AIRLINES ASSOCIATION OF SOUTHERN AFRICA

Image credit: WikiMedia. Public Domain.

2018/19
Annual Report

Airlines Association of Southern Africa (AASA)

The Airlines Association of Southern Africa (AASA), is an organisation which was formed in 1970 to represent the mutual interests of its Members. Membership is open to all airlines based in countries south of the equator, including the Indian Ocean Islands.

There are currently 20 Airline Members. In addition, Associate Membership is open to airline partner organisations. There are currently 37 Associate Members, including infrastructure service providers, several oil companies, major aircraft manufacturers, engine manufacturers, ground handling companies, service providers, other industry associations and partners.

AASA is the representative airline organisation within Southern Africa working together with the leaders of the aviation industry and senior public and government officials on matters of policy, legislation, regulation, planning, operational efficiency, safety, security and finance, affecting the overall profitability of the airlines and their continued sustainability.

AASA also leads and coordinates the airline industry position on airport, airspace and civil aviation issues, as well as consumer legislation, environmental and tourism matters, and provides media response to important industry issues. AASA's responsibility includes the representation of SADC-based airlines on the SADC Civil Aviation Committee as the Airline Consultative Member.

AASA is a regular participant and contributor to the International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA) initiatives in the region.

With AASA's focus concentrated on any issue impacting the airline business, the regular liaison and good working relationship with its Members and partners is highly valued.

AASA Executive Team

Miles van der Molen Chairperson / CEO, Cemair
Zuks Ramasia Deputy Chairperson / Acting CEO, SAA
Chris Zweigenthal CEO
Vivendra Lochan COO
Wrenelle Stander Joint CEO, Comair Limited
Rodger Foster CEO, Airlink

Airlines Association of Southern Africa (AASA)

Address: 1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050
Fax: 086 511 2332
Email: aasa@global.co.za
Website: www.aasa.za.net
Twitter: @AirlinesAssocof
LinkedIn: linkedin.com/company/airlines-association-of-southern-africa/

Table of Contents

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

1. Introduction

1.1 Scope

The **Airlines Association of Southern Africa (AASA)** herewith presents the 2018/2019 Annual Report detailing the activities and achievements during the year under review from 1 July 2018 to 30 June 2019. Work undertaken after the end of the financial year up to the 2019 Annual General Meeting, to be held on 12 October 2019, is also included in this report.

AASA is mandated to represent its Airline Members, through their Chief Executives and their authorised representatives, to undertake projects and actions on matters of common interest to its Members. To ensure the success and buy-in of its Members, this work is undertaken in the spirit of consultation, collaboration and involvement of its Members, together with public and private stakeholders, as necessary.

The past year has been very active with a full agenda covering many areas of the airline business where AASA's involvement was necessary. In this regard, AASA has led the promotion of initiatives and airline industry interests in Southern Africa and the Indian Ocean Island region on behalf of its Members, and appreciates the excellent working relationships with all stakeholders. These include leaders of the aviation industry organisations, senior public and Government officials, as well as statutory aviation organisations on all matters affecting the overall sustainability of the airline industry in the Southern African and Indian Ocean region.

1.2 Brief Market Review

The global aviation industry is expected to return a profit of US$28 billion for the 2019 year, down from a US$35 billion profit in 2018. The result for Africa is expected to be a loss of US$300 million for 2019 compared to a US$200 million loss for 2018. The result for 2019 for Southern Africa is also expected to reflect a loss of US$300 million. These results are expected along with IMF forecasted GDP growth figures for 2019 ranging from -5% to 9% for African States.

Passenger growth figures for 2018 vs. 2019 globally are 6.6% vs. a forecasted 5.3% per annum respectively, and for Africa 2.3% vs. a forecasted 2.8% per annum respectively for 2018 vs. 2019. Within South Africa, the numbers are 3.2% growth for 2018 vs. a forecasted 2.7% growth for 2019. These lower growth figures mirror the low GDP growth forecast for South Africa. It is imperative that South Africa is able to turn around its poor GDP growth to figures approaching at least 5% per annum to instil confidence for business and tourism growth into the future.

The airlines of the SADC region continue to have fluctuating fortunes: of the 25 commercial scheduled airlines in the region, 12 are Government-owned, 3 have Government – Public/Private Equity partnerships, and 10 are privately-owned. As not all airlines publish their results, we are aware that 5 are profitable, 8 are unprofitable, and the results of 12 are unknown. This accounts for the overall loss of airlines in the region.

The major challenges facing African airlines including our Southern African airlines, remains their sustainability and profitability (high fuel, distribution, aircraft ownership, maintenance costs etc. and US dollar-based economies with high exchange rates), underutilisation of assets, liberalisation (implementation of SAATM), other regulatory constraints, skills shortages and transformation imperatives, and climate change. While trying to survive and grow, the competitive environment of airlines in Africa, and particularly international airlines operating to Africa, is intense.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

2. AASA's Corporate Developments

2.1 Airlines Association of Southern Africa NPC

The Directors as at the date of compilation of this report are:

- Mr. Miles van der Molen, Chairperson
- Ms. Zukisa Ramasia, Deputy Chairperson
- Mr. Chris Zweigenthal, CEO
- Mr. Vivendra Lochan, COO

Mr. Erik Venter resigned as a Director on 12 December 2018

2.2 AASA Executive Committee

The AASA Executive Committee (EXCO) remains responsible for the oversight of the Association and refers specific decisions of the Executive Committee to the Board of Directors for approval as appropriate. During the year under review, the EXCO comprised of the following members:

- Mr. Miles van der Molen, Chairperson / CEO, Cemair (appointed 13 October 2018)
- Ms. Zukisa Ramasia, Deputy Chairperson / Acting CEO, South African Airways (appointed 13 October 2018)
- Mr. Erik Venter, ex-CEO, Comair Limited (resigned 13 October 2018)
- Ms. Wrenelle Stander, Joint CEO, Comair Limited (appointed 11 January 2019)
- Mr. Rodger Foster, CEO, Airlink
- Mr. Nic Vlok, ex-CEO, Mango Airlines (resigned 13 October 2018)
- Mr. Vuyani Jarana, CEO, South African Airways (resigned 1 November 2018)
- Mr. Chris Zweigenthal, CEO
- Mr. Vivendra Lochan, COO

2.3 AASA Staff

The AASA Staff compliment during the year under review was as follows:

- Mr. Chris Zweigenthal, CEO
- Mr. Vivendra Lochan, COO
- Ms. Tatum Kok, Aviation Analyst
- Mr. Charles Simelane, Finance Controller
- Ms. Celeste Breedt, Personal Assistant and Secretary
- Ms. Alice Saule, Office Assistant

2.4 Membership Issues

During the year under review, the following organisation joined AASA as an Airline Member:

- Air Mauritius

During the year under review, the following organisations joined AASA as Associate Members:

- Huawei
- Lufthansa Technik
- Ground Handling Assistance, S.A (GHASSIST)
- Nacelle Aviation (joined 21 August 2019)

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

- Investec (joined 21 August 2019)
- De Havilland Aircraft of Canada Limited (joined 21 August 2019)

During the year under review, the following organisations left AASA as Associate Members:

- EFO College
- Omni Air International

The Association currently has 20 Scheduled Airline Members and 37 Associate Members. AASA Members are listed as Annexure A on the last page of this report.

2.5 Black Economic Empowerment Accreditation

AASA's accreditation status for the year ending September 2019 was a Level 4. The process to achieve accreditation for the next year 2019/20 is currently underway.

2.6 Financial Matters

An Audit of the 2018/19 financial year has been completed by the external Auditors, Sizwe Ntsaluba Gobodo Grant Thornton and these Annual Financial Statements and the Audit Report will be presented to the Annual General Meeting on 12 October 2019 for approval. The AASA Financial position is not published as part of the Annual Report, but in accordance with the Companies Act, the financials of AASA are available at its office for scrutiny by authorised Members of AASA.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

3. Business Activities

3.1 Infrastructure Service Providers

3.1.1 Regulatory review process for Airports Company South Africa (ACSA) and Air Traffic and Navigation Services (ATNS)

The draft Amendment Bills of the Airports Company South Africa Act, 1993 and the Air Traffic and Navigation Services Act, 1993 dealing with amendments, particularly in respect of the economic regulation of ACSA and ATNS, is currently before the South African Parliament. Approval and signature into law is awaited. The drafting of regulations to underpin the amended legislation is currently underway, and much work and consultation between the industry stakeholders is still required.

3.1.2 Permission Programme

The 2018/19 to 2022/23 Permission as approved on 6 August 2018 by the Regulating Committee is currently in operation. Planning has commenced for the next Permission with timelines expected to follow the existing ACSA and ATNS legislation, given that the amendment Bills as per 3.1.1 above have not been approved. The next Permission is therefore expected to commence in the fourth year of the current Permission, namely 1 April 2021 and continue to 31 March 2026. Consultations are expected to commence with both ACSA and ATNS before the end of 2019. The Regulating Committee has met with the industry, and issued a timetable for consultation and final submission of the Permission applications by ACSA and ATNS, due by 30 June 2020.

3.1.3 Airports Company South Africa (ACSA)

a. Permission Process

Notwithstanding agreement between the industry, the Regulating Committee and ACSA on the final CAPEX and associated projects for construction, and the issuing of the final Permission by the Regulating Committee on 6 August 2018, ACSA has had to follow a process of due diligence for many of the projects through the Department of National Treasury, leading to delays in the commencement of construction for the majority of its projects. Hence with a tender process currently underway, it is anticipated that construction of the new realigned runway, the changes to the International and Domestic Terminals, all in Cape Town, and airside taxiways, aprons and terminal work at OR Tambo International Airport, will only commence around March 2020. The industry has concerns about the delays to these projects which could lead to an escalation in costs, as well as a potential clawback due to underspend of the CAPEX.

b. Business and Operations

AASA continues to engage with ACSA on many business and operational matters, including:

- Support of the ACSA End-to-End Forum;
- Supporting ACSA's continued focus on the control of hand baggage being carried through security points by passenger;
- Controls on irregular-sized baggage to mitigate baggage handling system problems;
- Working with all stakeholders to address problems with mishandled and short-shipped baggage arising from baggage handling system failures during the December 2018/January 2019 holiday period;
- ACSA setting up an SLA process using IATA guidelines to monitor performance of ACSA and airport user efficiencies at all airports. The criteria for measurement at each airport need to be addressed on a per airport basis; and

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

- ACSA has commenced construction of its new Head Office complex at OR Tambo International Airport. It is a commercial venture and not included as part of the Permission process. However, discussions need to be held with ACSA on potentially changing this arrangement to include the new building on the Regulated Asset Base, while assessing the impact on tariffs given the commercial revenue expected to be generated from this facility. Planning is for the first phase to be complete by August 2020 to enable it, together with its first tenant, the South African Civil Aviation Authority (SACAA), to move in.

3.1.4 Air Traffic and Navigation Services (ATNS)

a. Permission Process

ATNS, the airline industry and the Regulating Committee reached consensus on the CAPEX programme for ATNS, as per the Permission issued by the Regulating Committee on 6 August 2018. ATNS has faced a similar process in respect of having to submit its major CAPEX projects to the Department of National Treasury for approval. However, the delays to the projects have not been as severe and the ATNS programme is on track. A FINCOM has been established to biannually monitor the financial performance of ATNS as well as the progress on its CAPEX programme. The first such meeting was held on 6 May 2019.

b. Operations

AASA continues to engage with ATNS on operational matters. ATNS held its Annual Operations Committee meeting (OPSCOM) on 22 July 2019. AASA Members were well represented by their respective Flight Operations management. The OPSCOM meeting includes the main operational issues dealt with between ATNS and the industry, and the projects are summarised as follows:

- **CAPEX Project Status Report project progress:** this will feed into the FINCOM;
- **Traffic forecasts:** this will feed into the new Permission process. ACSA and ATNS will collaborate on the sharing of information and trends;
- **ATNS Safety:** focus on improving safety performance targets with an implementation plan;
- **ATM/CNS Implementation Committee:** these meetings are attended by AASA, and it is recommended that where possible, airline experts attend the individual working group meetings where technical issues are discussed and agreed upon;
- The **six Working Groups** being supported by airline experts:

    1. The NAMP and ASBU Working Group
    2. The e-TOD Working Group
    3. The AIXM Working Group
    4. Met / Space Weather Working Group
    5. Airspace and Route Efficiencies Working Group
    6. Future Surveillance Working Group

- **Navigation:** Assessment of GBAS vs. SBAS;
- RPAS Activities within Controlled Airspace; and
- Operational Space Weather Service Provision for Aviation.

AASA will continue to support initiatives to improve airspace operational efficiencies including the PBN implementation plan, participation on the Slot Coordination Committee and Slot Performance Committee, and ensuring that ATNS, ACSA and airline issues are addressed as necessary to improve on-time performance of airlines.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

As reported in the previous Annual Report, ATNS has plans to construct a new Head Office complex at its Isando property site. There have been no further consultations on this matter in the year under review. The airline industry remains concerned that there is a potential duplication of facilities between the new ACSA Head Office and ATNS Head Office.

3.1.5 South African Weather Service (SAWS)

The Advisory Committee for Aeronautical Meteorological Services (ACAMS) is held every quarter and chaired by SAWS with representation by the aviation industry including AASA. The issues discussed include technical, operational and new technology matters for enhanced service provision to the industry, as well as new CAPEX programmes. These discussions must feed into the annual tariff discussions held between the Regulating Committee for Meteorological Services (RCMS), SAWS and the airline industry. The issue of space weather is now on the ACAMS agenda as well, and will be coordinated with the work of the ATNS ATM/cns coordinating committee working group on space weather.

Operationally, the airports are responsible for the procurement and upkeep of meteorological equipment. The Meteorological Authority has requested airports to deal with certain alleged non-compliance matters.

Following consultations between the RCMS, SAWS and the industry, as at the time of writing this report, we await the publication of the amended tariff for SAWS effective 1 April 2019. Initially SAWS and the airline industry had consensus on a 1% increase in the tariffs. However, arising from concerns that the RCMS had with SAWS's financial position, they recommended an 8.2% per annum increase for the three years commencing 1 April 2019. AASA, on behalf of the industry, objected to this increase reaffirming its view that the 1% increase was adequate. Industry awaits the publication of the final increase by the Minister of Environmental Affairs.

3.2 African Aeropolitical Issues

3.2.1 SADC Civil Aviation Committee (CAC) Issues

The 22nd annual SADC Civil Aviation Committee (CAC) met in the Seychelles from 3 to 5 July 2019. AASA was represented by Mr. Zweigenthal. The main projects receiving attention at this forum included the Interim SADC Safety Oversight Organisation, in respect of resourcing the organisation to undertake the oversight and training functions for which it has been established. In addition, there was discussion on progress towards the implementation of SAATM.

- **Implementation of the Single African Air Transport Market (SAATM) through the Yamoussoukro Decision (YD)**

  To-date a total of 28 African States have committed to SAATM and there is a concerted effort to get further States to commit. The African Civil Aviation Commission (AFCAC) presented a report detailing the progress being made with its implementation. It has been agreed that those eight States in Africa which are 100% compliant in respect of their readiness should implement the SAATM. There are still concerns from some SADC States and their airlines regarding the implementation of SAATM, and AASA's view is that these matters need to be highlighted and dealt with to ensure there is uniform implementation of SAATM across all markets.

  AASA also participated in a SAATM workshop for all African States in Kigali in July 2019, arranged by the African Union (AU) and AFCAC, where progress was reported and the process to finalising outstanding regulating instruments was discussed such as Dispute Resolution Mechanisms. AASA will continue to participate in forums working together with IATA and AFRAA where input is required to ensure that airline interests are taken into account, and reciprocal benefits for all parties are assured.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

- **SADC Aviation Safety Organisation (SASO)**

  There was extensive discussion around the implementation of SASO. The Interim Executive Director and team continue to manage SASO out of its headquarters in Eswatini. Major concerns relate to the resourcing and funding of SASO. The SASO is currently funded by contributions from the SADC States. AASA's view, and this was supported by most SADC States, is that funding options related to user charges or levies on passengers are not an option. At this meeting this option was removed from the table. Other State funding options or options from donations etc. will be explored. States have indicated an urgency for the SASO to become fully functional and perform the function for which it is being established, namely to improve safety oversight on States in the region requiring assistance.

- **Upper Airspace Management Centre (UAMC)**

  This project is not currently moving forward as issues between the military and civil control of airspace remains a challenge that must be addressed. No time lines are available for this project.

3.2.2 Blocked Funds

In the year under review, an IATA delegation visited Angola and Zimbabwe to encourage the respective Governments to allow the repatriation of funds to the home State of airlines operating to these States. Progress has been made in this area, and it is understood that a plan for repatriation of funds is being put in place. AASA will continue to support the work of IATA as necessary.

3.3 Department of Transport (DOT), South Africa

AASA works very closely with the Department of Transport (DOT) on the development of policy, strategy and its implementation. The following issues have been dealt with this year:

- **Slot Coordination Committee and Slot Performance Committee** (refer to **3.1.4b**)

  AASA is an active participant in these two Committees. During the past year, there have been significant changes in the schedules of a number of airlines with some reducing services and others increasing frequencies. Concerns have been raised regarding the inefficient use of slots, particularly where unused slots are not being made available to airlines requiring additional slots. This matter is being raised with the Slot Coordination Committee which will be requested to give direction to the Slot Coordinator for action in the interests of all parties.

- **ICAO State Letters**

  AASA obtains and provides comment and feedback from Member specialists to the DOT as appropriate, on proposed amendments to policy, standards and recommended practices being proposed by ICAO where they will impact airlines.

- **ICAO Assembly**

  Mr. Zweigenthal joined the South African delegation to attend the Triennial 40th ICAO Assembly in Montreal. This Assembly was held from 23 September to 4 October 2019. He participated in the Economic Commission (Regulation, Slots and Liberalisation) and the Executive Committee (Environment, Security and Facilitation). Over 550 working papers and information papers drafted by the 192 ICAO States have been posted for comment.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 I **Fax:** 086 511 2332 I **Email:** aasa@global.co.za I **Website:** www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

- **Planning meetings for South African, SADC-based and International Conferences.**

  AASA supports and participates in meetings or conferences relevant to international bodies, including SADC CAC, AFCAC, and ICAO Meetings. Meetings attended this year include:

  - SADC Civil Aviation Committee – July 2019
  - ICAO Assembly – September / October 2019

- **National Facilitation Committee**

  This Committee, convened under the Chairmanship of the DOT, met once during the past year.

- **Broad-Based Black Economic Empowerment (B-BBEE)**

  AASA is involved as the coordinating body for domestic scheduled airlines on the B-BBEE Aviation Charter aligned to the new Codes of Good Practice. During the past year, there has been no further progress with respect to finalising the new Transport and Aviation Charter. As advised by the DOT, this project is contingent on the appointment of a new Transport B-BBEE Council by the Minister of Transport. No time line has been provided for this.

- **Regulating Committee of ACSA and ATNS**

  The DOT is the Secretariat of this Committee. As recorded under **3.1.1** to **3.1.4** above, AASA is a key stakeholder together with its Airline Members and other members of industry, meeting with the Regulating Committee during the course of the Permission consultations with ACSA and ATNS.

- **Cape Town Convention**

  The DOT is the lead department and is supporting the industry in its quest to develop amendments to the Convention on International Interests in Mobile Equipment (CIIME) Act, 2017 legislation and regulations to enable South Africa to be placed on the OECD Cape Town list. Refer to **3.9.1** below.

- **Legislation and Regulations**

  AASA is part of the team working with the DOT and airline representatives on the review of the Air Services Licensing Act, 1990 and International Air Services Licensing Act, 1993 expected to become a single Air Services Act. Refer to **3.9.3** and **3.9.4** respectively. In addition, AASA has taken an active role in the development of regulations to support the ACSA and ATNS Amendment Bills. Refer to **3.1.1** above.

- **Search and Rescue**

  South Africa has the mandate to attend to all emergency response incidents occurring in its defined coastal waters. AASA is represented on the South African Search and Rescue Board and the Aeronautical Sub-Committee. South Africa needs to demonstrate its search and rescue capabilities and responsibility in responding to emergency calls with its military/civilian air and sea units.

3.4 South African Civil Aviation Authority (SACAA)

AASA works closely with SACAA in several areas, including the following:

- **Civil Aviation Regulations Committee (CARCOM)**

  AASA is an active member of CARCOM and participates in sub-committee work as necessary. AASA encourages experts to participate in sub-committee work. Areas of progress this year include:

  - **Flight and Duty Regulations and Standards**

    Several consultations have been held between the SACAA, ALPA-SA, AASA and domestic airlines.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

At the end of October 2018, a meeting was convened by the SACAA where it was agreed that the EASA Flight and Duty programme will form the basis of the amended regulations. However, it was also agreed that a questionnaire would be compiled by Rhodes University and circulated to all interested Stakeholders (pilots, airlines, regulators, etc.) to assess the problem areas and create the base around which the amended regulations would be drafted. At the time of writing, the draft questionnaire, together with feedback provided by the airlines (through AASA) and the other stakeholders, is currently being reviewed by Rhodes University sleep science department. Once ready, it will be disseminated to all parties for completion.

- **Regulations for Passengers with Disability**

  As reported in the previous Annual Report, the review of the proposed amendments to the relevant clauses of Part 91 was completed by the workgroup, sub-committee and approved by CARCOM. Upon submission to the Minister of Transport for signature into Regulations, the DOT section responsible for Universal Design and Access raised several areas of concern on the terminology being used on the proposed regulations. These concerns were also supported by some Associations representing passengers with disability. At a meeting convened by the SACAA on 10 June 2019, a number of new Stakeholders attended and it became clear that the current draft of regulations proposed for amendment, with comments, was not acceptable. Hence AASA, together with ACSA, agreed to withdraw the proposed amendments, and consensus was also reached that between the DOT and SACAA (to be decided), a new workshop would be convened and work would effectively commence from scratch to draft improved regulations for passengers with disabilities. The date for the reconvened meeting is yet to be confirmed.

- **National Airspace Committee (NASCOM)**

AASA participates as a member of NASCOM and consults with airline specialists where necessary to ensure that airspace design amendments are in the interests of safety, and do not inhibit the development of commercial airline services. The primary area of interest to AASA Members is the Karoo Central Astronomy Advantage Area (KCAAA) project or SKA (Square Kilometre Array) project. This project continues to cause great concern for AASA and the airline industry and its concerns are shared by the DOT, SACAA, CAASA, the Aero Club of South Africa and BARSA.

On 2 July 2019, AASA sent a letter to the Minister of Higher Education, Science and Technology and the Minister of Transport on behalf of AASA, BARSA, CAASA and the Aero Club of South Africa, raising awareness about addressing the concerns of the aviation industry. A response was received from the Minister of Higher Education, Science and Technology, advising that the regulations state that aviation is not impacted by the published regulations. In addition, the Minister noted that progress was being made with the finalisation of an MOU according to which the two above mentioned departments would engage and address the challenges, with the ultimate goal of ensuring both aviation and the KCAAA project can co-exist with business as usual.

We await the convening of further technical meetings to address these concerns. We interpret this response from the Minister to mean that aviation can continue to operate as is without any constraints, and in particular the restrictions on use of certain frequencies effective 15 December 2019 (which frequencies include the aviation spectrum), do not apply to aviation. This remains an outstanding matter for final resolution.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

- **Finance**

  AASA has consulted with the CAA regarding the following proposed changes in tariffs:

  - **Passenger Safety Charge (EV on the airline ticket)**

    For amended tariffs, effective 1 April 2019, the SACAA proposed a CPI+1% increase, and the industry has supported this increase. The Minister approved a CPI tariff increase.

  - **Fuel levy**

    As for the Passenger Safety Charge, the SACAA has proposed an increase of CPI+1% for the next two years effective 1 April 2019. A final decision from the Minister is pending.

- **Civil Aviation Authority Industry Liaison Forum**

  This forum, chaired by the Director Civil Aviation is held on a quarterly basis. This meeting deals with all matters affecting the aviation industry, including commercial scheduled airlines and general aviation. The main issues dealt with at this meeting included the performance of the SACAA against targets set by the DOT; improved efficiencies (e.g. the implementation of the new computer system); accident statistics; and specific safety and security-related matters.

- **Civil Aviation Authority Captains of Industry Forum**

  The Director Civil Aviation has convened a Captains of Industry Forum inviting all CEO's of domestic airlines to join the CEO's of Industry Associations and State-Owned Companies to discuss areas of mutual interest. This meeting highlighted a number of issues where cooperation can be improved. This has been a positive initiative and AASA compiled a paper summarising the issues. This will be used, together with other feedback received, to highlight areas requiring attention with senior Government officials, including the Minister.

- **Civil Aviation Authority Flight Operations Forum with Airlines**

  Following the successful Captains of Industry meetings, and a follow-up meeting between the Director Civil Aviation and AASA, held on 27 June 2019, it was agreed that follow-up working group meetings will be held between the airline operational personnel and the SACAA officials, responsible for airline operations, to address areas of concern. These meetings will be convened later in 2019.

- **Environment**

  The SACAA has the responsibility of monitoring and managing the process of emission reduction by airlines. AASA works closely with the SACAA to ensure all requirements are met. In particular, the SACAA has assisted the airline community in preparing for the required reporting of emissions to the State, effective 1 January 2019.

3.5 Aviation Jet Fuel Forum

3.5.1 Transnet Pipeline Tariff Application

In November 2018, AASA became aware of an application by Transnet for an effective 41% increase in the pipeline tariff which would include the transportation of jet fuel, and for which comments were invited to be submitted by 22 November 2018. IATA and AASA submitted their comments objecting to the increase and recommending a CPI-related increase. At the NERSA hearing at the end of November 2018, SAA made representations in support of the AASA and IATA position. NERSA made a final decision of an increase of 10.7% which resulted in an annual saving of R150 million per annum for the industry.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

3.5.2 Fuel Industry Meetings

As agreed with ACSA, industry colleagues held a series of meetings with various stakeholders to follow-up on critical logistical matters, including the following:

- **The Port Elizabeth harbour storage facility and feed to Port Elizabeth Airport:** The storage facility is now closed, and jet fuel is being supplied via East London. A new joint venture between Coega and Shell is under discussion. Shell is considering options with ACSA to reduce the costs of transporting jet fuel to Port Elizabeth.
- **Cape Town International Airport:** The construction of two new tanks is under way. The feasibility of a new pipeline to supply jet fuel from the Harbour Storage / Refinery to Cape Town International Airport will also be assessed.
- **Interior Supply certainty:** Transnet updated the meeting on the surety of long-term pipeline supply to the Gauteng region. Transnet Freight Rail supply from Durban remains essential. A further meeting with all stakeholders will be arranged towards the end of 2019 or the beginning of 2020.

  NERSA and the industry had discussions around the process of regulating pipeline tariffs at these meetings. It was agreed that the airline industry will forward a letter to NERSA raising issues it wishes to discuss. This will be followed-up with a meeting between the parties.

AASA continues to monitor fuel stock levels and work very closely with all parties to ensure security of supply to all airports.

3.6 Department of Home Affairs, South Africa

The continued requirement of children under the age of 18 years to carry birth certificates is still concerning. Excellent progress has been made by the Tourism Business Council of South Africa (TBCSA) in respect of making the compliance with regulations somewhat easier, developments include:

- The Department of Home Affairs has issued a revised advisory which requires South African children to still carry their birth certificates but if the parents' names are in their passports, this is no longer a requirement.
- Foreign children do not require birth certificates if they have obtained a visa to travel to South Africa.
- Foreign children who do not have visas are advised to carry birth certificates but they will be checked at the discretion of the Immigration Official – still not ideal but an improvement.
- Engagement with the new Minister of Home Affairs and Director General, in respect of amending these regulations to further remove this requirement, appears to continue moving in a positive direction.
- The Minister of Home Affairs is making progress in issuing visa waivers for certain States visitors' wishing to travel to South Africa, e.g. New Zealand, Qatar, the United Arab Emirates (UAE), and Saudi Arabia.
- The Department is making progress with the expansion of biometric systems, e-visas, and e-passports with implementation planned for early 2020.

3.7 Environment Challenges

3.7.1 Global Initiatives

At the 39th ICAO Assembly held from 25 September 2016 to 5 October 2016, the 192 Member States of ICAO approved the historic Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) as the international market-based measures according to which aviation will meet the challenge of climate change. This compliments the other measures being implemented by airlines and other aviation colleagues to reduce carbon emissions. A total of 81 States have volunteered for the pilot phase and first phase of CORSIA. Three SADC States: Botswana, Namibia and Zambia have volunteered for the initial two phases.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

During this past year, States have been busy with implementing environmental regulations in support of CORSIA. In addition, the focus has been on ensuring that States and their airlines report on their emissions for international operations to their State authorities for onward transmission to ICAO with effect from 1 January 2019. The airlines of the region are committed to the reduction of carbon emissions through the many initiatives being implemented, including through the procurement of new more fuel efficient aircraft, operations, improved infrastructure, the development of sustainable alternative fuels and market-based measures such as CORSIA.

3.7.2 South African Issues

On 1 June 2019, the Carbon Tax Act was introduced into law in South Africa. This Act applies to domestic aviation as it does to all sectors of the South African domestic economy. AASA did not support the application of carbon taxes to domestic aviation. AASA motivated for the application of the CORSIA principles for domestic aviation. AASA worked closely with the Department of National Treasury and made use of the opportunity to make a presentation to the Special Select Committee on Finance in Parliament on 12 March 2019 to put a case for the exclusion of domestic aviation from carbon taxes. However, AASA was unsuccessful in achieving this objective, but certain concessions were made by National Treasury in respect of increasing tax rebates for airlines and increasing carbon offset allowances. The focus is now on ensuring that domestic airlines comply with South African legislation and derive the benefits from the tax rebates available to them in the application of carbon taxes.

In addition, AASA is supporting and providing input on the Department of Environmental Affairs and Agriculture Low Emission Development Strategy, and the Greenhouse Gas Emission Performance guidelines.

3.7.3 United for Wildlife – Against Wildlife Trafficking

AASA continues to support the United for Wildlife initiatives against wildlife trafficking. In addition, AASA interacts with the ROUTES partnership and distributes its material to Members. It is through raising awareness of this criminal practice among airline and aviation organisation management and employees that incidents can be identified and brought to the attention of the authorities. Airlines are encouraged to consider supporting international initiatives and to join webinars or online programmes which continue to provide information and briefings on the latest developments.

3.8 Human Resources, Labour Relations and Training

AASA's involvement in Human Resources, Labour Relations and Training initiatives include the following:

- **Management Committee of the Aerospace Chamber of TETA**

  The airline industry in South Africa is represented by representatives from South African Airways and Comair Limited who were elected to the Management Committee of the Aerospace Chamber in July 2018. AASA convenes meetings of Human Resource and Training representatives to ensure the interests of airlines are raised in the TETA forum for aerospace, and addressed.

- **AASA Skills Development Training Programme**

  During the 2018/19 financial year, AASA arranged training programmes for the benefit of its Members' employees; and to promote transformation in South Africa. 250 employees from its Airline membership received training during the financial year, with a total number of 1807 trained to-date.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

An IATA Air Transport Management Course for Senior Airline Executives was held from 20 to 24 May 2019 at the ATNS Training Academy Centre in Bonaero Park for Airline Members. This training course for Airline executives was fully subscribed. AASA will continue to seek opportunities for Members to upgrade and develop their skills in the industry.

- **Wonders of Aviation (WOA)**

  With limited resources, WOA's young leaders have utilised their entrepreneurial training to create low or no cost outreach activities. These activities include:

  - Mr. Frans Monakisi's Mamelodi-based **Book Share Club**: this club meets monthly to discuss New York Times best sellers, encourages hard work and promotes aviation careers with its members.
  - Mr. Frans Monakisi's **Book Share WhatsApp group**: this group is used to stimulate interest in all aviation careers, other than becoming a pilot. The group has over 50 members who debate aviation and other topics seven days a week.
  - Ms. Boitumelo Katisi's (Tumi) **Golden Hawk WhatsApp group**: this group is focused on future pilots and has over 200 members with hundreds of posts a day as they discuss aviation topics.
  - **Aeronautical Society of South Africa**: Mr. Gift Kgadima has most of our young leaders attending these monthly aviation lectures. The meetings increase their aviation knowledge and enable them to network with aviation executives.
  - Ms. Zandi Ngobe is working at **SA Express in the Corporate Social Investment (CSI) department** learning about the aviation industry.
  - **Rural Community Outreach:** both WhatsApp groups support industry outreach initiatives throughout South Africa. The WOA team is available to provide additional support when requested.
  - **B-BBEE Youth Employment Initiative:** WOA is working with AASA to determine how we can support this initiative.
  - The following activities/events are being planned for the rest of this year:
    - Embraer facility and simulator tours;
    - An ATNS tour;
    - An SAA Youth Summit;
    - A Comair simulator familiarisation tour; and
    - A visit to SAA Technical.

WOA award winners are also busy with the development of the ISTAT database.

The WOA team, a group of enthusiastic volunteers, will continue to make strides in promoting its objective of advancing aviation to the disadvantaged youth, thereby creating future aviators for the betterment of the industry.

WOA have embarked on a fundraising campaign to sustain the various activities the organisation is spearheading. We appeal to all organisations to support the activities of WOA by way of contributions, be it financial or in kind.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

3.9 Legal Matters

3.9.1 Convention on International Interests in Mobile Equipment (CIIME) and Associated Instruments (Cape Town Convention)

During the year under review, and following the Aviation Working Group (AWG) workshop held in Cape Town in 2018, the South African representative for the AWG made further changes to the draft legislation, and a revised draft of the proposed amendments to the CIIME Act was circulated to all industry organisations for comment. Following receipt of comments, we await the finalisation of the revised draft for submission to the DOT, which will lead the process of receiving support from all involved Government Departments, and submit the proposed legislation through the parliamentary process. AASA will continue to drive this process to conclusion to ensure that South Africa is placed on the OECD Cape Town list, and that South African airlines achieve, in particular, financial benefits during its aircraft procurement process.

3.9.2 Consumer Protection Act, South Africa

A simplified industry code has been finalised by the AASA and BARSA working group. This process was supported by Airline Members, as well as IATA which has hailed the quality of the document.

AASA continues to escalate claims and complaints forwarded by the National Consumer Commission and the Consumer Goods and Services Ombud within airline management, and once again the attention to successfully resolving these matters by the airlines is appreciated.

3.9.3 Civil Aviation Act

The Amendment Bill is currently before Parliament for approval.

3.9.4 Review of Air Services Licensing Act and International Air Services Act

During the past year AASA has continued to participate in the review process of the Air Services Licensing Act 115, 1990 and the International Air Services Act 60, 1993 with the intention to combine both Acts into a single Act, namely the Air Services Act. The latest draft has been submitted through various Government Clusters and is awaiting Cabinet approval for publication of the latest draft for public comment.

Industry has indicated to the DOT that it still has a number of concerns about the draft and will require further consultation on a number of issues. This is expected to take place during the public consultation process. It is also understood that the two current Licensing Councils (for domestic and international air services respectively) have comments. Airlines that wish to be involved will be invited to participate in this final consultation.

3.10 Department of Tourism, South Africa and Tourism Business

Mr. Zweigenthal is a member of the Board of Directors of the Tourism Business Council of South Africa (TBCSA). He represents AASA and the South African airline industry in travel and tourism forums providing the aviation perspective. AASA is active in supporting the Department of Tourism in the development of policy and strategy; attends the National Tourism Stakeholder Forum; and participates in the Working Group that concentrates on the Enablement of Air Access.

With reference to the immigration issues raised under the Department of Home Affairs item in **3.6**, AASA has also supported the efforts of the TBCSA executives who have made significant progress on behalf of the industry in improving and simplifying the application of immigration regulations.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

3.11 Aviation Co-Ordination Services (ACS)

3.11.1 General

ACS is mandated by the airlines serving South Africa to provide certain common-use services at South African airports which could otherwise potentially have been provided, at great cost, by the individual airlines themselves.

Mr. Zweigenthal and Ms. Ramasia are both AASA-appointed Directors of ACS, and Mr. Lochan is an Alternate Director. These executives are involved in ACS activities through their roles on the respective ACS Board Committees and their appointment to the Board.

A proposed new agreement between ACSA and ACS has not been finalised, and the relationship between ACS and ACSA is currently under discussion. In the interests of fulfilling its various mandates, it is essential that ACS, ACSA, AASA, and BARSA work closely to ensure that the ACS mandate, under the oversight of the South African Civil Aviation Authority (SACAA), is executed efficiently, effectively, safely and securely.

3.11.2 Hold Baggage Screening (HBS)

ACS continues to provide 100% HBS at all ACSA airports, as well as four non-ACSA airports, namely: Hoedspruit, Margate, Phalaborwa and Richards Bay. At this stage, the process of upgrading the HBS equipment to comply with TSA and EU requirements is on hold as requested by ACSA. AASA will keep its Members updated on the progress.

3.11.3 Baggage Reconciliation Services (BRS)

ACS provides the BRS at OR Tambo, Cape Town, Durban, Port Elizabeth, Bloemfontein, East London, George and Kimberley airports. SITA has replaced Ultra Electronics as the service provider for BRS. From October 2018 to end May 2019, the cutover from Ultra to SITA took place in a phased approach, and is now complete.

ACS is also currently busy with the implementation of IATA Resolution 753, requiring all baggage to be reconciled at the arrival destination, as well as on departure. This project was delayed due to the requirement of developing an Enterprise Service Business system to support its implementation. In addition, certain changes to the baggage systems at some of the terminals at OR Tambo and Cape Town International Airports led to a delay in the project, however, it has now commenced. Where terminal changes are underway, the equipment will be placed around the existing infrastructure and moved to its final position when the terminal construction is complete.

3.11.4 Common Use Terminal Equipment (CUTE) and Common Use Self Service (CUSS)

ACS is responsible for the management, operation and maintenance of the CUTE and CUSS kiosks at all ACSA airports, as mandated by the airlines operating to all ACSA airports. In respect of CUSS, a total of 18 international airlines and six South African-based airlines offer services on CUSS. Planning is currently underway for the replacement of the CUTE and CUSS equipment by ACSA, with the ACS continuing to manage, operate and maintain the system. These replacements must be complete by March 2021.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | **Fax:** 086 511 2332 | **Email:** aasa@global.co.za | **Website:** www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

3.11.5 Fast Travel

AASA supports ACS with the implementation of Fast Travel initiatives as identified by IATA to improve self-service processes, and introduce efficiencies into the passenger handling experience at the airports. The current status of the initiatives includes the following:

- **Check-in:** implemented through the CUSS project.
- **Document check:** the facility is available for use by passengers when activated by the airlines.
- **Re-booking:** the facility is available for use by passengers when activated by the airlines. Web kiosks have also been installed at all ACSA airports to broaden the facilities available to passengers for their convenience at the airports.
- **Common bag drop:** a further pilot programme is to be undertaken with domestic airlines to refine the process before implementation at ACSA airports.
- **Self-boarding:** ACSA will implement this process as part of its CAPEX programme.
- **Baggage re-claim:** the use of this facility is currently under review. Airlines prefer to use their own internal systems to deal with mishandled and lost baggage. Experience has also shown that most passengers prefer to interact directly with customer agents, as opposed to the kiosk, when dealing with their lost baggage. Consideration is being given to convert the kiosks to CUSS kiosks.

3.11.6 Cargo Screening

ACS continues to perform cargo screening at OR Tambo and Cape Town International Airports, and is in a position to offer this service to the wider community as necessary.

3.12 Treasury and SARS matters, South Africa

3.12.1 ACS VAT Invoices

ACSA and ACS do not issue VAT invoices to airlines for the collection of the UM charge. ACSA and ACS are approaching SARS individually to request a directive to maintain the “principal – agent” relationship between ACS and the airlines respectively. A letter and supporting documentation is being prepared and finalised by ACS for submission to SARS to achieve this directive. In addition, confirmation will also be sought to ensure that ACS is not liable, in respect of the treatment of VAT, on forward sales of airline tickets.

3.13 AASA Standing Committees

AASA has established standing committees, comprising AASA, industry representatives and airline representatives to address specific matters in their areas of expertise. The following committees are in place:

- **Standing Committee on Safety**

  This Committee, chaired by Safair, meets quarterly and deals with flight and ground safety issues. This Committee encourages the sharing of safety information and experiences in the interest of creating greater awareness of and ensuring compliance with safety regulations and standards.

- **Human Resource Training**

  AASA has convened this Committee for two meetings as a process for the Human Resource Managers to receive feedback from the AASA TETA Aerospace Chamber representatives, and for the managers to brief the AASA representatives on their priorities.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

- **Environmental Committee**

  As referred to in item **3.7** above, this Committee was established to create awareness and provide information on the latest developments on climate change initiatives. The Committee did not meet during this year, but AASA has shared information with member representatives on CORSIA (specifically MRV requirements), and the Carbon Tax Act. It will be necessary to re-activate this Committee now that the CORSIA emission reporting process is underway and the Carbon Tax reporting and assessment process needs to be adhered to.

- **Flight Operations Committee**

  As reported in **3.4** above, the Director Civil Aviation has established a Captains of Industry Forum which includes the representation of the industry's CEO's to address strategic areas of concern. The Flight Operations Committee will deal with operational issues, some of which could be referred from the Captains of Industry Forum. Focused working group meetings will be arranged between SACAA and airline industry officials.

  AASA wishes to thank all Chairpersons and the Secretariat of these Committees, together with the expert representatives who are members of these Committees and participate so enthusiastically, for their commitment to achieve the goals of these Committees.

3.14 48th Annual General Assembly

The 48th Annual General Assembly of AASA was held from 11 to 14 October 2018 at the Avani Victoria Falls Resort, Livingstone, Zambia; and was kindly hosted by South African Airways. The Conference theme was *Enabling African Airline Service Excellence*. A total of 280 guests attended a very successful Assembly.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

4. Other Industry Involvement

4.1 IATA and Regional Airline Associations

AASA is the SADC-based Regional Airline Association, and works closely with IATA to ensure the implementation of its global mandate through the region. Mr. Zweigenthal attended the IATA AGM in Seoul, Korea from 1 to 3 June 2019. He also participated in the IATA Regional Aviation Forum in Nairobi, Kenya on 7 September 2019 where he moderated a panel discussion.

During the year under review, AASA has worked together with IATA on user charges developments in Namibia following their implementation on 1 December 2018. IATA and AASA need to deal with the implementation of the Passenger Safety Charge which is a direct charge to the airlines based on seat capacity of the aircraft instead of passengers carried on the aircraft. AASA is also joining IATA in discussions with Lesotho on their requirements to introduce the collection of overflight charges.

AASA joined a meeting in Brussels in January 2019 attended by the majority of global Regional Associations to discuss issues of mutual interest as they impact their own regions and worldwide. The relationship with regional airline associations is greatly appreciated.

4.2 South African Industry Association Involvement

AASA recognises and appreciates the close working relationship with several industry organisations in South Africa. This includes the Board of Airline Representatives of South Africa (BARSA), where there is also a shared interest in the business of ACS, the Aero Club of South Africa, the Recreational Aviation Association of South Africa (RAASA), and the Commercial Aviation Association of Southern Africa (CAASA). Mr. Chris Zweigenthal is an Alternate Director on the Board of CAASA.

Mr. Zweigenthal is also a Director on the Board of the Tourism Business Council of South Africa (TBCSA). AASA acknowledges the important relationships with the TBCSA, the umbrella Association for the Travel and Tourism industry; the Association of South African Travel Agents (ASATA), an Associate Member of AASA; the South African Tourism Services Association (SATSA); the Federation of Hotel Associations of South Africa (FEDHASA); the South African Vehicle Rental and Leasing Association (SAVRALA); and many other Associations and Companies who are also members of the TBCSA and leaders in their fields. It is within these forums that AASA promotes the airline industry’s interests.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

5. Media and Conference

AASA acknowledges the importance of a positive working relationship with the media. Recognising the urgency in meeting a deadline, AASA's intent is to respond as quickly and as clearly as possible whether it be for media queries, or articles to be written, or providing time for interviews. AASA is the respected voice of the airline industry in Southern Africa and deals regularly with all media. AASA does not become involved in the internal business of its Members, and AASA appreciates the understanding of the media in this regard when AASA turns down an opportunity to discuss certain matters which fall into this category.

AASA attends business and aviation conferences and is often asked to speak or participate in pane discussions at such conferences. During the past year, AASA has participated in the following events:

- Mr. Zweigenthal and Ms. Kok attended the **ICAO Gender Summit** in Cape Town from 8 to 10 August 2018.
- Mr. Lochan attended the **CANSO Africa Conference** in Mombasa from 3 to 5 September 2018, made a presentation and participated in a panel discussion.
- Mr. Zweigenthal attended and made a presentation at the **Namibia Civil Aviation Authority on the implementation of CORSIA** in Namibia.
- **48th AASA Annual General Assembly** in Livingstone, Zambia from 11 to 14 October 2018 – the AASA team were all present.
- Mr. Zweigenthal attended and participated in a panel discussion at the **ATNS AVI Afrique Conference** in Johannesburg from 23 to 24 October 2018.
- Mr. Lochan attended the **50th AFRAA Annual General Assembly** in Rabat, Morocco from 25 to 27 November 2018.
- Mr. Zweigenthal attended the **Heads of Regional Associations** meeting in Brussels from 22 to 24 January 2019, and made a presentation on Skills Development issues in Africa.
- Mr. Zweigenthal attended the **African Aerospace Summit** in Kigali from 26 to 28 February 2019, and participated in a panel.
- Mr. Lochan attended the **BARSA Summit** in Johannesburg on 28 February 2019.
- AASA, together with IATA, presented to the **South African Parliamentary Select Committee on Finance** objecting to the Carbon Tax Bill in Cape Town on 12 March 2019.
- Mr. Zweigenthal attended the **Passenger Terminal Expo** in London, on behalf of ACS, from 25 to 29 March 2019.
- Mr. Lochan attended the **Embraer Africa Business Seminar** in Mauritius from 2 to 4 April 2019.
- Mr. Zweigenthal attended the **AviaDev Conference** in Cape Town from 24 to 26 April 2019, and participated in a panel discussion. He was also presented with the *Ato Girma Wake Lifetime Achievement Award* at the conclusion of the event.
- Mr. Zweigenthal delivered a keynote address at the **African Aviation Air Finance Africa Conference** in Johannesburg on 23 May 2019.
- Mr. Zweigenthal attended the **IATA AGM** in Seoul, Korea from 1 to 3 June 2019.
- Mr. Zweigenthal attended the **SADC Civil Aviation Committee** meeting in Seychelles from 1 to 3 July 2019.
- Mr. Zweigenthal attended the **AU/AFCAC Workshop on SAATM preparedness** in Kigali from 22 to 24 July 2019.
- Mr. Zweigenthal and Ms. Kok attended the **SACAA National Gender Summit** in Cape Town on 29 and 30 August 2019, where he gave a short presentation, and signed a pledge in support of gender equality.
- Mr. Zweigenthal attended the **IATA Regional Aviation Forum** in Nairobi on 7 September 2019, and moderated a panel discussion.
- Mr. Zweigenthal attended the **40th ICAO Assembly** in Montreal from 24 to 28 September 2019.
- Mr. Lochan represented AASA at the **CAASA Symposium** in Stellenbosch from 26 to 28 September 2019.

AASA appreciates the invitations and opportunities to participate and interact with all Stakeholders at these events.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 I Fax: 086 511 2332 I Email: aasa@global.co.za I Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

6. Regional Issues

AASA has 20 Airline Members of which 10 are South African-based airlines and 10 are regional airlines based in Southern Africa and the Indian Ocean Islands. As a Regional Association, AASA has the mandate to deal with regional issues, which are brought to its attention or of which AASA becomes aware. AASA will assist and respond to matters similar to those dealt with on behalf of the airlines of South Africa on behalf of the regional airlines, and is involved on their behalf in the following projects:

- **SADC Civil Aviation Committee business**

  AASA is the only airline-based organisation which has a seat as a consultative member representing the airlines at the proceedings at the Civil Aviation Committee (refer to item **3.2.1** above).

- **Environmental Issues**

  AASA will assist its Airline Members in the region with the implementation of CORSIA, and the requirement for airlines operating international services to report its emissions to its State of registry effective 1 January 2019. All Airline Members were given the opportunity to attend training courses on CORSIA to ensure they were able to comply with reporting requirements, or CORSIA compliance processes, if they have volunteered for CORSIA.

- **Cape Town Convention**

  States of Member Airlines would have access to solutions worked out for amendment to legislation in South Africa and its ultimate inclusion on the OECD Cape Town list.

- **User Charges**

  AASA has worked with IATA in user consultations with the Civil Aviation Authority of Botswana and the Namibia Civil Aviation Authority on proposed amendments to aeronautical charges; and with the Lesotho Civil Aviation Authority regarding processes and their intention to collect overflight charges.

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 I Fax: 086 511 2332 I Email: aasa@global.co.za I Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

7. Conclusion

It has been a pleasure to represent the Members of the Airlines Association of Southern Africa (AASA) over the past year. The varied nature of the aviation business sector ensures that every day brings its own unique challenges.

On behalf of the AASA team, I wish to acknowledge the leadership and guidance of the Board of Directors and the Executive Committee of AASA who have supported the AASA team during the past year. In particular, I wish to thank Mr. Miles van der Molen, Chairperson of AASA, Ms. Zukisa Ramasia, our Deputy Chairperson, for their commitment and readiness to assist and provided guidance on many issues, when requested to do so. In addition, we thank the rest of the Board and Executive Committee who served AASA during this year, namely, Mr. Rodger Foster, Ms. Wrenelle Stander and Mr. Vivendra Lochan, for their support and assistance to the AASA team.

In addition, I recognise our Airline and Associate Members for their support throughout this past year, for engaging with us and raising new issues requiring attention, all in the interest of airlines, their business prosperity and operational effectiveness. In particular, we thank all airline experts and representatives who participate and sometimes lead our many standing committee meetings and forums, and provided such valuable insight and advice on many critical issues.

It is important to also acknowledge the commitment and loyalty of the AASA team who have supported the AASA Members and I during the past year. Firstly, I recognise Mr. Vivendra Lochan, Chief Operating Officer, who works on many important projects and is the main convenor and organiser of the 2019 AASA Annual General Assembly at the LUX* Saint Gilles Hotel in Reunion. In addition, my sincere thanks and appreciation to our PA and Secretary, Ms. Celeste Breedt, who manages the office and plays a significant role in the coordination of events for the Annual General Assembly; to Ms. Alice Saule our Office Assistant who fulfils a vital role providing support to enable us to continue with the business of the day; to Mr. Charles Simelane, our Finance Controller who ably looks after our finances; and to Ms. Tatum Kok, our Aviation Analyst, who has become involved in many of the important AASA projects, has taken on many tasks in support of the AASA agenda, and facilitates the optimal operation of the AASA office.

And finally, we extend our sincere thanks to all members of Government, public and private stakeholders, industry service providers and partners, for their excellent cooperation and willingness to engage so readily with AASA. AASA's goal remains the achievement of a sustainable and profitable airline industry in the Southern African and Indian Ocean Island region.

Chris Zweigenthal
AASA, Chief Executive Officer

3 October 2019

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

AASA Members

Airline Members

Air Austral
Air Botswana
Air Mauritius
Air Namibia
Air Zimbabwe
Airlink
CemAir
Comair Limited
Eswatini Airlink
Federal Airlines
Fly Blue Crane
Kulula
LAM Mozambique Airlines
Mango Airlines
Mozambique Express
Proflight Zambia
SA Express
Safair
South African Airways
TAAG Angola Airlines

Associate Members

Air Cargo Operators Committee (ACOC)
Air BP
Air Traffic and Navigation Services (ATNS)
Airbus
Airports Company South Africa (ACSA)
Amadeus
Association of South African Travel Agents (ASATA)
BidAir Services
Blake Emergency Services
Boeing Commercial Airplanes
Bombardier
Cape Town Air Access
CFM International
De Havilland Aircraft of Canada Limited
Embraer
Engen Petroleum
FlightSafety International
Fujitsu Aircraft
GE Aviation
Ground Handling Assistance, S.A. (GHASSIST)
Hahn Air Systems
Huawei
Investec
Kruger Mpumalanga International Airport
Lanseria International Airport
Lufthansa Technik
Nacelle Aviation
Nordic Aviation
Polokwane International Airport
Pratt & Whitney
Puma Energy
Rolls-Royce
Sabre
Shell Aviation
SITA
South African Weather Service
Swissport

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net
Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za

Airlines Association of Southern Africa (AASA)

2018 / 19 Annual Report

1st Floor, Building # 13, Greenstone Hill Office Park, Emerald Boulevard, Modderfontein, Johannesburg, Gauteng, South Africa
Office: +27 (0)11 609 0050 | Fax: 086 511 2332 | Email: aasa@global.co.za | Website: www.aasa.za.net

Design, Typesetting, Editing & Proofreading: www.mantaraydesign.co.za