



IATA, AASA and BARSA Call on South Africa's Government for direct financial relief to Aviation as an economic safeguard

Johannesburg, South Africa - The International Air Transport Association (IATA), the Airlines Association of Southern Africa (AASA) and the Board of Airline Representatives of South Africa (BARSA) are calling on the South African government to provide specific financial relief to the aviation sector to address the severe impact of the COVID-19 crisis.

IATA estimates that revenues generated by airlines in the South African market will fall by \$3 billion (about ZAR 55bn) in 2020, 56% below 2019 levels. That puts at risk 252,100 South African jobs and \$5.1billion (about ZAR 93bn) of South Africa's GDP, which is generated by aviation directly and air transport-dependent tourism.

South African authorities have provided support for air transport by temporarily suspending airport slot use rules and extending the validity of personnel licenses and certifications, which have been welcomed by the air transport industry. However, urgent financial support from the government is needed now to keep the sector alive and ensure that its air transport system emerges fit and capable of fulfilling a crucial role as a primary economic enabler and job creator.

"Aviation is vital for connecting markets and moving people and goods between them. It is not an indulgence of the rich, but an enabler of economic wealth for everyone. Without a viable air transport sector, recovery will be drawn out and painful. South Africa's economy had already slowed before the crisis, with unemployment at record levels. Fully supporting

aviation now is critical if the economy is to expand at a pace that will make a positive difference to its citizens' lives," said Muhammad Albakri, IATA's Regional Vice President for Africa and the Middle East.

Aviation-specific relief instruments at the government's disposal include:

- 1) Direct financial support to passenger and cargo carriers
- 2) Financial relief on airport and air traffic control (ATC) charges and taxes
- 3) Reductions, waivers and deferrals of statutory taxes and user-fees imposed on flights and passenger tickets

"During these extraordinary times, as the South African government announces the relaxation of lockdown from level 4 to level 3, it is important to ensure that aviation is well positioned to be able to provide air services to support business and the travelling public as the economy continues to open up," said Chris Zweigenthal, CEO of AASA. "The concessions and support requested becomes even more critical at the time of the re-start of aviation where there will be pressure on depleted cash reserves to fund operations.

"It is essential that urgent action is taken now to support airlines and the industry as a whole in these difficult times. We all need to work together to minimize the impact by creating a platform for recovery from the unprecedented damage being inflicted on international air carriers including South African Airlines. Acting too slowly would result in the post-pandemic economic recovery being seriously impeded by the reduced availability of air transport for both passengers and cargo," Zuks Ramasia, CEO of BARSAA.

The associations are also urging the South African government to ensure all businesses from the tourism sector are considered when allocating funds under the small, medium and micro-

sized enterprises (SMME) relief fund as they generate jobs for hundreds of thousands of South Africans and positively impact the livelihoods of millions more.

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[Notes for Editors:](#)

- IATA (International Air Transport Association) represents some 290 airlines comprising 82% of global air traffic.
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