



EU-Africa Summit

Steve Ridgway

Chief Executive, Virgin Atlantic

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The Association of European Airlines



ADRIA
ADRIA AIRWAYS

Aer Lingus

AeroSvit

AIR FRANCE

AIR MALTA

Air One

Alitalia

Austrian

bmi

BRITISH AIRWAYS

brussels airlines

cargolux

CROATIA AIRLINES

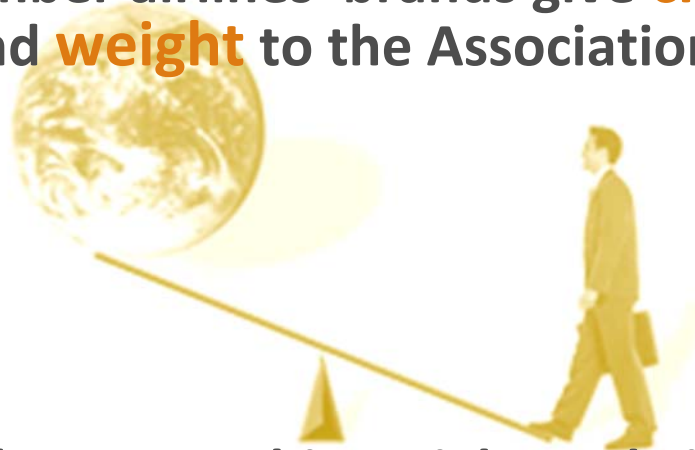
CSA CZECH AIRLINES

CYPRUS AIRWAYS

DHL

FINNAIR

AEA member airlines' brands give **credibility** and **weight** to the Association...



AEA leverages this weight and gives it back, **multiplied**, to each individual member.

34 member airlines
369 million passengers
11,500 flights a day
605 destinations in 161 countries
7 million tonnes of cargo
422,000 employees
Total turnover of €78 billion

IBERIA

ICELANDAIR

Jat Airways

KLM

LOT

Lufthansa

LUXAIR

MALEV

OLYMPIC

SAS
Scandinavian Airlines

swiss
Swiss International Air Lines

TAP TAP PORTUGAL

TAROM
Romanian Air Transport

TNT

TURKISH AIRLINES

Міжнародні Авіалінії України
Ukraine International Airlines

virgin atlantic

Africa's Role



Africa must play a bigger role in the global economy

➤ natural resources

➤ labour force

➤ variable climate

Just 4 African carriers are alliance partners



STAR ALLIANCE

Air Canada
Air China
Air New Zealand
ANA
Asiana Airlines
Austrian
bmi

EGYPTAIR

LOT Polish Airlines
Lufthansa
Scandinavian Airlines
Shanghai Airlines
Singapore Airlines
South African Airways

Spanair
SWISS

TAP Portugal
THAI

Turkish Airlines
United

US Airways

Regional Members

Adria Airways
Blue1
Croatia Airlines



Aeroflot
Aeromexico
Air France
Alitalia

China Southern Airlines
Continental Airlines
CSA Czech Airlines
Delta Air Lines
KLM Royal Dutch Airlines
Korean Air
Northwest Airlines
Air Europa
Copa Airlines
Kenya Airways



American Airlines
British Airways
(+BA affiliate Comair)

Cathay Pacific
Finnair
Iberia
Japan Airlines (JAL)
LAN
Malév
Qantas
Royal Jordanian

Comair Limited

“Leap-frogging” Technologies



Africa – straight to digital/satellite

Africa – straight to aviation

“Give me 3 km of road and I’ll give you 3 km of road; give me 3km of runway and I’ll give you the whole of the world.” - Wolfgang Mayrhuber

Infrastructure – hub-to-point



➤ Airlines' contribution to economic growth

- Connecting business with rest of the world

➤ Airports as gateways to markets

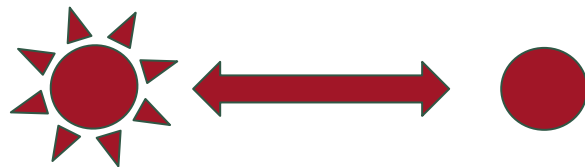
- Need of appropriate infrastructure and;
- Sufficient capacity to allow and attract traffic

➤ Not enough 'hubs' in Africa

- Lead to the elaboration of a niche market profitable only to a few and difficult to grow

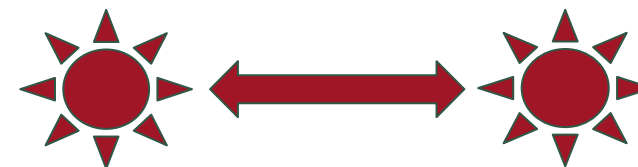
➤ Solution: regionalisation to start with

- Regional hubs as building blocks in a an overall strategy
- Economies of scale through cross-border co-operation



Hub airport

Regional point served



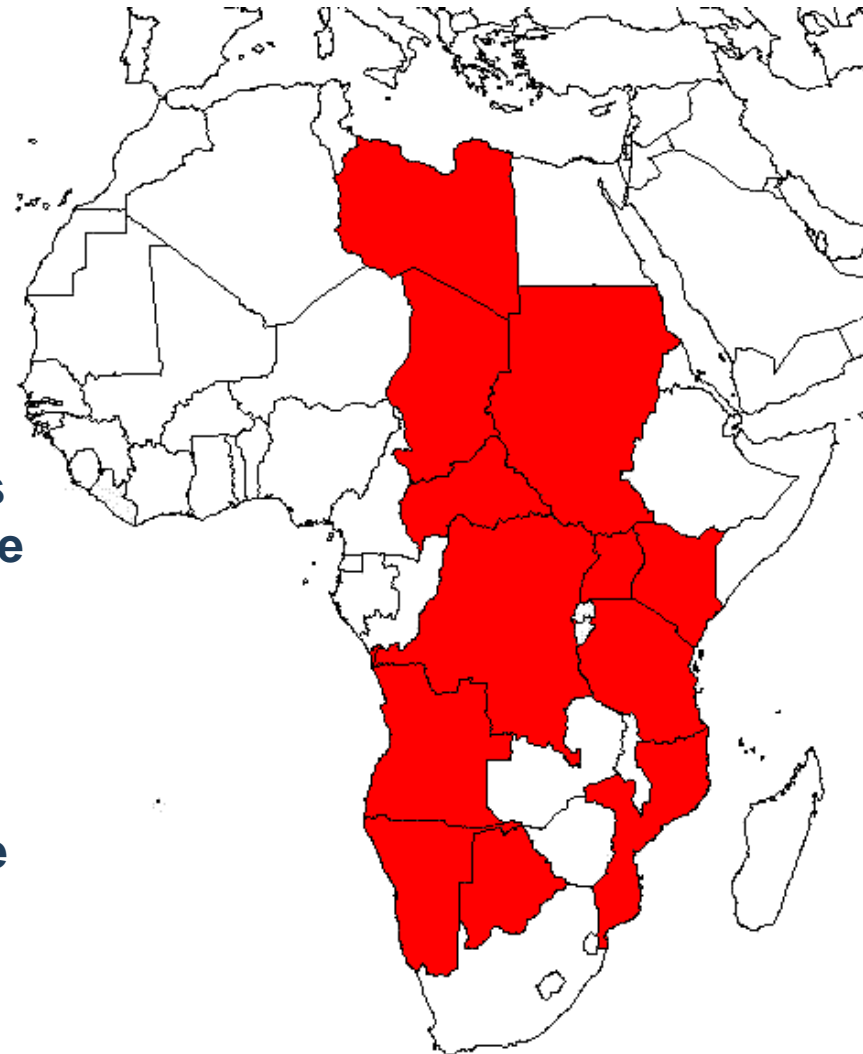
2 connected hubs
multiply the connectivity



Chicago Transit Convention



- **IASTA non-signatories constitute a North-South corridor, covering the bulk of the journey from EU to South Africa, , i.e. a third of operations between Africa and EU;**
- **This has adverse effects on business as it allows non-signatories to impose specific agreements on an ad hoc basis to operators;**
- **AEA urges the non-signatories to reconsider their position vis-à-vis the Transit Convention**



EU/Africa Partnerships















There is huge will in the EU to support Africa.

African airlines need to bring in expertise and brands, link it up with local know-how and labour and the result should be strong, safe regional airlines.






European Airlines Partnerships



AEA Carrier	Equity Stake in (%)	Code-Share Partner with
Brussels Airlines	airDC (49%)	Air Sénégal Int'l, Royal Air Maroc
KLM	 Kenya Airways (26%)	Comair
Air France	 Air Ivoire (76.42% through holding company All Africa Airways), Cameroon Airlines (3.57%), Air Madagascar (3.17%), Air Mauritius (2.78%)	Air Seychelles, Royal Air Maroc, Tunisair
British Airways	 Comair (10.9%)	
Virgin Atlantic	Virgin Nigeria Airways (49%)	
Austrian		Egypt Air
bmi		South African Airlines
Cargolux		Sky Gabon
Iberia		Air Sénégal International, Comair, Royal Air Maroc
Lufthansa		Egypt Air
Olympic Airlines		Egypt Air
TAP Portugal		Egypt Air, TACV (Cape Verde)
TNT		Royal Air Maroc
Turkish Airlines		Royal Air Maroc

African Airlines Partnerships



African Carrier	European a/l w. equity Stake	Code-Share Partner with
Egypt Air		Austrian, Lufthansa, Olympic Airlines, TAP
Royal Air Maroc		Air France, Brussels, Airlines, Iberia, TAP, Turkish Airlines
Comair	British Airways (10.9%)	KLM, Iberia
Air Sénégal International		Brussels Airlines, Iberia
airDC	Brussels Airlines (49%)	
Kenya Airways	 KLM (26%)	
Air Ivoire	Air France (76.42% through All Africa Airways)	
Cameroon Airlines	Air France (3.57%)	
Air Madagascar	Air France (3.17%)	
Air Mauritius	Air France (2.78%)	
Air Seychelles		Air France
Tunisair		Air France
Virgin Nigeria Airways	Virgin Atlantic(49%)	
South African Airlines		bmi
Cargolux		Sky Gabon
TACV (Cape Verde)		TAP

Is there a recipe for success?



- Alignment between infrastructure and ambition
- Plans need to be realistic
- Use the bilateral system
- Governments should not “waste” money on a bad business case

Virgin Nigeria



We nearly pulled it off!

Hindered by lack of alignment between airline and Government policy.

BUT – a number of successes

- Improved safety culture – IOSA accreditation
- Turned LOS into a hub for West Africa
- Created jobs for locals
- Arms-length from political interference
- New ways for Nigerians to pay for tickets

Tourism & travel are linked to economic growth



- Tourism is a principal export for 83% of developing countries and it is *the* principle export for one third of them.
- Developing countries had 292.6 million international arrivals in 2000, an increase since 1990 of nearly 95%. The 49 Least Developed Countries (LDCs) had 5.1 million international arrivals in 2000, they achieved an increase of nearly 75% in the decade.
- Developing countries (+20%) and particularly LDCs (+45%) secured a larger increase in income per international arrival between 1990 and 2000 than the OECD (+18%) or EU countries (+7.8%).
- In 2000 tourism ranked 3rd among the major merchandise export sectors for both developing countries and LDCs. Discounting petroleum industry exports (significant in only 3), tourism is the primary source of foreign exchange earnings in the 49 LDCs.
- An integral aspect of developing tourism is a reliable, modern transport infrastructure = airports and airlines

Source: WTO 'Tourism & Poverty Alleviation' 2002

Travel & tourism is under-exploited



Travel & Tourism GDP as % of Total GDP (2003)								
Rank	Country	%						
			83	Ghana	3.0	123	Rwanda	1.8
10	Seychelles	18.6	84	Madagascar	3.0	132	Congo DR	1.6
16	Mauritius	9.4	85	Botswana	3.0	134	Niger	1.5
21	Tunisia	7.7	87	Sao Tome and Principe	3.0	135	Malawi	1.5
23	Gambia	7.6	89	South Africa	2.9	136	Lesotho	1.5
26	Morocco	6.6	90	Mali	2.8	140	Cameroon	1.5
31	Egypt	6.1	103	Senegal	2.3	143	Swaziland	1.4
39	Cape Verde	5.4	105	Libya	2.2	144	Algeria	1.4
48	Tanzania	4.5	106	Angola	2.2	148	Guinea	1.4
53	Namibia	4.3	107	Burkino Faso	2.2	149	Chad	1.3
56	Comoros	4.2	108	Zimbabwe	2.2	150	Reunion	1.3
58	Ethiopia	4.1	110	Burundi	2.1	153	Rep. of Congo	1.3
64	Kenya	3.8	112	Gabon	2.0	158	Côte d'Ivoire	1.1
78	Central African Rep.	3.2	114	Zambia	2.0	159	Nigeria	1.0
82	Uganda	3.0	122	Benin	1.9	160	Sudan	1.0

Source: WTTC



- **Cargo is a vital economic driver for Africa.**
- **The ability for African farmers to get their products to European markets quickly relies on efficient and reliable air transport.**



COP 15 in December 2009

➤ Final chance to achieve a global agreement

➤ AEA has developed a concept for a global solution

- Follows the Kyoto principle of common but differentiated responsibility
- Allows for different levels of environmental stringency depending on the stage of economic development and historic emissions

➤ Market based instruments need to be complemented by technological progress so as to reduce aviation's dependency on fossil fuels

- Development of biofuels

