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In this wide-ranging interview, Hassan El-Houry, the chief executive of National Aviation Services, discusses how the Covid-19 pandemic has impacted the company's operations

REMAINING RESILIENT AND ADAPTABLE

Interview: Hassan El-Houry, Group CEO, National Aviation Services (NAS)

How have you met the challenges of the Covid-19 pandemic?

The current pandemic has affected NAS as it has the rest of the aviation industry – be it airlines or airports. Aviation makes up 2.6% of Africa's GDP and supports an estimated 6.2m jobs, according to the International Air Transport Association (IATA) and the sector is one of the worst impacted during this crisis.

NAS has a presence in over 45 airports providing a range of aviation services including ground handling; cargo management; lounge management; meet and assist services; technology solutions; training; and travel solutions. With flights suspended and airports closed our business has been greatly affected. Currently, we are primarily handling cargo flights and a few repatriation or evacuation flights.

In countries like Uganda, Tanzania and Liberia, we are continuing to work around the clock to keep essential supply chains for food, medicines and other necessities running uninterrupted.

As we approach "the new normal" we have also put into place a 'Health Assurance Manual' as well as a 'Back to Work Transition Plan Manual' to make everyone aware of the new processes and procedures that they need to adopt and follow. This will also apply to our passenger handling and lounge operations – eventually changing the travel experience for all passengers around the world.

In short, the pandemic has changed the way we work while heavily affecting our bottom line.

What changes do you anticipate for the sector going forward?

The latest projections from IATA anticipate that the aviation industry will only fully recover from the impact of the pandemic in 2023 and will see big changes. These include:

i. A greater focus on health:

The global pandemic has been likened to 9/11,

but we all understand that this time around the repercussions are greater. After 9/11 the focus was on greater security. Post Covid-19, health will be an imperative. This includes health screenings like temperature checks, plexiglass barriers at check in or immigration desks, empty seats on flights or at airports, health apps, etc.

ii. Enhancements at airports:

Some pros for travellers will include airports being forced to do away with long queues and improve infrastructure.

iii. Flexible airline bookings:

Unpredictability, or rather the threat of a sec-

The latest projections from IATA anticipate that the aviation industry will only fully recover from the impact of the pandemic in 2023 and will see big changes



ond wave of the pandemic, is making airlines introduce more options for flexible bookings.

iv. Airline bankruptcies and government involvement:

With no income for months, it's probable that most of the 800 or so airlines will fold. Air Mauritius has declared voluntary administration. Other airlines such as South African Airlines, Emirates, Qatar Airways, Royal Jordanian, American Airlines, Delta, Air France-KLM, Lufthansa, Virgin Atlantic and many other global airlines have requested and received government support. Eventually, governments will force airlines to reduce frills to become more profitable.

v. Cargo the new frontier:

Air cargo represents less than 0.5% of the weight of all international cargo which is around 30% of the total worldwide shipment value (\$6 trillion worth of goods). It is also crucial to supply chains around the world, helping deliver important cargo including 7.4bn parcels and vaccines that save 2.5m lives each year. This demand has led to passenger airlines carrying out dedicated cargo missions spanning the globe to open a new revenue stream.

With 200 airlines on the continent, do you anticipate consolidation in the sector?

Post Covid-19, demand for travel will take a long time to return to normal. In 2020, it is anticipated that African airlines could lose \$6bn of passenger revenue, cut 3.1m jobs and lose 51% of traffic compared to 2019.

In this scenario, it may not be sustainable for all the 200 airlines to operate on the continent. To ensure that their assets are utilised more effectively, it will be imperative for airlines to consolidate and collaborate locally as well as regionally across Africa.

For ground handling companies such as ours, a reduction in the volume or cancellation of flights and airlines downsizing operations means a significant loss in revenues.

In keeping with IATA projections, we may recover only 25% of the volume of flights for the rest of 2020, once countries open their borders. We hope to reach up to 50% of the volume around mid-2021.

The adverse effect of this will unfortunately result in having to reduce our workforce, investments, and expansion in the emerging markets – primarily Africa where economic growth is so closely linked with the aviation industry.

It is necessary for governments to support the industry. We have seen appeals being made by organisations such as the IATA, World Tourism Organisation, World Travel and Tourism Council and African Airlines Association seeking help for Africa's travel and tourism sector.

Some African countries have provided support to the air transport sectors either through direct business or industry tax relief. These include Botswana, Côte d'Ivoire, Ghana, Kenya and Senegal, while the AfDB has allocated \$10bn in Covid-19 financial relief and the African Union has contributed \$12.5m, with its member states each assigning \$4.5m to fight the pandemic and assist with the recovery of the continent's aviation sector.

However, this is still not enough to enable the recovery of our industry, which contributes 6.2m jobs and \$56m to Africa's GDP. The aviation industry is not just about travel and tourism, it is made up of handlers, airport companies, air navigation companies, concessionaries, etc.

During the Covid-19 pandemic, you have been active in support of evacuation flights and the distribution of medical supplies. Could you describe some of the challenges?

NAS continues limited operations to ensure that supply chains flow uninterrupted while handling evacuation and repatriation flights in a number of countries such as Kuwait, Côte d'Ivoire, Uganda, Tanzania, Liberia, etc.

New procedures were implemented which meant more time invested in training as well as adapting to the new scenarios such as loading cargo into passenger aircraft cabins. We learned to become more flexible and adaptable with short notices given by airlines needing quick arrangements and workforce preparation.

Below: Disinfection of passengers buses by NAS staff during the coronavirus pandemic.



As we hopefully move from a pandemic rescue mode to a recovery phase, how do you assess the global aviation industry's prospects in general, and Africa's aviation sector in particular?

Financial and operations assistance provided by African governments to all aviation-related companies will be crucial to their survival and recovery from this unprecedented crisis. Acquisitions and consolidations will be common, with some airlines and ground handling companies, mainly the private ones, to be acquired by stronger, more resilient ones.

Ultimately, government-owned airlines or aviation service providers will also have to rely on private sector companies to implement the International Civilian Aviation Organisation's post-Covid-19 regulations and procedures.

It is said that where there is crisis, there is opportunity. Do you see any upside to the coronavirus pandemic?

While there is no direct upside to a pandemic that has claimed lives and caused huge financial losses, one positive change that has come through is that the long awaited Single African Air Transport Market will now become a reality driving aviation to facilitate economic and political integration and boosting intra-Africa trade and tourism.

The Covid-19 pandemic will only prove what we have been saying all along – a more integrated aviation landscape and less government involvement will drive more development for the African aviation sector. ■

