

# HIGH LEVEL / MINISTERIAL MEETING ON ENHANCING AIR TRANSPORT CONNECTIVITY AND GROWTH IN WEST AFRICA, 17-18 March 2021

## SESSION 3: Impacts and Solutions to COVID-19 Challenges on Air Connectivity

*(Presented by Ing. Simon Allotey, Former Director-General, Ghana Civil Aviation Authority)*

### **Executive Summary**

This Discussion Paper briefly outlines some impacts of the pandemic on the Aviation sector in West Africa and proposes solutions to enhance connectivity and growth in west Africa.

**Action Required:** The Meeting is invited to:

- a) note the contents of this paper for discussion.
- b) encourage the various Regional Aviation bodies to liaise more determinedly with States in addressing various challenges stifling air connectivity and growth of West Africa's Aviation Industry

## **1.0 Introduction**

Challenges existed in the West African Aviation industry prior to the onset of the COVID-19 pandemic. These included but not limited to low cargo throughput, inadequate connectivity, ageing and inadequate fleet of aircraft, low Effective Implementation of USOAP & USAP PQs among others.

Some of the recommendations for mitigating the impact of COVID 19 will also address the pre-Covid 19 challenges.

## **2.0 Impacts of COVID-19 on Aviation Sector in West Africa**

- Steep decline in air-connectivity. Apart from domestic flights which are operating at slightly reduced capacities, there is a steep reduction in the frequency of regional flights. Many Regional carriers are on the brink of collapse.
- Nearly 5 million of the continent's 7 million aviation and tourism industry-related jobs have been lost in 2020, in addition to as much as \$15 billion in revenue. It is estimated that African airlines alone would lose over \$6 billion in passenger revenue in 2020 (IATA)
- Many planned or ongoing critical aviation related- projects on hold as funds have dried up. In Ghana, work is grinding to a halt on ongoing critical projects like the new Air Navigation services Complex and the Northern Apron Extension at the Kotoka International Airport.

- Focus has shifted from addressing critical safety and security concerns to addressing covid-19 contingency measures and related issues and . Various exemptions, and extensions granted as part of State’s licensing and certification obligations and differences filed with ICAO (Covid 19 Contingency Related Differences).

### **3.0 Recommended Solutions to COVID 19 Challenges**

#### **3.1 Risk-based Mitigation of Public Health Emergencies**

The aviation and Health Sectors at State and Regional Levels to collaborate even more to anticipate and mitigate public health emergencies and risks in air travel. The collaboration should include Contingency Planning for another wave or variant of Covid-19 despite the availability of vaccines.

#### **3.2 Introduction of Incentives**

States should provide incentives to enhance the accelerated rebound of the industry e.g., reduction in Airport Passenger Service Charge (APSC), other fees and taxes. The fees and taxes in west Africa are among the highest in the world making the cost of air tickets very high. In Ghana, the APSC is lowest for travel within West Africa but further reduction would be necessary to stimulate traffic growth. Reduced fees and taxes could lead to the establishment of low-cost carriers in the Region.

#### **3.3 Generation of Non-Aeronautical Revenues**

The various Regulatory Agencies, Service Providers and Operators should explore the generation of non-aeronautical revenues to cushion against the effects of unanticipated emergencies or crises. The Agencies may further consider “Business Interruption” Insurance Policies.

#### **3.4 Opportunities for Growth Through Cargo Export**

Africa is a growing market for air freight, and the industry has seen an increasing demand for services in the region, with IATA reporting a 7.4% increase in freight volumes in 2020. Ethiopia, South Africa, Egypt and Kenya contributed nearly 60% of the Africa’s cargo throughput as compared to a 4% uplift from Nigeria (the highest in West Africa).

East Africa has strategically invested in commercial horticulture and has a huge export market. Several freighters are loaded with flowers daily from Addis Ababa and Nairobi to Europe and the Middle East.

West Africa’s challenge has been over-reliance on traditional exports of various cash crops and perishable fruits and there is the urgent need to explore and develop other forms of non-traditional exports e.g., horticulture, production of essential oils from fruits and plants. Ghana’s cargo thruput has grown by only 20% for the past 2 decades wavering around 40,000 tonnes/annum for a decade (2010-2020) then inched up to about 45,000 tonnes and finally to 50,000 tonnes per annum by 2019.

#### **3.5 Full Implementation of SAATM**

34 out of 54 African countries have signed-up for SAATM but only 10 countries (Ghana, Nigeria, South Africa, Cabo Verde, Kenya, Morocco, Togo, Rwanda, Mozambique and Ethiopia) are ready to proceed with full implementation. The Executing Agency to urge all African States to sign on

and fully implement the SAATM protocols. SAATM provides the unique opportunity for full liberalisation of the African skies to enhance connectivity for trade, commerce and tourism.

### **3.6 Aviation Sector Access to Finance**

The Aviation sector is generally under-financed by Governments and most State Agencies and Service providers are required to finance infrastructural projects from internally generated aeronautical funds. This is however hampered by low passenger thruputs at most airports and the situation has been exacerbated by the stringent travel requirements and restrictions arising out of the pandemic. Appropriate policies should be formulated at State level to ensure adequate access to funding. As a short-term measure, financial support through grants, Government-guaranteed loans, credit facilities should be extended to the Aviation sector by various Governments. Following the shutdown of Ghana's Airports to International traffic for 5 months in 2020, the Ghana Civil Aviation Authority and the Ghana Airports Company Ltd. received some cash injection from the Government to keep the Agencies afloat.

### **3.7 Enhanced Cooperation Among African Carriers**

Airlines should consider entering into cooperation agreements including, mergers, joint ventures, alliances inter-lining etc. to enhance operational efficiency and achieve economies of scale.

### **3.8 Cross-Sectoral Cooperation**

A holistic cross - sectoral approach is required for accelerated passenger and cargo growth in West Africa. For example, the Aviation, Tourism, Finance, Trade, Health and Agriculture sectors need to collaborate on the implementation of various aviation-related programmes.

It is imperative to ensure stronger collaboration with the political and health Authorities to restore public confidence in air travel. Quarantining and its associated costs negatively impact on air travel.

### **3.9 Opportunities for Aviation Industry Growth through AFCTA**

A focused discussion by key stakeholders will be required to strategize and harness the opportunities for connectivity provided by the establishment of the AFCTA. The overarching question is: *Are West African carriers positioned to uplift additional intra-African freight and passengers as a downstream activity of AFCTA?*

### **3.10 Enhancement of Aviation Safety & Security**

Effective Safety and security oversight are the foundations for a safe, and effective aviation system. AFCAC and other Regional bodies to strengthen the liaison with ICAO to enhance safety and security oversight in the West African Region. Its essential that States review temporary Covid 19 exemptions and extensions granted to personnel and operators in order not to compromise on aviation safety.

### **3.11 Human Capacity Building**

Various ICAO initiatives e.g., TrainAir Plus Programme, Human Resources Development Fund (HRDF) and the Next Gen programme are laudable as they help meet the industry's human capacity needs i.e., inadequate number of qualified technical personnel and aviation professionals.

States should motivate such highly skilled personnel and offer them opportunities for growth. Unfortunately, non-aviation personnel with a non-aviation focus are sometimes instances, given opportunities to head Aviation entities leading to poor organisational performance.

### **3.11 Focused Implementation of Regional Aviation Programmes**

Implementing Agencies (AFCAC, ECOWAS, AU etc.) to dig deep, liaise with States and ensure PRACTICAL implementation of various decisions & recommendations on Post-COVID Recovery for the Aviation Sector e.g., the decisions of the AFDB workshop, held on 3 December 2020 on coordinating an efficient response to the COVID-19 crisis's effects on the Aviation sector in Africa.

*“Now is the time to really pool our advocacy and resources to make this happen once and for all because if we continue to operate as a federation of 54 states as opposed to an integrated market, our economies will continue to be sub-optimal,” S. Quaynor, AFDB, 2020*

### **4.0 Conclusion**

Whilst it is necessary to find solutions to the adverse impact of the Pandemic on air connectivity and growth in the sub-regional aviation industry, it is equally important to address pre-covid challenges of safety, security, financing among others plaguing the industry. This requires a concerted effort from States and all industry players.

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