

COMMISSION 3

AVIATION POLICY REVIEW INPUTS



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



VIRTUAL MEETING

TUESDAY, 02 March 2021

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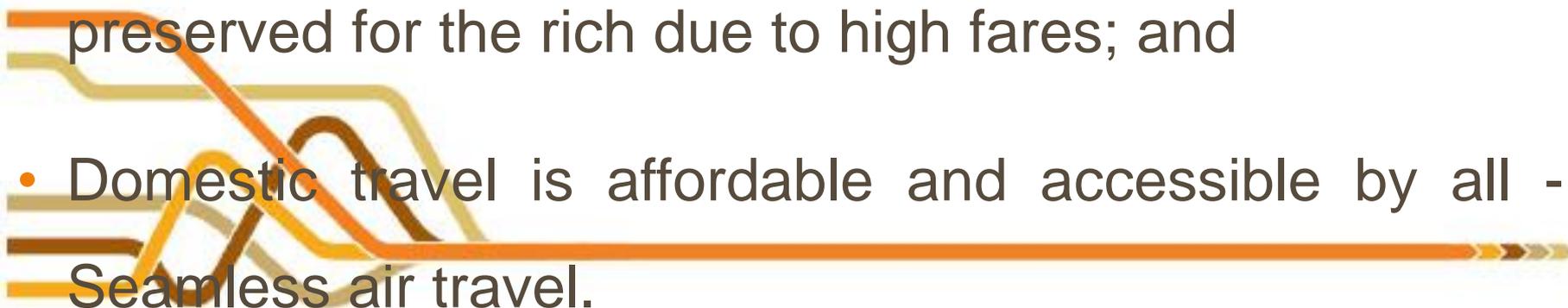
1. INTRODUCTION

- Grow and develop SA market
- Accelerate economic recovery – embrace opportunities
- Sustainable recovery in the post-COVID-19 era
- Enhanced Aviation Industry Growth

Best practices, Competitor analysis & other
benchmarking assessments



2. Policy Considerations - General

- Promote Aviation sector;
 - Localizing and embedding aviation as a key transport mode (Modal Shift from road to air);
 - Modal Integration - Improve efficiency within the transport sector;
 - Remove barrier that the aviation sector has been preserved for the rich due to high fares; and
 - Domestic travel is affordable and accessible by all -
Seamless air travel.
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3. Policy Considerations - Centralisation of Flag Carrier

- Role definition and common understanding

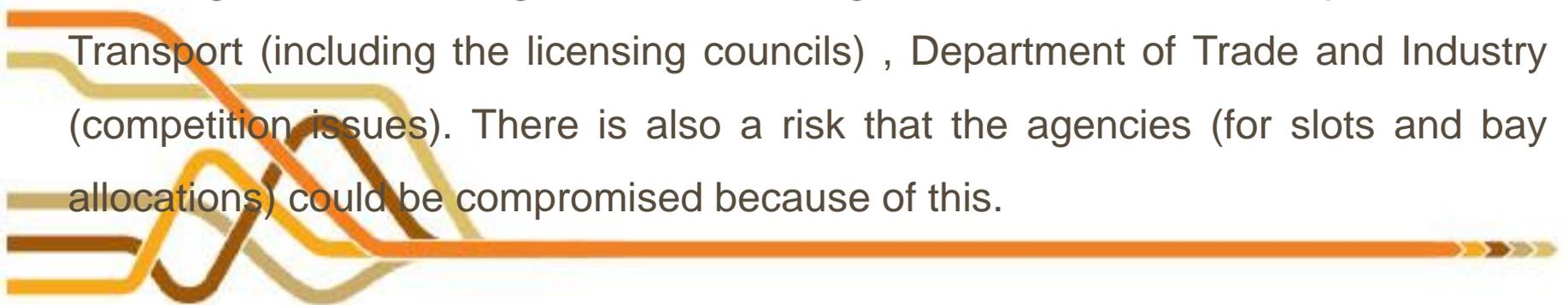
Centralisation vs Centrality

- Build institutional capacity and strengthen air transport regulation;
- Promote sustainable aviation inclusive of all airlines; and
- Deregulated environment – free market analysis and impact of flag carrier (airlines).



3. Policy Considerations

- Centralisation of Flag Carrier (Raise concerns)

- Flag carriers market position needs to be clear in the integrated policy, thus ensuring a level-playing field and avoidance of market distortion; To level the playing field it is in the national interest to have an airline industry that is commercially viable and is not a drainage on the fiscus.
 - The private carriers do not agree with the regulatory having a pivotal role in the development of the mandate of one the carriers that they will also need to regulate. This will surely compromise the regulators ability to adjudicate matters involving the same flag carrier. The regulators include, the Department of Transport (including the licensing councils) , Department of Trade and Industry (competition issues). There is also a risk that the agencies (for slots and bay allocations) could be compromised because of this.
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3. Policy Considerations

- Centralisation of Flag Carrier

- Mentioning the flag carrier in the aviation policy is contradictory to the deregulation of the domestic market and would thus be regressing gains achieved in the 28 years.
- Singling out any carrier when developing national aviation policy which has other players is anti-competitive.



3. Policy Considerations

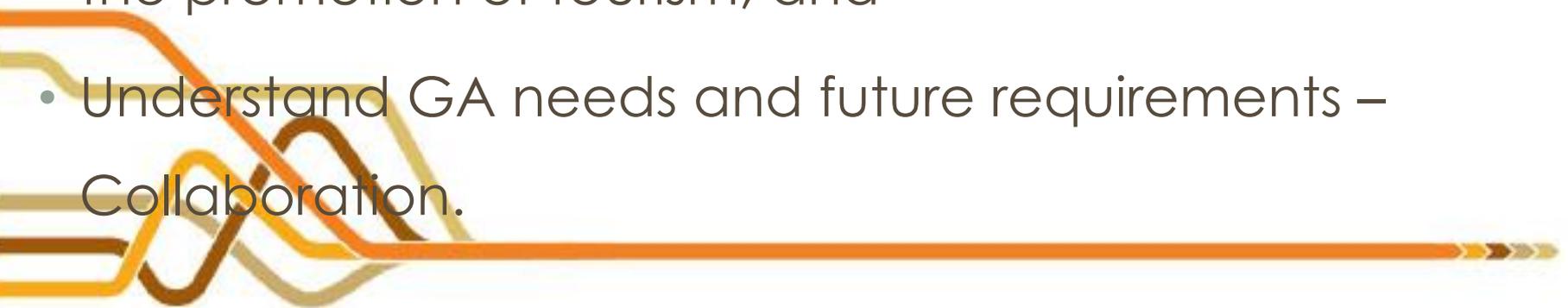
- Centralisation of Flag Carrier

- Whilst we agree that the government ought to have a role in the development of the flag carriers strategy, we do need to ensure that there is a clear separation of roles/powers to ensure the sustainability of the South African domestic market
- **Still opportunity for further written submission to be made.**



4. Policy Considerations – General Aviation

How to nurture and grow General Aviation (GA)

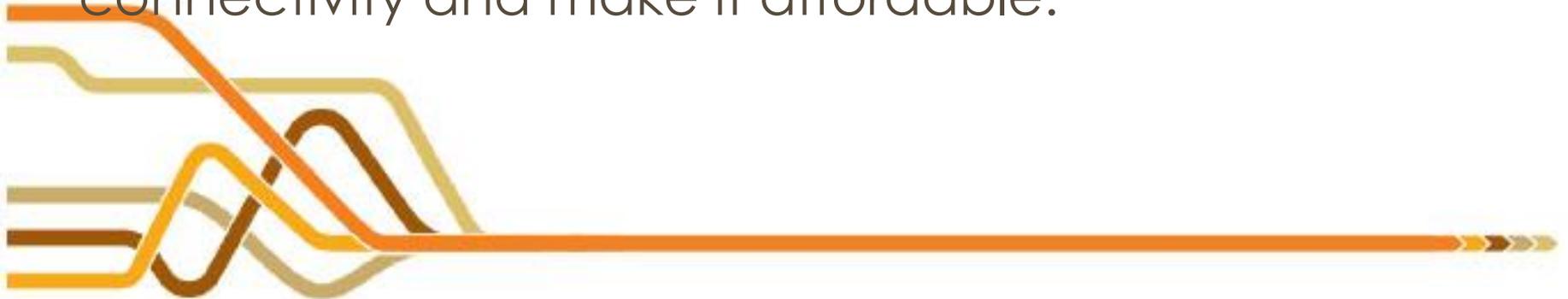
- Clear policy statement and strategy regarding General Aviation;
 - A policy direction to be developed – e.g. India and Tunisia focus on GA's in connecting underserved and unserved airports in the country which has resulted in the promotion of tourism; and
 - Understand GA needs and future requirements – Collaboration.
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5. Policy Considerations

Affordability and Accessibility:

Underutilization of Infrastructure

- Liberalisation of skies needs to be prioritized and accelerated;
- Enhance regional connectivity (rural areas and townships) through fiscal support and infrastructure development;
- Civilians and Military co-use challenges; and
- Its intent should be to facilitate, inspire regional air connectivity and make it affordable.



6. Policy Considerations - Integrated Streamlined Processes

- Streamlining Foreign Operators Permits (FOPs) for Foreign Airlines operating to/from RSA;
- Enforcing reciprocity especially around African states outside SADC that expect South African Airlines to be audited when applying for Foreign Operators Permits which is an expensive exercise for airlines whereas South Africa accepts certification from these states' regulators;



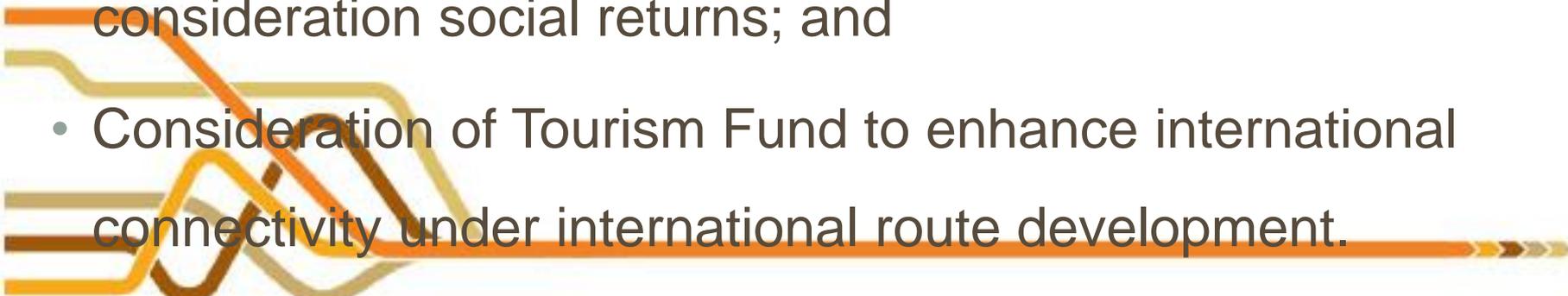
6. Policy Considerations - Integrated Streamlined Processes

- The harmonisation and liberalisation of South Africa's visa policy regime; and
- Whole of aviation approach as an Integrated policy across key department with impact on Aviation
(DPE/DoH/DoT/DIRCO/Tourism/Home Affairs/SARS, etc)

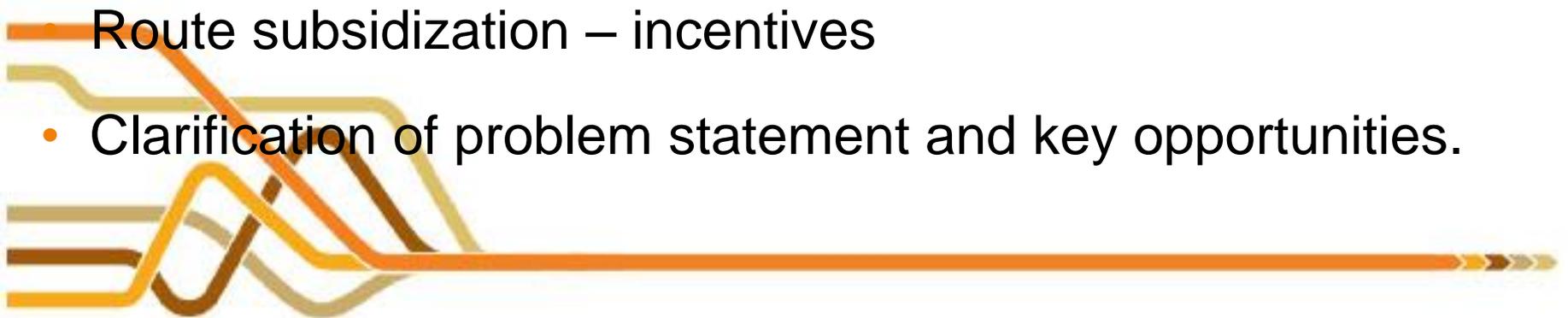
**Enhance ease of doing business through deregulation,
simplified procedure and e-governance**



6. Policy Considerations – Incentives and Opportunities

- "Protect domestic operators in Africa" whilst balancing the attractiveness of RSA to attract new international market entrants
 - Incentive program to enhance equitable access to air travel, especially rural and township economies;
 - Cases for growth stimulation should also take into consideration social returns; and
 - Consideration of Tourism Fund to enhance international connectivity under international route development.
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7. Next Steps - Research

- How can we collaborate with African countries and grow within the continent?
 - Conduct research on underutilization of infrastructure and provide policy direction
 - General Aviation policy statement
 - Study on national or flag carrier and definition for South Africa with common understanding
 - How do we protect domestic operators?
 - Route subsidization – incentives
 - Clarification of problem statement and key opportunities.
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**THANK
YOU**