



AVIATION AFRICA 2018 - CAIRO

'Securing Strategy for Africa's Success'

Freight: Why Africa's cargo carriers should be embracing change and growing the freight markets

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Who we are – What we do



- All-Cargo Airline which is based at JKIA, Nairobi and operational for 18 years.
- Designated a National Carrier - Cargo by MoT - Kenya
- SCHEDULED FREIGHTER EX NAIROBI
 - ❖ Europe > London Stansted & Liege
 - ❖ Intra-Africa > Tanzania (Dar, Mwanza, Zanzibar), Rwanda (Kigali), Somalia (Mogadishu & Hargeisa), S Sudan (Juba), Mozambique (Pemba & Nampula), Comoros (Moroni)
- Fleet is Fokker 27 (6t), DC9F (15t), B727F (23t) & B747-400F (110t)
- Interlines with 6 African Airlines in addition to 16 Airlines from Europe, Middle East & Asia.
- Member of AFRAA, TIACA, KEPASA, KNCCI, KAAO & WCA.
- Voted Best African All Cargo Airline in 2017, 2015, 2013 and 2011.

Fleet



B 747-400 F; 120,000Kg



B 727-200 F; 24,000Kg



DC-9 F; 16,000Kg



Fokker 27-500 F; 5,700Kg

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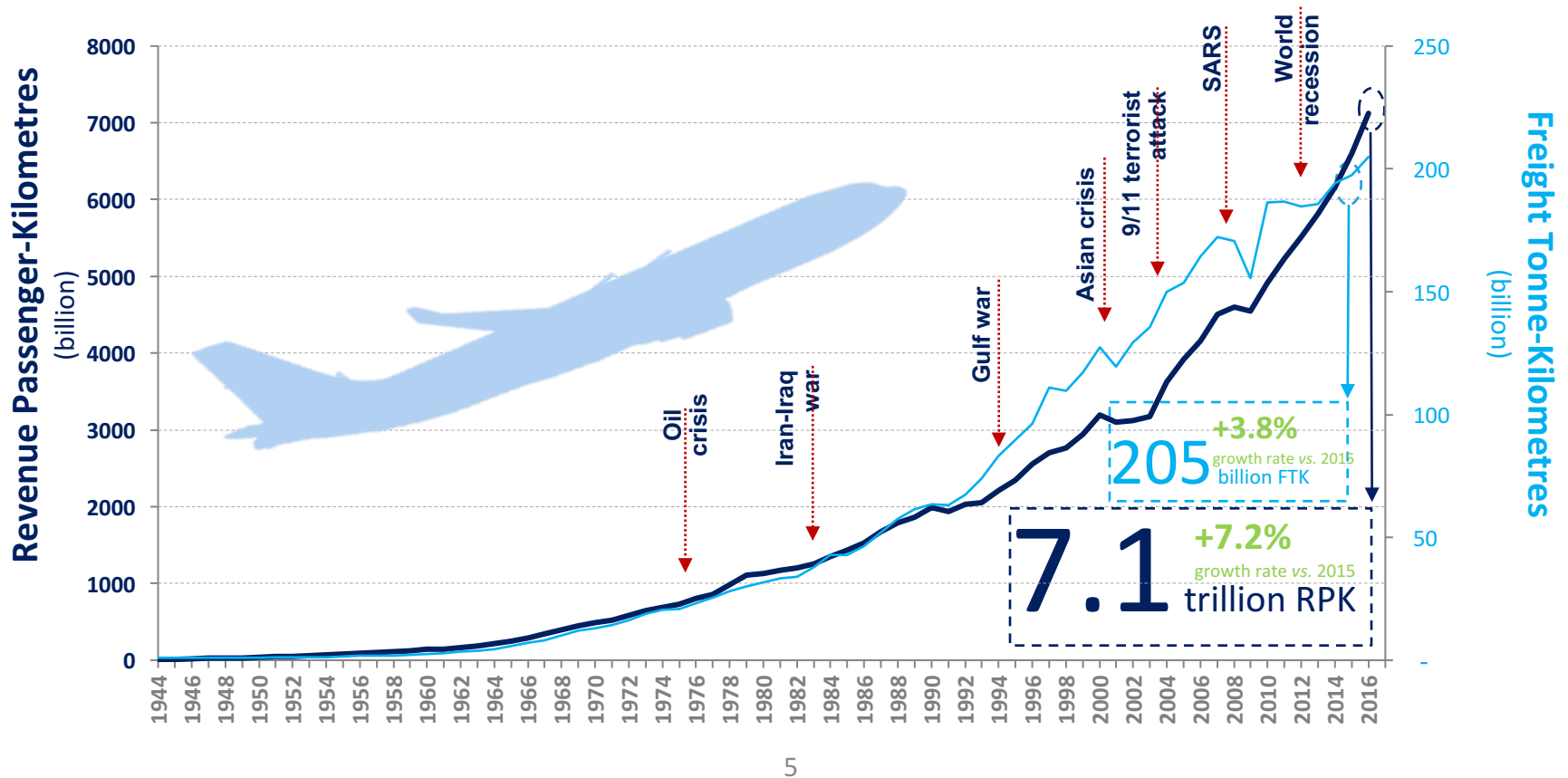
Fleet



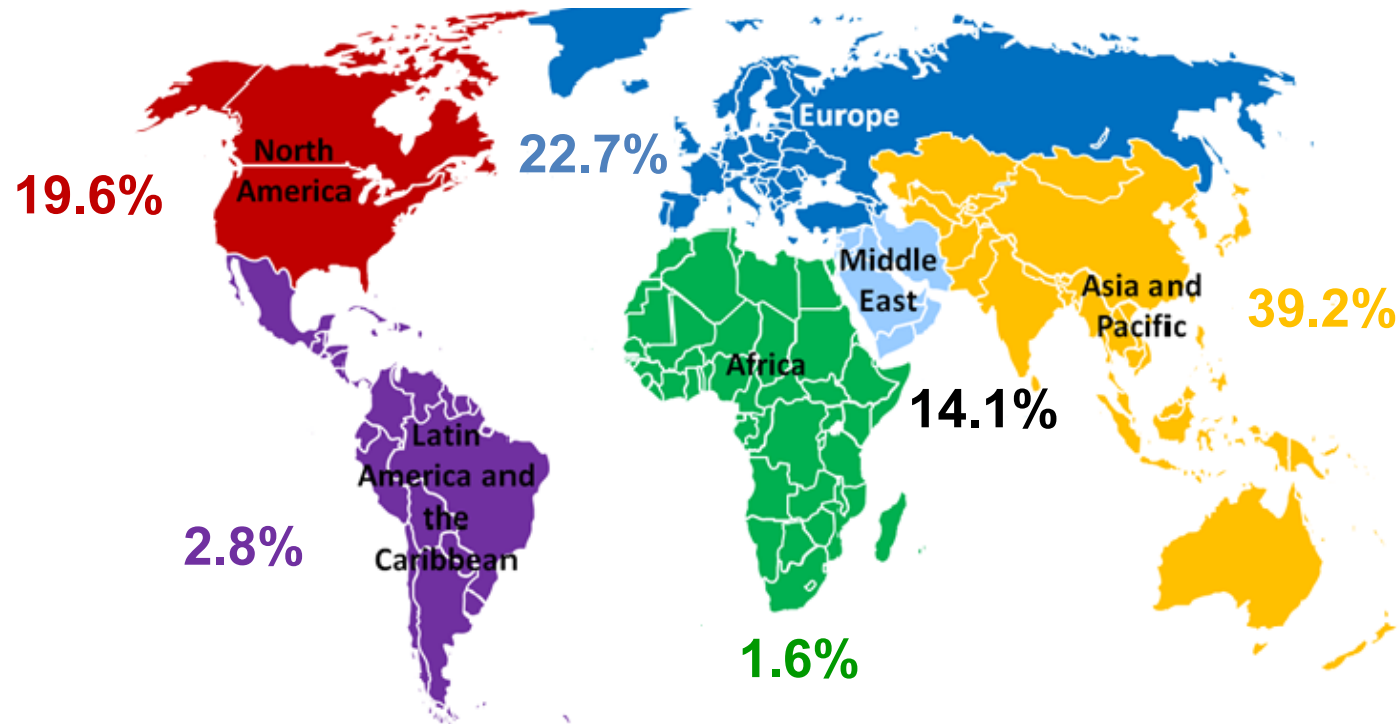
FLYOX CARGO DRONE – 2 TONS



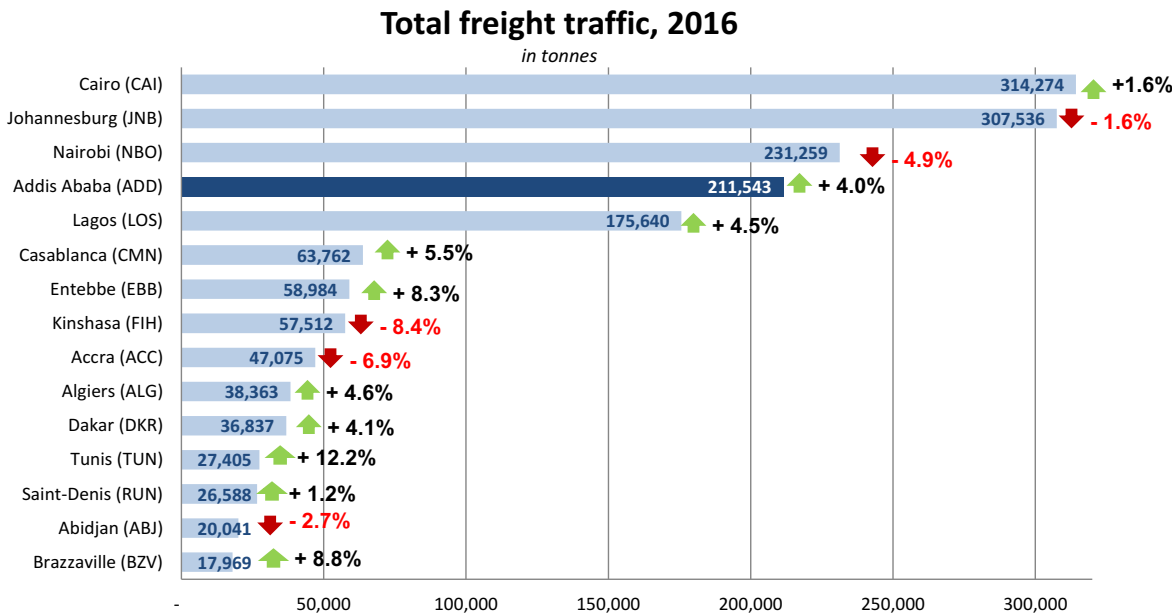
Growth of air transport



Share of Freight Tonne - Kilometres by region in 2016



Ranking of African Airports Total Freight Traffic, 2016



The region continues to grow:

- ↑ + 0.1% in all-cargo and mail movements
- ↑ + 0.2% in total freight traffic
- ↑ + 7.1% in total mail

The top 15 African airports:

- ↓ - 1.0% in all-cargo and mail movements
- ↑ + 0.6% in total freight traffic
- ↑ + 8.2% in total mail

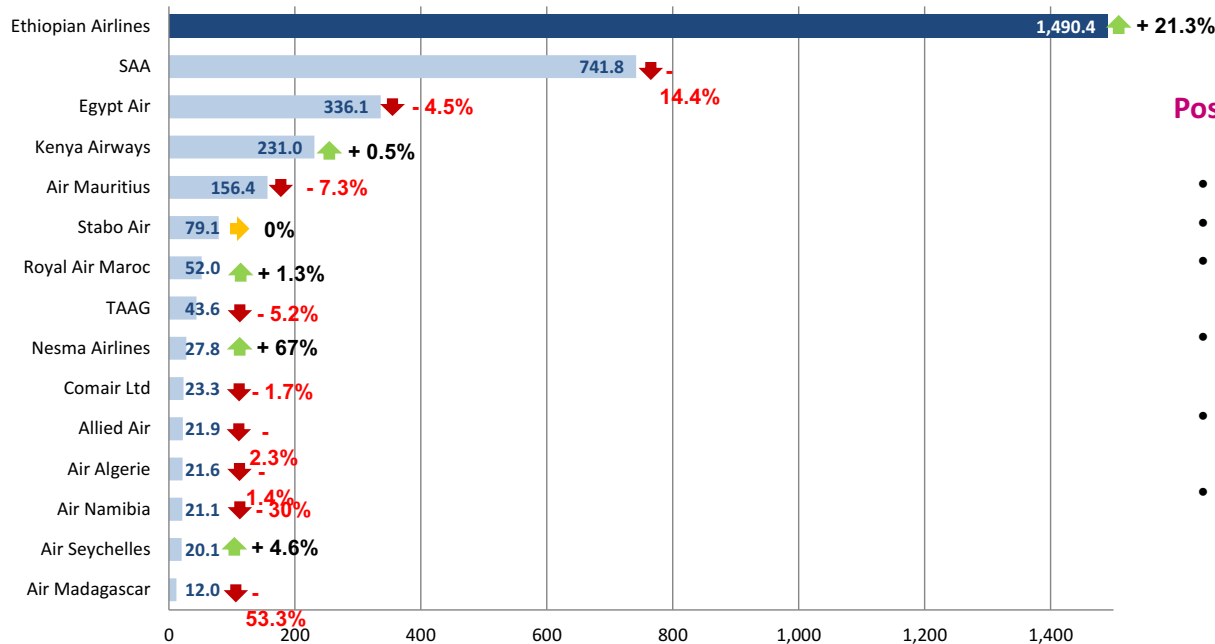
- ✓ The share of the top 15 airports in Africa total freight is **89%**
- ✓ The share of top 15 airports in world total freight is **1.7%**
- ✓ For 2016 the ranking welcomes: Maya-Maya, International Airport of Brazzaville

In 2016:

- The total freight moved in worldwide airports grew up: **3.7%**
- The total freight moved through the African airports reached **1.8** million tonnes.

Airline Traffic rankings in 2016

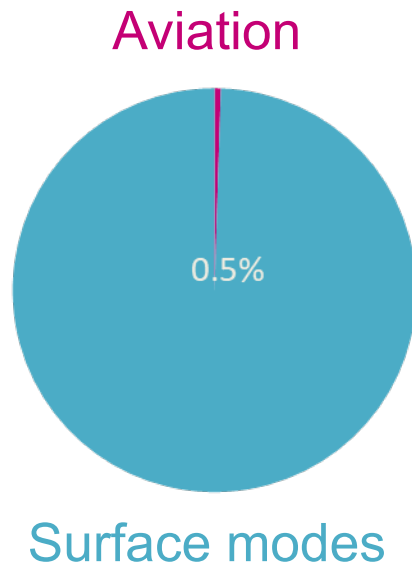
Total Scheduled Freight Tonne-Kilometres (FTK)



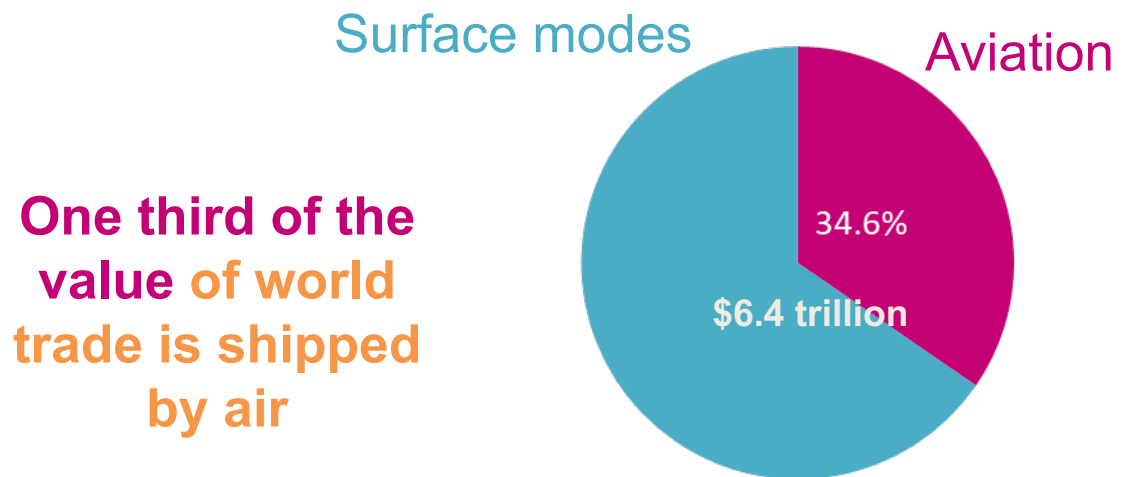
Positive growth rates were the trend in 2016

- The world grew up **+ 3.7%** in total FTK
- Africa region grew up **+ 2.8%** in total FTK
- The **98%** of FTK performed by African airlines is in international services
- The top 15 African airlines **+3.0%** in total FTK
- The share of the top 15 airlines in Africa total FTK is **97.9%**
- The share of top 15 airlines in world total FTK is **1.1%**

Volume of world
international cargo shipment



Value of world international
cargo shipment



**One third of the
value of world
trade is shipped
by air**

➤ Existing Intra-African Hubs

- **East Africa:** Nairobi & Addis Ababa.
- **South Africa:** Johannesburg.
- **West Africa:** Lagos.
- **North Africa:** Casablanca & Cairo.

➤ Airlines operating on the Intra African Network

- **East Africa:** Astral, Ethiopian Cargo & Kenya Airways Cargo
- **South Africa:** SAA Cargo.
- **West Africa:** Allied Air & DHL Aviation.
- **North Africa:** Egyptair Cargo & Royal Air Maroc.

FREIGHTERS ON INTRA AFRICAN NETWORK



➤ Astral Aviation	B747-400F / B727F / DC9F / F27F
➤ Ethiopian Airlines Cargo	B777-200LRF / B757-260F / B737-800F
➤ Kenya Airways Cargo	B737-300F
➤ SAA Cargo	B737-300F
➤ Allied Air Cargo	MD-11F / B737-400F
➤ DHL Aviation	C208, ATR42/72, B737-400F
➤ Egyptair Cargo	A300F / A330-200F / B737-800F
➤ Royal Air Maroc	B737F / B767F

POSITIVE STEPS – LIBERALIZATION :



Creation of “**Single African Air Transport Market**” in 2018 by 23 African countries will improve market access, connectivity and new traffic.

Single African Air Transport Market (SAATM)

23 countries have signed the solemn commitment :

Benin, Burkina Faso, Botswana, Cabo Verde, Republic of Congo, Côte d'Ivoire, Egypt, Ethiopia, Gabon, Ghana, Guinea Conakry, Kenya, Liberia, Mali, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Togo and Zimbabwe

- Total GDP (2015): 1450 Billion US Dollars
- Potential passengers greater than 200 million per year
- Cover 75% of Intra African Air Transport

Benefits of the SAATM

- Air service connectivity
- Over 25% lower fares
- Creation of jobs
- African integration
- Convenience and ease of travel
- Time saving
- Enhanced intra-African trade
- Contribution to tourism growth
- Sustainable growth of African Airlines
- Increase in National GDPs
- Reliable services
- Better utilization / reduction of cost of operations
- Enhancement of aviation down-stream sector activities



POSITIVE STEPS : REGIONAL TRADE



Creation of **Continental Free Trade Area (CFTA)** between 44 African countries will boost regional trade and enable significant growth in the air-cargo sector.



- **Aviation Sector** Positive Growth in the African Aviation sector and emergence of new airlines / fleet.
- **Infrastructure:** Development of airport infrastructure / PPP's
- **Middle Class:** Growth in the Middle Class population (300M / 35%) and role of e-commerce and mobile pay.
- **Lobbying:** AU, AFCAC, AFRAA, ICAO & IATA

Conclusion



- **INTRA-AFRICA** sector has the highest growth rate (10-15%pa) and offers immense opportunities for African airlines.
- **HUB's** of Johannesburg, Nairobi, Addis Ababa, Lagos and Cairo offer good opportunities and connectivity to their domiciled airlines.
- **CHALLENGES** do exist for African airlines however the **OPPORTUNITIES** of further liberalization (SAATM) and increase in regional trade (CFTA) will boost the intra-African sector.
- **AFRICAN AIRLINES** will need to invest in more freighters and expand into new regional markets, as the intra African sector will offer better yields and profitability.

THANK YOU

