

# **PRESENTATION TO THE PORTFOLIO COMMITTEE ON TOURISM: AIRLIFT STRATEGY**

**6 NOVEMBER 2012**



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# INTRODUCTION & EXECUTIVE SUMMARY

- Airlift Strategy was approved by Cabinet in July 2006
- A holistic view of the international air transport network in support of South Africa's national interests is a key element of the Airlift Strategy.
- Airlift Strategy required a tool in the format of an Implementation Plan – the plan was established and approved on 8 November 2008.

# INTRODUCTION & EXECUTIVE SUMMARY Cont...

- Analysis of existing BASA and Gap Analysis
- Route Utilization
- RSA government role in the aviation industry is one of principle enabler and regulator.
- Increase contribution to accelerated economic growth.

# MANDATE

- Constitution of the Republic of South Africa, 1996 must be upheld.
- International Air Services Act No 60 of 1993.
- Air Services Licensing Act 115 of 1990.
- RSA government role in the aviation industry is one of principle enabler and regulator.

## MANDATE Cont...

International Air Services Act No 60 of 1993.

- (a) to promote trade with, and tourism to and from the Republic;
- (b) to promote competition between persons who operate international air services;
- (c) not to unjustifiably prefer any licensee over another;
- (d) to promote a high standard of safety in the operation of international air services;
- (e) to promote the development and interest of the local international air services industry;
- (f) to promote the interest and needs of users or potential users of air services to the Republic.

## MANDATE Cont...

To enhance the effect of the Airlift Strategy the Air Services Licensing Council would consider the following.

- To ensure the provision of air transport services to meet accessibility and mobility of all South Africans;
- To Stimulate and encourage the development of – low cost carriers;
- To encourage the movement of airfreight domestically; and
- Ensuring job creation and skills development.

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# OBJECTIVES

- Increase the mobility of the domestic market.
- Improve Safety and Security
- Aviation Community well-being; and
- Environmental responsibility

# OBJECTIVES cont...

To achieve these outcomes - via three key objectives.

- Framework for bi-lateral service negotiations.
- Well planned inter-modal transport system
- Improved relationship and partnership between states, stakeholders, industry and government moving towards shaping the air transport system as well as expanding the low cost carrier concept within South Africa.

## OBJECTIVES cont...

- Liberalising International air service agreements.
- Amending legislation in line with the provisions of the YD on ownership and control carriers.
- Allocating capacity under existing bilateral air service agreements – relation to airline business plans.
- Liberalising international aviation as required by multilateral protocols and conventions.

# OBJECTIVES Cont...

## Strategic Approach towards Airlift Implementation

- Stability and Sustainability of the network of air services serving South Africa.
- Setting of negotiating mandates – impact assessment on RSA and its key markets.
- AU – External Air Transport Policy (EU Ownership Clause)
- Rapid liberalisation and exchange of traffic rights (freedoms rights).

# KEY FOCUS AREAS OF STRATEGY

- Relaxed air services framework on Secondary and Private owned airports
- YD Implementation
- Cabotage Rights will not be granted
- Ownership and Control of Airlines
- Use it or Loose it Principle
- Airline Alliances & Code Sharing

# AIRLIFT STRATEGY PROGRESS

In ensuring viable and adequate air traffic movements during 2010 World Cup, the Department of Transport reviewed bilateral air services arrangements with the following countries in an attempt to increase traffic frequencies:

- France
- Japan
- Korea
- Brazil
- Cameroon
- Kenya
- United Kingdom
- New Zealand
- Australia
- Netherlands
- Senegal
- Nigeria
- India
- UAE

# CAPACITY INCREASES

The Department of Transport continued to implement the Airlift Strategy and created capacity in air traffic increases as follows:

<u>S America:</u>	2008	2009	2010	2011	2012
Brazil	14	21	28		
<u>Europe:</u>					
France	14				
UK	56		63		
Netherlands	23		30	35	
Luxembourg				7	
Ukraine				7	

## CAPACITY INCREASES Cont...

<u>AFRICA:</u>	2008	2009	2010	2011	2012
Senegal	YD	YD	YD		
Kenya	YD	YD	YD		
Cameroon	YD	YD	YD		
Nigeria	10				
Botswana				10	
Burkina Faso				YD	
Burundi				YD	
Eritrea					YD
Mozambique					Seats
Mali					YD
DRC					9
Nigeria					13



# CAPACITY INCREASES Cont...

<u>AFRICA:</u>	2008	2009	2010	2011	2012
Japan	7				
Korea	15				
Australia	10	14	21		
New Zealand	7				
India	14	21	28		
Pakistan				7	
Singapore				17	
China				14	
Sri Lanka					7
Maldives					
<u>MIDDLE EAST:</u>	2008	2009	2010	2011	2012
UAE	42	54	63		
			7		

# **REVIEW PROCESS AND TIMEFRAMES**

- **First meeting of the review was held on the 19 of June 2012 with aviation stakeholder;**
- **Subsequent meeting with government key departments was held on 21 and 22 June 2012;**
- **Inputs from key aviation stakeholders are incorporated into the Strategy;**
- **An internal workshop is planned for the second week of November 2012 to refine the final draft document;**
- **Final workshop with the aviation industry and affected stakeholders is planned for January 2013 to finalise and submission to Cabinet for approval.**



**Thank You**