**INTERNATIONAL AVIATION CLUB OF DC LUNCHEON**

Good afternoon.

I’m excited to be here and would like to thank Naveen Rao and Evelyn Sahr for inviting me to address you today.

My first experience of flying, was when I left Nairobi, Kenya where I grew up, to attend university in Montreal, Canada. It was a long, scary but exciting 17-hour flight via Europe, *with a European airline.*

Twenty-seven years later, there has been some progress, but travel between Africa and other continents is rarely a direct connection. This is also often the case, even when flying within the African continent.

A week ago, I met the CEO of one of the banks in Rwanda at the airport. She was flying to Cote d’Ivoire to attend a conference but was getting there via Istanbul. Imagine flying from Kigali to Abidjan via Istanbul…

Great strides have been made in the aviation sector in the continent. We are seeing strong recovery after the devastating impact of Covid.

African aviation traffic has recovered at a strong pace in 2022, with pent-up demand and economic growth, allowing African airlines to recover their flight operations to 80% of pre-pandemic levels.

According to Boeing, over the next 20 years, market demand for air travel in Africa is expected to drive the need for about one thousand new aircraft by 2040, valued at $176 billion.

**Ladies and gentlemen,**

The potential of African aviation is immense. We are talking about a continent of 1.4 billion people - 16% of the world population.

By 2030, young Africans are expected to constitute 42% of global youth.

However, the continent still accounts for less than 2% of global aviation.

Why is this percentage so low? There are multiple reasons for this. But today, I would like to focus on three of them.

One: We are still operating on highly restrictive Bilateral Air Service Agreements (BASAs). They spell out specific points of entry into countries, frequencies, restrict the type of equipment, and so forth.

The industry cannot expect to grow and thrive under these conditions. This is made even worse in some countries, which try to protect their own national carriers.

Two: The extremely high cost of doing business in the continent. From airport taxes, overflight charges, jet fuel prices to ground handling, the cost of operations in Africa is almost 50% higher than the Middle East or Europe.

This leads to much higher ticket prices, making air transport a luxury, rather than the economic multiplier that it actually is.

Three: Continued underinvestment in airport infrastructure has made it challenging, and sometimes unsafe, to operate in some destinations. Taxes collected from aviation are often channeled to other government priorities.

I would like to put this in the context of Rwanda and RwandAir.

Rwanda has recognized that air transport is a key enabler of our country’s development, and a vehicle to position Rwanda to become a regional service, tourism, and conference hub.

Rwanda being land-locked, faces natural barriers to trade, with long distances from ocean ports, and lack of extensive railway infrastructure.

This leaves the country dependent on expensive road transport.

Aviation provides one solution to this challenge, which is why the Rwandan government has invested heavily in RwandAir, airport infrastructure as well as capacity building.

This allows Rwanda to connect to markets overseas, ensure access for business professionals, investors, tourist and students, and,, importantly, create employment.

Today, RwandAir operates a hub and spoke network that provides better connectivity into and out of Rwanda.

Prior to the pandemic, the airline operated 29 routes in Africa, Middle East, Europe, UK and Asia. Twenty-four of these routes are now being operated, with plans to grow to 36 routes, including daily flights to London Heathrow by summer 2023.

In addition, an extensive codeshare with Qatar Airways was implemented last year, giving both airlines access to 65 additional routes, including 13 points here in the United States, for RwandAir.

I’d like to expand a little more on the partnership with Qatar Airways, and its possible impact on the airline and the country.

Currently discussions are at an advanced stage, for QR’s acquisition of 49% stake in RwandAir.

This joint venture will enable RwandAir to grow into a more robust airline, with highly trained staff, and superior customer experience. It will also further improve connectivity within the continent.

In addition, a new modern airport is currently under construction in Kigali with Qatar as the majority shareholder. Upon completion of the first phase, the airport will have a capacity of seven million passengers, and seven more in the subsequent phase.

With this, we are positioning Kigali as a significant regional hub, in the heart of Africa.

The impact of Rwanda’s focus on its aviation industry is already clear.

Tourism has become the number one foreign exchange earner. Tourism has been growing at an annual rate of 25% since 2013.

Conference tourism revenue doubled between 2020 and 2021. In Africa, Kigali now hosts the most events and conferences, after Cape Town in South Africa.

Rwanda has also set its sights on sports tourism, where heavy investments have been made in a sporting arena, a world class golf course and cricket stadium. More is in the works, with the planned sports city in Kigali.

This is just one country. So much more can be done on the continent.

In order for the aviation sector in Africa to fully reach its potential, there’s an urgent need to put these three things in place;

First, we need to open the skies in Africa, through the implementation of the Single African Air Transport Market agreement, designed to create a single unified market for air transport in Africa.

Today, only 35 of 54 countries are signatories to this agreement despite its clear benefits. More liberalization of air transport in Africa can act as a catalyst to speed up the industry’s recovery, by increasing connectivity, stimulating demand and creating jobs.

In the context of the African Continental Free Trade Agreement, which once fully operational, will be the world's largest free trade area, open skies help to link our businesses to regional and global supply chains, thereby boosting trade and investment.

Open skies go hand in hand with open borders. We still have punitive visa regimes within the continent making intra-African travel unpredictable and frustrating.

Since 2018, Rwanda has allowed nationals of all countries to receive their visa on arrival. This led to a 24% increase in tourism arrivals and a 50% increase in intra-African trade.

Secondly, there is a need to prioritize investment in airport infrastructure and people. This will lead to a safer industry, and further boost confidence in air travel in the continent.

The shortage of highly trained and skilled personnel, needs to be addressed, and this includes incorporating more women in the industry.

Lastly, I cannot emphasize enough, the importance of partnerships, both amongst African airlines, and also with international carriers. This is critical for improving connectivity within the continent and beyond, and making travel more affordable to Africans.

I cannot conclude before advocating for more direct air links between Africa and the US. The “Safe Skies for Africa” Program whose aim was to improve the safety and security of aviation in Africa, was instrumental in enabling the first direct air link from the continent to the US. We still have only a handful of airlines offering direct flights. We hope to see these numbers growing to fully leverage the trade and tourism potential between the US and Africa.

Thank you very much for your kind attention, and I look forward to interacting with you further.