

COMMUNIQUE ON THE 12TH AVIATION & ALLIED BUSINESS LEADERSHIP CONFERENCE HELD AT LE MERIDIEN PRESIDENT, DAKAR, SENEGAL, AUGUST 1 - 2, 2006

CONFERENCE OBJECTIVE

The yearly Aviation & Allied Business Leadership Conference, which gathers key decision-makers in the air transport industry and its allied sectors, began in Nigeria in 1995. Its core objective is to provide and sustain a high-level platform for decision-makers to deliberate on critical matters affecting the aviation industry in Africa, with a view to promoting cohesion and achieving increased pace of growth in the industry in Africa. The Conference has over the past 12 years transformed into a remarkable growth platform and component of the industry in Africa, offering a wide range of innovative ideas based on the high-level deliberations of top government officials, chief executives and senior management experts from aviation and allied companies and professionals from various spheres within and outside Africa.

12TH EDITION OF AVIATION & ALLIED BUSINESS LEADERSHIP CONFERENCE

The 12th Aviation & Allied Business Leadership Conference held at Le Meridien President, Dakar, Senegal, from August 1-2, 2006, with the theme: **Air Transport In Africa: Moving With The World**. The pan-African event provided the opportunity for key experts from airports, airlines, civil aviation authorities, infrastructure providers, finance institutions, aircraft manufacturers and the media to brainstorm on effective and efficient ways of moving the air transport industry in Africa at the same pace with that in the rest of the developed world.

OPENING CEREMONY

The 12th Aviation & Allied Business Leadership Conference rolled off the ground with a Welcome cocktail in the evening of July 31st. The Welcome Cocktail was sponsored by ASECNA Senegal. The Publisher of Aviation & Allied Business Publications and Managing Director of Landover Company Limited, Capt. Edward Boyo, formally welcomed Delegates to the Conference on August 1. This was followed by goodwill messages delivered by Mr. Christian Folly-Kossi, Secretary General, African Airlines Association (AFRAA); Mr. Tshepo Peege, President, African Civil Aviation Commission (AFCAC); and Dr. Taieb Cherif, Secretary General, International Civil Aviation

Organization (ICAO), represented by Mr. Andrew Mensah, Acting Regional Director, West & Central Africa, ICAO. Keynote Addresses were delivered by Dr. Bernard Zoba, Commissioner for Infrastructure & Energy, African Union (AU); Honourable Jeff Radebe, Minister of Aviation, South Africa; Ms. Gloria Akuffo, Honourable Minister for Aviation, Ghana; Prof. Babalola Borishade, Minister of Aviation, Nigeria, represented by Dr. Harold Demuren, Director General, Nigerian Civil Aviation Authority (NCAA); and His Excellency Mr. Ousmane Ndiaye, Minister of Tourism & Air Transport of Republic of Senegal. The Conference was declared open by His Excellency Mr. Ousmane Ndiaye, Minister of Tourism & Air Transport, Senegal.

ATTENDANCE

The 2006 Aviation & Allied Business Leadership Conference was well-attended by both delegates and speakers. The Conference is credited as having the highest mix of public and private participants in the aviation industry in Africa. 17 Speakers presented papers at the Conference, and there were six session chairmen including Mr. Vinod Chidambaram, Regional Vice President, Africa, International Air Transport Association (IATA); Dr. Harold Demuren, Director General, NCAA; Mr. Mam Sait Jallow, Project Director, Air Transport, ECOWAS; Mr. Hachim Koumare, Director, Central Africa, Economic Commission for Africa (ECA); Mr. Chamsou Deen Andjorin, Executive Director, Boeing and Mr. Gbenga Olowo, Executive Director, Bellview Airlines. The Conference was attended by representatives of multilateral and international organizations, government officials, aircraft and engine manufacturers, chief executives and senior officials of airlines, airport companies, civil aviation authorities, leasing companies, banks and other financial institutions, information technology and navigational service providers, insurance companies, electronic and print media as well as aviation enthusiasts, all numbering over 260 delegates.

PRESENTATIONS

17 speakers made presentations at the Conference in six sessions namely Airlines, Airports & Infrastructure, Capacity Building, Safety & Security (with a special session on Ageing Aircraft), Policy, as well as Finance & Acquisition. Presentations were driven by the theme of the Conference, **Air Transport in Africa: Moving with the World**, and indeed sought ways to quicken the pace of growth of the air transport industry in Africa so as to move the industry at the same speed with the rest of the developed world. The Conference presentations touched on how to create economies between airlines without contaminating basic competition and individual platforms; adapting the airline fleet to the realities of the African market and global trends; as well as a new entrant's perspective of an international private flag carrier in balancing commercial interests with national development needs. There were presentations on the evolution of global ATM and its impact on Africa and how Africa should respond to this evolution; the business case for new airport technologies; air traffic alliance (EADS-Airbus & Thales Economic Interest Group) and Thales involvement in SESAR Project; retaining strategic aviation workforce, the imperatives for Africa. The FAA perspective of the way forward for ageing aircraft; safety and profitability issues around ageing aircraft; aligning the IATA/IOSA expectations with operational capacity and needs as well as the time for a common African civil aviation policy were also presented at the Conference. There were

also presentations on harmonizing air traffic management for a single African sky; and how ready the African air transport industry is to cope with emerging safety and security challenges. Other presentations were on the role of financial institutions in Africa in credit issues for aviation finance; the case for public-private partnership/joint venture model in financing and management of airports; and developing a regional air transport market in Africa.

AIR TRANSPORT IN AFRICA: MOVING WITH THE WORLD

Discussions at the Conference centered on ways of increasing the rate of growth in the air transport industry in Africa, and above all moving the industry in Africa in line with global trends. Delegates noted that cooperation among African airlines was essential for airlines' growth. Special emphasis was laid on how to maximize the benefits of ageing aircraft and reduce the disadvantages of such aircraft, while paving way for the new-generation airplanes in order to enhance safety, efficiency and profitability. There was also emphasis on replenishing Africa's depleting human resource base. New airport technologies in Africa were also emphasized as a vital factor to move Africa with the world. The Conference discussed the imperatives of a common African Civil Aviation Policy and Single African Sky. Delegates also noted the need to create transparent and enabling environment in the industry in Africa to attract funding.

Issues For Attention

Keeping Pace With Global Trends In Airline Business

The Conference noted that ageing aircraft have safety, image and economic implications for airlines in Africa, and should, therefore be properly managed to minimize the disadvantages associated with such aircraft. The Conference noted that ageing aircraft need to be gradually phased out in Africa and replaced with more efficient new-generation aircraft to benefit African airlines while enabling them operate in line with world trends. It also observed that there is need for cooperation among African airlines and the liberalization of African market for African airlines. In order for airlines to take advantage of global trends, the Conference noted the need to adopt ICT to support their operations.

Recommendations

- The Conference recommended that African airlines should properly understand the business and be guided by a well-researched business plan that emphasizes efficiency and safety management systems (SMS).
- African airlines should cooperate among themselves as a survival strategy and a way of benefiting from economies of scale.
- It further recommended that airlines should seek expert partners to provide certain aspects of their operations rather than the do-it-all tendency in the industry.

- That Information and Communication Technology (ICT) should be adopted as a necessary tool for improved business in the aviation industry.
- That airlines should pay their dues to independent platforms like African Airlines Association (AFRAA), African Civil Aviation Commission (AFCAC), International Air Transport Association (IATA), among others, to enable such institutions provide effective support to the airlines.
- Furthermore, the Conference noted that the full implementation of the Yamoussoukro Decision and liberalization of African skies as well as the granting of 5th Freedom Right are necessary for expansion, profitability and growth of airlines, and therefore, these should be strongly encouraged by African airlines. The Conference also added that competition policies should be harmonized within Africa.
- That African airlines should adopt proper fleet and aircraft utilization as well as customer-oriented services to increase their share of the market.
- That airlines should endeavour to meet international safety and security standards of International Civil Aviation Organization (ICAO).
- That airlines should encourage their States to ratify the Cape Town Convention to enable them acquire more efficient equipment at reduced costs.

Responding To Global Trends In Airports & Infrastructure

Delegates underlined the essence of adopting modern technology in airports operations. The adoption of information and communication technology (ICT) was emphasised as a way of simplifying and improving air transport activities at the airports. Also, the Conference stressed the need for modern air traffic management (ATM) facilities for improved safety and harmonized operations in Africa.

Recommendations

- The Conference recommended that Africa should study the global trends in ICT in order to adopt such technologies that simplify and improve air transport processes such as on-line booking, self-service kiosks, among others; while airport security should also be enhanced with the adoption of appropriate ICT.
- That the automatic dependent satellite-broadcast (ADS-B) system is an effective way that Africa can respond to global ATM.
- That Africa should work together at continental level in the area of air traffic management, and that Africa should collectively determine which technology suits the needs of the continent and available funds..

- That Africa should study the global trends in air traffic management to improve this on the continent.
- The Conference recommended that Africa should trade as a bloc with ATM service providers to benefit from stronger bargaining power.
- That equipment leasing should be exploited as method to acquire vital ATM infrastructure.
- It was also recommended that airlines' fleet should comply with new ATM technologies.
- That governments should encourage private sector participation in airports development.

Ensuring Adequate Capacity In Africa's Air Transport Industry

The Conference deliberated on vital issues affecting the human resource base in the aviation industry in Africa. Such issues included brain drain and ageing personnel which contribute to the drastic reduction of the pool of core professionals including pilots, engineers and flight dispatchers, among others. The Conference also stressed the need to establish more aviation training institutions as well as improving on existing ones in order to produce more professionals to man the aviation sector.

Recommendations

- That competitive remuneration be given to personnel in the air transport industry in Africa to retain their services.
- That increased number of personnel should be trained to fill the gap created by ageing personnel and those leaving to work in other continents, while continuous training should be adopted in the aviation industry.
- Good operating environment and incentives should be given to staff to complement competitive remuneration and training.
- Civil Aviation Authorities should push for accelerated manpower development programme across Africa, and set targets on number of professionals to train within a given period.
- The Conference also recommended that frequent sack of core personnel should be reconsidered to avoid loss of investments and already declining number of key aviation professionals.
- That public and private operators in the industry should establish manpower planning process evaluation within their organizations.

- That there should be pooling of regional resources, as well as establishment and proper funding of regional aviation training schools in Africa.
- It was also recommended that financial institutions, governments and aviation organisations should support training of aviation students, and that regulatory authorities should work together with financial institutions to fund the training of personnel, in order to ensure repayment of such funds.

Special Session On Ageing Aircraft

The common challenge of ageing aircraft was strongly addressed by various experts including aircraft manufacturers and international regulators. Delegates identified various ways of managing ageing aircraft, stressing however that new aircraft have overall less operating and maintenance costs than ageing aircraft.

Recommendations

- The Conference recommended that Africa should come up with a common policy on ageing aircraft.
- That age is not a major issue for ageing aircraft safety-wise if the aircraft is properly maintained in conformity with its approved type design and conditions for safe flying. Aircraft manufacturers should work together with the aviation industry in Africa to effectively manage the challenge of ageing aircraft on the continent.
- That aircraft manufacturers should come up with instructions for continued airworthiness of aircraft more than what is currently available, which should be made available to operators and repair stations, while operational rules for aircraft, airworthiness directives and ageing aircraft safety rules should be adhered to in the use of ageing aircraft.
- Considering that lapses in maintenance programmes cause safety problems in ageing aircraft, the Conference recommended that such aircraft above 14 years of age should be properly maintained by qualified personnel using airworthiness directives from aircraft manufacturers to keep them airworthy.
- Aircraft should be discarded when the economic benefits fall relative to operational and maintenance costs.
- That ageing fleet should be integrated with new aircraft, while gradually replacing ageing aircraft with new-generation aircraft to achieve better safety record, schedule integrity, increased passenger volume as well as increased profitability.

Safety & Security: Moving Up To World Trends

Delegates identified the key tools of improving safety in Africa. The IATA Operational Safety Audit (IOSA) and the ICAO standard and recommended practices (SARPs) were emphasised as cornerstone of safety in air transport industry in Africa.

Recommendations

- The Conference recommended that accident record in Africa should be reduced to a single digit in line with global trend.
- That the International Civil Aviation Organization's (ICAO) Standard and Recommended Practices (SARPs) be strictly observed by operators in Africa.
- ICAO SARPs should be documented in the operation and maintenance manuals of airlines.
- That States which do not comply with safety and security standards should be identified and supported to achieve such standards.
- States should improve their weak safety oversight systems to enhance safety, and States with poor oversight structures should adopt the International Air Transport Association's Operational Safety Audit (IOSA) programme which is recognized by international regulatory bodies.
- CAAs and operators should adopt quality and safety management systems, while Africa should be properly guided by ICAO and IATA on the USOAP and IOSA, respectively.
- The Conference also recommended that regional safety programmes like the COSCAP should be strengthened and the African Safety Enhancement Team (ASET) should be reactivated to drive safety efforts.
- That regulators and operators in the aviation industry in Africa should increase their cooperation in the area of aviation safety.
- The Conference further recommended that increased political support should be given to efforts to achieve increased safety in Africa.

Streamlining Regulation To Meet Global Dynamics

Delegates noted the need for a harmonized African Aviation Policy to drive the development efforts on the continent. The Conference also noted the need for strengthening of political support to the implementation of vital policies and programmes in air transport industry in Africa.

Recommendations

- Africa should evolve a Common Civil Aviation Policy to harmonize and give effect to the efforts to improve air transport on the continent. That a committee should be established by stakeholders in aviation industry in Africa to prepare a common draft policy on civil aviation in Africa.
- The Conference further recommended that existing frameworks and institutions be used to actualize the Common African Civil Aviation Policy.
- It was recommended that the Common African Civil Aviation Policy should serve as a guide for developing civil aviation policies and foster harmonization in Africa as well as assist the Africa Union to achieve its objectives.
- That bloc approach should be adopted in Africa for issues affecting the continent as adopted in other continents.
- The Conference recommended that airlines should take advantage of Yamoussoukro Decision to codeshare and cooperate for increased benefits to Africa.
- That common political commitment is required at the highest level to reposition civil aviation in Africa.

Maximizing Global Opportunities In Finance & Acquisition Within Africa

The 12th Aviation & Allied Business Leadership Conference noted that there is need to increase the funding available to the aviation industry in Africa. Delegates stressed that operators, governments and financiers should show increased commitment to achieve improved funding for the industry, while operators should adopt efficient and effective operational and management systems to attract funding.

Recommendations

- It was recommended that business-friendly environment such as good legal framework, deregulation and privatization should be established in African States to attract financiers.
- That States should create strong financial systems facilitated by dynamic and autonomous central banks that can intervene in the financial system as a way of attracting financing.
- That airlines and operators should pool resources to become stronger in order to attract investors.
- That operators and regulators should adopt sound management and ICT-driven systems that can enhance business success and attract funding.

- That African States should ratify the Cape Town Convention to increase access to funding.
- That governments should legislate to strengthen local financial institutions to be able to fund the capital-intensive aviation industry.
- That operators should adopt financial discipline to effectively manage funds and plough back profits for growth in order to attract financiers, while Africa should establish an aviation system that is self-financing.
- That public-private partnerships should be strengthened in air transport industry in Africa.

AVIATION & ALLIED BUSINESS INDUSTRY ACHIEVEMENT AWARDS

The Aviation & Allied Business Industry Achievement Awards was established in 2001 during the 7th Leadership Conference held in Abuja, Nigeria. The Awards was instituted as Aviation & Allied Business Publications' effort to recognize professionalism and innovative contributions of individuals and corporate organizations to the air transport industry in Africa. Those honoured with the Individual Achievement Award at the 12th Aviation & Allied Business Leadership Conference include Dr. Bernard Zoba, African Union Commissioner for Energy & Infrastructure; Ato Girma Wake, Chief Executive Officer of Ethiopian. The Corporate Achievement Award was given to Cape Verde Civil Aviation Authority and Agence Nationale de l'Aviation Civile du Senegal (ANACS). The 2006 Awards Gala Nite was organized by Aviation & Allied Business in partnership with Administration Des Activites Aeronautiques Nationales Du Senegal (ASECNA).

SPONSORS

The 2006 Aviation & Allied Business Leadership Conference got support from various aviation, aerospace and allied companies within and outside Africa. These include ATR, Nigerian College of Aviation Technology, (NCAT), Zaria; Boeing; Virgin Nigeria; Nigerian Airspace Management Agency (NAMA); Agence Nationale de l'Aviation Civile Du Senegal (ANACS); AELEX; ASECNA; Air Senegal International; Nigerian Meteorological Agency (NIMET); Thales ATM; First Bank Plc; Landover Company Limited; Skypower Aviation Handling Company (SAHCOL); SITA; DHL; Overland Airways; Bellview Airlines; Administration Des Activites Aeronautiques Nationales Du Senegal, Streamsowers & Khon; Nigeria Civil Aviation Authority (NCAA) and Federal Airports Authority of Nigeria (FAAN).

OBSERVATIONS

Participants expressed satisfaction over the outcome of the Conference. Also, participants were satisfied with the theme of the Conference which sought to move aviation in Africa with the world trends. Over 80% of Conference delegates highly rated the session chairmen and most speakers.

CLOSING REMARK

The 12th Aviation & Allied Business Leadership Conference ended on August 2, 2006 following the Industry Awards Gala Nite. The Publisher of Aviation & Allied Business Publications, Capt. Edward Boyo, in a brief remark urged delegates and governments to sustain the efforts to improve civil aviation in Africa especially in line with global trends. He also charged delegates to ensure the implementation of the recommendations made at the Conference.