



**DECISION OF THE BOARD OF DIRECTORS OF TANZANIA CIVIL AVIATION
AUTHORITY ON LIBERALIZATION OF GROUND HANDLING SERVICES**

DECISION No. 1 OF 2022

Made under Section 45 of the Civil Aviation Act, Cap 80

1.0 INTRODUCTION

The Board of Directors on 25th April 2022 conducted an inquiry in accordance with section 45 of the Civil Aviation Act, Cap 80 which grants the Authority powers to hold an inquiry where it considers it necessary or desirable for the purpose of carrying out its functions. The objective of the inquiry was to collect comments from the stakeholders on the Authority's intention to liberalise ground handling services in the United Republic of Tanzania.

This is in response to the growing trend of the aviation industry in the country including but not limited to construction of new infrastructures, improvement of available facilities and the increase in numbers of passengers and aircraft movements recorded at the airports in the past six (6) years.

The intended liberalisation strives to create a more conducive environment such that provision of ground handling services at the airports becomes more liberal in order to attract competition and improve quality and affordability of ground handling services. This goes together with adoption of industry best practices globally, while considering safety, security, sustainability, reliability and economic efficiency.

2.0 OBJECTIVES OF THE DECISION

This Decision attempts to achieve the following:

- a) To cope with:
 - i) the ongoing expansion and improvement of airport infrastructures and facilities, in terms of both quality and quantity;
 - ii) the growing ground handling market size (passenger traffic, aircraft movements and cargo volume) being recorded from time to time; and
 - iii) the potential growth of the aviation industry following the Government explicit efforts in supporting aviation and tourism developments in the country;
- b) To strengthen competition in the ground handling market;
- c) To address specific needs of each airport based on merits related to infrastructure development, facility improvement and economic prosperity of the aviation industry; and
- d) To adopt the best practices in Africa and globally.

3.0 SUBJECTS OF LIBERALISATION

The Board of Directors analysed facts provided regarding the liberalisation of ground handling services and comments given by stakeholders during the inquiry meeting. Subsequently, it is hereby decided as follows:

3.1 Provision of Self-Ground Handling Services

An air operator shall be licensed by the Authority to provide Ground Handling Services as stipulated by regulation 6 (1) of the Civil Aviation (Ground Handling Services) Regulations, 2012. Only an Operating Carrier under a codeshare arrangement shall be allowed to provide Ground Handling Services to the partner airline (Marketing Carrier) under the arrangement. The air operator shall enter into an agreement with an airport operator prior to operations at the respective airport.

3.2 Provision of Independent Ground Handling, Inflight Catering and Aviation Fuel Services

For the purpose of making the services more liberal:

- a) the Authority shall not limit maximum numbers of service providers at airports; henceforth market price, quality and quantity of the services, shall be determined by the forces of demand and supply;
- b) in case an Airport Operator intends to increase number of ground handlers, the Authority shall consider and approve applications if they conform with available airport infrastructures, facilities and economic factors prevalent at the time of the request, in order to ensure an effective liberalisation and controls; and
- c) for selection of ground handling service providers, an Airport Operator shall continue to observe regulation 20 of the Civil Aviation (Ground Handling Services) Regulations, 2012 on concession of ground handlers.

4.0 GENERAL PRINCIPLES

- a) Ground handling service provider shall ensure adequacy, quality and sufficiency of services at the airports;
- b) Concessions shall not be granted on the basis of any form of favouritism or exclusivity at an airport and its Terminals;
- c) Airport operators shall always ensure ground handling service providers operate at the right airport with the right class of the licence;
- d) All ground handling service providers shall observe the principles of fair competition; and
- e) Subcontracting of ground handling services shall not be allowed and handling licences are not transferrable.

5.0 COMMENCEMENT, REPEAL AND SAVINGS

This Decision shall come into force on the date of its signature.

Decision No. 1 of 2016 on liberalization of ground handling services in the United Republic of Tanzania, which was issued by the Board on 22 July 2016, is hereby repealed.

All Concessions granted by the Airport Operator prior to this decision shall remain operational until their expiry or they are revoked, annulled or replaced.

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Director General
Tanzania Civil Aviation Authority

Prof. Longinus Rutasitara
Chairman of the Board of Directors
Tanzania Civil Aviation Authority

Date of issue: 23rd May 2022