVELOPMENT BE NURTURED?

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EDITORIAL



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Air transport in Africa still does not count for much on a global scale. However, strong GDP growth, the continent's fast-growing urbanisation and the expansion of the middle classes – who want to travel – are likely to shake up this situation. The African aviation market is about to experience unprecedented growth. The IATA is forecasting an average annual increase of 5.7% in air traffic until 2034. The sector also offers major investment opportunities – estimated at over \$160 billion for the acquisition of new aircraft alone.

However, there are still many obstacles to realising this potential. The airlines have to bear high operating costs that put a strain on their competitiveness. They include, in particular, the exorbitant cost of fuel, high taxes and charges, greater insurance premiums and stringent regulatory constraints. Traffic rights and air fares are subject to particularly restrictive controls that often put African operators at a disadvantage. At present, intercontinental connections remain the prerogative of foreign airlines, which account for more than 80% of the traffic.

Nevertheless, a few operators – including Ethiopian Airlines and Kenya Airways – have succeeded in overcoming these challenges. Far-reaching reforms are needed at regional and continental level to promote new successes and stimulate the development of private initiative. Only effective liberalisation of air transport will lead over time to increased traffic, improved safety and lower fares. Initiatives to this effect have already demonstrated their benefits, whether in South Africa or Kenya, Côte d'Ivoire or Zambia. The political determination of African heads of government will be key to implementing the Yamoussoukro Decision in full.

“The African aviation market is about to experience unprecedented growth.”

Africa needs a strong, efficient, competitive air transport sector. It is a catalyst for regional integration, an indispensable support for intra-African trade and tourism, but also a tremendous employment driver – it is estimated that this sector should create more than 800,000 jobs over the next twenty years. The emergence of an open, less fragmented African sky will therefore be essential for supporting the continent's development. ■