



**MINISTRY OF TOURISM  
REPUBLIC OF SOUTH AFRICA**

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**Address by Minister of Tourism, Derek Hanekom, on behalf of the President of the Republic of South Africa during the World Routes 2015 Strategy Summit in Durban on 20 September 2015**

**20 September 2015**

Programme Director,  
Honourable Premier of KwaZulu-Natal, Mr Senzo Mchunu,  
MEC for Economic Development, Tourism & Environmental Affairs, Mr M Mabuyakhulu,  
Your Worship the Mayor of Durban, Cllr James Nxumalo,  
Director of Routes at UBM, Ms Katie Bland  
Delegates from the aviation and tourism sector,  
Members of Diplomatic Corps,  
Members of the Media Present,

I am really delighted to be part of this very important Summit, especially because it is taking place in Africa for the first time. On behalf of the government and the people of South Africa, I would like to warmly welcome global aviation and airport leaders, and all delegates, to Africa, our beautiful continent; to South Africa, our magnificent country; to the spectacular province of KwaZulu-Natal and, to the warm city of Durban. We are most honoured that you have come here to experience our country's scenic beauty and rich and diverse cultural heritage.

The aviation industry is an essential catalyst for global tourism and trade. Due to its speed, efficiency and capacity to transcend geographical barriers, air transportation has become an indispensable part of the integration and of the global economy.

Africa's economy is projected to grow significantly in the near future, and new prospects for the aviation industry will emerge. Improved air linkages will facilitate further development, making it essential that we all support the agenda for accelerated growth. We will not pursue this growth at the exclusion of our partners from other parts of the world, but with a view to sustaining effective relationships and partnerships with global partners for inclusive and equitable growth in the aviation industry.

In 2014 the world's airlines ferried about 3.2 billion passengers to their destinations, which is a 6.5% increase from the previous year. The African airline industry grew by 7%. The high growth rate is largely attributable to systematic and long term investment in airport infrastructure and the adoption of open skies policy.

While growth in African aviation might offer us some hope, the hard truth is that our continent still lags far behind our international counterparts in the aviation stakes.

The Aviation Africa Summit earlier this year noted that the failure by the continent to implement the Yamoussoukro Declaration has been detrimental for the continent. The declaration calls for the liberalization of African skies for African airlines. It aims to establish a single African air transport market by avoiding market restrictions imposed by bilateral air service agreements.

The African Business Aviation Association's 2015 report points out that Africa has to improve on training and skills development, safety and security, infrastructure, airspace and airport access to match our international competitors and to take advantage of future growth prospects. We must also reduce our taxes and fees.

As a continent on the rise, Africa can use its status as a newcomer in the aviation industry to accelerate its own development by not repeating the mistakes of those who started before us. We can build on the best practices of winning destinations as we build our aviation capacity. And there are many success stories to emulate. The rapid growth and development of the aviation industry is a strategic prerequisite to attain competitiveness.

South Africa's aerospace sector is now contributing an estimated 2.1% to GDP and around 4.3% to employment opportunities, which includes direct aviation and tourism business operations.

The African aviation market remains largely unexploited. Like all our sister countries on the continent, we in South Africa are determined to rid the continent of poverty, disease and civil war through our active participation in the African Union and other multilateral structures. With our diversified industrial base, modern infrastructure and sophisticated financial markets, we are regarded as a key gateway into Africa.

The impact of the aviation industry on sectors like tourism and cargo freight makes the development of aviation facilities a key success factor for economic development on the continent. Africa's diverse economic sectors stand to benefit immensely from the integrated world market. The recent commitment by many African countries to construct and upgrade airports demonstrates the continent's recognition of the role that a healthy aviation sector plays in its competitiveness and growth prospects.

The truth is that six of the world's ten fastest growing economies are now located in Africa, making the continent the next frontier of global economic development. With 25% of the world's arable land, and a predominantly youthful population, Africa can become a global food basket that is capable of feeding its own inhabitants and exporting a variety of agricultural products to the world.

Ladies and gentlemen, impediments to the growth of Africa's aviation industry include poor intra-African connectivity; weak policy and legislation governing the aviation sector; the high cost of doing business and poor infrastructure.

Limited intra-African connectivity is reflected in the schedules of our national airlines, who tend to fly frequently to destinations outside the continent, especially to Europe, with far fewer flights to other African destinations. In an article published by the Fin24 business magazine this year, the Director-General and CEO of the International Air Transport Association, Tony Tyler, listed intra-Africa connectivity as a significant factor undermining our continent's aviation industry, he said:

"It is strange that African countries seem more willing to give flight permission to airlines from outside the continent than to those from within the continent. About 80% of the air traffic to Africa is on non-African airlines."

He attributed this state of affairs to restrictive air traffic regimes in Africa. While this is changing, the pace of the change does not match the desire and readiness for trade and investment among African countries themselves. Poor connectivity is costly. People traveling from Johannesburg to Rabat in Morocco, to use but one example, may have to fly via Paris instead of enjoying a direct flight within the continent.

Travelling between Kenya and London is more convenient than flying from Nairobi to Maputo in Mozambique.

On a brighter note, Africa is gradually addressing some of these challenges. Resolutions taken during the meeting of the African Airlines Association in Kenya in 2013 included calls for unrestricted intra-Africa market access and regulatory alignment among African states. The gathering recommended the creation of even playing fields to promote fair competition. The commitment to establish aviation hubs, and the entry of affordable airlines, can transform the African airline business by enabling direct flights between destinations on the continent.

The Yamoussoukro Declaration calls for greater collaboration and the promotion of internal market liberalisation and fair competition. This is a crucial developmental strategy to address industry concerns around safety, environmental protection and security.

The liberalisation of the African skies, without compromising national security needs, could generate 155 000 new jobs and inject another \$1.3 billion into the continent's twelve leading economies.

We have already recognised that poor aviation facilities have impeded the continent's development. But investment in infrastructure, especially in modernising airports to handle the new generation of aircraft such as the Airbus 380 and the Boeing 747-8, and co-operation with regional trade blocks like the European Union, is improving the performance of African airlines. This includes the installation of modern satellite services essential for safe and efficient aviation.

The 2010 FIFA World Cup brought a major facelift and upgrade of South Africa's airport infrastructure. This included the construction of King Shaka International Airport in Durban, which is also the host airport for World Routes this year. South Africa continues to place infrastructure development at the top of our developmental agenda, with further improvement in airports as a priority.

The safety and security of passengers and aircraft is, of course, absolutely crucial, and requires special attention to ensure that it is not an obstacle to the growth of air transport on our continent. Focus on safety is now taking centre stage in the African aviation industry. Africa is implementing the 2012 Abuja Declaration to promote air safety standards that match the world's minimum safety standards. Through the South African Civil Aviation Authority (SACAA), we continue to implement sound and effective safety standards in South Africa.

Other factors that contribute to the challenges faced by the African aviation industry include a lack of resources to replace old aircraft, the low pace of acquiring new technologies and poor maintenance of existing fleets..

South Africa's Airlift Strategy makes a stable and sustainable aviation sector a priority. We have identified a number of interventions, including ensuring world class aviation infrastructure and services; ensuring that we have a stable airport system, regulating aircraft emissions around airport and applying a balanced approach towards managing aircraft noise.

**The** National Airlift Strategy along with our aviation legislation indicates our commitment to growing this sector. The South African aviation sector is stable, we must now become globally competitive.

South Africa has participated actively at the International Civil Aviation Negotiation forum and has supported initiatives to expand air services that benefit our economy and spatial development initiatives.

South Africa is committed to funding developmental projects that benefit the entire continent. Our country is regarded as the springboard to establish strong aviation hubs for sustainable trade and tourism routes that could be marketed to potential investors in the world market. South African Airways continues to secure landing rights on the continent and the rest of the world, and its fleet includes new aircraft that are competitive in the global market.

Sustainable growth has to be supported by skilled personnel, stringent safety measures and quality assurance through constant maintenance of aircraft. Skills development remains amongst our greatest and most immediate challenges, and is crucial to the growth of the aviation industry.

Ladies and gentlemen, this summit takes place at an opportune moment in South Africa. We are implementing several national infrastructure programmes to support industrial development, including the creation of a seamless corridor connecting Durban and Johannesburg through the Free State province. KwaZulu-Natal hosts several infrastructure programmes to support this corridor, including the expansion of the Port of Durban, the Dig-out port and the development of the Durban Aerotropolis.

Indeed, the development of the Durban Aerotropolis is the chief reason that KwaZulu-Natal submitted a bid to host this event. The Aerotropolis presents KwaZulu-Natal manufacturers and entrepreneurs with an opportunity to develop products that are geared for export. It also presents opportunities for the development of tourism resorts, and business hotel and accommodation, infrastructure and property development.

This event presents an opportunity to attract international airlines to King Shaka International Airport as a hub for air passenger and cargo movement between South Africa and our trading partners across the world. The Aerotropolis has the advantage of being located between two important sea ports which account for more than 80% of South Africa's imports and exports. A significant opportunity lies in harnessing the linkages between the aviation economy and the maritime economy.

It has the potential to become a leading growth hub around a burgeoning aviation precinct. Dube Trade Port is earmarked to become a Special Economic Zone, with tax incentive schemes to boost the zone's industrial growth prospects. Located within one of the country's leading industrial hubs, it is well positioned to have a ripple effect on regional development.

Ladies and gentlemen, dear delegates, I trust that the negotiations emerging from this gathering will drive route development, grow the aviation sector, and will support both global and regional economic growth.

I wish all delegates a fruitful summit, and encourage you to explore our beautiful beaches, shopping centres, game reserves and our heritage sites.

I thank you.