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IATA Presentation: Industry Recovery

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- Ladies and gentlemen, dear colleagues
- It's my pleasure to be with you for the Annual General Assembly during a critical time for the recovery of aviation.
- Allow me to begin my opening remarks with a quick glance at the value of aviation and the economic and social benefit of a safe, efficient and sustainable industry.
- Prior to the pandemic, aviation supported 7.7 million jobs across the African continent and contributed \$63 billion to Africa's GDP.
- Imagine the economic trickle-down effect of having 7 million livelihoods sustained because airlines can fly people and goods from country to country, from continent to continent.
- For South Africa, aviation supported 364,000 jobs and contributed \$7.6 billion to the country's GDP in 2019.
- But with COVID-19 coinciding with the closure of one airline and restructuring of two others in South Africa, against a weakening economic backdrop, we saw a severe impact on the industry and South Africa's connectivity.
- About 298,000 of those jobs have been put at risk. It's a significant impact for over 80% of jobs to be lost if air connectivity is not restored, especially when passenger demand for South Africa is not expected to return to 2019 levels until 2026.
- Recently during a visit to Johannesburg, I met with various government officials to discuss the current challenges in South Africa and the steps needed to support the recovery of the travel and tourism industries.
- Three key **priorities for South Africa** were identified:
 - **First, financial support and relief to the air transport industry:** South Africa's entire airline industry requires support and financial relief if it is to fulfil its role as an economic enabler and job creator.
 - The government has several levers at its disposal to assist all carriers and service providers, both public and privately-owned. Besides cash or financial guarantees, they include reductions, waivers and discounts on user charges and taxes on air travel and aviation and wage subsidies.
 - In this context, I want to stress the importance of keeping taxes and charges in check. Now is not the right time to overburden the industry with additional charges. We need to work together as an industry to ensure sustainable recovery.
 - **Second, adopting an inter-operable digital platform for COVID-19 testing and vaccination certificates:** As passenger numbers increase in the recovery, digitally managing travel health credentials will be essential to avoid queuing and crowding at airports, with wait times already doubling and expected to further increase if processes aren't digitalized and made more efficient.
 - IATA Travel Pass and the African Union's Trusted Travel Pass are both tools that can help governments efficiently and conveniently verify traveler health credentials.

- Developing globally recognized digital standards that governments will accept for verification of traveller vaccination and testing credentials will be critical for the safe restart of air travel.
- **Third, increasing intra-Africa connectivity:** The African Union's Single African Air Transport Market (SAATM) is intended to unlock travel and economic benefits within the continent. An IATA-commissioned econometric study found that the full implementation of SAATM across the continent would create 14,500 new jobs for South Africa and add US\$283.9 million to its GDP.
- IATA is working on a plan for effective SAATM implementation, together with the relevant stakeholders, AFCAC, AU, ICAO, AFRAA and of course AASA to address the current constraints including protectionism, states not prioritizing aviation and the negotiation of bilateral agreements (BASA) which have not been completed and many of which are not fully compliant with the Yamoussoukro declaration.
- In addition, we urged the South African government to ensure the effective functioning of the South African International and Domestic Air Services Licensing Council to enable the granting of operating licenses for new routes and increased frequencies on existing routes to South African carriers.
- And during my meeting with the Deputy Minister of Transport, I was assured that this is on the top of the Ministry's priority list.

Operations

- If we take a step back and look more broadly at industry recovery, we need to continue to focus on operational recovery plans. The airlines' priorities are to build back better than before, developing safety, ATM and infrastructure.
- It's also key to recognize that as we emerge from the pandemic, we are faced with new and emerging risks, and we need to foster a community that is collaborative and connected to discuss operational and safety matters.
- As airlines ramp up operations, close coordination between governments, Air Navigation Service providers, regulators and industry is crucial to maintain and continuously improve our aviation ecosystem.
- And allow me here to highlight the importance of maintaining and improving Safety standards throughout the region. Already in Africa we are seeing ATM efficiencies implemented and even a move towards Free Route Airspace, and we will continue to develop initiatives for fuel, flight time and cost savings, which brings me on to the FlyNet Zero Commitment.
- On October 4th during IATA's AGM, a new resolution was adopted to move towards net-zero carbon emissions by 2050. This pledge brings air transport in line with the objectives of the Paris agreement to limit global warming to 1.5°C.
- I would like to take this opportunity to encourage South Africa to consider the Carbon-Offsetting and Reduction Scheme for International Aviation – CORSIA and build upon previous environmental successes for South Africa such as the production and use of sustainable aviation fuel.

Travel Restrictions

- We also need to address government-imposed travel restrictions and their hindrance on recovery. Right now, what is standing in the way of passengers travelling are the restrictions, not the virus.
- We recognize that in addition to some restrictions being removed for vaccinated customers, we need to see a robust and flexible testing regime.
- Therefore, governments should continue to accept systematic testing at the point of departure and consider the use of alternatives to PCR tests such as the rapid antigen tests, which are cheaper, accessible, easier to administer and with quick turnaround times.
- And while the move by many States to exempt vaccinated travellers from quarantine or in some cases testing is very welcome as it will help boost travel recovery, we also recognize that the availability and pace of vaccine distribution and roll out across Africa is the least across the world.
- We therefore support the WHO position that vaccination should not be a mandatory pre-condition for international travel to ensure equity and non-discrimination.

Conclusion

- Aviation remains critical to support economies and is a catalyst for growth. Governments need to prioritize aviation as part of their national strategies and their recovery plans, and we look forward to continue working with the government of South Africa and provide all necessary support for the safe and sustainable recovery of aviation.
- Thank you.