

REVIEW OF THE SOUTH AFRICAN AVIATION POLICY FRAMEWORK

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THE REGULATORY FRAMEWORK AS AN ENABLER TO ECONOMIC GROWTH

CURRENT TRADE AGREEMENTS IN AFRICA

- The African Continent Free Trade Areas (AFCFTA)
 - It covers Trade in goods and Services,
 - Investments,
 - Intellectual Property Rights and Competition Policy.
 - Signed by the 44 out of the 55 African States
 - Enable free flow of trade goods
 - Objective is to remove 90% of trade tariffs
 - Stimulate Intra-Africa trade
 - Intra Africa Open Skies Policy
 - SADC
 - An agreement for SADC member states to reduce custom duties and barriers To trade on imported products
- SADC Agreement envisages the establishment of a Free Trade Area in the Region
(Established in 2008 by heads of states)

DOMINANT AND THE PREVAILING REGULATORY FRAMEWORK

- South Africa is a member of ICAO and is governed by its global regulatory framework
- ICAO's position is that Cargo must be liberalized (Open Skies)
- AFCAC is driving the Open Skies policy in Africa for African based, owned and operated cargo airlines (YD, Single African Air Transport Market policy)
- Countries which are outside of Africa can negotiate open skies policy framework with preferred countries in Africa on a bilateral basis
 - The trade flow has to benefit South African operators and the state
 - South African Airlines must be subjected to fair competition with global airlines
 - Its imperative for The South African government to support the local airlines
 - Some of the airlines have an advantage to feed/defeed cargo into their HUBS and feed it beyond their HUBS
 - Develop the multimodal transport system -Road to Air and Air to Road
 - South Africa has limited capacity to compete with the European and Middle Eastern based airlines (Develop partnerships)
 - South Africa has to develop its capacity and global network in order to compete with European and The Middle East airlines

POLICY REVIEW AND RECOMMENDATIONS

- The government has to encourage reciprocal agreements with global states outside of Africa
- The Capacity is the critical factor, Bilateral Agreements must take into account that
 - If local or national airline does not have the requisite cargo aircraft capacity, the ability for local airlines to fair competition is radically reduced
- The regulatory policy review framework must look at staggering certain Bilateral Agreements in order to allow the local airlines the opportunity to stabilize and grow the capacity and markets
- The South African bilateral agreements framework must adopt and take a broader view before liberalizing particular markets
- The government must encourage partnerships with foreign airlines in the Bilateral Agreements where required in order to assist locally based airlines to mutually benefit on availed capacity
- the national airline must be granted a freer hand to run the business and not be stifled by states beaurocracy.
- The exercise of 5th Freedom Traffic Rights operations must have mutual benefits
- The government must have a clear focused economic plan to develop Air cargo in SADC
- ACSA, The Licensing Council and the Department of Transport must have a common strategy on air cargo

SOUTH AFRICA AVIATION POLICY REVIEW AND WAYFOWRAD

- Cargo operations basically drives trade between states and regions
- The Middle East, Asia, the Americas and Europe are guided in their aviation policy by the economic objectives of their countries

Regulatory framework is guided by the needs of state and the potential to grow traffic

- They aim for greater or balanced benefit for their local airlines
- The regulatory framework must have reciprocal benefits for states
- The government has to develop clear strategic policy coherence and vision
- State owned airlines are supported in order to assist in driving the states national agenda
- The South African government approach is that airlines, state owned and private must battle it out without the intervention and support of state
- The state sees its role solely as a regulatory institution . The regulatory framework is open and is not geared to creating a strong state owned airline
- The UAE, Singapore etc are a case in point who developed their economic growth path through the creation of the strong and well resourced state owned and supported airlines
- South Africa has to recognize the importance of developing a strong state owned airline to drive international cargo trade and movement.
- State owned airlines primary objective is to support and to assist economic development and achieve the countries national agenda

CONCLUSION

- Strengthen the Regulatory framework with a view to enhance domestic and International operations
- Policy coherence between the DOT, SACAA, DPE, ACSA, the Airlines and state
 - Review of current strategic air cargo framework
 - Have a common strategic vision and goals.
 - Define clear separation between cargo and passenger operations
 - Develop a funding model to enhance ownership and control
 - Create a solid and Air Cargo Bilateral framework on Air Services
- The countries must move with speed to develop the Aerotropolis framework
- The policy framework must be enabling for the airlines
- Recognize the fact that the national carrier is currently the only local airline operating International routes-the solution must be targeted
- Study the state owned airlines and adopt best practices for South Africa
 - Emirates (UAE)
 - Singapore
 - Ethiopian Airlines (Ethiopia)
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QUESTIONS AND ANSWERS