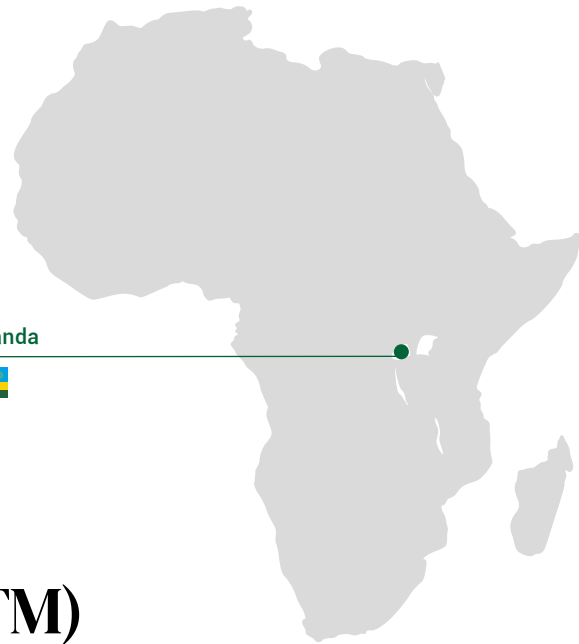




African Union



Agenda
2063
The Africa we Want



Rwanda



Continental Study on the Benefits of the Single Africa Air Transport Market (SAATM) Executive Summary for Rwanda

Key Facts and Figures

1

NUMBER OF
IOSA AIRLINES

Yes

NATIONAL CARRIER
(RWANDAIR LTD.)

82.39 (Target is > 60)

EFFECTIVE IMPLEMENTATION OF ICAO
STANDARDS AND RECOMMENDED PRACTICES

491

NUMBER OF
INTRA-AFRICA
PASSENGERS
2019 (000'S)



21 (out of 54)

RANK IN NUMBER
OF INTRA-AFRICA
PASSENGERS 2019

12.6

POPULATION 2020
(MILLIONS)

6 (out of 54)

VISA OPENNESS
RANKING¹

Low
Income

\$830 GNI PER CAPITA

10.00%

TRAVEL & TOURISM
CONTRIBUTION
TO GDP²



“We need to own our problems and solutions and write our story.”

Paul Kagame, President of Rwanda



In 1999, the Yamoussoukro Decision (YD) was adopted out of recognition that restrictive BASAs between African States were detrimental to intra-Africa connectivity and the holistic development of the African air transport industry (especially safety and security). However, since 1999, the implementation of the YD has been slow and limited resulting in high air fares, slow air traffic growth across Africa and other negative consequences. In 2018, the Single African Air Transport Market (SAATM) project was launched by the African Union to give fresh impetus to the goal of liberalizing aviation across Africa and to fully implement the YD.

This Executive Summary (ES) provides a high-level synopsis of the “Continental Study on the Benefits of the Single African Air Transport Market” commissioned by the Africa Union Commission. This Continental Study assesses the current status of YD implementation by analyzing a State’s BASA compliance with the operational principles of the YD as contained primarily in Articles 2, 3, 4, 5 and 6 of the YD Text. This ES also outlines the impediments and constraints to YD implementation as identified in the Study via the “SAATM Enablers Index” – an objective tool used to assess a States’ air transport industry based on certain parameters or policies that contribute to a holistic aviation framework. Finally, this ES provides a summary of the benefits of a fully liberalized air transport market in Africa.

¹ The African Development Bank Africa Visa Openness Index.
² World Travel & Tourism Council (WTTC) Research.

BASA³ Analysis Summary

BASA compliance with YD Articles 2,3,4,5,6



Rwanda = MEDIUM Compliance

49% of the 47 BASAs reviewed are compliant

- Total BASAs = 47/54
- BASAs with SAATM Signatories = 32
- BASAs with YD Signatories = 44

49%

SAATM Enablers Index



Recommendations to Improve YD Implementation

- Ensure all existing (and future) BASAs comply fully with the provisions of the YD (especially Articles 2, 3, 4, 5 and 6)
- Maintain current level of high safety oversight capability
- Support domestic airlines to attain and/or maintain IOSA registration
- Improve good airport infrastructure
- Maintain current level of excellent visa openness amongst African States



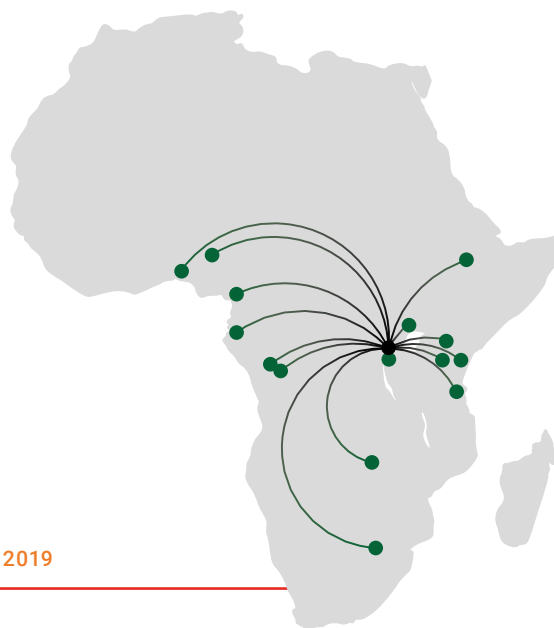
Recommendations from SAATM Traffic Light

Favourable environment for successful SAATM Implementation exists.



IATA Air Connectivity Index

IATA has developed a connectivity indicator to measure the degree of integration of a country into the global air transport network. It is a composite measure reflecting the number and economic importance of the destinations served from a country's major airports and the number of onward connections available from each destination. A deriving measure from air connectivity is an indicator measuring air connectivity within a region. This measure can be relevant for tracking progress of policy or industry initiatives aimed at promoting connectivity within a given region. The IATA intra-regional air connectivity index can be applied to measure the dynamics of air connectivity post-implementation with the view to assess the effectiveness of regional initiatives. Our analysis shows the intra-regional Africa air connectivity rankings in 2009 and 2019 and growth 2019 vs 2019.



28

RANKING 2009



20

RANKING 2019



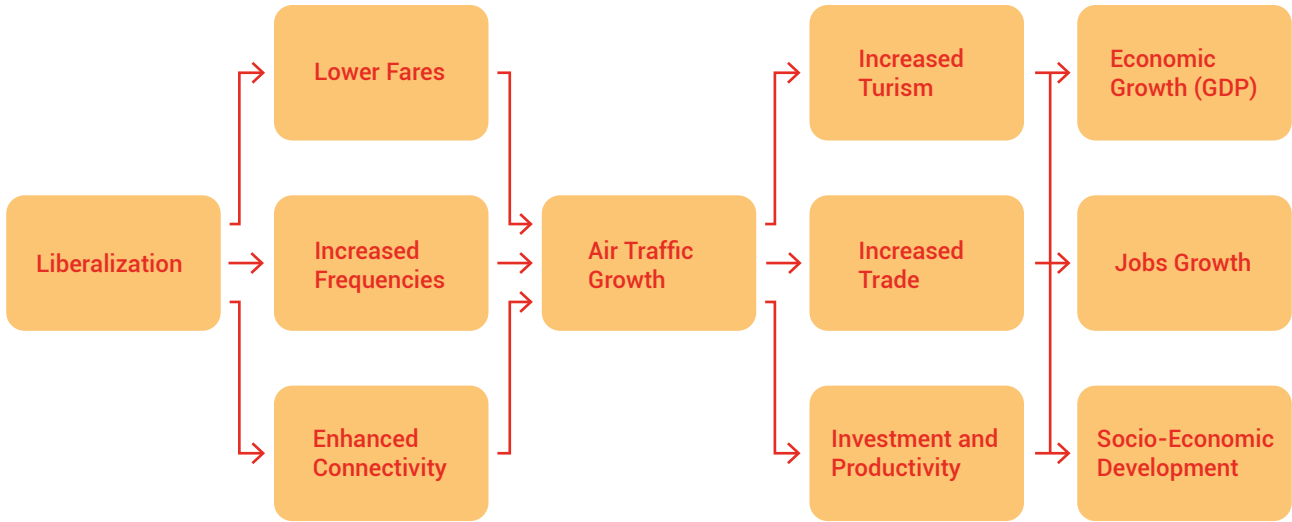
219%

INTRA-REGIONAL AIR CONNECTIVITY SCORE 2019 COMPARED WITH 2009 (PERCENTAGE CHANGE)

Evidence on the Impact of Air Service Liberalization

There is a substantial body of evidence developed over the last two decades years examining the impacts of air service liberalization globally and in Africa. This research has found that air service liberalization allows new carriers to enter the market and existing carriers to better respond to demand, resulting in lower fares for passengers, enhancing air connectivity and more travellers being

able to access air services. Furthermore, the benefits of air service liberalization extend well beyond the aviation industry and passengers – it also contributes to greater trade and tourism, inward investment, productivity growth, increased employment and economic development. As a result, liberalization can contribute to the growth in employment, incomes and overall welfare.

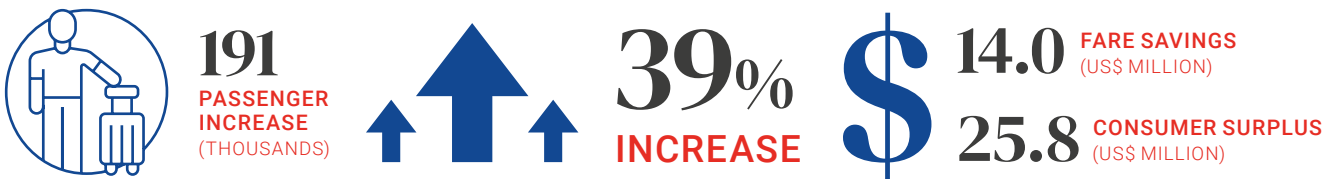


Estimating the Impact of Achieving SAATM for Rwanda

The impact of successfully implementing SAATM across all 55 African Union nations was examined using a gravity model which projected the potential air traffic between African nations based on specific economic and market factors and allowing for full YD liberalization of all intra-African air markets.

For **Rwanda**, the increase in intra-Africa passenger traffic, total fare savings to passengers and consumer surplus (a measure of welfare benefit) is summarised below. The level of increase is a reflection of current traffic and economic conditions and the degree of liberalization already undertaken.

Summary of traffic impacts for the specified country:

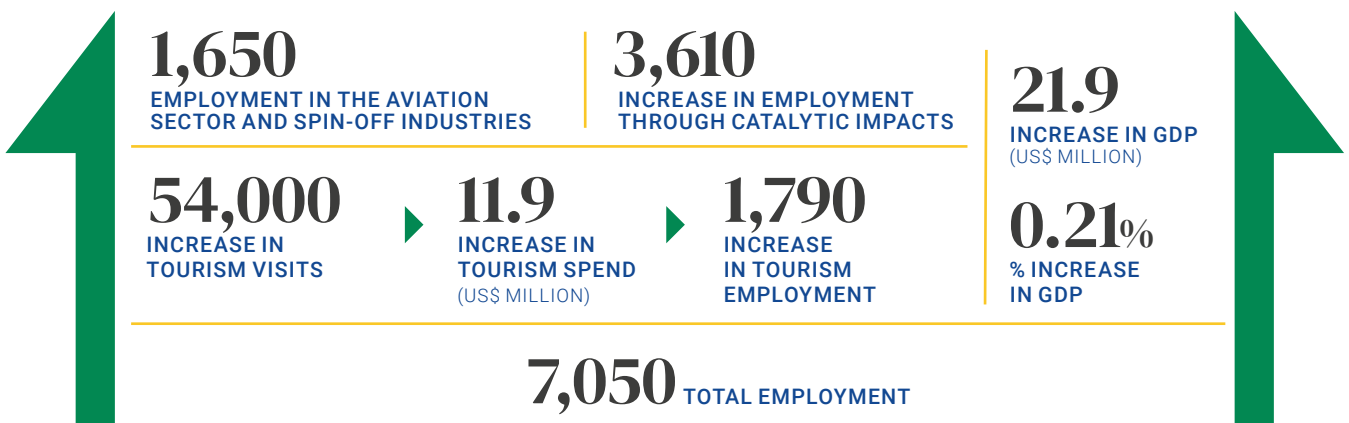


Wider economic benefits of SAATM for the individual country:

The impacts of liberalization extend beyond the benefits to passengers. The increased air service levels will generate employment in the aviation industry to service the additional passengers and aircraft. Liberalization is also expected to stimulate tourism between the countries. Perhaps most significantly, the increase

air service can facilitate many other sectors of the economy by supporting increased trade, attracting new businesses to the region, encouraging investment and enhancing productivity. The estimated economic benefits to **Rwanda** are summarised below.

Wider economic benefits – increased employment and economic activity



Contribution to Africa's Development Goals

AU Agenda 2063 Goals	UN SDGs	Impact
1. A high standard of living, quality of life and well-being for all citizens.	#1. No Poverty	SAATM implementation will result in higher employment and national income growth. Liberalization will lead to greater employment opportunities and access to higher income employment, helping to alleviate poverty.
	#2. Zero Hunger	
	#8. Decent Work and Economic Growth	
	#10. Reducing Inequality	
	#11. Sustainable Cities and Communities	
2. Well educated citizens and skills revolution underpinned by science, technology and innovation.	#4. Quality Education	SAATM liberalization will promote better access to education by supporting the movement of international students relying on air transportation to study abroad. Jobs in the aviation industry are also highly skilled positions that require different levels of training and education.
18. Engaged and empowered youth and children.		
3. Healthy and well-nourished citizens.	#3. Good Health and Well-being	By providing increased air access, especially to remote areas, SAATM will help ensure good health and well-being of citizens through increased connectivity to health and medical services, and through the transportation of essential supplies.
4. Transformed economies.	#9. Industry, Innovation and Infrastructure	The catalytic impacts released by SAATM will enhance economic productivity and attract greater investment in the economy and in people. New, improved infrastructure will be necessary to handle the growth in air traffic and economic activity.
10. World class infrastructure criss-crosses Africa.		
7. Environmentally sustainable and climate resilient economies and communities.	#6. Clean Water and Sanitation	The aviation industry is committed to improving efficiencies and focusing on sustainability, taking a lead role in environmental stewardship. Liberalization will assist in the shift to more efficient modes of transport, reducing the continent's overall environmental footprint.
	#7. Affordable and Clean Energy	
	#12. Responsible consumption and production	
	#13. Climate Action	
	#15. Life on Land	
8. United Africa (Federal or Confederate).	#17. Partnership for the goals	SAATM liberalization will contribute to intra-Africa unity, culture and connectivity.
16. African cultural renaissance is pre-eminent.		
19. Africa as a major partner in global affairs and peaceful co-existence.		
17. Full gender equality in all spheres of life.	#5. Gender Equality	SAATM liberalization can result in increased female employment, as the aviation industry aims to increase greater workforce diversity.



For more information look for the SAATM website at the African Union



Credits

Prepared For: African Union Commission (AUC)

Prepared By: International Air Transport Association (IATA) in partnership with InterVISTAS Consulting and Simplicity Agency

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