

12th Aviation Stakeholders Convention - Day 1

“Beyond Connecting African Aviation”



12th Aviation Stakeholders Convention Opening Ceremony

13/05/2024

11:00hrs - 11:40hrs
Addis Ababa Time



Theme: Beyond connecting
African aviation



Theme: Championing Africa
aviation safety together

Speakers

Guest of Honor



Dr. Alemu Sime Feyisa

Minister of Transport and Logistics
Federal Democratic Republic of Ethiopia



H.E. Nasise Challi Jira
Minister of Tourism
Federal Democratic Republic of Ethiopia



Mr. Masfin Tasew
Group CEO
Ethiopian Airlines



Mr. Abdérahmane Berthé
Secretary General
AFRAA



12TH AVIATION
STAKEHOLDERS
CONVENTION
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

Theme: Beyond connecting African aviation

COFFEE BREAK

**09:40 –
10:10hrs**

Goodwill Speeches from the Industry

13th May 2024

10:10AM - 10:40AM
Addis Ababa Time



Theme: Beyond connecting African aviation



Theme: Championing Africa aviation safety together

Speakers



Mr. Kamil Al-Awadhi
Regional Vice President Africa
and the Middle East
IATA



Mr. Glyn Hughes
Director General
TIACA



Ms. Lucy Mbugua
Regional Director
ICAO ESAF



Mr. Aaron Munetsi
Chief Executive Officer
AASA

Industry Leader Keynote Interview – Focus on Air Cargo for Sustainability

13th May 2024

11:00AM – 11:40AM

Addis Ababa Time



Theme: Beyond connecting
African aviation



Theme: Championing Africa
aviation safety together

Speakers

Moderator



Glyn Hughes
Director General
TIACA



Sanjeev Gadhia
CEO
Astral Aviation



Mr. Abel Alemu
MD Ethiopian Cargo & Logistics Services
Ethiopian Airlines

Evolving network planning strategies

13/05/2024

11:40AM - 12:00 NOON

Addis Ababa Time



Theme: Beyond connecting African aviation



Theme: Championing Africa aviation safety together

Speaker



Shahab Matin,

Managing Director Commercial Marketing
Middle East & Africa,
BOEING

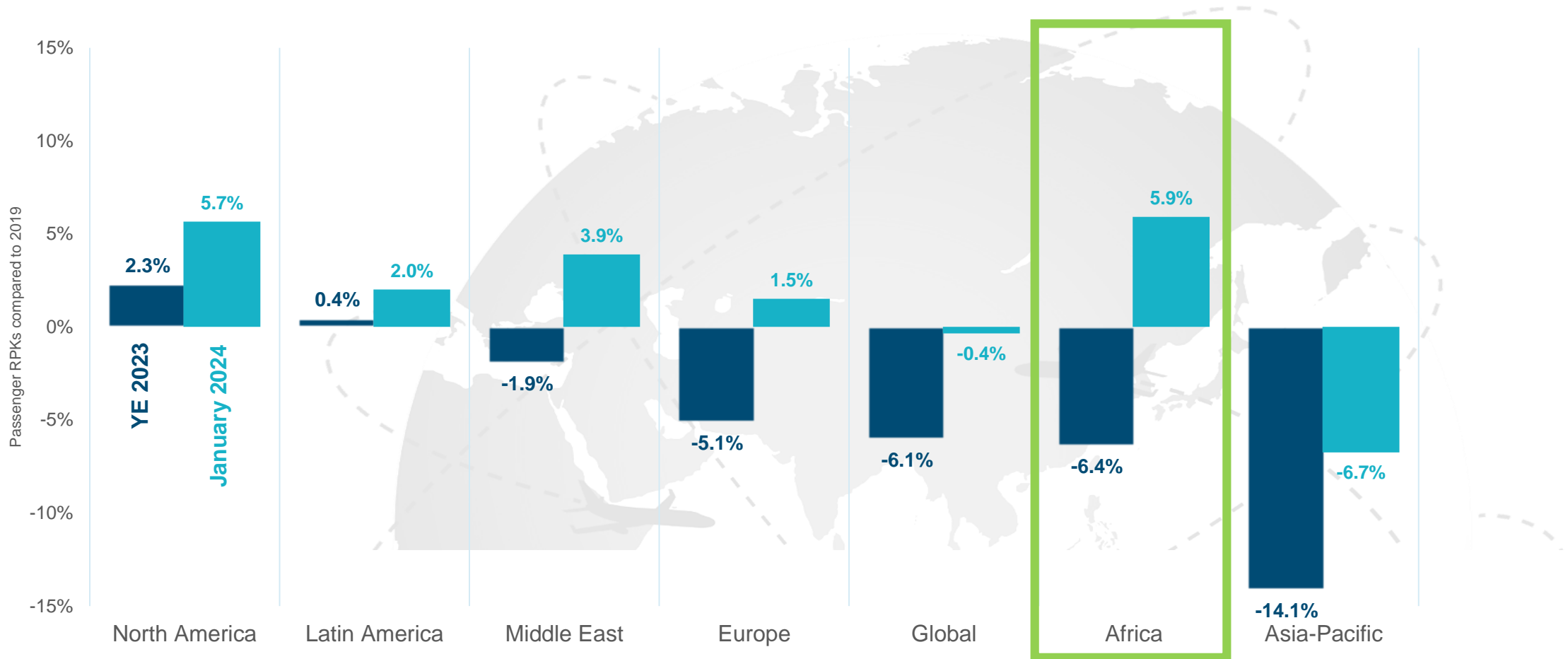


Evolving airline network planning strategies

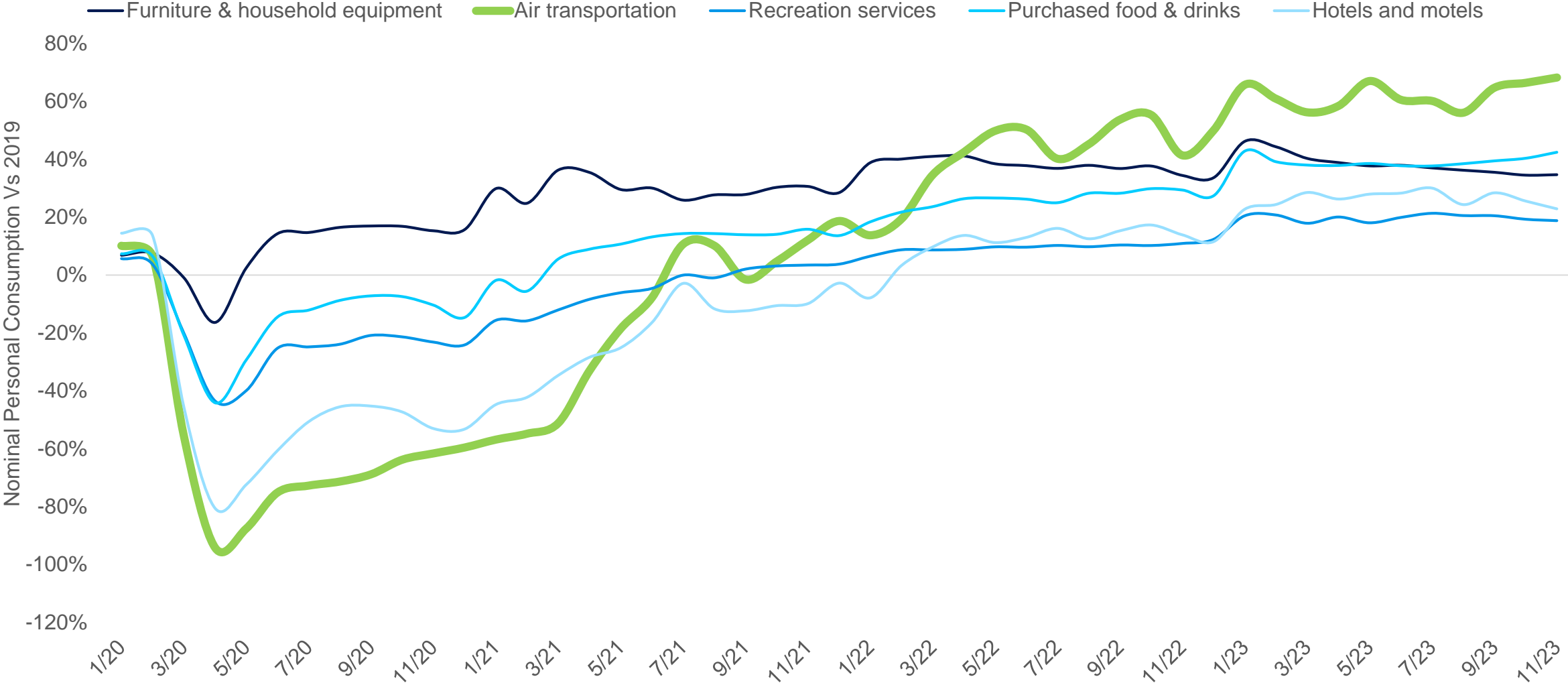
Shahab Matin | Managing Director
Boeing Commercial Marketing Africa & Middle East

Strong recent growth in Africa as markets recover

As of January, global air travel has recovered to ~100% compared to 2019 levels

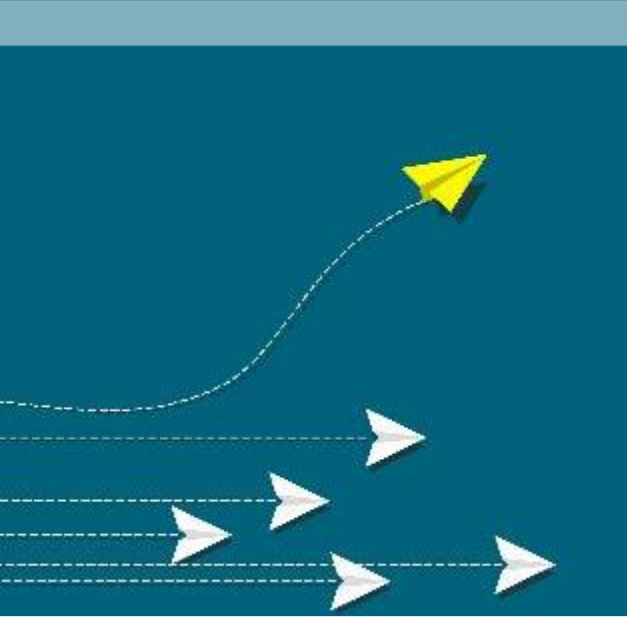


Consumers prioritizing air travel spending



Source: Bureau of Economic Analysis

Network flexibility among key airline trends



**Fleet
simplification**



**Network
flexibility**

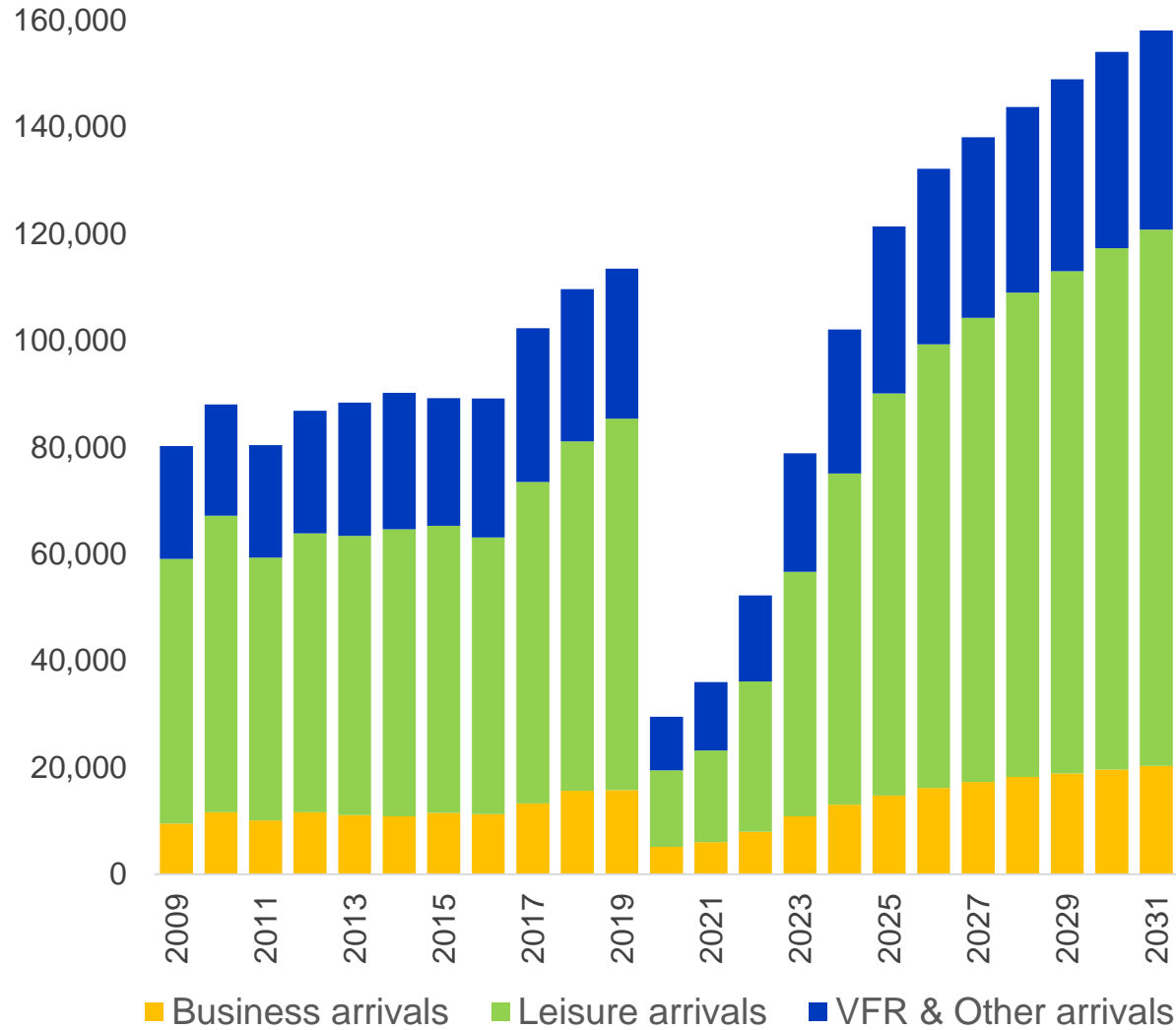


**Cabin
optimization**



**Net
zero**

Leisure traffic will continue to lead in Africa

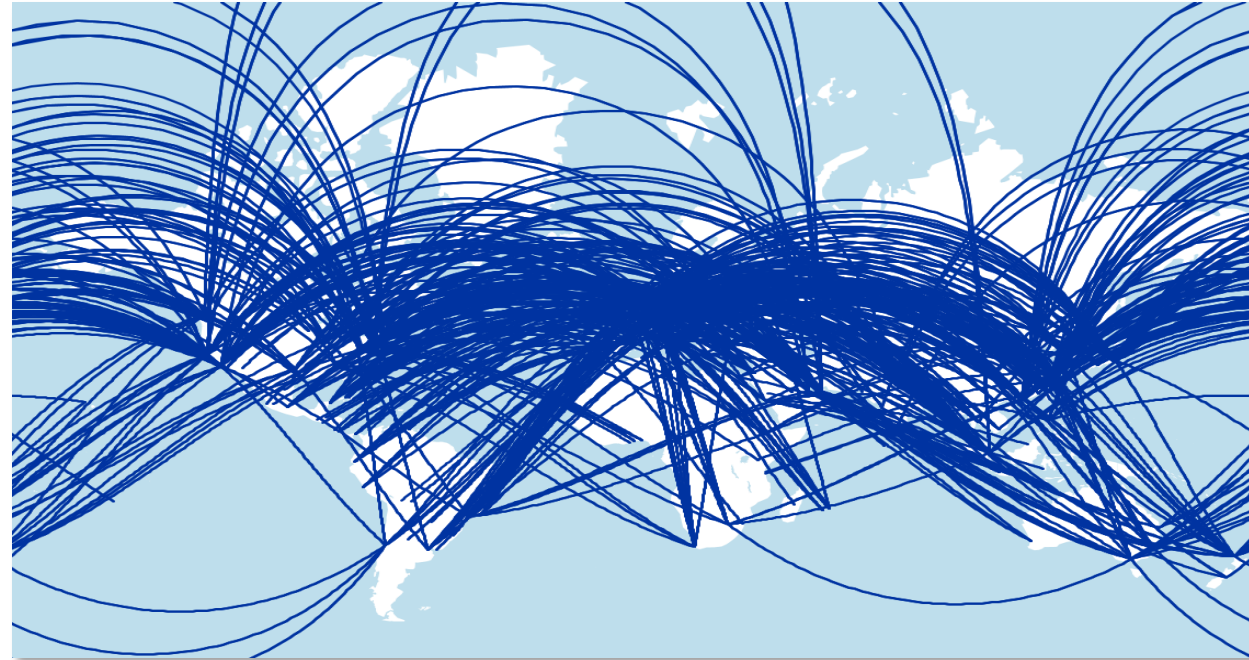
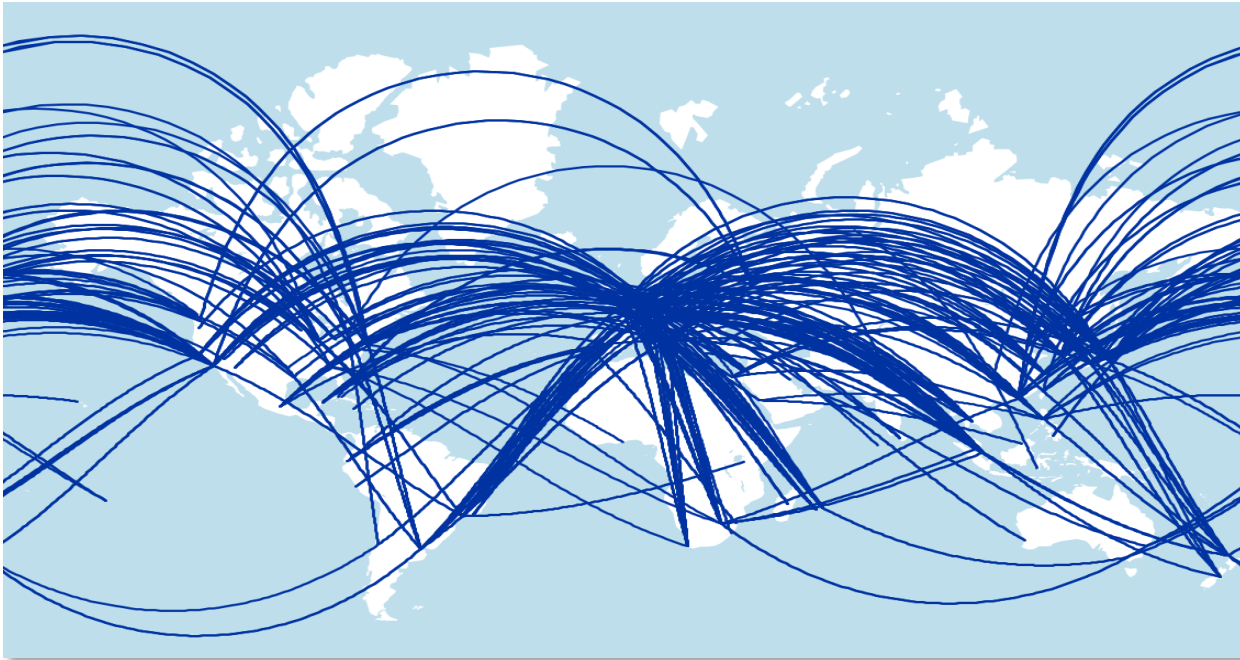


Passengers prefer nonstop service

More efficient airplanes enabling market fragmentation, offering more frequencies and introducing new markets

2004 Q1

2024 Q1



Long-haul only; >4,500nm



Market-pairs

274



576

2X



Weekly flights

4,471



8,810

2.1X



Seats per departure

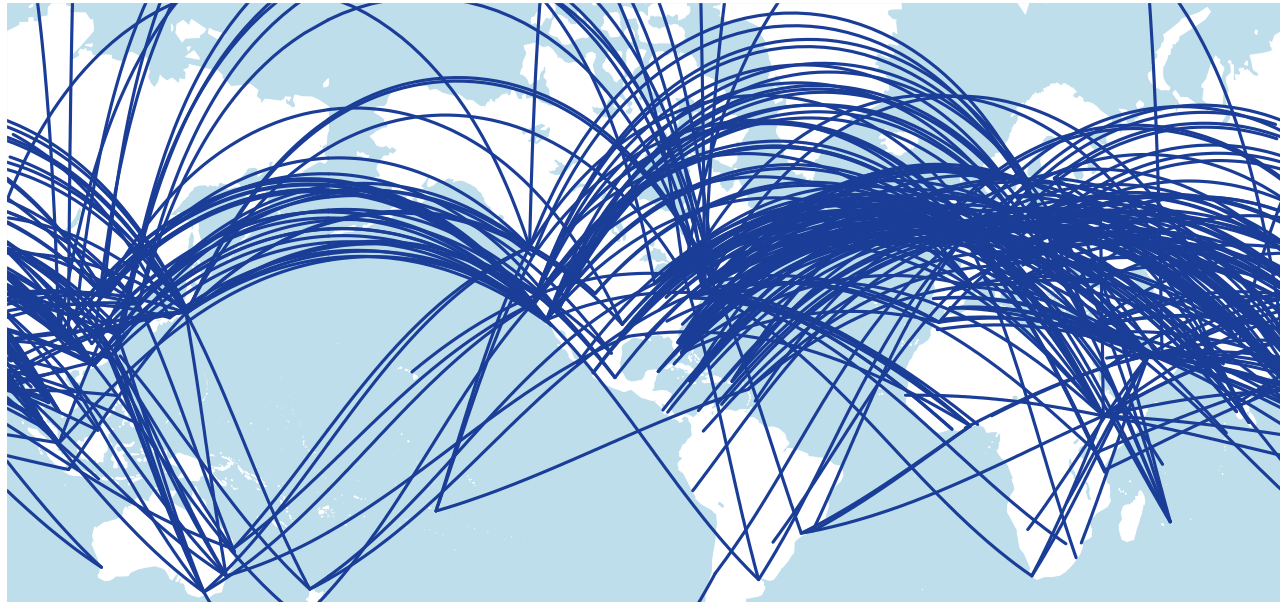
338



308

-9%

Efficient and capable aircraft support network flexibility



787

399 new routes opened since the 787 entered service



787-10

Higher passenger demand efficiency machine



787-9

Profitable growth for more network coverage



787-8

Point-to-point market opener

Unified aircraft families enable optimal airline networks



737-10
204 seats



737-9
193 seats



737-8
178 seats



737-7
153 seats



787-10
336 seats



787-9
296 seats



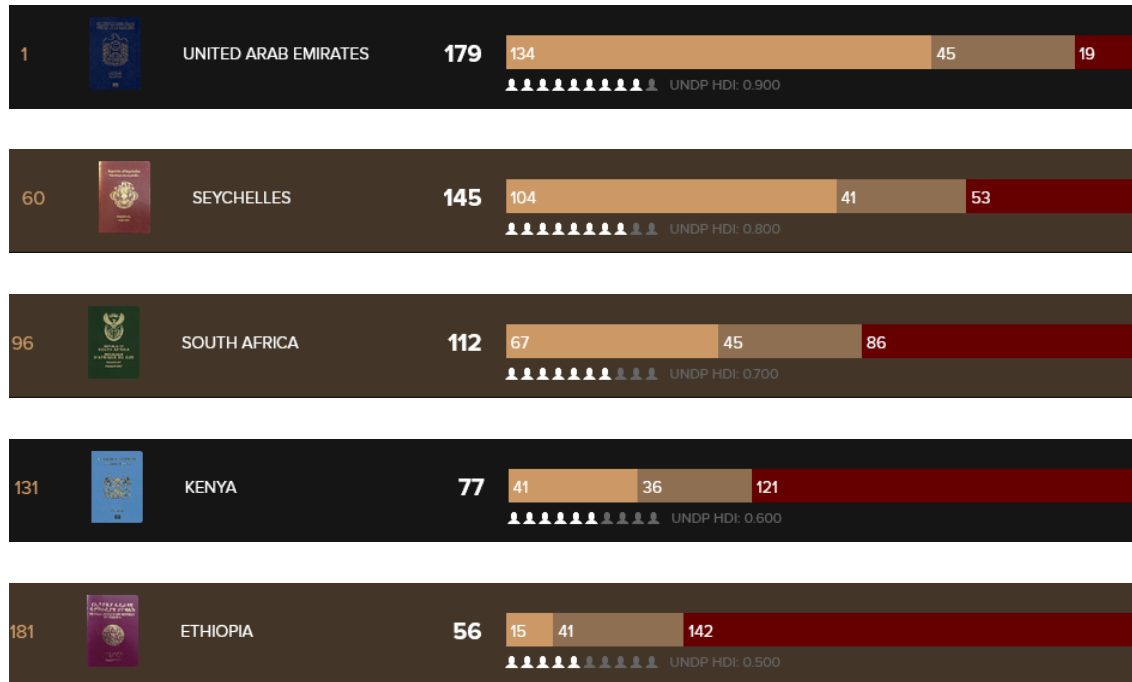
787-8
248 seats

“Family is not an important thing. It’s everything.”



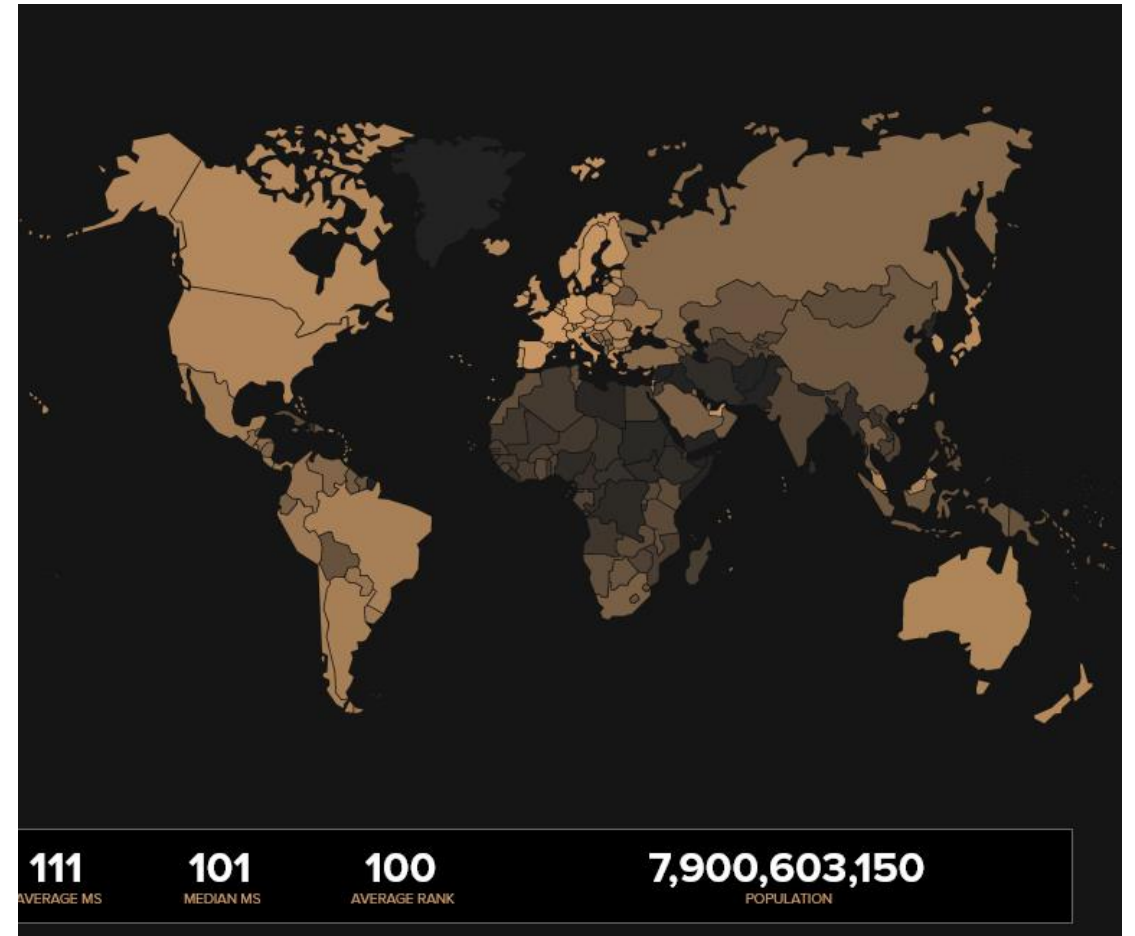
Visa requirements impacts ease and frequency of travel

Passport “power” rankings

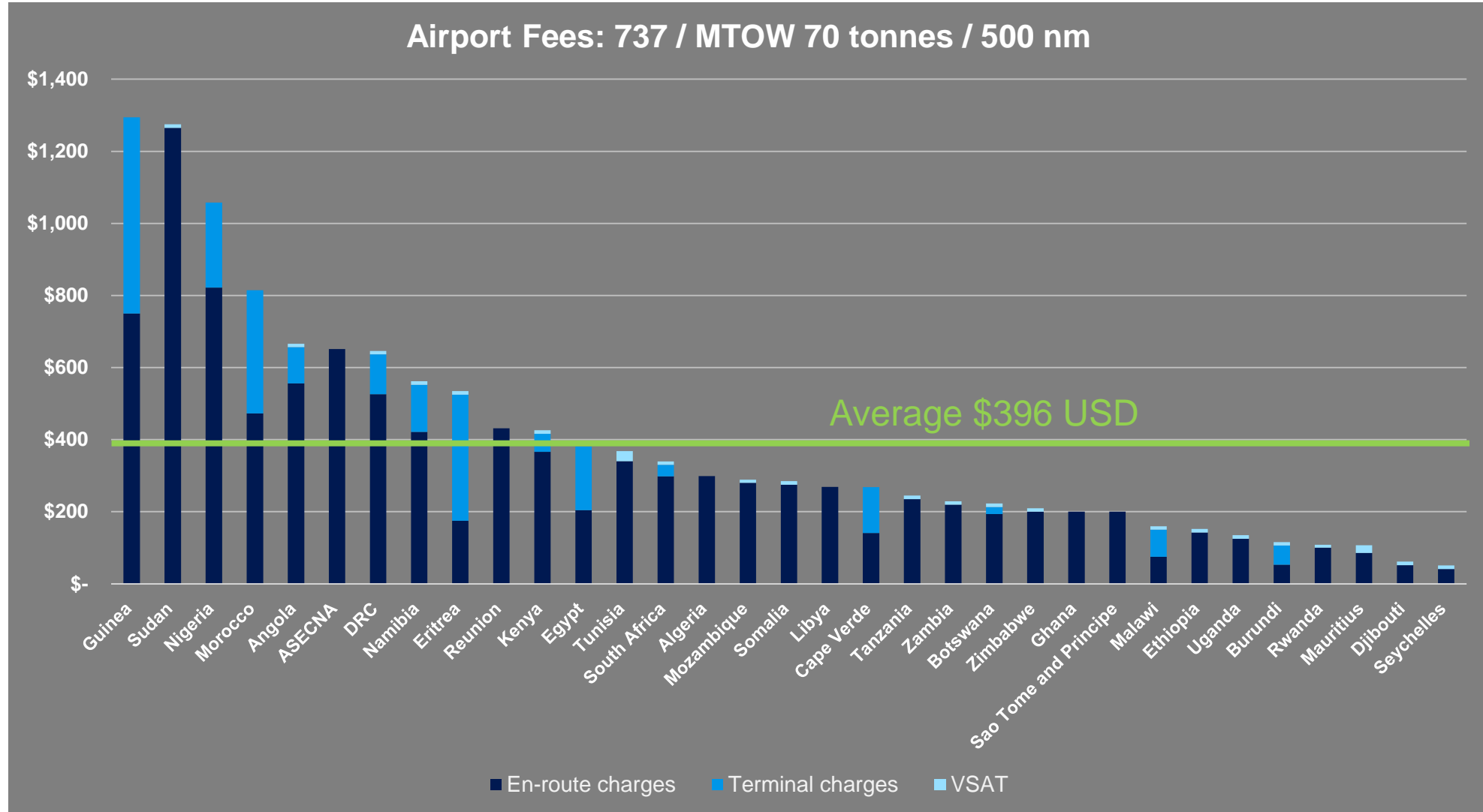


■ Visa-Free
 ■ Visa on Arrival
 ■ Visa Required

Passport “strength” by nation

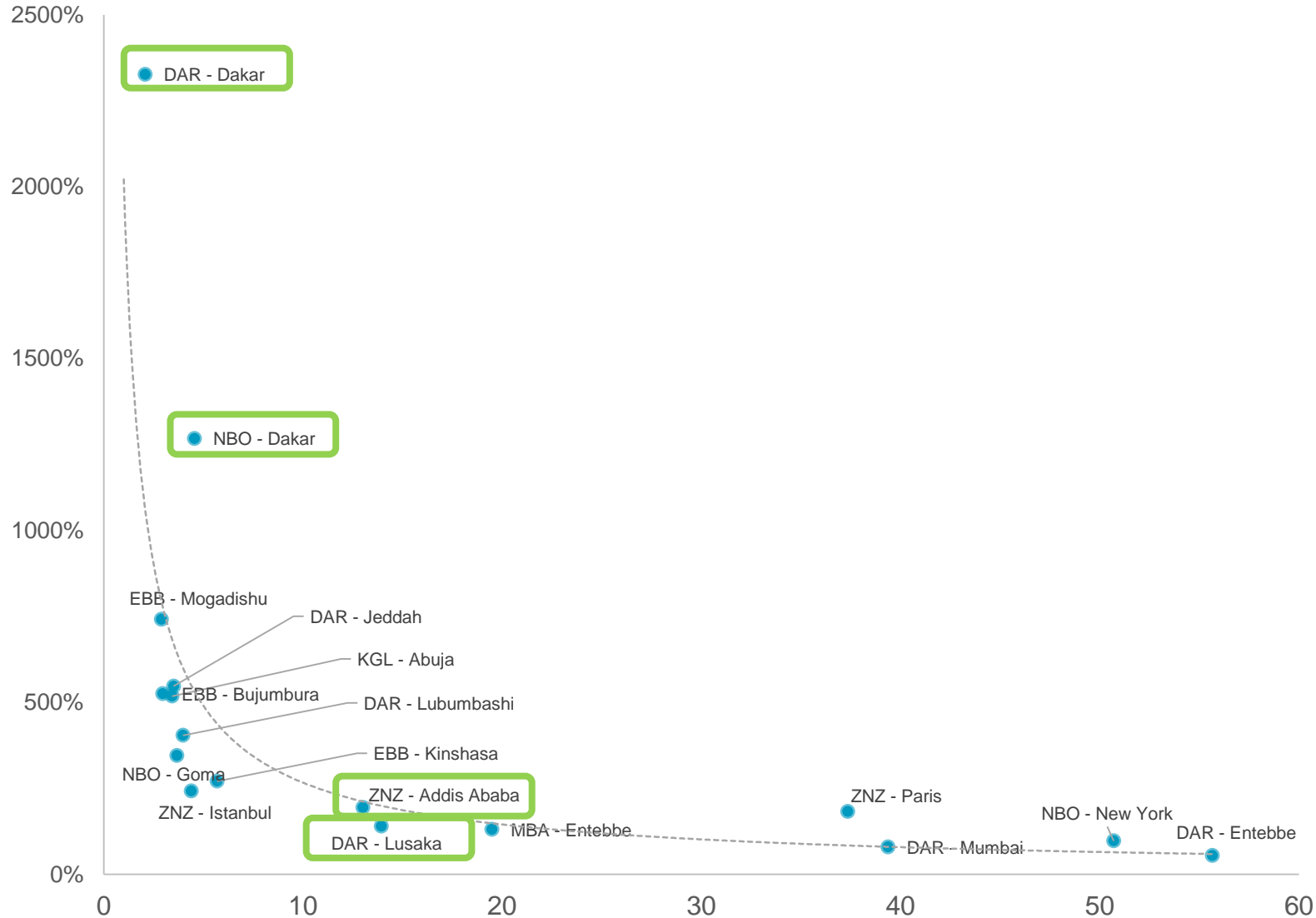


Reduction in fees reduces fares and stimulates traffic



*As reported in AFRAA "Air Navigation Service Charges in Africa" report (2020)

New services stimulate demand



Dar es Salaam – Lusaka

➤ **140%**

Zanzibar – Addis Ababa

➤ **194%**

Nairobi – Dakar

➤ **1268%**

Dar es Salaam – Dakar

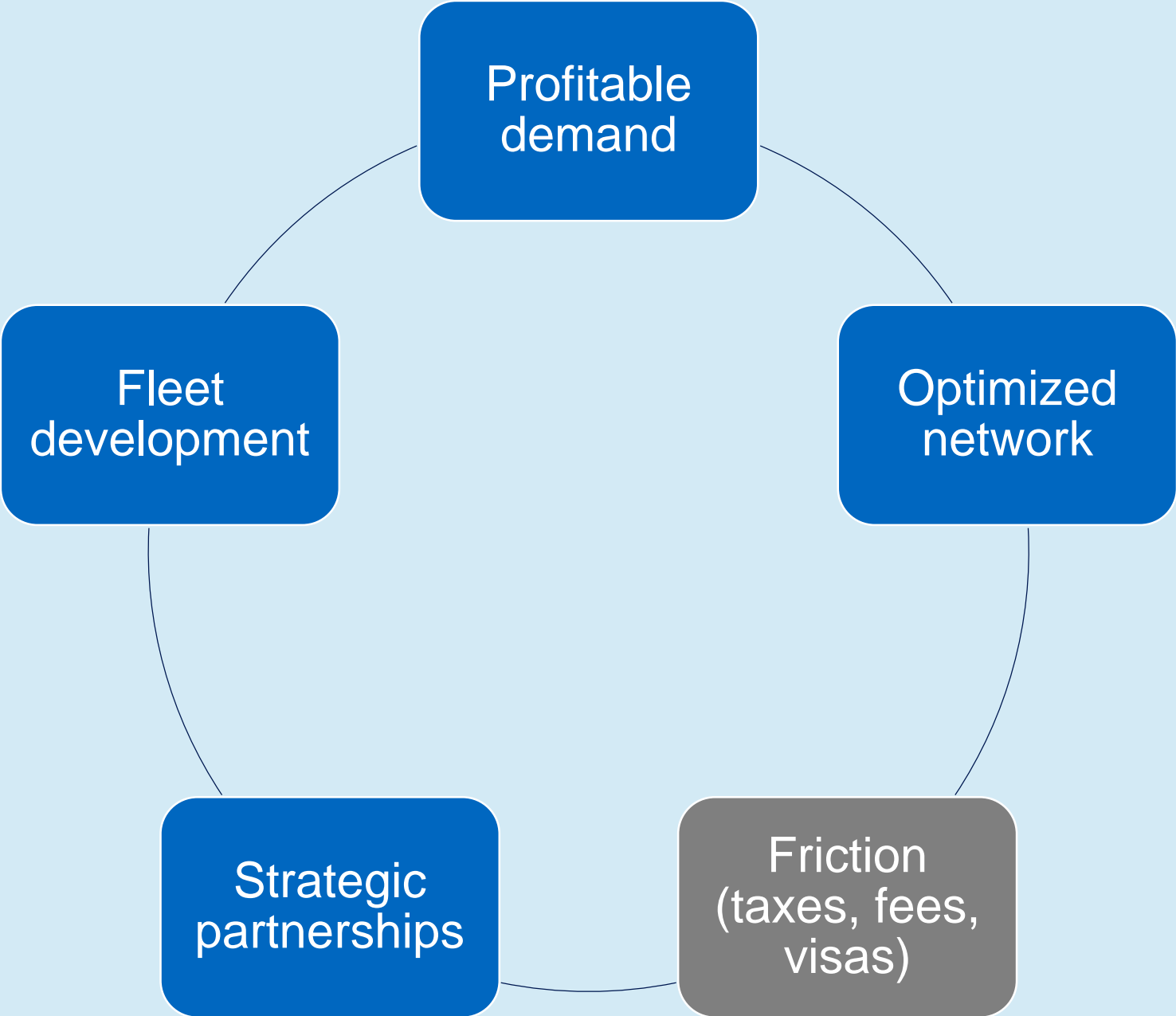
➤ **2326%**

Many levers to profitable network evolution

Air travel benefits local economies through tourism and trade

10% reduction in ticket price could stimulate African aviation by 22.3M – 30.1M passengers annually*

**Predictive Mobility study reported by AFRAA (2020)*





Air travel continues to be resilient as passengers prioritize air travel



Airline networks benefit from flexible and efficient family of aircraft



Airline industry success stimulates broader economic growth



Optimized airline networks maximize growth, revenue, and profits



Panel discussion 1 :

Intra-Africa route development and matchmaking for success between airlines and airports

13/05/2024

12:00hrs - 13:00hrs
Addis Ababa Time



Theme: Beyond connecting
African aviation



Theme: Championing Africa
aviation safety together

Speakers



Moderator

Mr. Emanuel Chaves
President
ACI Africa



Mr. Esayas W. Hailu
CEO
ASKY Airlines



Mr. Eric Ntagengerwa
Ag. Head of Transport and Mobility
AUC



Capt. Gilbert Kibe
SAATM PIP Ambassador
Eastern Africa



Mr. Abdérahmane Berthé
Secretary General
AFRAA



Mr. Nowel Ngala
Chief Commercial Officer
TAAG Angola Airlines

Perspective to the topic of discussion



Air Transport is the single largest enabler of economic development worldwide.

The benefits of enhancing intra-African connectivity and route development shall grow and develop the civil aviation industry.

We shall highlight the importance that route development plays for the economic and social development of Africa.

Connectivity brings with it direct impacts of increased visitors - stimulating tourism, trade, investment and producing jobs.

Additionally, international connectivity brings communities together, encouraging creativity, diversity and improved social enterprise.

It is now the time for SAATM implementation.

“Pan-African Travel for Tourism and Trade”



SAATM IMPLEMENTATION



- **Two (2) New States joined SAATM in 2023:** Angola and Sao Tomé & Príncipe, bringing the number to **37 States**;
- **Three (3) States signed the MoI for the unconditional implementation of the YD/SAATM**, namely Cameroun, Equatorial Guinea and Sao Tomé e Príncipe, making **26 States**;
- **Fifth freedom traffic capacity in Africa has increased from 15% in 2018, to 19% in 2023**;
- **59 New Intra-Africa Routes established** and being operated of which **13 are 5th Freedom**;
- **Seven (7) SAATM-PIP Airshows** were conducted in seven States (Senegal, Nigeria, Ethiopia, Namibia, Angola, Mozambique and Gambia) to promote the Benefits of SAATM for continental connectivity and integration;

▪ **Operationalization of the Secretariat of the Dispute Settlement Mechanism (DSM)** includes recruiting two experts; The process of recruitment and selection of the Administrative Council members of the **DSM** has been launched and is ongoing.

▪ **Ten States (10)**, Cabo Verde, Cameroun, Ethiopia, Nigeria, Rwanda, Senegal, Namibia, Angola, Benin, and Gambia were **audited using the YD/SAAT KPI's** for monitoring and evaluation of SAATM implementation. **Four (4)** of them have had their **Corrective Action Plans (CAP's) approved: i.e.** Cabo Verde, Rwanda, Cameroun, and Nigeria.

“Pan-African Travel for Tourism and Trade”



The panel will discuss insights on:

- ***What route development strategies are airlines and airports utilising in 2024?***
- ***Airports initiatives for intra-Africa route development and SAATM action plan***
- ***How SAATM is a critical success factor for airlines***
- ***What needs to be done to make effective implementation of SAATM a reality***



Panel discussion 1 :

Intra-Africa route development and matchmaking for success between airlines and airports

13/05/2024

12:00hrs - 13:00hrs
Addis Ababa Time



Theme: Beyond connecting
African aviation



Theme: Championing Africa
aviation safety together

Speakers



Moderator

Mr. Emanuel Chaves
President
ACI Africa



Mr. Esayas W. Hailu
CEO
ASKY Airlines



Mr. Eric Ntagengerwa
Ag. Head of Transport and Mobility
AUC



Capt. Gilbert Kibe
SAATM PIP Ambassador
Eastern Africa



Mr. Abdérahmane Berthé
Secretary General
AFRAA



Mr. Nowel Ngala
Chief Commercial Officer
TAAG Angola Airlines



12TH AVIATION
STAKEHOLDERS
CONVENTION
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

Theme: Beyond connecting African aviation

Thank You

NETWORKING LUNCH



Sponsored by:
Aerospace
Technical Services
13:00 -
14:30hrs



Better Skies For Africa



Presentation 3 :

Converging State and Stakeholders' interests in achieving the decarbonisation of the aviation sector

13/05/2024

14:30hrs - 14:40hrs

Addis Ababa Time



Theme: *Beyond connecting
African aviation*



Theme: *Championing
Africa
aviation safety together*

Speaker



Mr. Santiago Haya Leiva

International Cooperation Officer,
European Union Aviation
Safety Agency (EASA)

Converging State and Stakeholders’ interests in achieving decarbonisation – “Defining State’s Joint Initiatives”

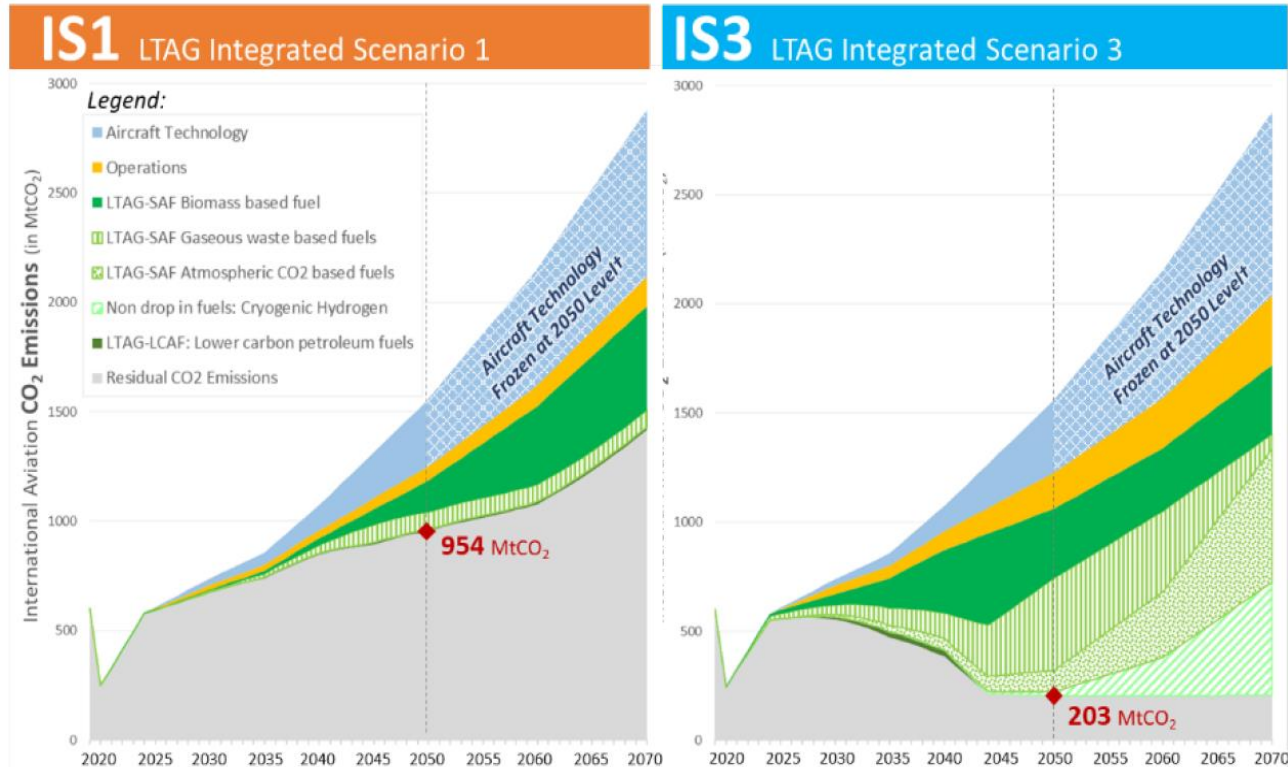
Santiago Haya Leiva

International Cooperation, EASA



The landscape of decarbonisation

Long-Term Aspirational Goal Report - ICAO



- Scientific and political consensus on the overall landscape
- All decarbonisation measures necessary
 - Operational Efficiency
 - New Technologies
 - Sustainable Aviation Fuels
- Market-based Measures (out-of-sector)
 - SAF: Short to long-term, main contributor
 - Aircraft technology: Short to long-term, main impact after 2050
 - Operational Efficiency: short-term and almost constantly sustained
 - MBM: to address residual emissions
 - Needs: Coordinated approach, all actors to contribute, maximising resources and investments

The four measures in detail

Technology

- Objective: Zero emission aircraft
- New concepts, engines, fuels

Sustainable Fuel

- Objective: Fuel with 100% life-cycle emission reduction from JetA1
- Drop-in Solution

Operational Efficiency

- Objective: Perfect flight gate-to-gate
- Operational procedures, ATM/ANS efficiency, aerodrome design

Market Based Measures

- Objective: Compensate emissions to match ambitions (off-sector)
- Mandatory vs Voluntary, Cap-and-Trade vs Offsetting
- CORSIA (until 2035) and others (ETS, voluntary)

Actors' views – Operational Efficiency

State/Government

- Objective: Increase airspace capacity, infrastructure utilisation & overall efficiency
- Challenge: Prioritisation of infrastructure investments, forecast of economic growth
- Opportunity: Capitalisation on stakeholders' expertise

Aeroplane Operators

- Objective: Reduction of operational costs, maximise fleet usage
- Challenge: Dependence on third parties, organisation's culture
- Opportunity: Enabling savings for sustainable growth

Joint Initiatives

- Stakeholders working groups around State Action Plan¹ with specialised sub-groups
- Consultative process and assessment to develop long-term forecast

Actors' views – New Technology

State/Government

- Objective: Maximise Return-of-Investment in R&D
- Challenge: Lead R&D, operationalise R&D
- Opportunity: Develop R&D capabilities on niche domains

Aeroplane Operators

- Objective: Minimise investments, maximise and advance RoI
- Challenge: Financing adoption of new technology
- Opportunity: Long-term savings

Joint Initiatives

- Launch joint ventures with Industry
- Favour/incentivise adoption of new technology (green financing, taxonomy)

Actors' views – Market-Based Measures

State/Government

- Objective: Retain economic and environmental benefits in the country
- Challenge: Facilitate local carbon projects, comply with targets (UNFCCC, ICAO)
- Opportunity: Develop local carbon projects and maximise its use locally and among partner countries

Aeroplane Operators

- Objective: Comply with obligations and corporate commitments
- Challenge: Market predictability and availability (carbon credits/units)
- Opportunity: Improve corporate social responsibility

Joint Initiatives

- Forecast offsetting needs and costs
- Facilitate access of local credits

Actors' views – Sustainable Aviation Fuels

State/Government

- Objective: Enable substantial decarbonisation of the sector
- Challenge: Orchestration of State Programme, development of ecosystem
- Opportunity: Energy independence, development of green economy

Aeroplane Operators

- Objective: Limit impact on operational costs
- Challenge: Price and availability
- Opportunity: Improve corporate social responsibility, investment in fuel production

Joint Initiatives

- Forecast and monitor availability and costs
- Develop favourable ecosystem, customised for the specificities of State/SAF stakeholders

Joint Efforts to Decarbonise Aviation

- **Connect to the bigger picture** (decarbonisation of economy)
- State Action Plan as the **collaborative platform** with Stakeholders
- **Projection of mitigations** to long-term (2050), **identification and understanding of the gap** (in different scenarios), action to close the identify gap
- Assess overall and **individual impacts**
- Explore **crossborder alliances** and **industry partnerships**
- **Maximise collaboration**, coordination and support opportunities

Thanks!

santiago.haya-leiva@easa.europa.eu



Panel discussion 2:

The future of SAF is now: Africa's Roadmap to move the needle on SAF production, what are the challenges and opportunities?

13/05/2024

14:50hrs - 15:50hrs
Addis Ababa Time



Theme: Beyond connecting
African aviation



Theme: Championing Africa
aviation safety together

Speakers

Moderator



Mr. Raphael Kuuchi
Director Government, Legal &
industry Affairs
AFRAA



Ms. Grace Vihenda
Manager Innovation & Sustainability
Kenya Airways



Mr. Kamil Al-Awadhi
Regional VP Africa and the Middle East
IATA



Mr. Santiago Haya Leiva
International Cooperation Officer
European Union Aviation
Safety Agency (EASA)

ESG Spotlight on Driving Sustainable and Inclusive Growth- A Case Study

13/05/2024

15:50PM - 16:10PM

Addis Ababa Time



Theme: Beyond connecting African aviation



Theme: Championing Africa aviation safety together

Speaker



Ms. Sharon Mahony

Associate Sustainable Aviation
Envisa



**12TH AVIATION
STAKEHOLDERS
CONVENTION**
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

Theme: Beyond connecting African aviation

Presentation 4

ESG Spotlight on Driving sustainable and inclusive growth – A case study
*The presentation will share insights on the **social aspects of ESG** and the case study initiatives – roadmap to drive sustainable and inclusive growth.*

By Ms. Sharon Mahony, Associate Sustainable Aviation – Envisa



Environmental Management System (Impact studies, waste and water management, ...)



Innovative tools (Carbon dashboard, SAF mass balance tool, ...)



Sustainability: Roadmaps - Partnerships & ESG



Biodiversity and LCA studies



Carbon Management (ACA, decarbonation, offsetting, sequestration, ...)



Training, workshop and webinar



AVIATION & ENVIRONMENTAL SOLUTIONS 

SOLUTION



www.env-isa.com



ENVISA, a pioneering company established in Paris in 2004, has been instrumental in providing innovative solutions not only to aviation stakeholders but also across industries such as tourism and education. With over 20 years of operational background and world-class expertise, ENVISA's team of international engineers and consultants collaborates closely with stakeholders to tackle environmental challenges and support the sustainability of our shared future.





Why is ensuring the Sustainability of the Aviation Sector so important ?

“Development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs”



*The effective
sustainable
development of
the Aviation eco-
system requires
the engagement
and collaboration
of ALL stakeholders
in a Collaborative
Sustainability
Partnership*

He who learns, teaches. – Ethiopian Proverb

We are all in this together....

Importance of top management buy in

*Importance of communication and collaboration
inside/outside top down /bottom up*

There is no time to waste !!

Need to Expand the Horizon for Holistic Sustainable Development...

airlines



17
**UN Sustainable
Development Goals**

**Majority efforts are
channeled towards one
SDG: Net Zero**

**Take action on other SDGs
for holistic sustainability
development**



Sustainability refers to the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Commission, 1987).



ESG-driven sustainability initiatives unlock investments for aviation ecosystem

Understanding Sustainability vs. ESG to Unlock Airport Ecosystem Investments...



○ ESG refers to the three central factors in measuring the **environmental, societal, and governance** impact, risks, and opportunities of a company or business.

E

- Waste and pollution
- Resource depletion,
- GHG emissions
- Deforestation
- climate change

S

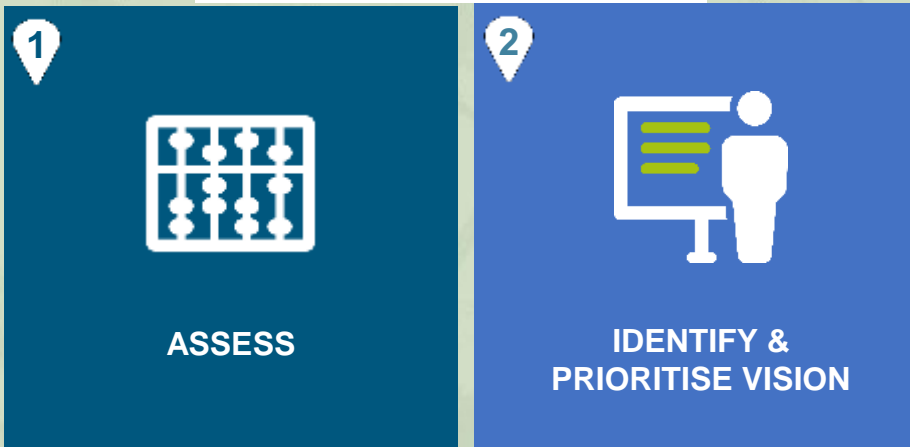
- Employee relations
- Diversity
- Working conditions
- Local communities
- Health and safety
- Conflict

G

- Board composition
- Audit committee structure
- Bribery and corruption
- Executive compensation
- Lobbying activities.



Understanding Current Status and Future Ambition



- Choose 3 issues per E, S, G aligning with your Airlines vision/areas of interest
- Why would this topic be relevant for investors?
 - What are the regulations governing this topic?
 - Are there any industry guidelines? How does your organization's practices compare to other airports?

Environmental	Societal	Governance
Climate change mitigation	Quality of Service & Passenger Experience & Well-being	Regulatory compliance
Energy management	Airport Safety & Security	Risk Management
Water Management	Occupational Health & Safety	Business Ethics
Waste & hazardous materials management	Employee Experience, Well-being, & Engagement	Corporate Governance (Board functions and Oversight)
Waste Management & circular economy	Data Privacy and Cyber Security	Data Privacy and Security
Ecological impacts	Human Rights, Values & Ethics	Transparency
Climate change adaptation	Business Continuity Plan	Stakeholder engagement
Air quality	Innovation & technology	Bribery and Corruption
Noise	Contingency Planning	Supply chain management
	Noise & Local Communities Engagement	
	Water Management	



ESG transparency is a key enabler to secure sustainable financing for the transition



Schiphol's ambition is to become the world's most sustainable airport by 2030

In 2018 issued **Green Bonds** EUR 500 million to finance green buildings and clean GSE fleet



Reduction in consumption, the disposal of 98% of waste and the commitment to become Net zero Carbon in 2030

In 2021 issued **Sustainability-Linked Bonds** EUR 500 million

Interest rate linked to carbon reduction KPIs



Contributing to UN SDGs, 2022-2024 strategy focusing on responsible business, planning for the future, supporting people and communities

In 2019 obtained **Sustainability-Linked Loan** USD 960 million

Interest rate linked to overall ESG KPIs



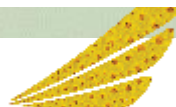
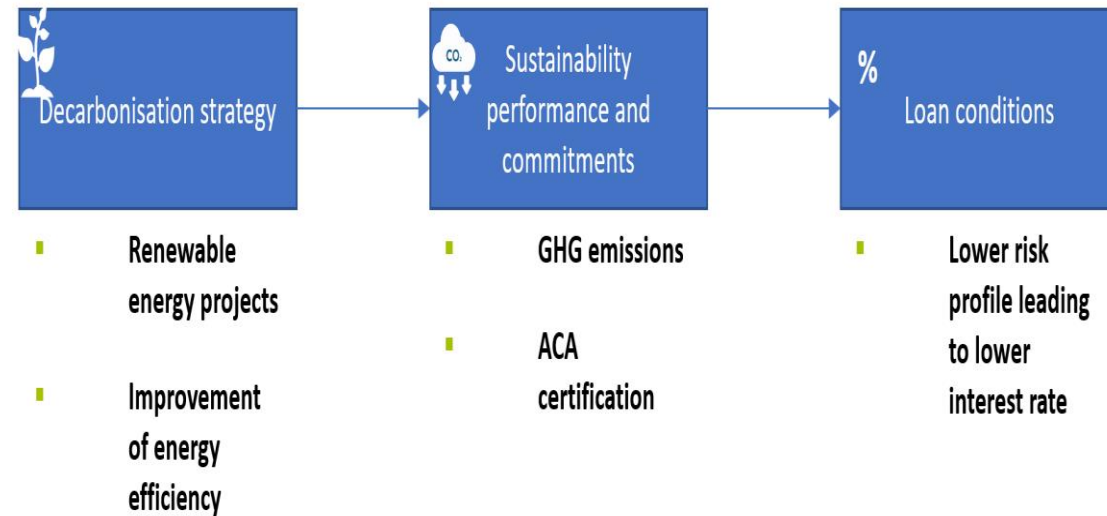
Goal to be net-zero carbon emissions by 2030

In 2021 issued **Green Bonds** USD 450 million

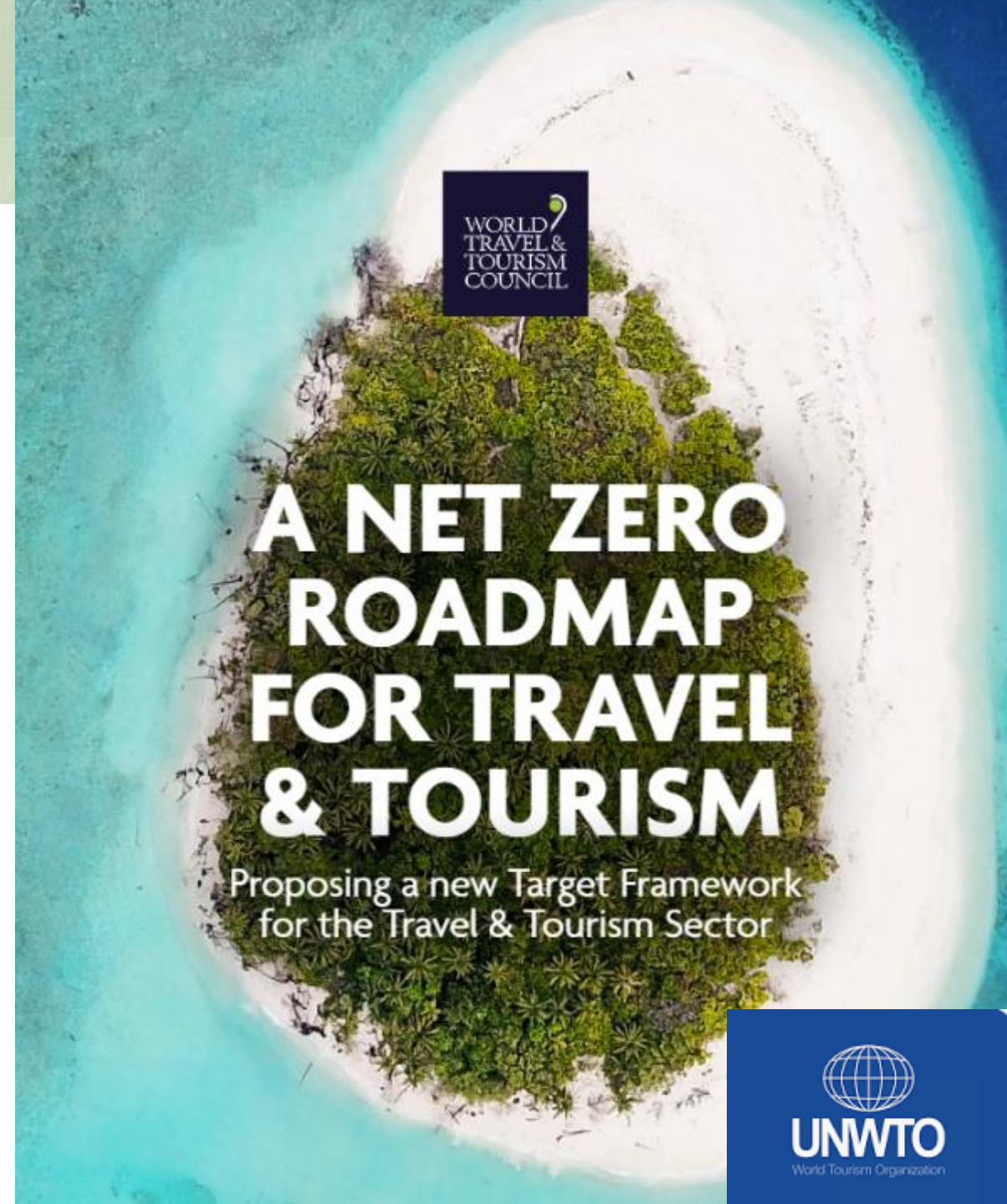
Financing of green buildings, renewable energy, sustainable water management (selected ESG KPIs)



Case study: Cabo Verde obtained sustainability-linked loan to decarbonise



Eco-tourism supporting local environment



Managing Change in the Anthropocene

Addis Ababa May 2024

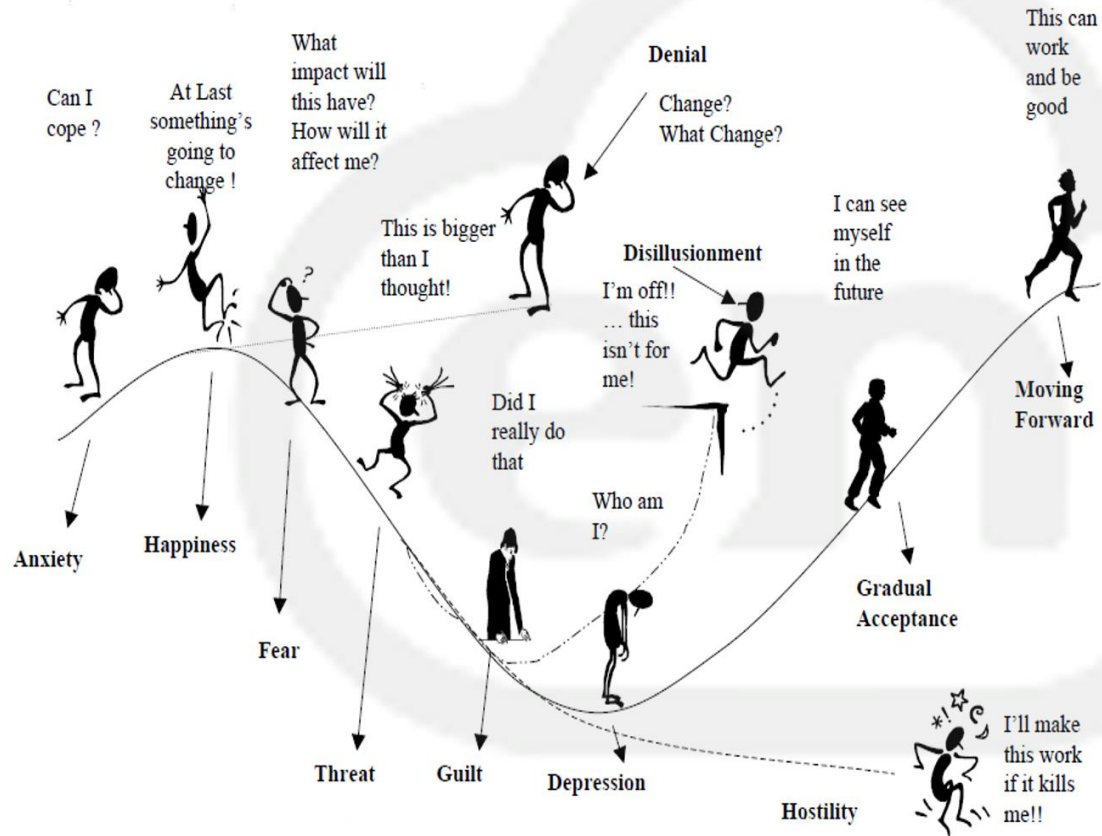


The name Anthropocene is derived from Greek and means the “recent age of man”

*Humans are shaping the earth,
what can we do to have a more
sustainable future*

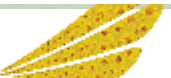
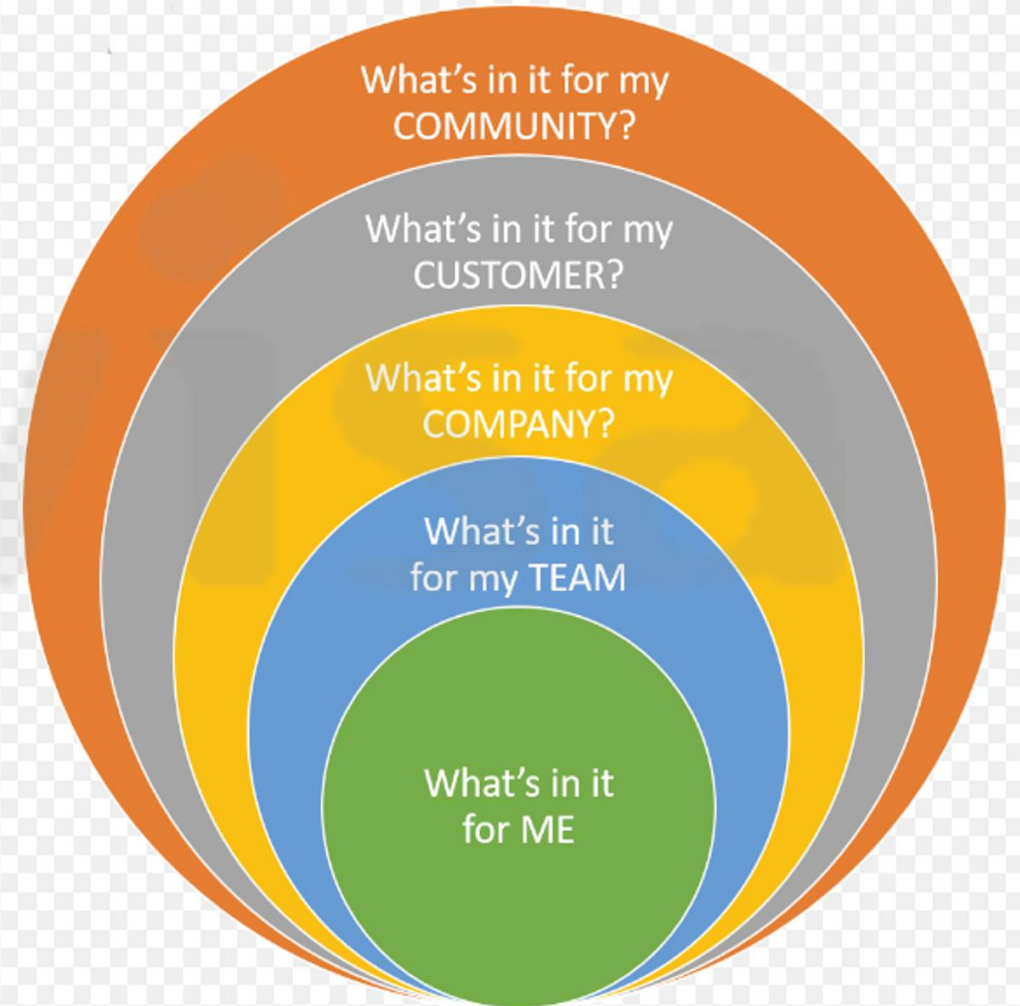
Change what is this ?

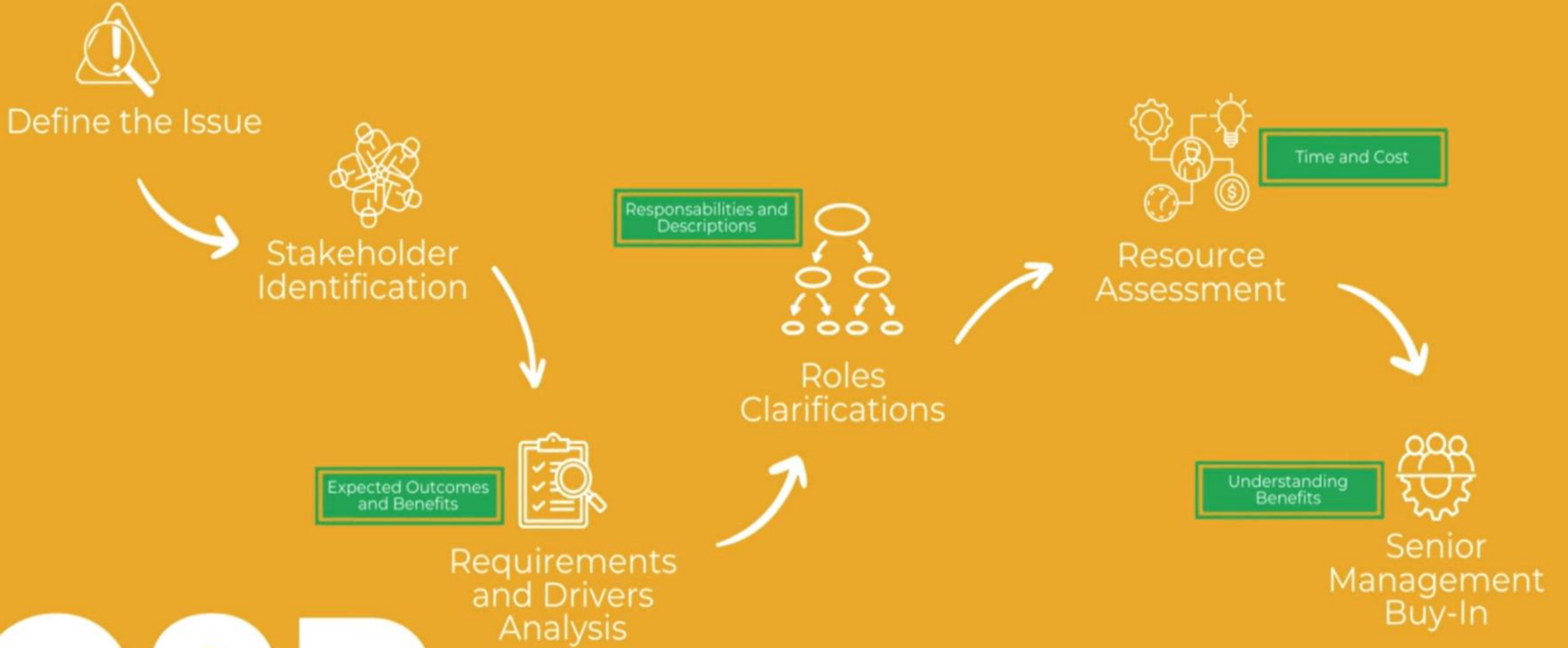
The Process of Transition



© 2000/3 J M Fisher. Free use for personal and organizational development, provided this notice is retained. Not to be sold or copied for general publication. A free resource from www.businessballs.com.

The Change Management Secret

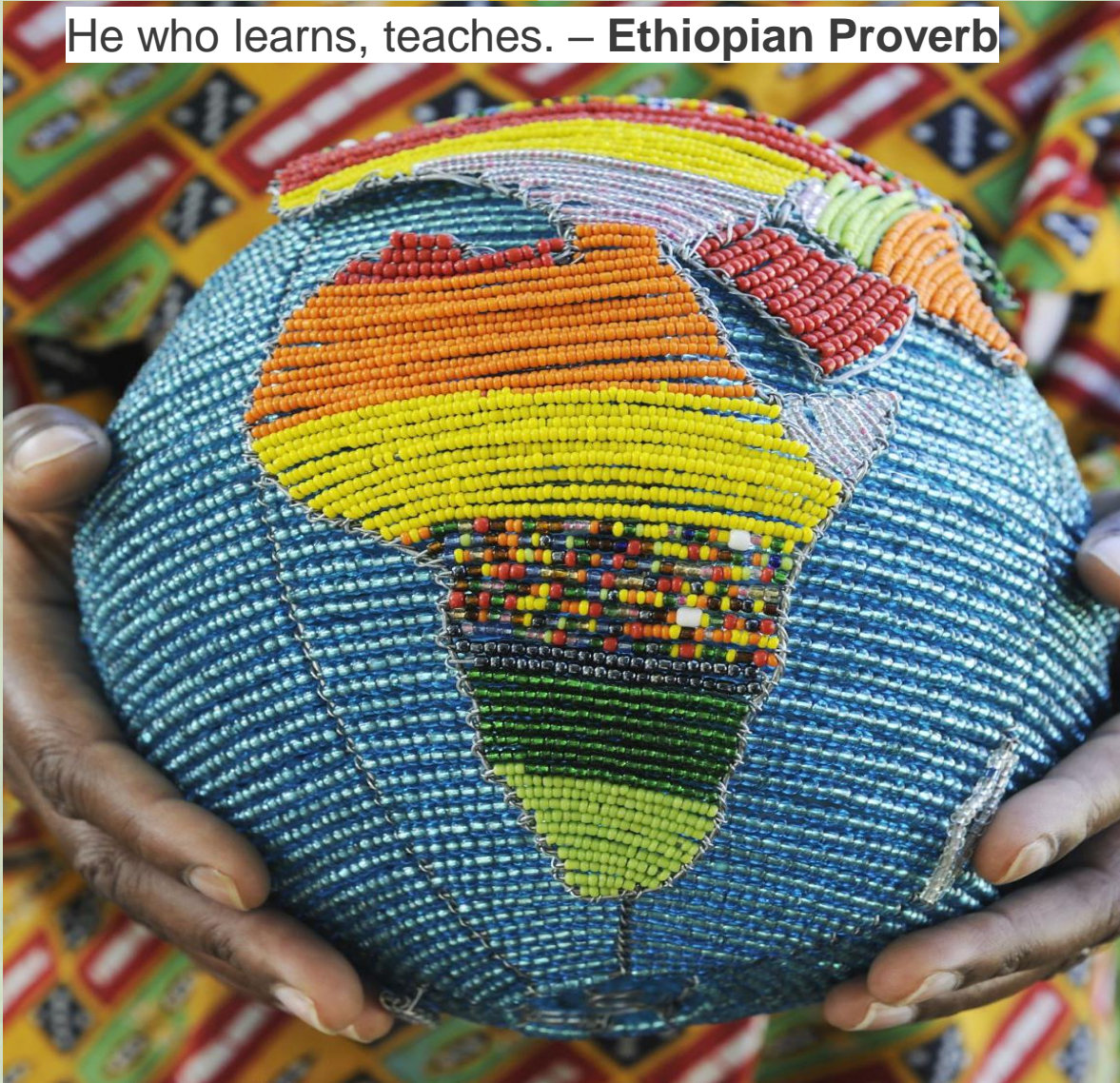




CSP



He who learns, teaches. – Ethiopian Proverb



CONCLUSION

May your discussions be filled with innovative ideas, collaborative strategies, and practical solutions that will shape the future of African aviation.....



12TH AVIATION
STAKEHOLDERS
CONVENTION
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

Theme: Beyond connecting African aviation



Sharon Mahony
Sustainable Aviation Associate



PHONE : +32 475 876 870

Email : sharon.mahony@env-isa.com



www.env-isa.com



62 Rue de Montorgueil,
75002 Paris, France



Via Madre Cabrini 10,
20122 Milano, Italy

Thank You



12TH AVIATION
STAKEHOLDERS
CONVENTION
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

Theme: Beyond connecting African aviation



Sharon Mahony
Sustainable Aviation Associate



PHONE : +32 475 876 870

Email : sharon.mahony@env-isa.com



www.env-isa.com



62 Rue de Montorgueil,
75002 Paris, France



Via Madre Cabrini 10,
20122 Milano, Italy

Thank You

Presentation 5 :

Changing business models globally – the impact for Africa

13/05/2024 | 16:10hrs - 16:30hrs
Addis Ababa Time



Theme: *Beyond connecting
African aviation*



Theme: *Championing
Africa
aviation safety together*

Speaker



Mr. Vincent Huette
Associate Partner Strategy & Organization
Lufthansa Consulting



12TH AVIATION
STAKEHOLDERS
CONVENTION
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

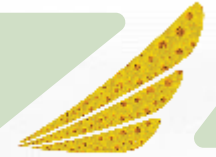
Theme: *Beyond connecting African aviation*

Airline Business Model Evolution and the Relevance for African Aviation



Lufthansa Consulting

Lufthansa Consulting is a leading aviation consultancy



3500
aviation projects worldwide

7 Competence centers

40 successful years in aviation

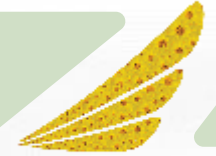


100 employees with
18 different nationalities

We believe in integrity and adhere to compliance regulations

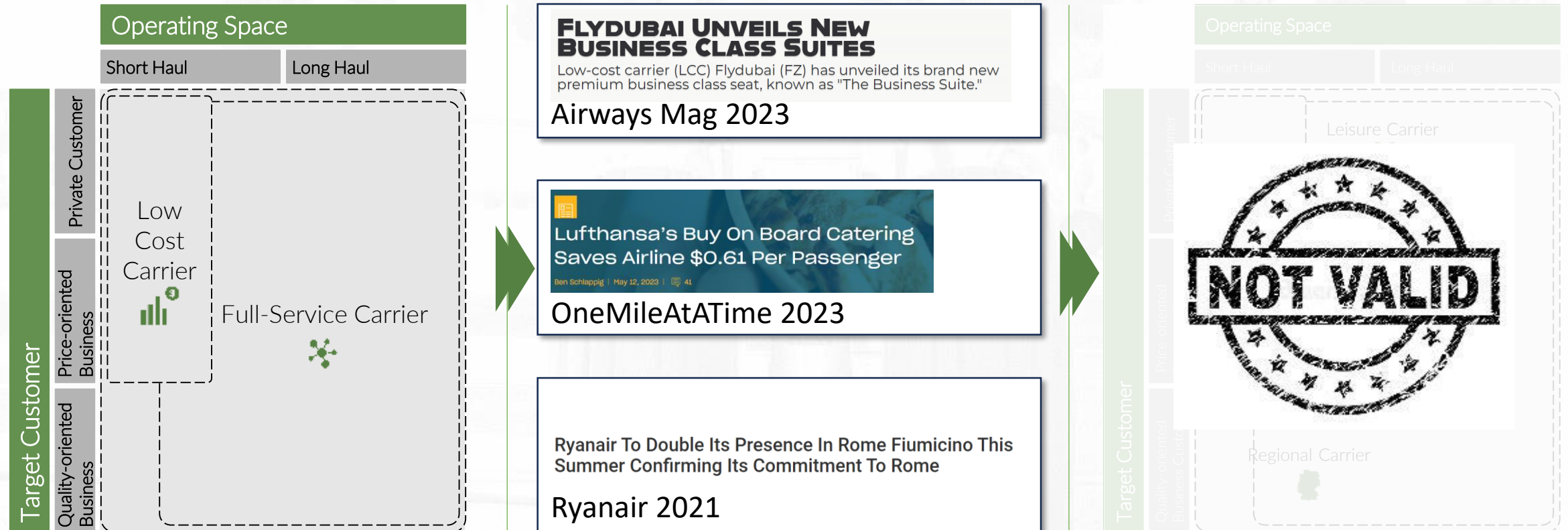


Airline business models are evolving along key industry trends



Traditional Airline Business Modes

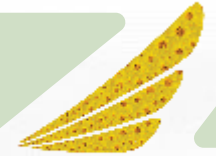
Typology



Source: Conrady et al. (Luftverkehr: Betriebswirtschaftliches Lehr- und Handbuch, 2019), Lufthansa Consulting, Center for Aviation and Space Competence



Scientific approach; sample of nearly 80 airlines worldwide

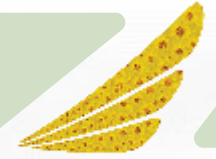


Sample examples

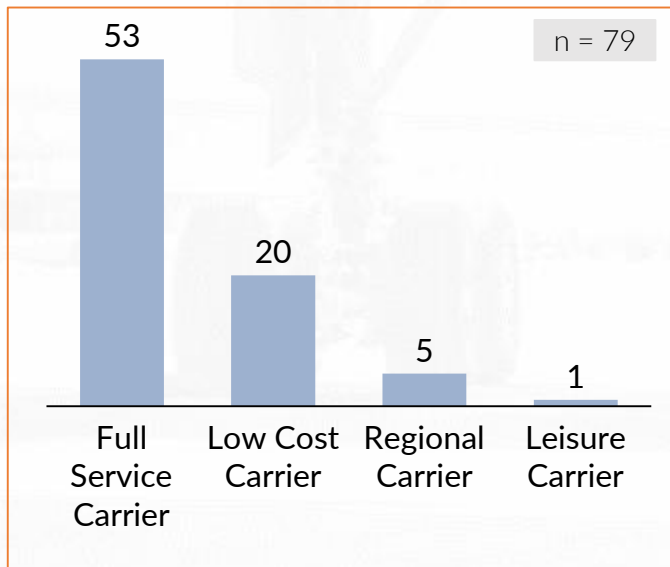
Source: Lufthansa Consulting, Center for Aviation and Space Competence



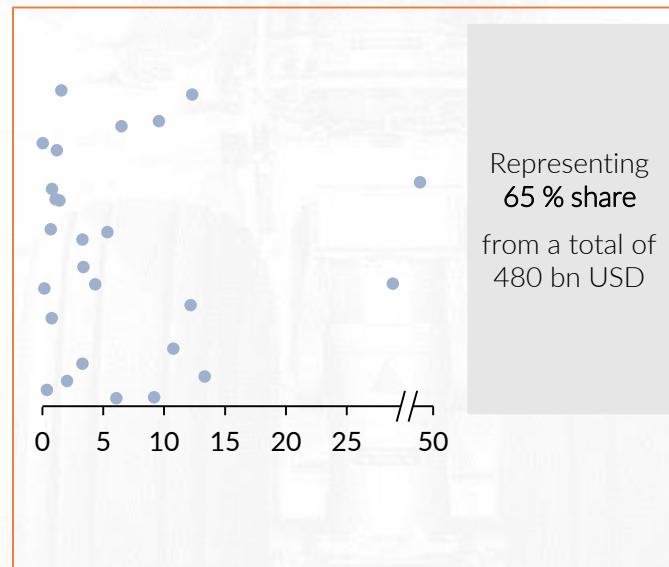
Sample of nearly 80 airlines worldwide



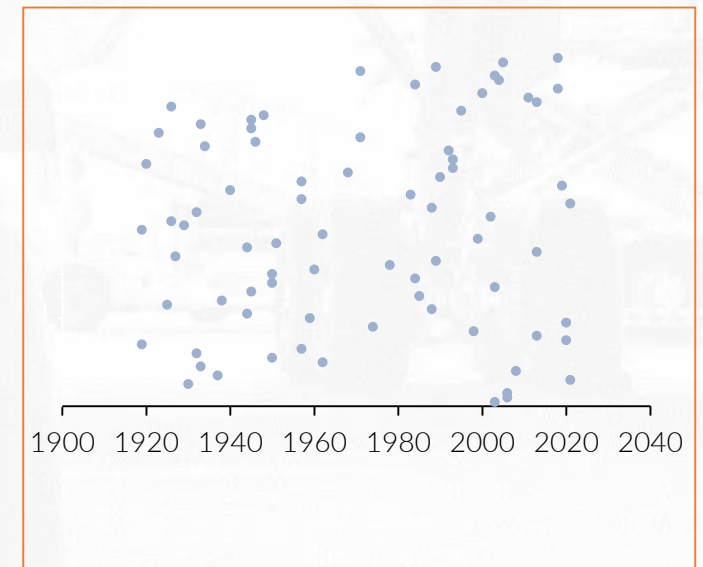
Traditional Business Model



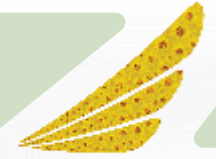
Revenue (in USD bn)



Founding Year



The FSC business model has evolved into two distinct sub-variants



Evolution of the Full-Service Carrier

Increased supplementary services

Differentiated customer service level

Deeper collaboration

Broader AOC portfolio



“Premium Carrier”

- Premium service in all travel classes and for all route lengths (long- and short-haul)
- Offering of additional travel classes and deep collaborations

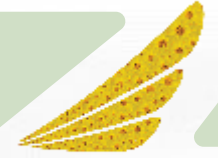


“New Legacy Carrier”

- Divergence of the service level offered between short and long-haul flights
- Offering a large portfolio of supplementary services and highest collaboration level



The LCC Business model has spread to the long-haul market



Evolution of the Low-Cost Carrier

Broadened network structure

Deeper collaboration

Omni channel

More travel classes

Own loyalty programs

Broader AOC portfolio



“Long-Haul Low Cost Carrier”

- Increased onboard service level and
- Occasionally operates wide body aircraft
- Establishment of their own loyalty program
- Omnichannel distribution



“Evolved Low Cost Carrier”

- Slightly higher service levels,
- Omnichannel distribution system
- Own loyalty program
- Continental point-to-point network model
- Homogenous fleet



Key takeaways

- Lines between FSCs and LCCs are blurring in general
- Distinct business models continue to exist
- Evaluate whether an adaptation of your operating model could be beneficial
- Clear collaboration trend
- A loyalty program and omnichannel distribution are musts





12TH AVIATION
STAKEHOLDERS
CONVENTION
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

Theme: Beyond connecting African aviation

Thank You



Lufthansa Consulting



12TH AVIATION
STAKEHOLDERS
CONVENTION
12 - 14 MAY 2024 | ADDIS ABABA, ETHIOPIA

Theme: Beyond connecting African aviation

COFFEE BREAK

**16:30 –
17:00hrs**