

AFRAA 56th
Annual General
Assembly

17th-19th NOV 2024
CAIRO - EGYPT



AFRAA 56TH ANNUAL GENERAL ASSEMBLY & SUMMIT

**“Transform and Develop the
Airline Industry in Africa”**

MONDAY 18 NOVEMBER





Opening Ceremony



Eng. Yehia Zakaria
President AFRAA
& Chairman - EgyptAir
Holding Company



**Mr. Abderahmane
Barthélemy**
Secretary General -
AFRAA



Mr. Haytham Elmaayergi
Executive Vice President, Global
Trade Bank - AFREXIMBANK



Mr. Willie Walsh
IATA Director
General



COFFEE BREAK

**“Transform and Develop the
Airline Industry in Africa”**



Goodwill Speeches



**Mr. Mohamed
Abubaker Farea**
Middle East Regional
Director - ICAO



Mr. Aaron Munetsi
Chief Executive Officer
Airlines Association of
Southern Africa (AASA)



Presentation 1: Pan-African Payment and Settlement System (PAPSS: African currency market place benefits for airlines operating in Africa



Mr. Mike Ogbalu III

PAPSS Chief Executive Officer



PAPSS

Pan-African Payment
& Settlement System

Connecting Payments.
Accelerating Africa's Trade.

Presentation of the PAPSS African Currency Marketplace

Supported by



African
Union



African
Union



AfCFTA
Secretariat



PAPSS
Pan-African Payment
& Settlement System

PAPSS is a financial market infrastructure for the economic and financial integration of Africa. It is a centralized payment and settlement infrastructure for intra-African trade and commerce. It is designed to effect payments in local currencies.

PAPSS was launched in January 2022 in Accra, Ghana.



Restricted Market Access

Businesses need help to expand trade and operations across African borders due to complex currency exchange hurdles, which discourages trade and investments between markets



Stagnated Market Expansion

Trapped revenues in one market restrict the ability for companies to redirect resources that can be used for investment and expansion in other African markets.



Heightened Risks and Operational costs

Exposure to currency fluctuations and dependencies on hard currency availability results in increased cross-border transaction costs and operational uncertainty.

1

1. A dedicated platform

Built specifically for participants to **offer and exchange local currencies**, eliminating any reliance on hard currencies.

2. Order Book driven

Exchange rates are **market-driven** while **adhering to local regulatory rules**, ensuring transparency, efficiency, and competitive pricing.

3. Trusted Counterparties

Transactions are matched between **fully-funded** and **verified buyers and sellers**, in adherence to **best compliance practices**, maximizing efficiency and reducing counterparty risk.

3

2



PAPSS
AFRICAN CURRENCY
MARKETPLACE

Deposit



A Liquidity Provider (ie: Corporate Treasurer) transfers local currency to the PAPSS marketplace. Liquidity Provider's marketplace position is updated to reflect funds available for offer creation

Offer Creation



Liquidity Provider creates an exchange offer within the marketplace.

Offer Matching



Exchange offers between Marketplace participants are matched where proposed rates align.
Liquidity Provider's marketplace position is updated to reflect the exchange

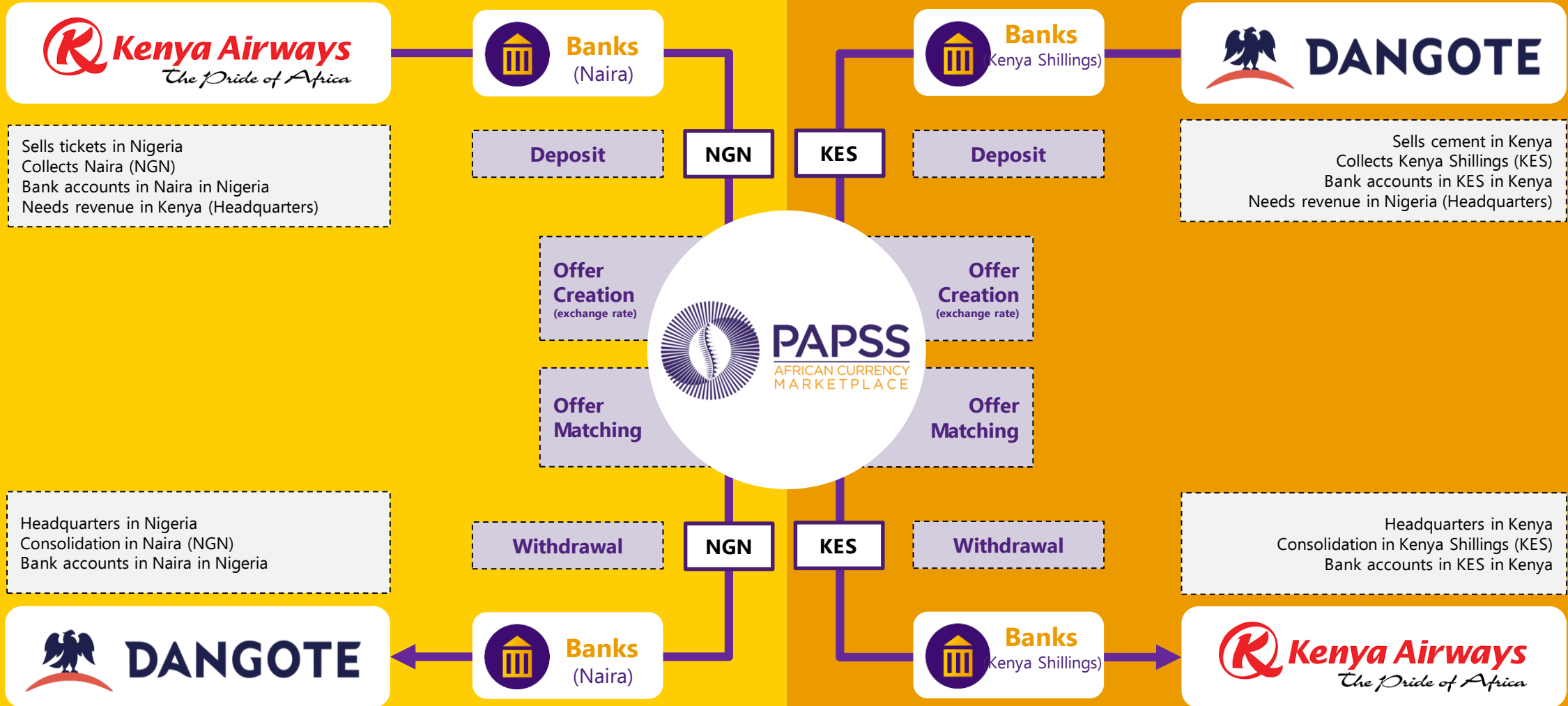
Withdrawal



Liquidity Provider instructs Marketplace to remit exchanged funds to designated beneficiary account.

NIGERIA

KENYA



Benefits for your Organization

1



100% in African currencies
No need for Hard currency

2



Repatriate blocked funds

3



Automatically select the best offer

4



Fully transparent & compliant

5



More affordable transaction fees

How to Participate in the pilot phase of Marketplace?

Membership

- Complete KYC requirements
- Sign membership agreement*

Access

- Fill and sign the application form
- Creation of profiles/users
- Setting up local currency accounts on the marketplace
- Granting access to users

Training

- Virtual and hand-son training



PAPSS

Pan-African Payment
& Settlement System

Connecting Payments.
Accelerating Africa's Trade.

Thank You!

papss.com



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28.11.2024

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EGYPTAIR
A STAR ALLIANCE MEMBER



AFRAA 56TH ANNUAL GENERAL ASSEMBLY



17th – 19th November 2024



Hilton Heliopolis Hotel in Cairo, Egypt



Annual report of the Secretary General of AFRAA



Mr. Abderahmane Berthé

AFRAA Secretary General

AFRAA 56th
Annual General
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CAIRO - EGYPT



ANNUAL REPORT 2023

Mr. Abderahmane BERTHE
Secretary General,
African Airlines
Association(AFRAA)



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ABOUT AFRAA

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AFRICA VS WORLD ANALYSIS 2020 - 2023

03

STATE OF THE INDUSTRY 2023

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AFRICA OUTLOOK 2024 BEYOND 2024



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ABOUT AFRAA

ABOUT AFRAA

56 years of AFRAA's existence...

Over 85% of African Airlines traffic is transported by AFRAA Member Airlines



- **Vision:** A sustainable, interconnected and affordable Air Transport industry in Africa where African Airlines become key players and drivers to African economic development.

45 Member Airlines
33 Industry Partners



- **Mission:** To promote, serve African Airlines, and champion Africa's aviation industry.

AFRAA STRATEGIC OBJECTIVES

Support safe, secure and reliable air transport in Africa

Sustainable air transport

5 strategic objectives

Enhance the visibility, reputation and impact of African Airlines

Cooperation

Data intelligence

AFRAA PILLARS OF ACTIONS

3 Pillars of AFRAA Actions

COOPERATION
Partner for the development of the African Aviation industry

ADVOCACY
Lobbying + negotiator for African Aviation Industry

DATA
Intelligence and expertise hub of the African aviation industry

AFRAA PROJECTS – 1.RI Portal 2.Safety Summit



1.Route Intelligence Portal

- ✓ The RI portal is an ambitious project which aim is to provide intelligence to subscribers.
- ✓ The portal includes various type of information that will enable subscribers to take data driven decisions and improve effectiveness, at a reasonable cost.
- ✓ The portal has a public module and a restricted module



2.Africa Aviation Safety and Operation Summit

- ✓ The African Airlines Association (AFRAA) and Flight Safety Foundation (FSF) jointly organized the inaugural African Aviation Safety & Operations Summit on May 15, 2024, in Addis-Ababa, Ethiopia
- ✓ The one-day summit, themed "**Championing Africa Aviation Safety Together,**" aimed to promote and improve safety standards within the African aviation sector.
- ✓ The safety summit brought together aviation stakeholders to discuss, strategize, and collaborate on shaping a safer future for African aviation. The summit addressed various aviation safety and operations facets, offering stakeholders a forum to discuss and exchange best practices.

AFRAA PROJECTS - 3.FRA

Why Free Route Airspace (FRA)?

1

States/ANSPs can overcome the challenges in Air Traffic Management Efficiency

2

Removal of constraints imposed by fixed route structure

3

Optimized airspace capacity; Flight efficiency and flexibility

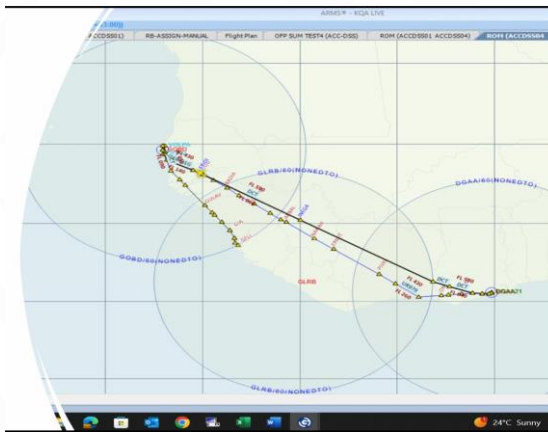
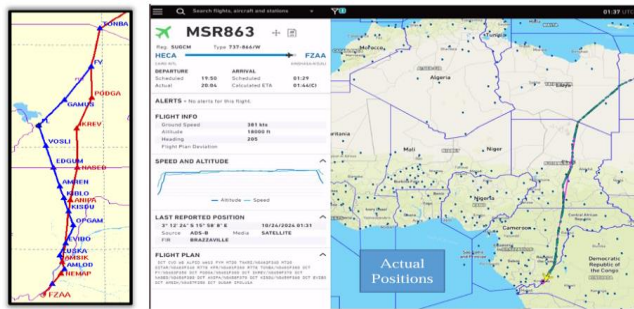
4

Environmental protection

Contributing to Airlines sustainability by reducing Operating Cost, Fuel burn reduction and CO2 emission avoidance

UPR TRIALS TOWARDS FRA

REPORT ON UPR TRIALS BASED ON AIRLINES REPORTS



	Per Year – Based on operators' schedules		
5 airlines on 7 city-pairs	Tons of Fuel	Tons of CO ₂	US \$
Savings	2,130	6,732	2,657,000

- The FRA trials continued in 2024 with six (6) member airlines:
 - Ethiopian Airlines,
 - 30 return flights (ADD – ABJ – ADD): fuel 24,433 KGs, CO2 77,209 KGs, US\$ 36,650.
 - 7 return flights (ADD – CPT – ADD): fuel 8,722 KGs, CO2 27,561 KGs, US\$ 13,083.
 - Kenya Airways,
 - 8 return flights (NBO – ABJ – NBO): fuel 2,400 KGs, CO2 7,584, US\$ 3,600.
 - 4 return flights (NBO- CPT- NBO) fuel 1,850 KGs, CO2 5,847 KGs, US\$ 2775.
 - RwandAir,
 - Three flights (KGL – LOS): fuel 2,540 KGs, CO2 8,026 KGs, US\$ 3,192.
 - EgyptAir,
 - One flight (CAI – FIH): fuel 830 KGs, CO2 2,600 KGs, US\$ 504
 - Royal Air Maroc
 - Three flights (CMN – BJL): fuel 1,800 KGs, CO2 5,688 KGs, US\$ 4,334
 - Airlink.



AFRICA VS WORLD 2020 - 2023

AFRICAN AVIATION

18.3% World Population

2.1% Global Traffic

2% Global Cargo

Population: 1.491 Billion

Nearly 60% of Africans are under the age of 25 as per AU

surface area: 30.37 Million km²

Annual Growth: +3.7% GDP
Growth

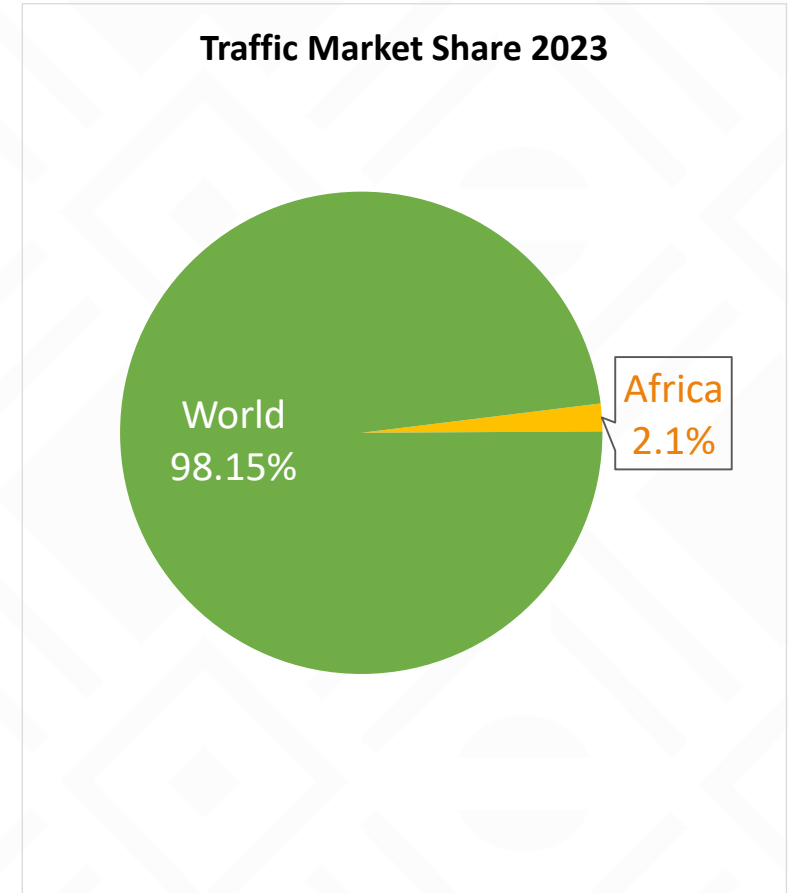
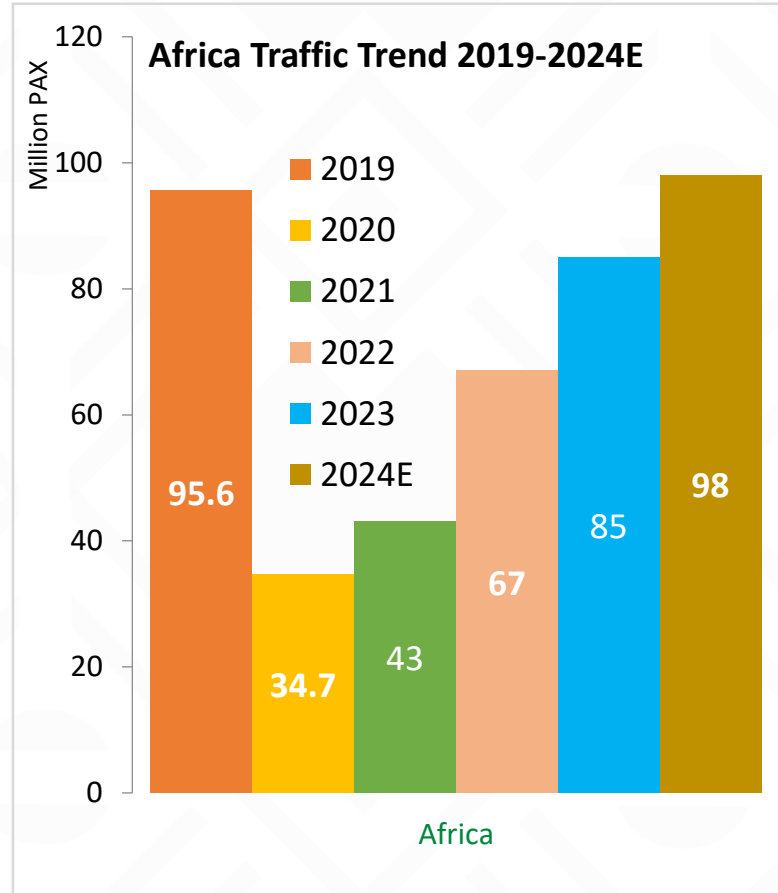
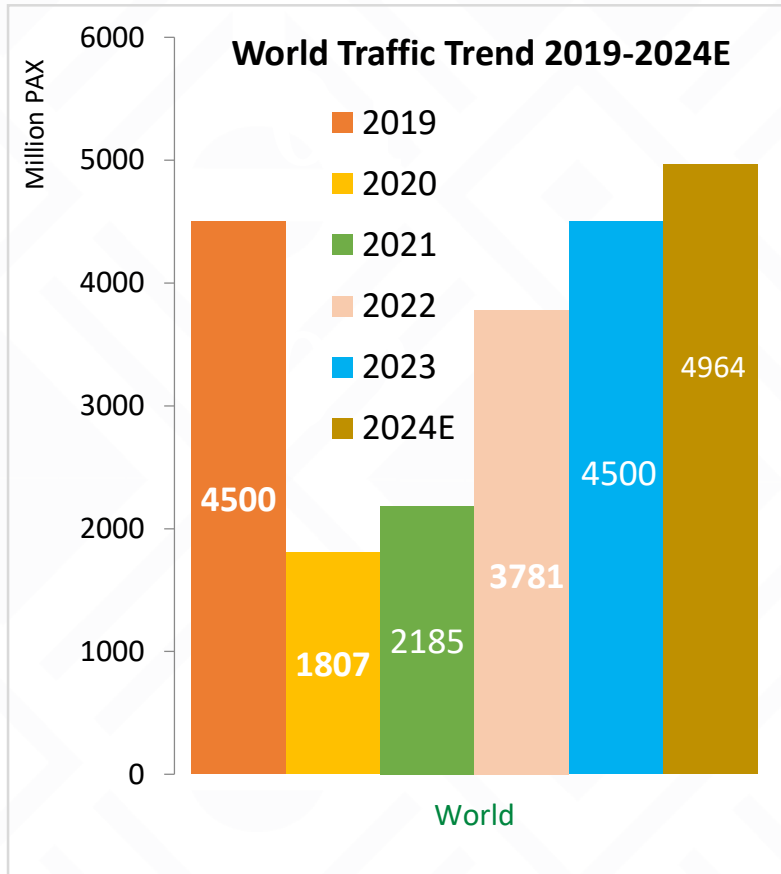
Pax: 85 Million (2023)

27% Annual Traffic Rise in 2023
compared to 2022

This represents 5.7% of the entire population



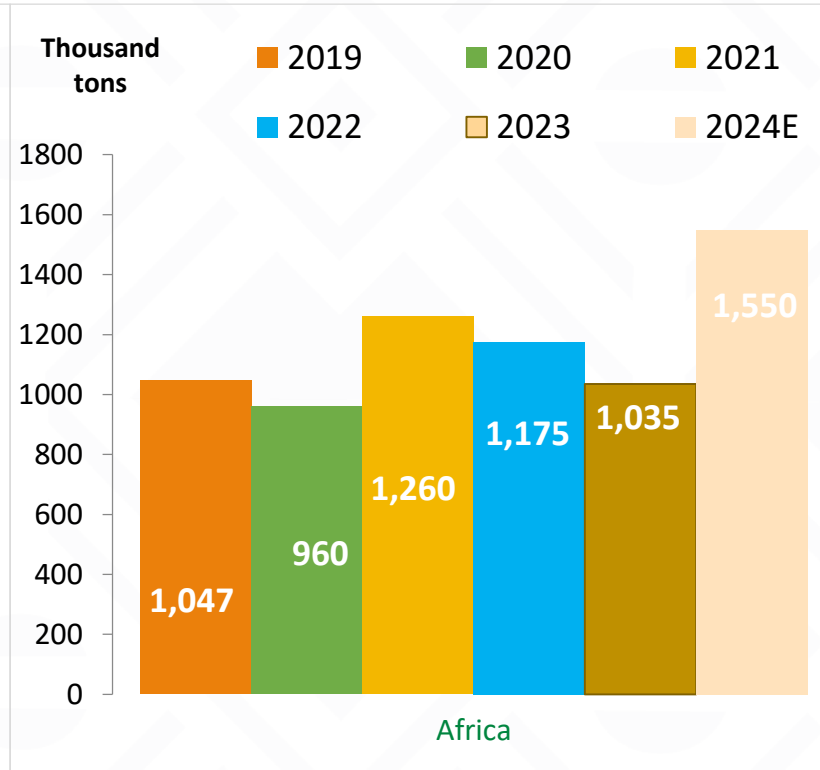
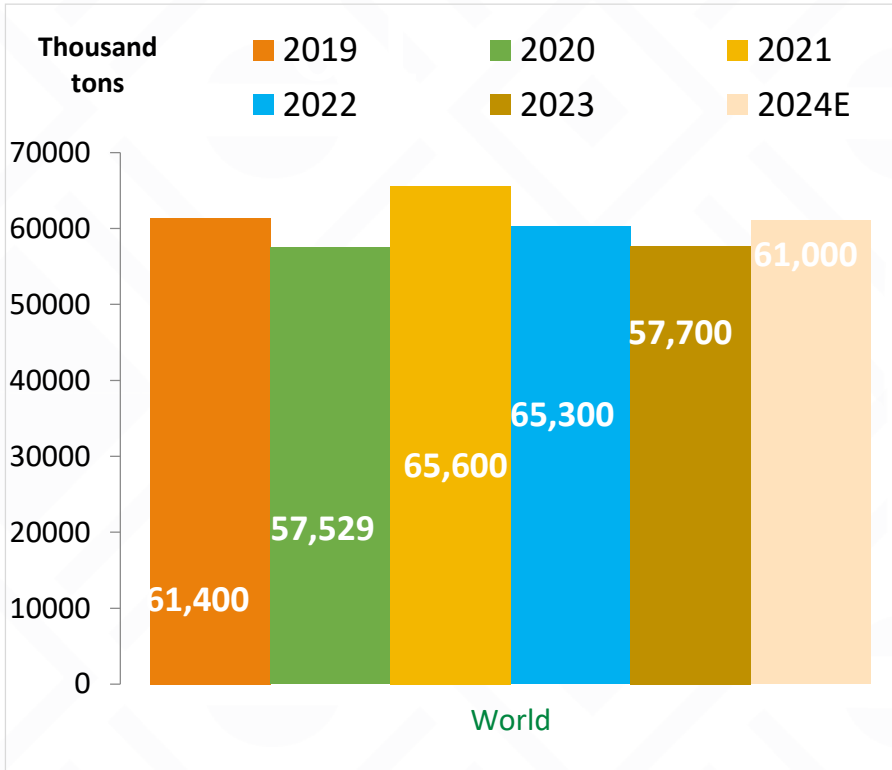
WORLD VS AFRICA TRAFFIC TREND AND MARKET SHARE



Source :
AFRAA, OAG, IATA, STATISTA, ATAG

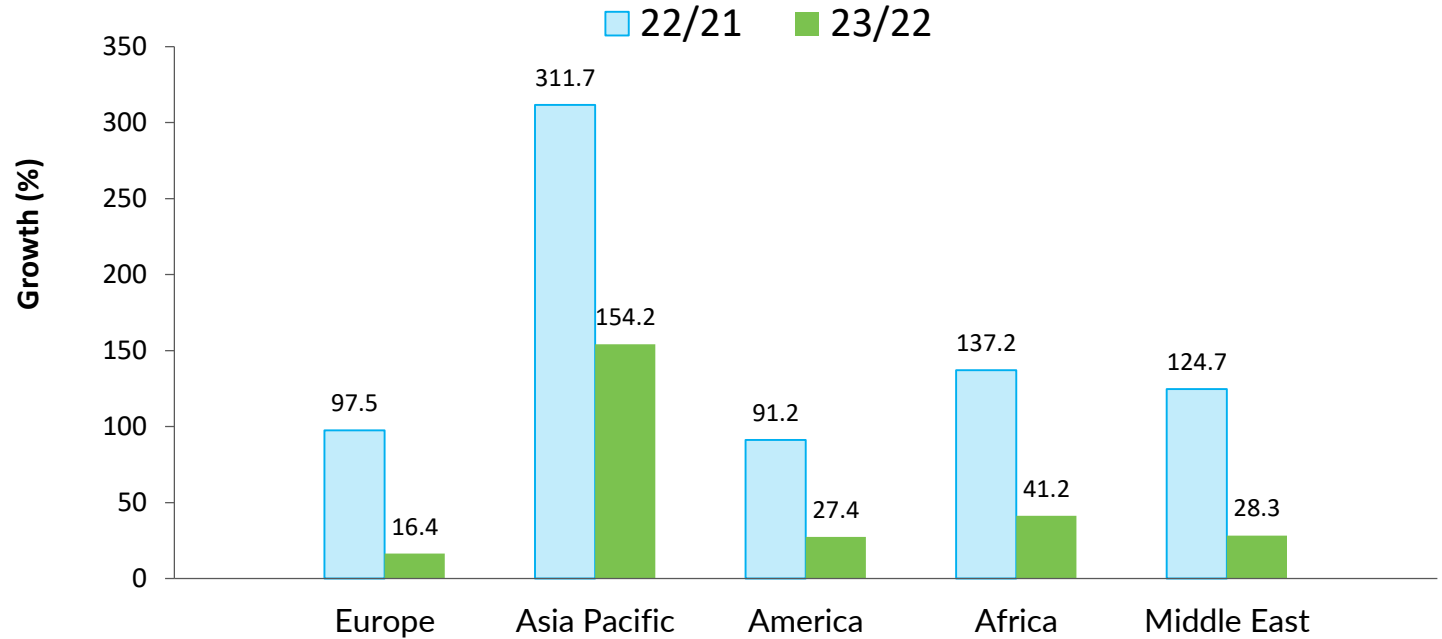
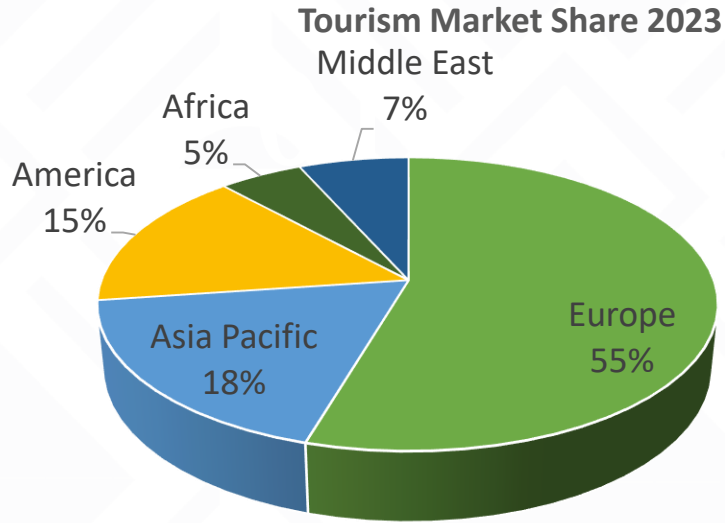
WORLD VS AFRICA CARGO TREND AND MARKET SHARE

World Vs Africa Cargo Trend 2019-2024E



Source : AFRAA, IATA, STATISTA, CONTIMOD

TOURISM PERFORMANCE



✓ **WORLDWIDE : 1300 Million tourists in 2023 (35% increase compared to 2022).**

✓ **AFRICA : 66.3 Million tourists in 2023 (41.2% increase compared to 2022).**

Source : AFRAA,UNWTO

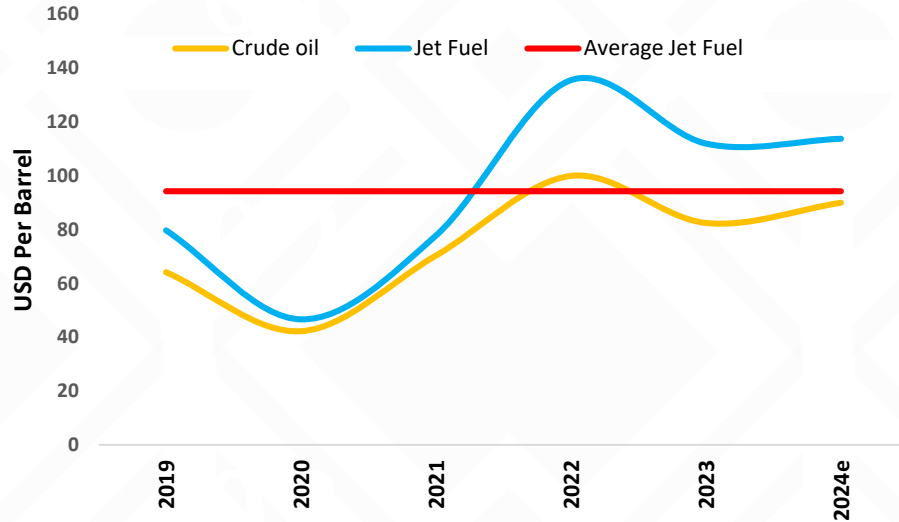




STATE OF THE INDUSTRY **2023**

ECONOMIC CONTEXT

Global Oil prices

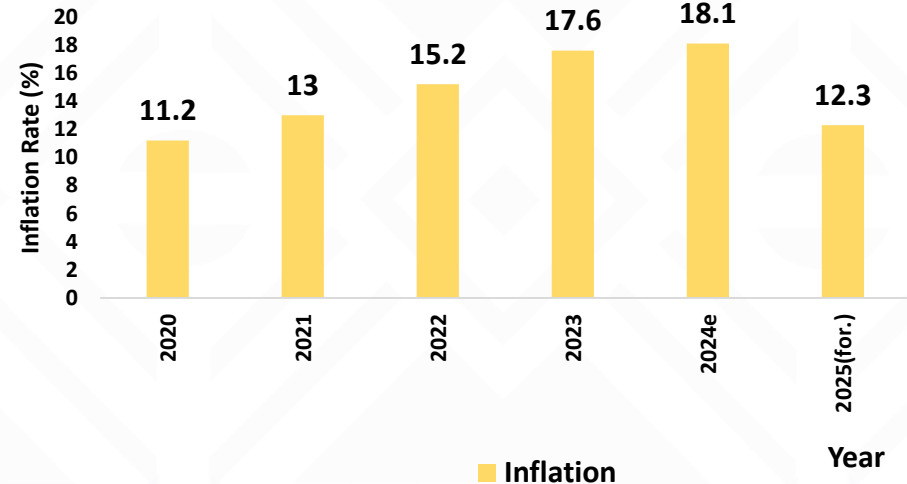


Africa 10 to 15% Higher

Global Inflation Rate



Africa Inflation rate

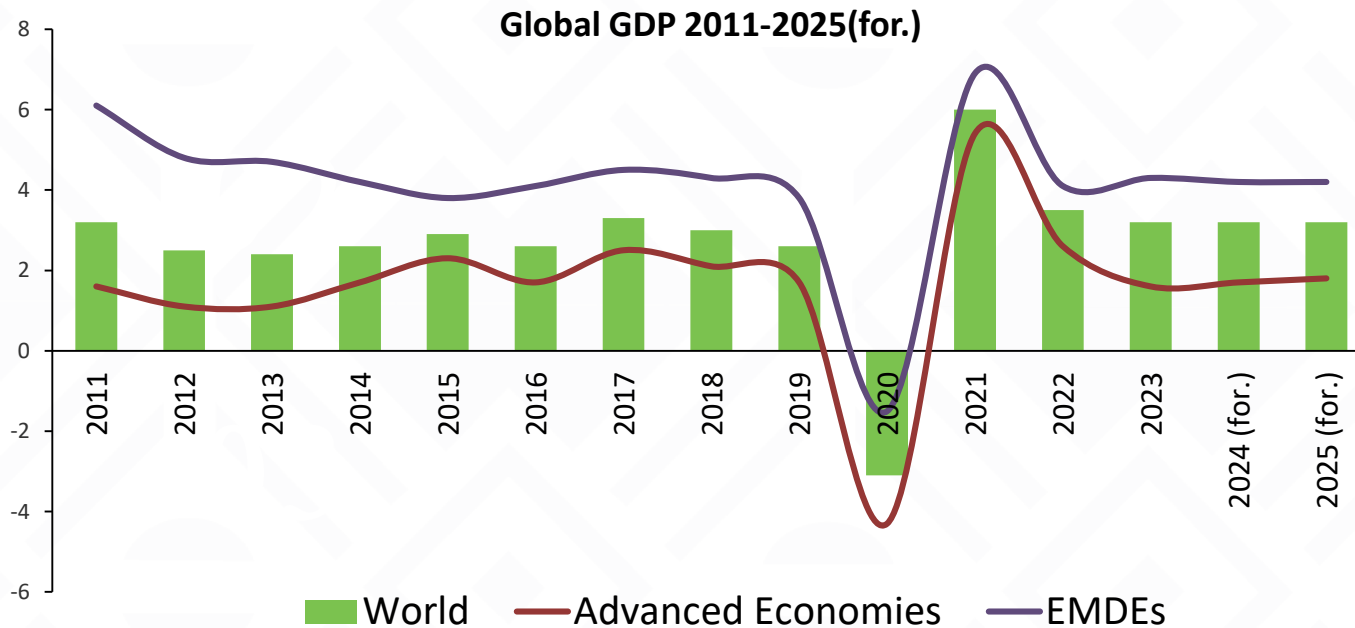


Source : IATA,IMF ,Worldbank

■ Inflation

Year

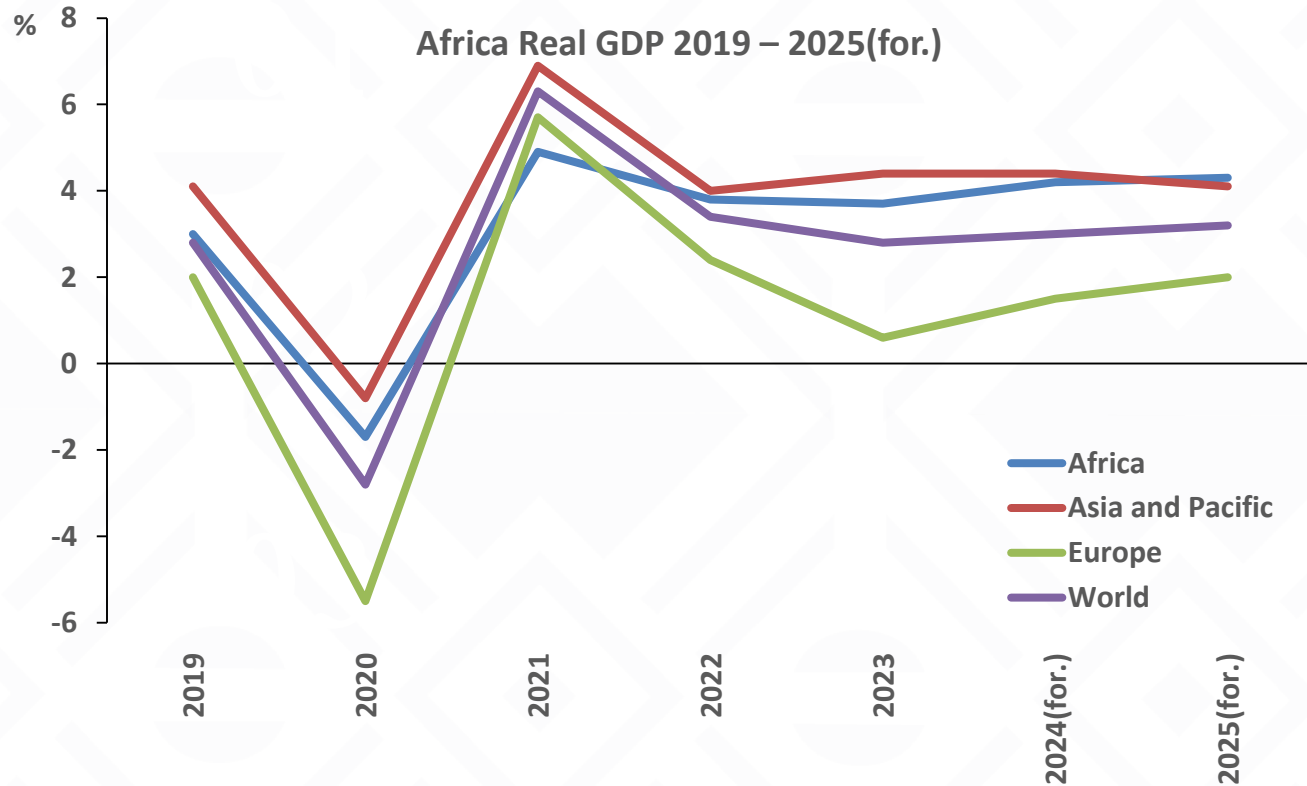
GLOBAL ECONOMY TREND



Source : IMF

- ✓ **Global growth is expected to remain stable yet underwhelming due to geopolitical tensions, sudden eruptions in financial market volatility that could tighten financial conditions.**
- ✓ **Global growth slowed down from 6.6 percent in 2021 to 3.6 percent in 2022 and 3.2 percent in 2023 (October 2024 updates)**
- ✓ **IMF Projects a constant value of 3.2% in 2024 and an increase to 3.3% in 2025**

AFRICAN ECONOMY TREND

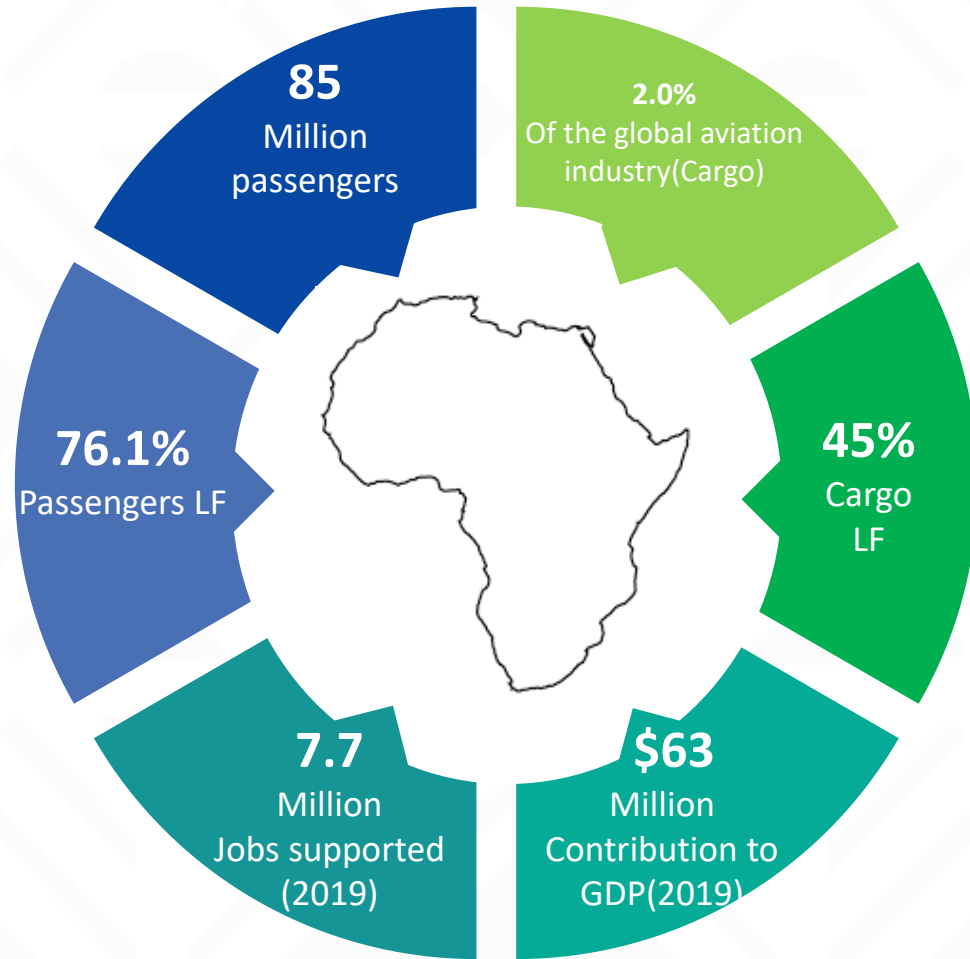


Source : AfDB

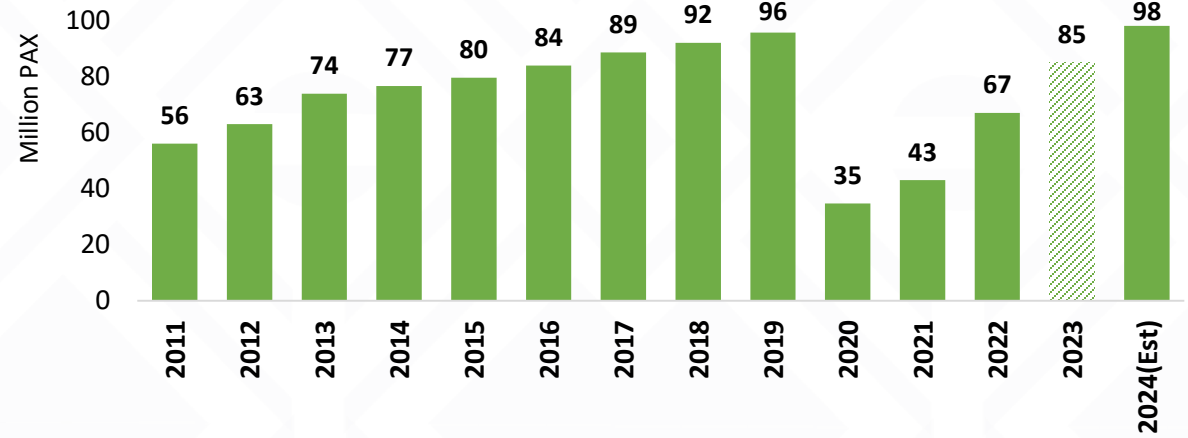
- ✓ African countries continue to contend with significant structural challenges and multiple severe shocks, including heightened food and energy prices driven by geopolitical tensions such as Russia's invasion of Ukraine, climate issues affecting agriculture and energy production, and persistent political instability.
- ✓ As a result, Africa real GDP slowed from 4.1 per cent in 2022 to 3.1 percent in 2023.
- ✓ The African real GDP is now expected to increase to 3.7 percent in 2024 and 4.3 percent in 2025

AFRICAN AIRLINES PERFORMANCE

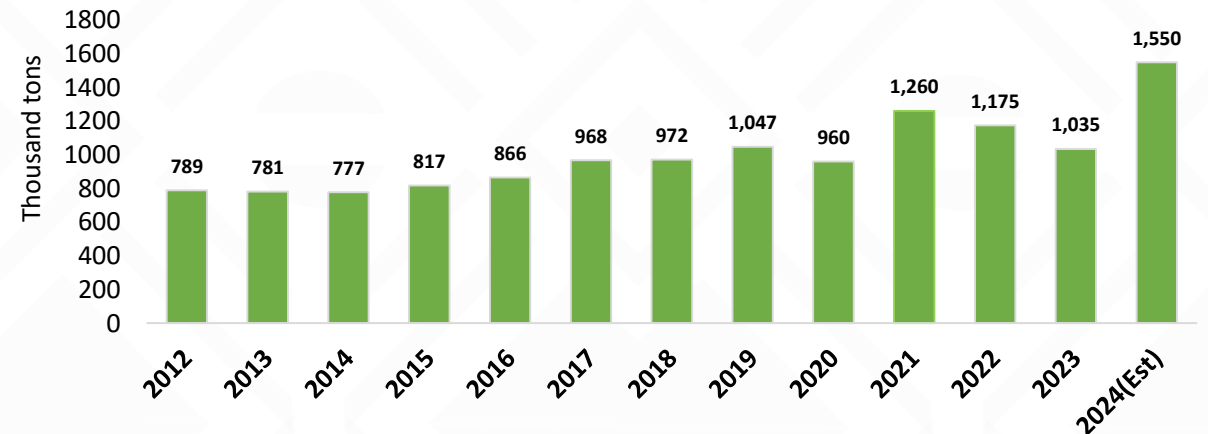
Aviation in Africa 2023



Passengers carried by African airlines 2011 – 2023



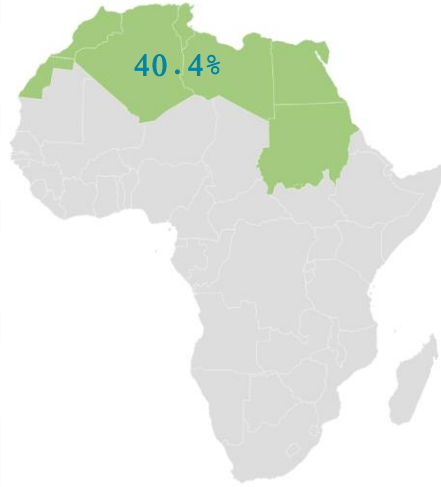
African Airlines Year-on-Year Freight Carried 2012 – 2023



Source : AFRAA, OAG, IATA WATS 2023, ATAG

AFRICAN AIRLINES PERFORMANCE – REGIONAL TRAFFIC 2023

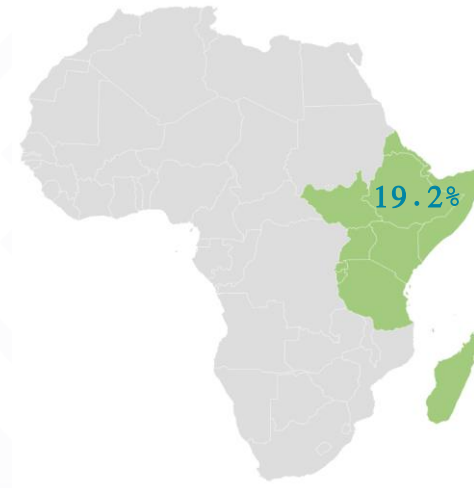
Northern Africa



16%
Share of Domestic traffic.

58%
of the total traffic directed to Europe

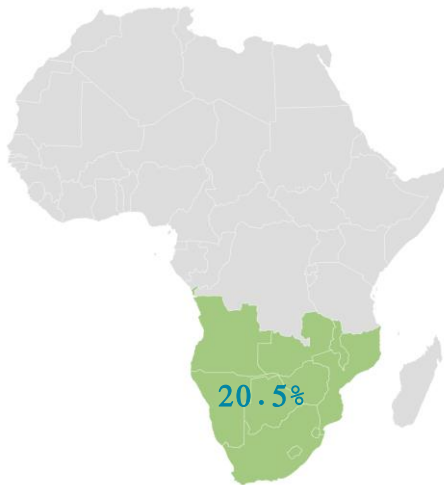
Eastern Africa



45%
Share of Domestic traffic.

30%
of the total traffic directed to Europe

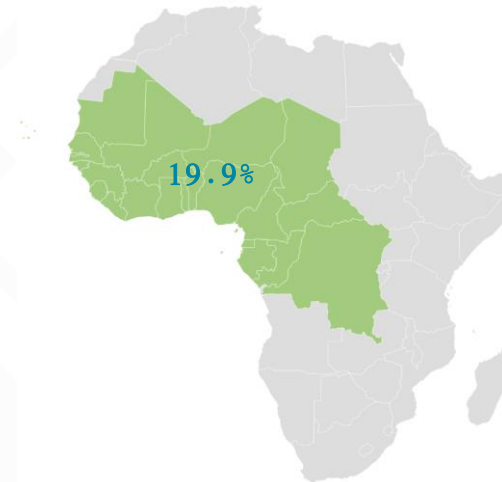
Southern Africa



64%
Share of Domestic traffic.

28%
of the total traffic directed to Europe

Central and Western Africa



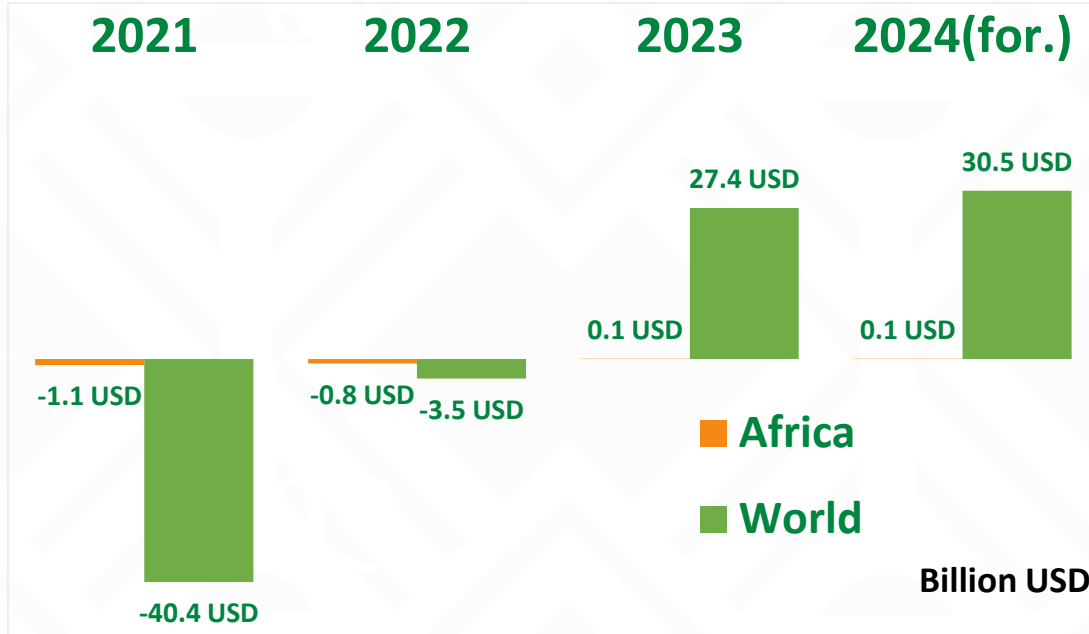
48%
Share of Domestic traffic.

38%
of the total traffic directed to Europe

Source : AFRAA,OAG

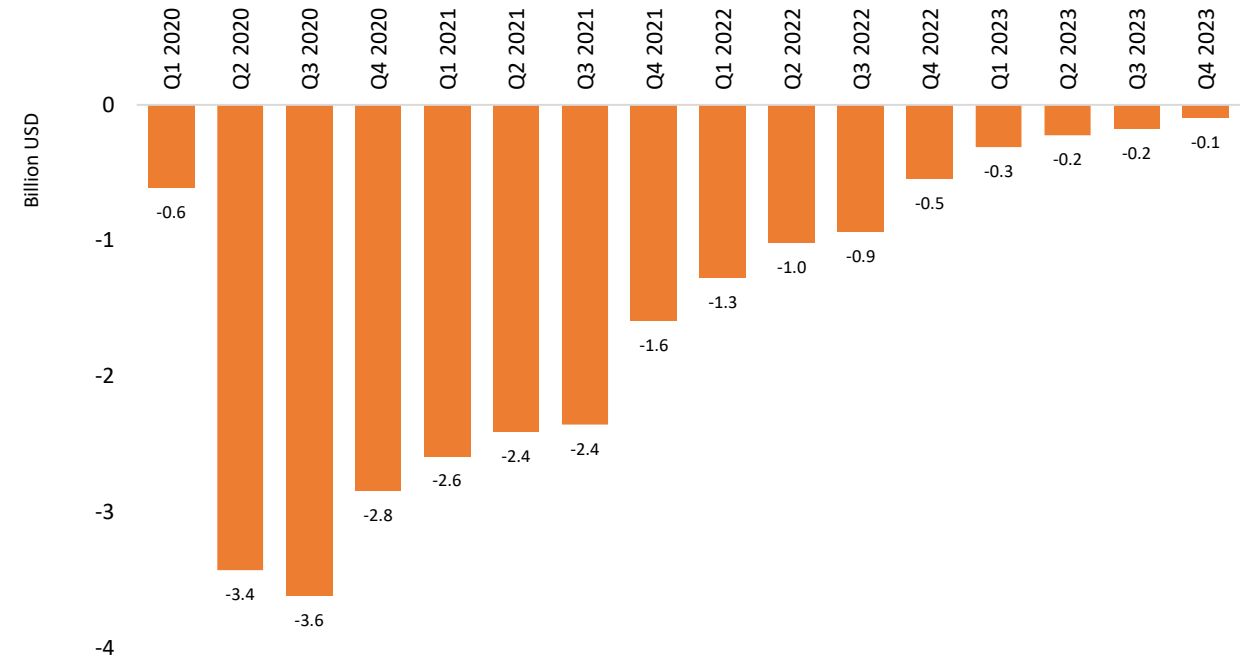
AFRICAN AIRLINES PERFORMANCE

FINANCIAL RESULTS 2021 -2024 (FOR.)



- ✓ GLOBAL Net Profit 2023: **USD 27.4 Billion**
- ✓ AFRICA Net profit 2023 : **USD 0.1 Billion**

PASSENGER REVENUE LOSSES COMPARED TO 2019



- ✓ Global profit per passenger 2023 : **USD 7.28**
- ✓ AFRICA profit per passenger 2023 : **USD 0.5**

Source : AFRAA,OAG,IATA Sustainability Economics

SAFETY PERFORMANCE

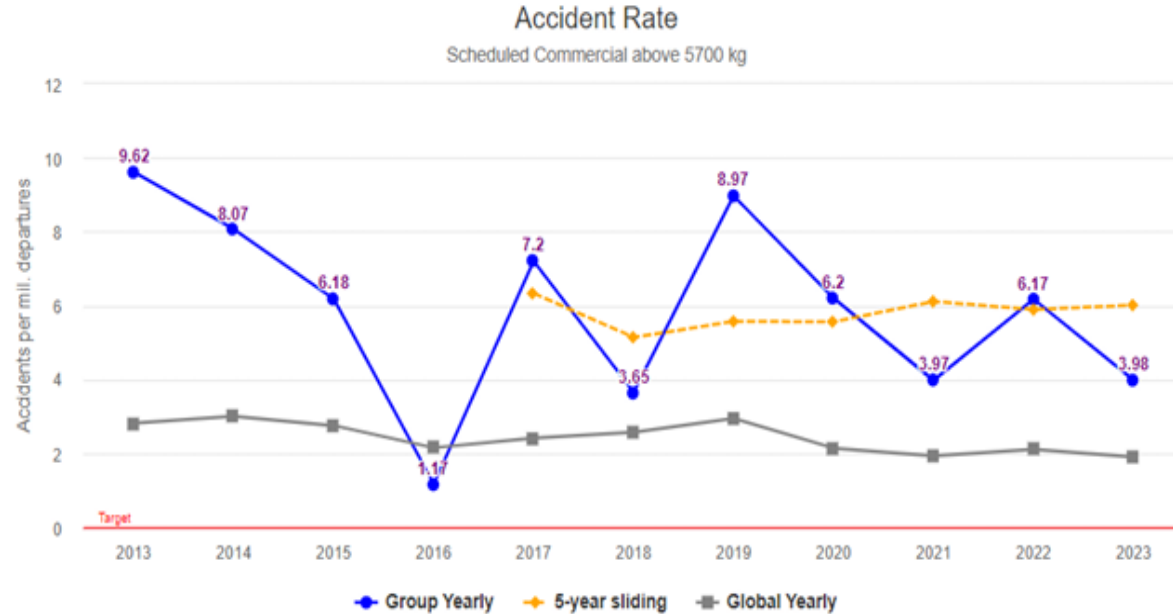
Accidents 2023



✓ 62 Accidents worldwide - 72 Fatalities

✓ 4 Accidents in Africa – 0 Fatalities

RASG-AFI Accident Rate Yearly Trend



✓ The accident rate in the RASG-AFI Region has decreased from 7.01 per million departures in 2022 to 3.98 in 2023 and the number of accidents from 6 in 2022 to 4 in 2023.

✓ African airlines continue to improve on safety standards in the continent due to the efforts by various stakeholders including AFRAA

Source ICAO iSTARS, RASG-AFI



OUTLOOK 2024 AND BEYOND 2024

AFRICAN OUTLOOK 2024 AND BEYOND

ECONOMIC GROWTH

❖ 13.3 millions jobs by 2038

Pax: 98 Million (2024 Est.)

This represents 7% of the entire population

RISING DEAMAND

❖ 15% estimate annual traffic rise in 2024 vs 2023

FLEET RENEWAL

❖ 3.2% Fleet growth rate per year
❖ 1525 A/C in 2043, including 1,170 new deliveries

❖ GDP 3.7% per year
❖ Traffic growth 5.8% per year

1. Haldane Dodd - Air Transport Action Group
2. IATA press release n°6 dated 31/01/2024; IATA Quaterly Air Transport Chartbook - IATA Sustainability and Economics Q4 - 2023, OAG
3. Boeing Commercial Outlook Market 2024-2043, Oliver Wyman MRO survey 2024-2034
4. Oxford Economics forecasts

Africa's passenger traffic is projected to nearly double by 2050, surpassing 300 million passengers.

AFRAA PRIORITIES

1. Safety first in African airlines' operations



2. Connectivity and Route development



3. Sustainability of African Airlines



4. AFRAA 5-Year Strategic Plan





CONCLUSION



VIDEO – AFRAA ROUTE INTELLIGENCE PORTAL

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Thank You



Executive Session Financing the aviation industry in Africa



Layne D. Grindal

Managing Director & Partner
Seabury Aviation Partners LLC



Michael B. Cox

Senior Managing Director, Corporate
Advisory & Investment Banking
Seabury Aviation Partners LLC

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LUNCH BREAK

**“Transform and Develop the
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AFRAA 56th Annual General Assembly | 17th - 19th Nov 2024 | Cairo, Egypt



CEOs Roundtable: What does a sustainable African airline look like? How do we get there?

Moderator



Mr. Mbuvi Ngunze

Chairman
Kenya Association of Air
Operators



Eng. Yehia Zakaria

Chairman EgyptAir Holding
Company



Mr. Mesfin Tasew

Group Chief Executive
Officer
Ethiopian Airlines



Ms. Naomi L. Rasebotsa

General Manager
Air Botswana



Mr. Sanjeev Gadhia

Chief Executive Officer
Astral Aviation



Mr. George Uriesi

Executive Director and Chief
Operating Officer
Ibom Air



Mr. Hadi Akoum

VP Sales for Africa and
Levant
Airbus



Captain/ Khaled Aly El-Alfy

Assistant Chairman

**Egyptian Holding Company for Airports and
Air Navigation (EHCAAN)**



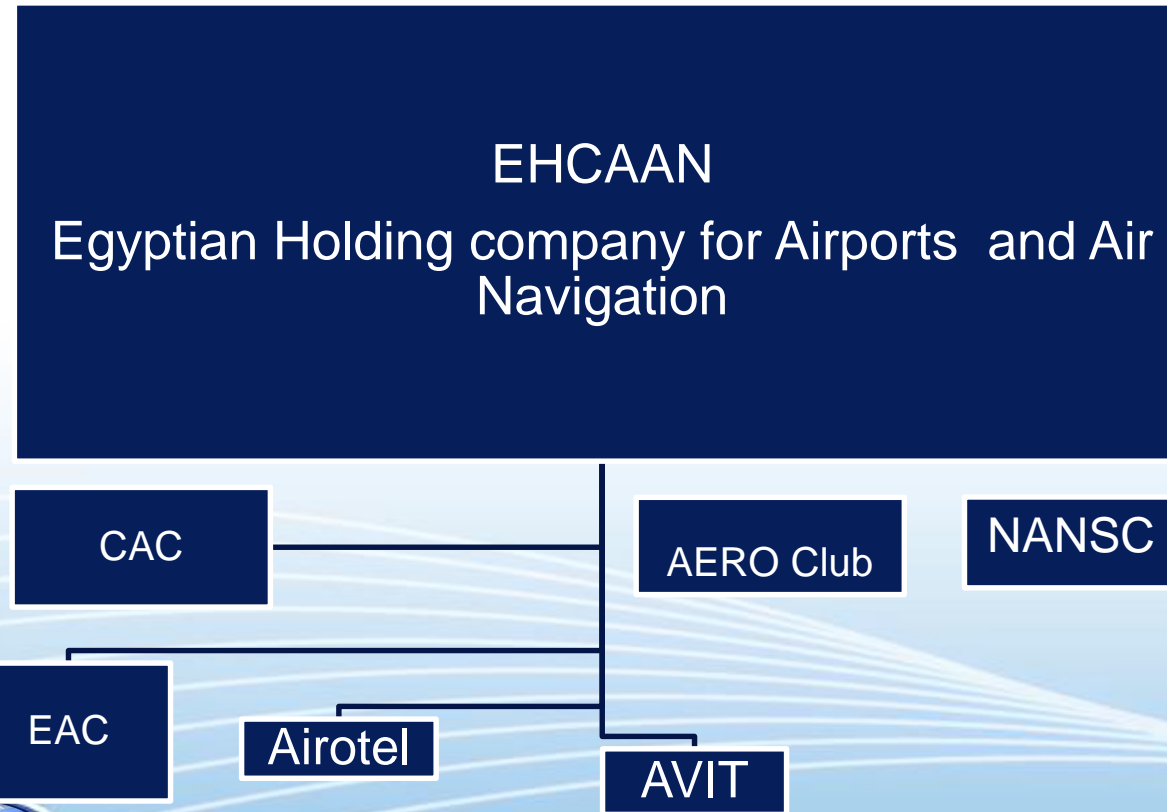


How is Cairo Airport transforming into a global hub through investment, innovation and enhanced connectivity

Egyptian Holding Company for Airports and Air Navigation



the Egyptian Holding company for Airports and Air Navigation and its subsidiaries



EHCAAN Strategy Plan

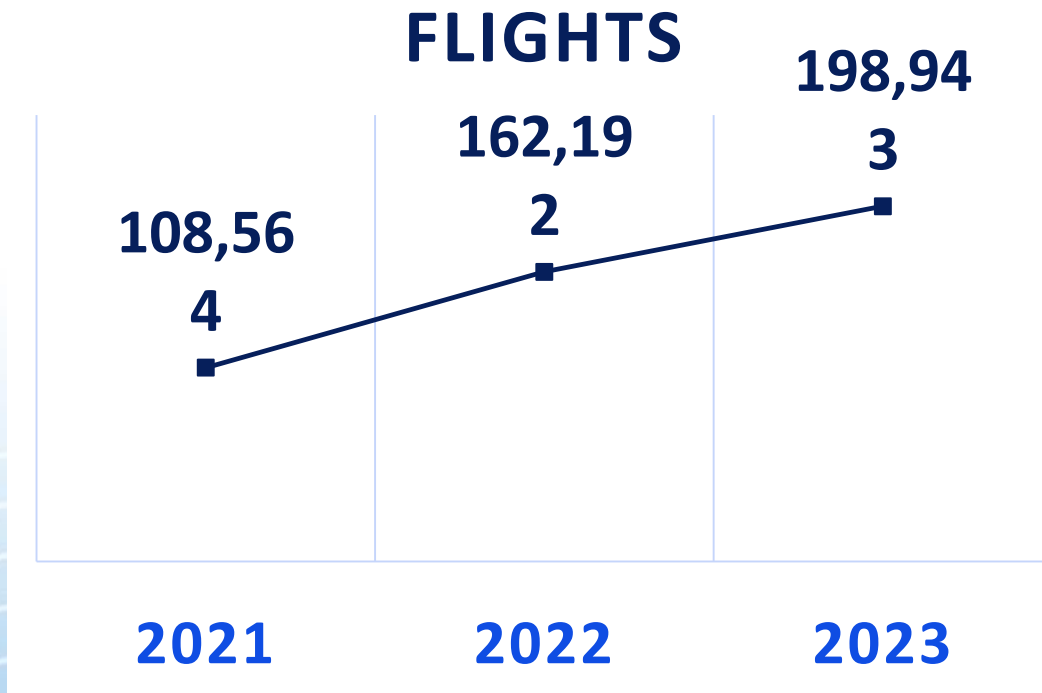


The Goal:

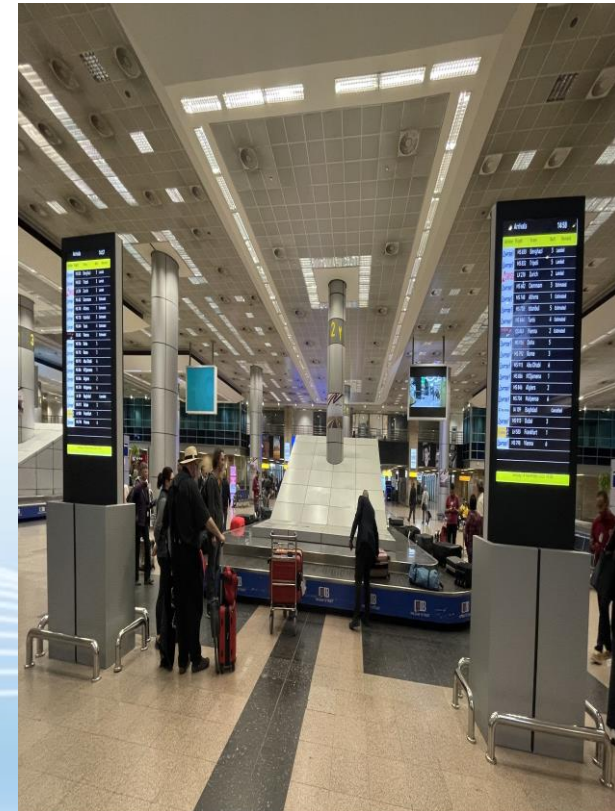
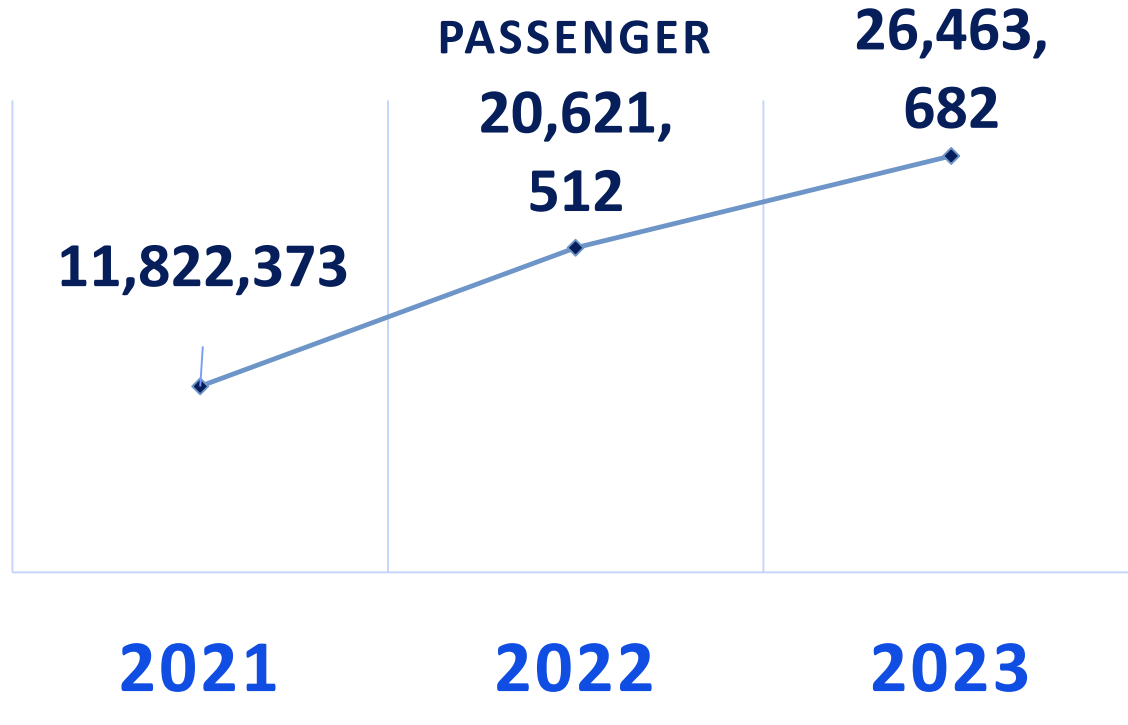
- Developing and increasing the capacity of Egyptian airports to accommodate the expected increase in the number of passengers and air traffic according to the studies prepared for this and Transforming Cairo airport into Hub airport



Flights Growth Rate Cairo Airport



Passengers Growth Rate Cairo Airport



Definition:

a Hub Airport is an airport that serves as a major connecting point for flight , where passengers arriving from several destination are gathered there and then distributed onto other flights to different final destination . This system is known as a hub and spoke system ,where the hub airport is the “Hub” and the other destination are the rays or branches emanating from it.

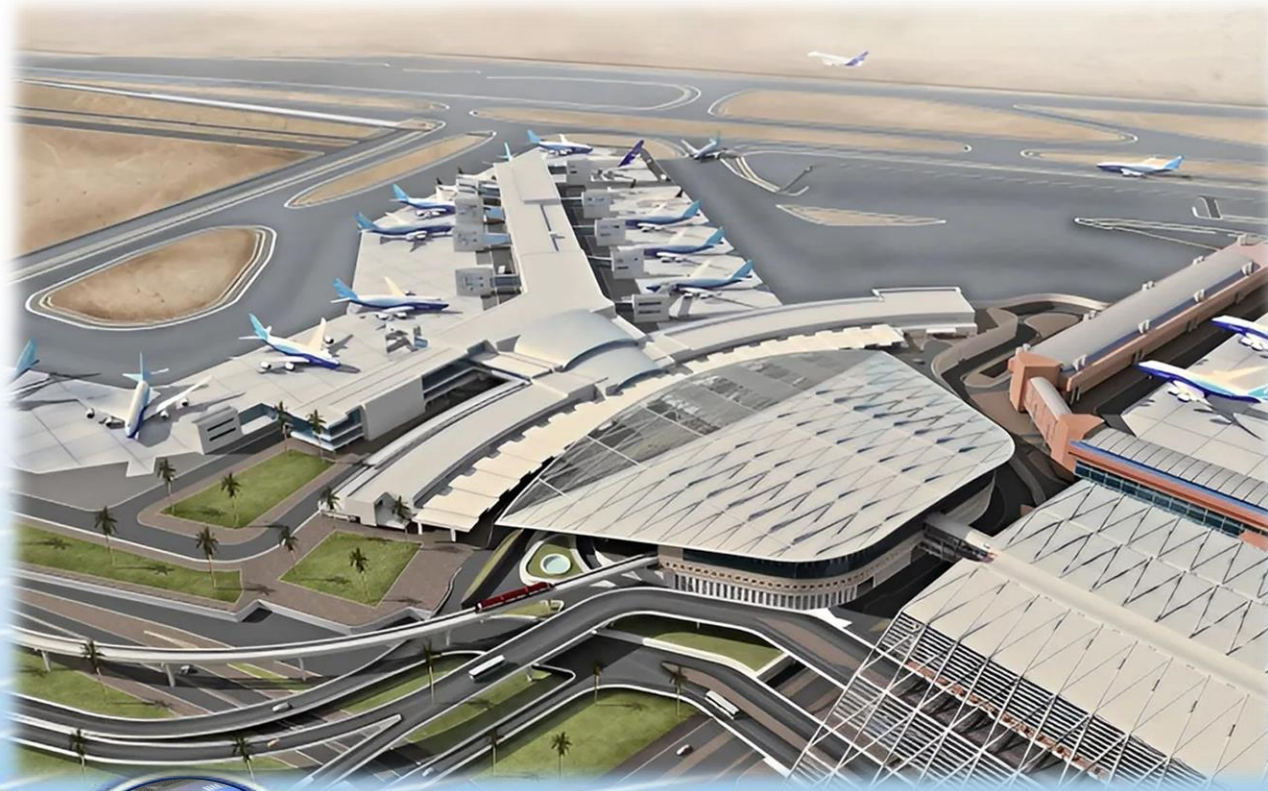


To transform a regular airport into a hub airport, it requires advanced infrastructure to meet the needs of a large number of passengers and airlines, positioning the airport as a major center for air traffic.

Here are the essential components of the infrastructure required to achieve **this**:



1. Expansion of Runways and Aviation Facilities



WHAT WE HAVE ???

- Cairo Airport have 3 parallel Runway 23/05
- PBB (passenger boarding bridge) :29
- Hardstand :134

Total : 164

- check-in counter: 314
- immigration counter : 89 departure & 88 arrival
- Cairo Airport cargo village



WHAT WE NEED ???

- 1- New Cargo Village
- 2- High Speed Exit
- 3- connecting route to facilitate ground movement



2. Expansion of Passenger Terminals



WHAT WE HAVE ???

- 3 Terminal total capacity : 28.25 m



WHAT WE NEED???

1-Terminal 4 with capacity 30 Million P/Y to be ready at 2030



3. Advanced internal transportation system



WHAT WE HAVE ???

- All Terminal are connected by people removal and Shuttle Bus



WHAT WE NEED???

Connecting between old
terminals and the new terminal
(Terminal 4)



4. Enhanced Security and Customs Facilities



WHAT WE HAVE ???

- Advanced and rapid screening systems to minimize waiting times and ensure a smooth passenger flow.
- Multiple passport control gates to reduce congestion at entry and exit points.
- Smart systems for luggage and cargo monitoring to ensure security and timely baggage handling.



5. Advanced Technology and Information Systems

AVIT

Airport Systems Services



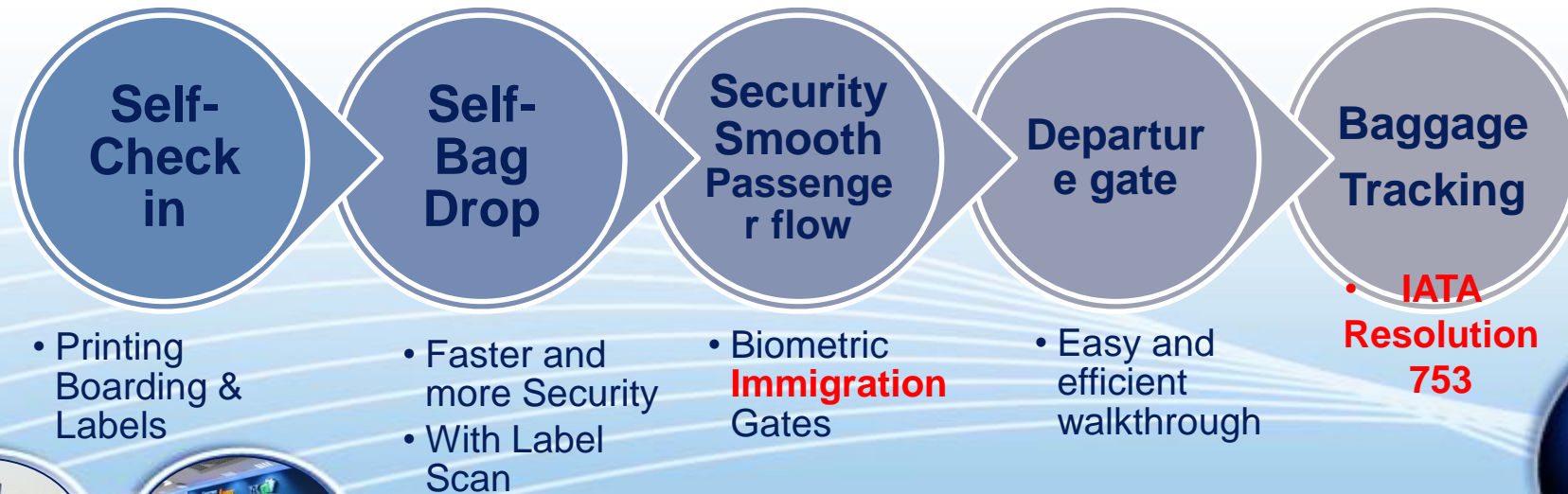
WHAT WE HAVE ???

- 1- CNS/ATM infrastructure
- 2- ATM (Air Traffic Management)
- 3- Flights information display systems (FIDS)
- 4- Internet infrastructure and digital tools to facilitate self-check-in, digital boarding passes, and customer service



WHAT WE NEED???

- 1- Sectoralization
- 2- Parallel Runway operation
- 3- Sid & Star
- 4- FUA (Flexible use of airspace)
- 5- PBN (Performance Based Navigation)
- 5- Smart Airports



6. Strong and Extensive External Transportation Network



WHAT WE HAVE ???

- 1- Efficient Bus Station
- 2- High Road
- 3- Taxi services
- 4- Sufficient amount of parking area



WHAT WE NEED???

1- Connecting Airport with Cairo underground



7. Commercial Spaces and Additional Passenger Services



WHAT WE HAVE ???

- Shopping centers, restaurants, and hotels within and around the airport for passengers with long layovers.
- Entertainment services and wellness centers to make the travel experience more comfortable.
- Services for international travelers such as transit facilities and enhanced navigation support.



WHAT WE NEED???

1- More Facilities for Transit Passenger

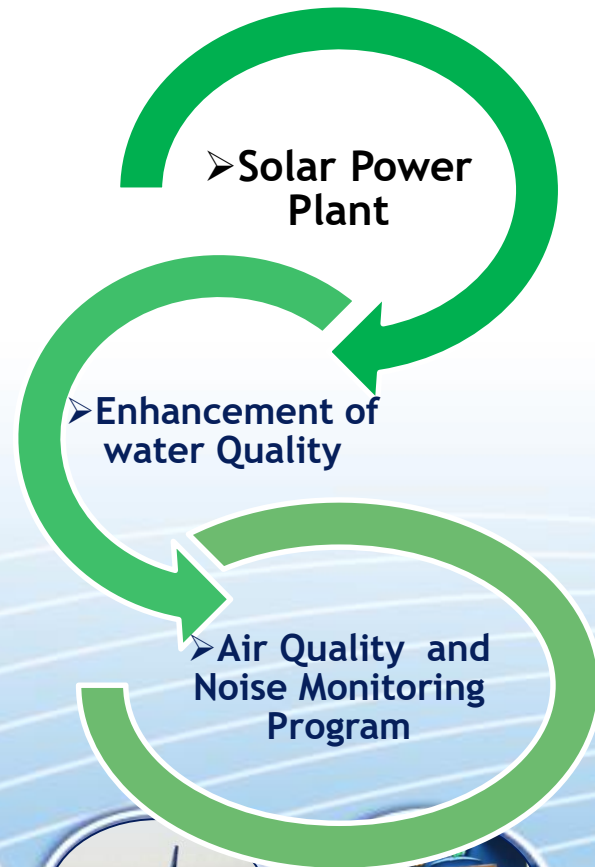


8. Sustainability and Energy Efficiency



WHAT WE HAVE ???

Environmental Projects



Cairo Airport Company
Environmental
And
Sustainability Projects



Carbon offsetting

Cairo International Airport has taken proactive steps to minimize its carbon offsetting:

Participating in programs such as Airport Carbon Accreditation to measure and minimize emissions.



WHAT WE NEED???

More steps to change CAC into a
Green Airport



Thanks





COFFEE BREAK

**“Transform and Develop the
Airline Industry in Africa”**



Revenue management industry trends and best practices session

*From old to new: Revenue management industry trends
and best practices*



Mr. Cilliers Jordaan
Chief Commercial Officer
LIFT Airline



**Mr. Laurent
Lebard**
Chief Executive Officer
Yieldin