

DIRECTORATE OF ECONOMIC REGULATION

AIR TRANSPORT MONTHLY MONITOR: AUGUST 2020

[ATMM/1/2020]

In Summary: *Air Transport Monthly Monitor [ATMM] is a digest of analyses and informative communication of industry events which occurred in a given month. It is designed to share events that took place locally and in a global perspective which may have impact on the industry. Few events for the month of August 2020 are shared hereunder.*

The United Republic of Tanzania relaxes COVID-19 related travel restrictions on travelers

Following reduced number of COVID-19 cases in hospitals, on 5 August 2020, the Government of the United Republic of Tanzania through Tanzania Civil Aviation Authority (TCAA) issued a Circular to the public which was meant to communicate the revised measures to be observed by passengers including the following:

- All travelers whether foreigners or returning residents entering or leaving the United Republic of Tanzania will be subjected to enhanced screening for COVID-19 infection. There will be no 14 days mandatory quarantine.
- All travelers whether foreigners or returning residents whose countries or airlines require them to get tested for COVID-19 and turn negative, as a condition for travelling, will be required to present a certificate upon arrival. Travelers from other countries with symptoms and signs related to COVID-19 infection, will undergo enhanced screening and may be tested for RT-PCR;
- Crew members shall not be subjected to present a negative test COVID-19 certificate as a condition of entry or departure. However, they will be screened for symptoms and signs in line with the country's protocol;
- While in the country, all international travelers should observe adherence to Infection, Prevention and Control measures such as hand hygiene, wearing masks and keeping physical distancing as deemed appropriate;
- All travelers are required to truthfully fill out Traveler's Surveillance Form available onboard or in

any other transport means and submit to Port Health Authorities upon arrival;

- All international arriving passengers shall dispose-of their masks after use during travel at designated waste collection containers upon arrival;
- All arriving/departing flights must provide Advance Passenger Information so as to allow the Points of Entry Authorities to scrutinize the manifest for possible high-risk passenger identification;

In view of this fact, all air operators, travelers to/out of the United Republic of Tanzania and other aviation stakeholders were advised to observe stipulated measures. Effective 18 May 2020, the Government of the United Republic of Tanzania has lifted the restriction of authorizations for scheduled and non-scheduled international commercial passenger flights into and out of United Republic of Tanzania which has been in effect since 11 April 2020.

Nullification of the Approval for Kenya Airways to fly into the United Republic of Tanzania

On 31 July 2020, the Director General of Tanzania Civil Aviation Authority issued a public notice to suspend the Kenya Airways (KQ) approval of the revised Summer 2020 schedule. This came a few days after the Kenyan Transport Cabinet Secretary, Mr. James Macharia listed **11 countries** which were exempted from 14-day quarantine by the Government of Kenya in the effort to fighting spread of the COVID-19 pandemic. Passengers on board flights from those 11 countries were not subjected to a 14-day quarantine on arrival. Tanzania was not among the 11 countries, which therefore meant that passengers arriving by flights from the United Republic of Tanzania were

DIRECTORATE OF ECONOMIC REGULATION

AIR TRANSPORT MONTHLY MONITOR: AUGUST 2020

[ATMM/1/2020]

supposed to be quarantine for 14 days before they were allowed entry into Kenya.

Subsequently, effective 1 August, 2020, KQ flights were not allowed entry into Kenya to reciprocate the unacceptable condition imposed by Kenya for the passengers disembarking on flights from Tanzania. Kenya had allowed passengers disembarking at flights from a number of neighboring countries unrestrictedly, including Uganda, Ethiopia and Rwanda. Later in the mid of August 2020, Kenya updated the list of countries whose passengers will be exempted from quarantine **from 11 countries to 130 countries** and still Tanzania was excluded. Tanzania decided to revoke the approvals to the Kenyan Air Kenya Express, Fly540 and Safari link Aviation from flying into Tanzania.

Directives for Remotely Piloted Aircraft Systems (RPAS) Registration

On 2nd December 2018, new regulations for Remotely Piloted Aircraft Systems (RPAS) or drones in the United Republic of Tanzania, cited as the Civil Aviation (Remotely Piloted Aircraft Systems) Regulations, 2018 were published. The new Regulations include the following changes: *New Pilot Licensing Rules and Examinations, RPAS Registration required for all RPAS (drones), Approval before importation of RPAS.* This included both commercial and recreational uses.

On implementing the Regulations, the Authority had given out the directives for RPAS (drones) registration and their operation. Some of the provisions in the Regulations are:

→ The Regulations apply to RPAS or drones that weigh up to 25 kilograms and are operated within the pilot's visual-line-of-sight;

→ These Regulations introduce three categories of RPAS operations: **Category A** - used for recreational and sport purposes only, **Category B** - used for private activities excluding recreational and sports purposes and **Category C** - used for commercial activities;

→ **Penalties:** There are penalties against those who contravene the Regulations. Individuals and corporations can face fines or jail term for contravening any provision of the Regulations;

→ **Pilot licence and knowledge tests:** All RPAS pilots for commercial or private purposes shall have an RPAS pilot Licence and shall pass an initial aeronautical knowledge test or recurrent aeronautical knowledge test;

→ **Registration:** All RPAS must be registered with the Authority and shall be assigned a registration number before operation;

→ **Operation in prohibited or restricted areas:** The Regulations also define certain restricted areas for operating RPAS like near airports and shall not be operated in a manner that endangers other aircraft, persons or property;

→ **RPAS Safety Management System:** RPAS operators shall establish and implement a Safety Management System (SMS) commensurate to the size of their operations in accordance with their operational requirements. Pilots must operate their drone within the limits outlined in the Regulations.

→ **Transition:** In this respect, any RPAS operated prior to the publication of these Regulations, shall be registered within twelve months from the date of publication of the Regulations.

DIRECTORATE OF ECONOMIC REGULATION AIR TRANSPORT MONTHLY MONITOR: AUGUST 2020 [ATMM/1/2020]



Tanzania Awarded SAFE TRAVEL STAMP by World Travel Tourism Council

Safe Travels Stamp is a seal of approval by World Travel and Tourism Council (WTTC) that helps to identify destinations and business that have adopted a new set of global safety and hygiene protocols. For a destination to receive a Safe Travels Stamp, it must ensure that its own safety guidelines align with the WTTC's core requirements and health protocols that take into account current World Health Organization and Centre for Disease control guidelines. On 27 May 2020 in London, UK, the WTTC launched the world's first ever global safety and hygiene stamp so that travelers can recognize governments and business around the world which have adopted health and hygiene global standardized protocols so that consumers can experience "Safe Travels".

And on 24 July 2020, WTTC mentioned Costa Rica, Tobago and Tanzania as new destinations to be signed up to the world's first ever global safety and

hygiene stamp. During the mention, Hon. Dr. Hamisi A. Kigwangalla (MP), the Tanzania Minister for Natural Resources & Tourism, said:

"Tanzania is indeed well positioned to tap into the growing potential of the ever-expanding tourism industry. The Government of Tanzania re-opened its airspace for travel and together with the tourism private sector developed Standard Operating Procedures (SOPs) that all tourism stakeholders have to adhere to prevent the spread of Coronavirus in the tourism related activities in the country. It is in the interest of the tourism industry in Tanzania that tourists stay safe while in the country and also the citizens of Tanzania remain safe. In this regard, Tanzania joined hands with other destinations to applaud the continued efforts by the World Travel & Tourism Council (WTTC) in achieving effective tourism recovery through the development of Safe Travels Stamp and its protocols. These protocols advocate for meaningful actions globally, leading to a future way of travelling which is safe, secured and unified, providing a meaningful experience to tourists as well as supporting the livelihood of the local people in tourist destinations. With WTTC endorsing Tanzania to use the Safe Travels stamp marks another step to our quest to present to you the safest unforgettable experiences. I welcome all travelers to Tanzania and wish to assure you that Tanzania is safe, open and ready to provide travelers with unforgettable experiences and hospitality. Karibu Tanzania!"

Aircraft Movements – Aug. 2020

For the month of August 2020, the following is a digest of passengers arrived and departed from our international airports of **Julius Nyerere International Airport (JNIA)**, **Kilimanjaro International Airport (KIA)** and **Abeid Amani Karume International Airport(AAKIA)** in respect to

DIRECTORATE OF ECONOMIC REGULATION

AIR TRANSPORT MONTHLY MONITOR: AUGUST 2020 [ATMM/1/2020]

their frequencies after re-opening of the Tanzanian airspace in May 2020:

| Airport | Airline | Freq. |
|---------|------------|---------|
| JNIA | Ethiopian | 7 |
| | Qatar | 7 |
| | KLM | 4 |
| | Emirates | 2 |
| | Rwanda | 3 |
| | Egypt | 1 |
| | Turkish | 3 |
| | Fly Dubai | 2 |
| | Swiss Intl | 2 |
| | Oman Air | charter |
| | Fly540 | charter |
| | Lam | 2 |
| KIA | Ethiopian | 4 |
| | Qatar | 3 |
| | KLM | 3 |
| | Rwanda | 4 |
| AAKIA | Ethiopian | 5 |
| | Qatar | 4 |
| | Fly Dubai | 2 |

IATA Review: Cash may run out for Some Airlines during Tough Winter Season.

IATA week analyzed cash position of the airlines reporting their second quarter 2020 financial results to see how long their balances of cash and near cash assets would last if the rate of cash burn they faced in that quarter persisted. The answer, for the median airline, is just over 6 months.

Many airlines, though not in all regions, have survived so far and had their cash balances boosted by Government aid, which totaled \$161 billion worldwide by early September 2020. Of course, airlines have also slashed costs to reduce

cash burn. A smaller number of airlines also raised cash on the capital markets by issuing debt or equity and selling assets. Consequently, there is a group of airlines who have large cash balances that would last a long time, even at the 2020 Q2 rate of cash burn. However, most airlines do not have this buffer.

Cash burn was probably at its worst in Q2 as the COVID-19 crisis hit hardest, but Q4 and Q1 next year are typically quarters of weak cash flows, even without 2nd waves of the virus. Existing cash balances are also not the only source of liquidity. Airlines can also raise cash from capital markets and by selling or borrowing against assets. But not all airlines are able to do this. Even after taking this into account, since Government aid is starting to be withdrawn (e.g. wage subsidies), many airlines in the industry remain in a fragile financial state and will struggle to survive the weak winter months, unless we see a faster pace of recovery in air travel than we have today.

The latest second quarter financial data confirmed that the airline industry had its worst quarterly financial performance. Although airlines took steps to limit their losses by taking cost cutting measures and focusing on cargo business as an additional source of revenue, operating losses increased sharply resulting in a substantial drain on cash.

Oil and jet fuel prices rebounded recently with the supply disruptions but the outlook for global oil demand is still fragile indicating the recent rally in prices could be temporary. Fuel prices are still substantially lower than last year.

Both passenger and cargo demand continued their gradual recovery in August. However, the pace of recovery in passenger demand lagged the rise in



DIRECTORATE OF ECONOMIC REGULATION
AIR TRANSPORT MONTHLY MONITOR: AUGUST 2020
[ATMM/1/2020]

seat capacity, likely increasing cash burn of airlines. Restarting the network in response to weak and varying travel demand patterns continues to be a challenge for airlines.