



**African  
Union**

## **Air Transport Market Liberalisation in Africa:**

# **The Yamoussoukro Decision Process**

**David Kajange  
Infrastructure & Energy  
Department  
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# State of Air Transport Markets in Africa – 1

## **Existing Situation:**

- Regulated and based on bilateral air service agreements (BASAs);
- Varying rules and regulations;
- Differing standards of service and consumer rights;
- Some form of regional harmonisation underway (UEMOA, COMESA-SADC-EAC, ECOWAS, ECCAS).



## State of Air transport Markets in Africa – 2

### **Consequences:**

- Poor connectivity;
- Reduced competitiveness and quality of services on intra-African routes;
- High cost of air travel;
- Insignificant impact on socio-economic development of the majority of African populations.



## YD: Background

- ✈ Successor to the **Yamoussoukro Declaration on a New Air Transport Policy in Africa** adopted in 1988;
- ✈ Adopted in 1999 and endorsed in 2000 as a Decision of the Assembly of the African Union within the context of the Treaty establishing the African Economic Community (Abuja Treaty);
- ✈ Focus on internal market liberalisation and fair competition as a key development strategy while also addressing safety, security and environmental issues;
- ✈ Complete implementation initially envisaged within two (2) years and, subsequently, revised to 2006;
- ✈ To-date implementation target is yet to be attained.



# Implementation Challenges – 1

## # Problems of market liberalisation and consolidation:

- Differences in macro-economic policies and strategies;
- Different levels of development and deep concerns of individual country/state interests;
- Fear of the unknown: lack of knowledge on the actual/expected benefits and/or negative effects of liberalisation;
- Market position / competitive advantage;
- Etc.



## Implementation Challenges – 2

### # Incomplete Institutional, Legal & Reg. Framework:

- The Executing Agency;
- Competition regulations;
- Dispute settlement mechanism;
- Appropriate policy on relations with third parties.



## Some Positive Effects of the YD

- ✈ Increased cooperation in airline operations – code-sharing, cross-border investment including initiatives to create regional airlines with involvement of the private sector [ASKY (African Sky), Air CEMAC, Royal Air Maroc / Air Senegal International, etc.];
- ✈ Increased granting of 5<sup>th</sup> Freedom traffic rights;
- ✈ Establishment and strengthening of regional civil aviation oversight and coordination institutions;
- ✈ Increased regional consultation and decision-making fora on matters of air transport.



# Current Measures and Strategies – 1

**BASIS:** Decisions including **Resolutions, Declaration and Plans of Action** adopted during the Ministerial conferences (2005-2007):

## **A. Key Resolutions and Declaration:**

- Resolution on the Follow-Up of the Implementation of the 1999 Yamoussoukro Decision, Sun City, South Africa, May 2005;
- Resolution on Aviation Safety in Africa, Libreville, Gabon, May 2006;
- Resolution on Entrusting the Functions of the Executing Agency of the Yamoussoukro Decision to AFCAC, Addis Ababa, Ethiopia, May 2007;
- Declaration on Civil Aviation Security in Africa, Addis Ababa, Ethiopia, May 2007.



## Current Measures and Strategies – 2

**B. Plans of Action on Air Transport** adopted during the various Ministerial conferences (2005-2007) and consolidated in Algiers in April 2008 by African Ministers of Transport with the following key elements:

- Implementation of the Yamoussoukro Decision of 1999;
- Formulation of an African Common Civil Aviation Policy (AFCAP);
- Strengthening civil aviation security and safety in Africa;
- Strengthening inter-African and international cooperation.



## Current Measures and Strategies – 3

### 1. Completion of the institutional and regulatory context of the 1999 Yamoussoukro Decision

#### a) **Operationalisation of the Executing Agency of the YD:**

AUC working with AFCAC on strengthening the latter's mandate and capacity in relation to the EA functions

- Process for review and adoption of the New AFCAC Constitution underway;
- Strengthening of AFCAC Secretariat ongoing: secondments; recruitment and study on institutional, regulatory and financing arrangements.



## Current Measures and strategies – 4

**b) Formulation of continental Competition Rules and Dispute Settlement Mechanism** – by harmonising and consolidating the CRs and DSMs defined by RECs:

- COMESA-SADC-EAC have completed common Competition Rules and Dispute Settlement Mechanism for their regions;
- The AUC has requested the other RECs to also finalise the same on the basis of the joint work of the three RECs;



## Current Measures and strategies – 5

### c) Evaluation of the implementation of the YD:

- This is expected to be an important confidence building measure for African States which will indicate **the constraints** and propose **solutions** for expediting implementation of the YD;
- COMESA-SADC-EAC have initiated evaluation of YD implementation in their regions whose draft report has been circulated to other RECs for reference;
- UNECA has undertaken to conduct evaluation of the YD implementation in the North Africa region.



## Current Measures and strategies – 6

### **2. Appropriate Policy on Aviation Cooperation with Third Parties:**

- Adoption of Non-Binding Guidelines for Negotiation of Air Service Agreements between AU States and the EC and/or EU States

### **3. African Common Aviation Policy (AFCAP):**

- Planned to start 2009 in collaboration with the Group of the African representatives on the ICAO Council (AFI Group)



## Conclusions

- ✈ It is important for Africa to create a single market and air space to be able to benefit from economies of scale as well as achieve cost-effective management of its airspace;
- ✈ The YD offers the best opportunity to the continent to consolidate its air transport industry and strengthen its operations, safety, security and protection of the environment;
- ✈ Development of air transport in Africa has to be closely linked with other socio-economic sectors and, especially, the infrastructure sectors in an integrated manner;
- ✈ Given the deep international character of air transport, cooperation with partners is essential in order to ensure mutually beneficial market relations and mobilisation of the necessary support of key partners such as the EU.



## Way Forward – 1

- ✈ Completion of the evaluation of the YD and initiating work on eradication of obstacles to its smooth implementation;
- ✈ Completion of the institutional and regulatory framework of the YD;
- ✈ Advocacy and dissemination campaign;
- ✈ Coordinating and facilitating the formulation of a comprehensive African Common Aviation Policy (AFCAP) to address issues of market liberalisation and commercial relations, aviation safety, security and the environment, cooperation with third parties and capacity building;



## Way Forward – 2

- ✈ Incorporating AFCAP in the Programme for Infrastructure Development in Africa (PIDA);
- Some key targets:
  - Improving air connectivity in the continent with, at least, capital and major cities connected by efficient direct flights;
  - Gradual minimisation of air travel cost for the majority of Africans;
  - Achieving a single market and continental air space.

# THANK YOU



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