



**AIR TRANSPORT WORKSHOP
INTRODUCTORY REMARKS**

At

INPUT 2006 INVESTMENT CONFERENCE

By

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Thanks to you, Your Excellency the Moderator,
My dear friends!
Friends of the old days and friends of today, for whom I have equal affection!
Distinguished Guests,
Ladies and Gentlemen,

The chair is not expected to speak but I have been requested to. I will do it very briefly in the form of introductory remarks mainly focused on the state of the Industry and the way forward.

My dear friends, as you all know, the air transport Industry is in a deep crisis, structural crisis unique to Africa. Globalization is taking all the airlines by storm. Big names of reference, such as Air Afrique , Ghana Airways, Nigeria Airways, the then Sky Power and other Air Zaire have already disappeared for good.

The continent air traffic represents only 4.5% of the world traffic out of which on the long haul routes foreign carriers transport more than 70%. The dimension of the disaster shows eloquently on the map in front of you.



- In red; you have the countries where there are no long haul airlines
- In yellow; the airlines are there but struggling for survival
- In green; the only area where our airlines are doing well

As you can see, most of African countries' skies are dominated by foreign carriers. In the West and Central Africa, they provide the only links with the rest of the world. This domination is likely to fast increase as the result of:

- The implementation of the single air space policy within the European Union and the subsequent renegotiation of the bilaterals being requested for by the European Commission whereby any European carrier will be allowed to fly from any airport in Europe to all African destinations
- The aggressive penetration of the continent's markets by the carriers of the Gulf area which can afford to operate without focusing on profitability.
- The American carriers direct operations to Africa as already announced by Delta Airlines for this summer.

These trends of business rush to the continent markets means a very simple fact: The Continent is an immense air transport Gold mines that the local economic operators are not properly organizing themselves to benefit from, let alone to control.

The small size of most of the airlines in Africa is a serious issue that requires emergency treatment. Even on intra-African routes, many of these airlines are unable to offer reliable air services across their sub-regions.

They are actually too small to be effectively responsive to the market's needs. The small size make it also difficult for the majority of them and therefore for the Industry as a whole to properly drive the more than needed regional economic integration and development that include intra-African trade and tourism development.

Dear Moderator, Ladies and Gentlemen, having said this, our major concerns are the way forward. Many of the speakers yesterday devised excellent recipes that deserve consideration. I will highlight some of them and add to them as follows:

Our major players are doing well at the top international standard. They are Air Algerie, Royal Air Maroc, Air Senegal International, Tunisair,

Afriqiyah, Ethiopian Airlines, Kenya Airways, Air Mauritius, and South African Airways among other. Today many of them can fly you to the Far East up to China, to the Deep South down to Australia as well to North America across the Atlantic Ocean. We need to support them particularly in their programmes of routes development, consolidation, mergers and other small airlines control and restructuring.

Ethiopian Airlines, Kenya Airways, Royal Air Maroc, South African Airways and Afriqiyah are actively enlarging their networks to all destinations in Central and West Africa. African Governments should facilitate these expansion programmes so as to provide more air services on the intra-African routes that would assist the passengers who are compelled today to transit through Europe to travel to neighboring countries.

Under the coordination of African Union, AFRAA and AFCAC will soon undertake a study to put in place IT schedules coordination programmes that will improve the connectivity between the flights operated by these African carriers and others.

I call here and now, on the African Union Commission to make sure that air transport requirements as discussed in Libreville and Tunis, feature highly on the agenda of the upcoming Heads of State summit of 1st and 2nd July in Banjul.

The Yamoussoukro Decision which is the Continent liberalization programme for African carriers ought to be fully and totally implemented. The minimum that we expect from Banjul is at least the formation of a core Yamoussoukro Decision implementation piloting group, composed of countries determined and committed to immediately fully implement the Decision. These countries will necessary include all African States that have large air transport markets, and/or have big carriers of reference. This would drive the other to join quickly.

At this juncture, I wish to take the opportunity to repeat that Governments should take out their hands from the airlines' management. Airlines should be privatized or failure to this, their management should be entirely commercialized.

It is in line with these guidelines, that I would respectfully urge the African Union and all its donors and member States, to give political and financial

support to all privatization schemes, particularly to the on-going projects of private multinational airlines that some business men are putting in place in Central and West Africa regions.

Now my dear Moderator, allow me to talk frankly to the Donors and all development banks in relation with our industry:

My first words will be to sincerely congratulate CDE-PROINVEST for their Funding initiative to support private sector and to engineer Public, Private Partnership. As we genuinely believe that the air transport development is a paramount prerequisite for the Continent's economic revitalization, we believe that you are on the right path taking the airlines' funding needs on board.

Actually, this is unprecedented because the other donors never consider the airlines for funding, against the background that they are commercial entities. Yet they proclaim everywhere that they are supporting the private sector. No airline has ever received any support from them. We need here a habit and paradigm shift.

You are all concentrating your investments on the state owned infrastructure but as far as we concerned, let me tell you this. The airlines are dying one by one, if you keep on exclusively modernizing air navigation, building and refurbishing airports, without assisting directly the airlines to remain in business and prosper, despite your investments, there would be no air transport in Africa, and therefore no economic development.

We have identified our needs and prioritized them in short; medium and long term financial requirements. Can you in due time, give to these requests your best attention.

We are confident that after the Tunis Meeting and this Investment Conference, the airline industry will all start a new cooperation with the Donors. It's my sincere wish and invitation.

Thanks for your patient and tolerant attention.