



AIRLINES ASSOCIATION OF SOUTHERN AFRICA 44th Annual General Assembly 2014

HILTON MAURITIUS RESORT AND SPA, MAURITIUS

1 NOVEMBER 2014

CHIEF EXECUTIVE'S ANNUAL REPORT

PRESENTED BY :

*Chris Zweigenthal
Chief Executive*

INTRODUCTION

- **2014** : Continued recovery:
 - Global profitability US\$ 16 billion
 - Africa constant at \$100 to \$200 million
 - Global industry pax growth : 4% to 5% p.a.
 - Africa and Southern Africa pax growth : 5% to 6% p.a.
 - South Africa : 2% p.a.

AASA CORPORATE DEV.

- **EXECUTIVE COMMITTEE**

- Chairperson : Ms Marlene Manave (resigned 4 August 2014)
- Acting Chairperson : Mr Erik Venter
- Mr Rodger Foster
- Mr Inati Ntshanga
- Mr Monwabisi Kalawe
- Vees Lochan
- Chris Zweigenthal

- **AASA STAFF COMPLIMENT**

- Chris Zweigenthal – CEO
- Vees Lochan – COO
- Ms Buhle Marais – PA and Secretary
- Ms Pam Roux – Bookkeeper
- Ms Celeste Breedt – Admin Officer
- Ms Alice Saule – Office Assistant

AASA CORPORATE DEV.

- **MEMBERSHIP**

- 20 Airline Members
- 31 Associate Members
 - New Member : Aviation Coordination Services (Pty) Ltd

- **BBBEE ACCREDITATION :**

- Level 3 contributor

ECONOMIC REGULATION

- REVIEW OF REGULATORY PROCESS
 - Appointment of the new Regulating Committee
1 March 2014
 - Draft ACSA and ATNS amendment Bills ready for publication and final comment
 - Funding Model to be finalized
 - Current model and legislation for new Permission
- PERMISSION PROCESS
 - 30 September 2014 : Zero % Permission application
 - 30 November 2014 : Revised Permission application
 - 1 April 2015 : Zero % increase in tariffs
 - 1 October 2015 : New tariffs implemented

AIRPORTS COMPANY SA

- PERMISSION PROCESS
 - Agreement on traffic forecast
 - Substantive agreement on CAPEX projects
 - Continued consultation on major CAPEX e.g.
 - New CPT re-aligned runway
 - Terminal changes in CPT
 - Additional aprons at ORT
- WORK IN MANY OTHER AREAS
 - Operational environment (AMC), Security, Fuel
 - Airline Association Liaison Committee meetings

ATNS

- PERMISSION PROCESS
 - Follows same program as ACSA
 - Traffic forecast – difference to ACSA – accepted by RC
 - Agreement on CAPEX
 - Tariff expectation to be finalized
- OPERATIONS
 - Slot Coordination
 - Performance Based Navigation and associated ATS improvements
 - USTDA Capacity Study
 - Airport Hours of Service for schedule and diversions – unchanged

SAWS

- SAWS tariff increases consultations
 - Increase in tariff by 24% on 1 April 2014
 - Consultations ongoing for new tariffs to be effective 1 April 2015
- ACAMS meetings
- Service Level Agreement – delayed – parties to agreement to be finalized

AFRICAN AEROPOLITICS

- Member of the SADC Civil Aviation Committee
- YD Implementation – AFCAC – little progress
- Representative of airlines in all issues
 - COSCAP
 - SASO
 - UACC
- EU operating ban
 - Swaziland removed
 - Mozambique, DRC, Zambia still on list

DEPARTMENT OF TRANSPORT

- Slot Coordination Committee
- ICAO State Letter comment and input
- Airlift Strategy and National Civil Aviation Policy input
- National Facilitation Committee participation
- B-BBEE coordination
- Cape Town Convention – liaison with DOT as lead Department

SA CAA

- CARCOM
 - Participation on Committee and Sub-Committees
- NASCOM
- FINANCE
 - Critical role in consultation on CAA Safety charge increase and treatment of overcharge.
- AVSEC FORUM
- CAA Industry Liaison Committee

JET FUEL

- Logistics and Security of Supply to ORTIA
- Cape Town
 - Supply shortage – March 2014. Direct AASA intervention and consultation with all parties involved.
 - Discussion on long term transport to CPT – pipeline option
 - Additional 2 tanks at CPT
- Pipeline vs rail transport tariff

DEPARTMENT OF HOME AFFAIRS

- New Immigration Regulations – 26 May 2014
 - Unabridged birth certificate for children
 - Biometric visa application in person at foreign missions
- TBCSA study on impact of new Regulations
- AASA, IATA and TBCSA group – meeting with Minister of Home Affairs
 - Postponed Unabridged Birth Certificate to 1 May 2015
 - Task team DHA and Industry for implementation

ENVIRONMENT

- GLOBAL INITIATIVES
 - Work with and support IATA work on development of global MBM's
- SOUTH AFRICAN INITIATIVES
 - DOT / DEA Stakeholder Committee
 - AASA Environmental committee
 - Carbon Taxes proposal by National Treasury
 - International – postponed awaiting ICAO solution
 - Domestic – implementation 2016 – AASA objection
 - Noise pollution –
 - CPT runway EIA
 - KSIA Noise Committee

HUMAN RESOURCES

- MANCOM OF AEROSPACE CHAMBER – TETA
 - Representation on Committee by Comair (primary) and SAA (alternate rep)
- AASA TRANSFORMATION PROGRAM
 - Training and Development program
 - 216 airline staff through program
 - Customer Care and Commercial Aviation Management courses

LEGAL

- CAPE TOWN CONVENTION
 - Inter-departmental consultation with all Government Departments, DOT, DTI, DIRCO, Treasury, DEA, DPE, Chief State Law Advisor still to take place
 - AASA commissioned drafting of proposed amendments to Regulations and draft Regulations
- 3D SECURE FOR MERCHANTS
 - Liaison with PASA
 - Outstanding work with acquiring banks to resolve implementation problems

LEGAL

- CONSUMER PROTECTION ACT
 - Airlines dealing satisfactorily with resolution of claimrs
 - Draft Industry Code preparation done – necessity being reviewed.
 - Proposal for AASA and BARSA to be used as intermediates for referral of difficult cases to Senior Executives for resolution
 - Possible use of alternate Ombud subject to agreement.

TOURISM

- TBCSA – representation On Board
- Liaison with the Ministry and Department of Tourism
- Representative of TBCSA on NTSS Task Group for implementation

TRANSFORMATION

- Strategic imperative for airline industry
- DOT Transformation Letsema Rountable – September 2014
- Consultations with DOT together with Domestic Airlines on development of new Scorecard to align with New Codes of Practice
- Due date 1 May 2015.
- Priority project – pilot training and development program

ACS

- **GENERAL**
 - Not for profit – funds re-invested
 - Formal agreement submitted to ACSA - under discussion
- **HBS**
 - Provision at all ACSA Airports and 4 non ACSA airports
 - ACSA and CAA working relationship essential
 - New project for improved standards
- **BRS**
 - Progressing well
- **CUTE AND CUSS**
 - New RFP to support new strategy
- **CARGO SCREENING**
 - Contract with Airlink / AFS

MEDICAL MATTERS

- EBOLA
 - Supportive role for transfer of information to airlines and keeping all parties informed on developments
- PASSENGERS TRAVELLING WITH DISABILITY
 - Consultations with Associations representing persons with disability
 - Drafting of amendments to Regulations in Part 91
 - Awaiting feedback from Associations prior to further work

AASA STANDING COMMITTEES

- STANDING COMMITTEE ON SAFETY
 - Forum for sharing and creating awareness of safety issues and requirements
- HUMAN RESOURCE TRAINING
 - Forum for airline HR practitioners to coordinate shared initiatives for skills development e.g TETA
- ENVIRONMENTAL COMMITTEE (still to be convened)
 - Common initiatives to reduce GHGE
 - Programs to support MBM's
 - Coordination of Southern African initiatives

INDUSTRY INVOLVEMENT

- IATA
- REGIONAL AIRLINE ASSOCIATIONS
- BARSА
- CAASA,
- Aero Club of South Africa,
- RAASA
- TBCSA – Board Member
- ASATA
- SATSA,
- FEDHASA,
- SAVRALA,
- CORPORATES

GENERAL

- MEDIA
 - Profile in print, radio and television
 - Conferences – attendance and speaking opportunities
- REGIONAL ISSUES
 - AASA available on request to assist
 - Initiation required from Member Airlines to address protocol

CONCLUSION

THANK YOU !!!

..... To everyone