

## DIRECTORATE OF ECONOMIC REGULATION

### AIR TRANSPORT MONTHLY MONITOR: SEPTEMBER 2020 [ATMM/2/2020]

**In Summary:** *Air Transport Monthly Monitor [ATMM] is a digest of simple 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 air transport sub-sector. Few events for the month of September 2020 are thus shared hereunder.*

#### **Resumption of Kenyan flights to the United Republic of Tanzania**

Kenya Airways (KQ) resumed flights to Tanzania on 21 September 2020 bringing to an end of a dispute that has lasted for 46 days due to reasons linked to the COVID-19 pandemic. KQ Zanzibar route resumed on 26 September 2020 operating three flights weekly on Mondays, Wednesdays and Saturdays. Before the ban, KQ had planned two daily flights to Dar and three weekly flights to Zanzibar. It may be important to note that, before the pandemic, KQ had a total of 35 weekly flights into the United Republic of Tanzania and used to carry more than 15% of international passengers moved between Tanzania and other parts of the world.

Since the resumption of the of international flights on 1 August 2020, Kenya Airways, alongside three other Kenyan airlines – Air Kenya Express, Fly540, and Safari link Aviation had been locked out of Tanzanian airspace after Nairobi retained Tanzania on the red list of nations with a high risk of coronavirus denying its citizens and other travelers originating in Tanzania unrestricted entry into Kenya.

The discriminative treatment that was unacceptable by the Government of the United Republic of Tanzania was the requirement of the 14-day mandatory quarantine on entry into the Republic of Kenya.

KQ has since resumed flights to 30 destinations after grounding of its fleet in March 2020 by the government to stem the spread of the virus.

Kenyan carriers resumed operations into the United Republic of Tanzania after the Director General of Tanzania Civil Aviation Authority (the civil aviation regulatory authority) lifted its ban to the Kenyan operators after lifting the quarantine requirement by the Government of Kenya for travelers from the United Republic of Tanzania.

#### **Coastal Travel's with Adventures in the Serengeti**

Following East African Countries, Tanzania, Kenya and Rwanda being awarded the Safety Stamp for Travel (Coastal) and Tourism by the World Travel and Tourism Council (WTTC) , Coastal Travels continued to follow all procedures with all the necessary safety precautions and protocols for the comfort and assurance of their passengers and crew in the interests of keeping them all safe. Passengers are required to wear masks all times on all Coastal flights as prescribed in the guidelines by port health.

In view of that, Coastal has decided to unlock some discoveries which are too good not to share. From the plains of Tanzania's Serengeti National Park, famous for the magnificent annual wildebeest migration, to the pristine white-sand beaches of Zanzibar famously known for its culture and heritage. On 11th September 2020, coastal started to fly on those adventures daily, from the heart of the Bush to the Beach with a daily flight available to/from Tarime to/from Serengeti with an estimated arrival and departure time of 09:30 and 09:45 respectively.



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#### **TCAA suspends Aviation Training Courses Conducted by Tanzania Aviation College**

From 8 June 2020, Tanzania Aviation College (TAC) was suspended by the Tanzania Civil Aviation Authority (TCAA) to conduct Aviation Training Courses after an ad-hoc inspection done by the Authority's inspectors. It has been learnt that TAC has been conducting the training contrary to the provisions of the Civil Aviation (Approved Training Organization) Regulations, 2017.

#### **Qatar Airways has signed an interline agreement with ATCL**

Qatar Airways is pleased to announce that it has signed an interline agreement with Air Tanzania Company Limited (ATCL), providing passengers with additional seamless connections to domestic and international destinations in Africa. The agreement, which was signed on 15 September 2020 at Dar es Salaam, will enable passengers in Africa to travel smoothly between Africa and Doha and onward to destinations across Qatar Airways wide network in Asia Pacific, America, Europe and the Middle East. Qatar Airways' passengers will benefit from access to 19 domestic and international destinations in Africa including Dar es Salaam, Zanzibar, Kilimanjaro, Arusha, Mwanza, Bukoba, Kigoma, Tabora, Mpanda, Mbeya, Songea, Mtwara, Dodoma, Iringa, Bujumbura, Entebbe, Harare, Lusaka and Hahaya.

Qatar Airways Vice-President, Africa Mr. Hendrik Du Preez said: "We are delighted to have this new collaboration with the national carrier of Tanzania. This agreement with ATCL will significantly increase our operations within Tanzania and beyond enabling global travelers to explore additional

iconic destinations across the continent while reinforcing our commitment to tourism in Africa."

ATCL Managing Director and CEO, Eng. Ladislaus Matindi said, "This partnership is going to strengthen and expand our market presence and competitive ability to both of us within Africa and beyond, as well as creating the values which we were looking at before establishing this venture. ATCL aspires to be the airline of choice that exceeds customers' expectations and provide reliable, safe, and sustainable high-quality airline services globally."

Qatar Airways has established a strong relationship with Tanzania over the years. It commenced its scheduled services to Dar es Salaam from 10 January 2007 followed by Kilimanjaro on 25 July 2012 and Zanzibar on 1 July 2015 with daily flights to all three stations.

Qatar Airways continues to be the leading global airline connecting passengers with the world, operating one of the youngest, and most fuel-efficient and sustainable fleets to take people safely to where they need to be. Since the onset of the pandemic, the airline's network has never fallen below 30 destinations. By mid-September, Qatar Airways' network will expand to more than 650 weekly flights to over 85 destinations, offering passenger more flexible travel options via the best airport in the Middle East, Hamad International Airport.

Qatar Airways' onboard safety measures for passengers and cabin crew include the provision of Personal Protective Equipment (PPE) for cabin crew and a complimentary protective kit and disposable face shields for passengers. Business Class passengers on aircraft equipped with Q-suite

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can enjoy the enhanced privacy this award-winning business seat provides, including sliding privacy partitions and the option to use a ‘Do Not Disturb (DND)’ indicator. Q-suite is available on flights to more than 30 destinations including Frankfurt, Kuala Lumpur, London and New York.

To ensure travelers can plan their travel with peace of mind, the airline has extended its booking policies to offer even more choice to its passengers. The airline will allow unlimited date changes, and passengers can change their destination as often as they need if it is within 5,000 miles of the original destination. The airline will not charge any fare differences for travel completed before 31 December 2020 after which fare rules will apply. All tickets booked for travel up to 31 December 2020 will be valid for two years from the date of issuance.

#### **IATA Review: IATA downgrades 2020 traffic forecast following poor summer season**

The International Air Transport Association (IATA) has announced that it has downgraded its traffic forecast for 2020 to reflect a weaker than expected recovery, as evidenced by a dismal end to the summer travel season in the Northern Hemisphere. IATA now expects full-year 2020 traffic to be down by 66 per cent when compared to 2019 levels. The previous estimate was a 63 per cent decline.

The August 2020 passenger demand continued to be hugely depressed against normal levels, with revenue passenger kilometers (RPKs) down by 75.3% compared to August 2019. This was only slightly improved compared to the 79.5% annual contraction in July 2020.

Domestic markets continued to outperform international markets in terms of recovery, although most remained substantially down on a year ago. August capacity (Available Seat Kilometers or ASKs) was down by 63.8% compared to a year ago, and load factor plunged 27.2 points to an all-time low for August of 58.5%.

Based on flight data, the recovery in air passenger services was brought to a halt in mid-August 2020 by a return of government restrictions in the face of new COVID-19 outbreaks in a number of key markets. Forward bookings for air travel in the fourth quarter show that the recovery since the April 2020 low point will continue to falter.

Whereas the decline in year-on-year growth of global RPKs was expected to have moderated to 55% by December 2020, a much slower improvement is now expected with the month of December forecast to be down 68% on the year ago.

IATA’s Director General and CEO, Alexandre de Juniac, said: “August’s disastrous traffic performance puts a cap on the industry’s worst-ever summer season. International demand recovery is virtually non-existent and domestic markets in Australia and Japan actually regressed in the face of new outbreaks and travel restrictions. A few months ago, we thought that a full-year fall in demand of 63 per cent compared to 2019 was as bad as it could get. With the dismal peak summer travel period behind us, we have revised our expectations downward to 66%.”

“Traditionally, cash generated during the busy summer season in the Northern Hemisphere provides airlines with a cushion during the lean autumn and winter seasons. This year, airlines have



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no such protection. Absent additional government relief measures and a reopening of borders, hundreds of thousands of airline jobs will disappear. But it is not just airlines and airline jobs at risk. Globally, tens of millions of jobs depend on aviation. If borders don't reopen, the livelihoods of these people will be at grave risk. We need an internationally-agreed regime of pre-departure COVID-19 testing to give governments the confidence to reopen borders, and passengers the confidence to travel by air again," said de Juniac.