

CEO SACAA Keynote Address Air Africa Expo 2010

16 February 2010

Distinguished guests

Exhibitors

Representatives from various countries

Members of the Media

Fellow Colleagues in Aviation

Welcome

I would like to take this opportunity of welcoming all of you attending this exhibition over the next 3 days. A special welcome is extended to those who have travelled far to be part of this event. I hope that you will have a fruitful time as you explore what is available in the marketplace and participate in the conference.

The Conference

The vibrancy and diversity of the world of aviation will be covered at this venue in the course of the conference and will include topics such as surveillance, non-destructive testing, aviation safety and security, insurance, cosmic radiation and the joys of owning your own aircraft.

In the context of the African continent

- Many of the countries on the African continent are not developing as fast as could be expected. The historical lack of a safe aviation infrastructure could well be a contributing factor to this situation.
- However, in recent years this shortcoming has been addressed, and we now have the benefit of the ICAO Universal Safety Oversight Audit Programme (USOAP) which promotes global aviation safety through the regular auditing of safety oversight systems in all ICAO Contracting States, with a particular goal of ensuring that no one region has more than double the world average of jet hull losses.
Audit teams also determine the various States' level of implementation of safety-relevant ICAO Standards and Recommended Practices (SARPs) with their associated procedures and guidance material.
- In line with this, we've witnessed a continuous reduction in the accident rate in Africa since 2006, to the point that in 2009, the AFI region was no

longer the most “dangerous” region in the world. Unfortunately many governments are still not putting revenues received from aviation into developing their air infrastructure. The safe air transport of people and cargo is **essential** for a developing nation to attract foreign investment and business and technical expertise.

- Although some think that it is outdated, the Chicago Convention on International Aviation was founded on the basis that international air transport services may be established on the basis of equality of opportunity, and operated soundly and economically. This promotes fair trade on the continent and all other regions.

Global economy

- Our industry has weathered a number of years of uncertainty, as all of commerce battles the effect of the economic downturn with cost reductions and slim economic gains. Further global challenges include the environment, security and freedoms of the air.
- Although the beginnings of an economic upturn are now visible, especially in Asia, the overall picture of the industry indicates that yields will be weaker than anticipated and oil prices will be higher, which will offset better economic growth. ICAO has forecasted that losses will diminish, but a recovery to net profit looks unlikely until 2011. The demand therefore shows signs of improvement, but rising costs and falling yields remain a matter of concern.

The global role of the aviation industry

- The aviation industry plays an important role in the global economy. The passages of the sky link distant communities together and expedite the transport of people and goods and of those looking for new business opportunities.
- At present, over 15,000 commercial airliners throughout the world are transporting more than 2 **billion** passengers every year. It is expected that with the upturn of the global economy, there will be an increasing demand for air travel, especially from the emerging economies around the world, such as Africa.
- The Air Transport Market Analysis of December 2009 indicated that Africa’s airlines, after a sharp decline in early 2009, have managed to increase travel volumes carried by 14% and ended the year strongly with a 5% rise in December over November traffic levels.

Turning now to South Africa

The commercial value of the aviation industry was not always fully realised in South Africa. However, the world has increasingly become a global village, and as aviation personnel have been moving all over the continent and have also been lost to Europe, Africa has become aware of the implications to the industry.

- In South Africa we have the largest aviation industry on the continent, and also one of the safest, as evidenced by our FAA Category 1 rating, which puts us on par with the rest of the world.
- We performed well in the ICAO Universal Safety Oversight Audit Programme of 2007 and excelled in the recent ICAO & TSA security audits.
- It would be true to say that the World Cup of 2010 could not have been achieved without the role that aviation played in securing it. Besides preparations for restricted airspace, special landing zones such as temporary helipads are being allocated by the SAPS and SAAF in conjunction with the SACAA, for the tournament. Much has been done to ensure that our infrastructure will be able to handle the increased demand of air travellers.
- Our airports are being upgraded and they are subsequently becoming significant regional hubs.
- The demographics of passengers who use airlines indicate that we are broadening our participation of travellers who use aviation as a means of transport. Budget airlines across the world have helped bring about a similar situation by making air travel more affordable. Budget terminals (Singapore).
- We have the expertise of subcontractors of major air carriers in the country.
- The South African government, in its national airlift strategy, has indicated that it will grant routes to any foreign operator who can present a viable service, with the implications of stimulating the market and enhancing airline competition. The benefits to tourism are obvious.

Expansion into the continent

1. South Africa is assisting regionally in matters such as oversight; by means of assistance and cooperation programmes.
2. We also help with the training of pilots, engineers and air traffic controllers, for the benefit of the continent.

3. We have mutual regional cooperation and assistance programmes in terms of aviation compliance with international expectations.
4. South Africa has established itself as the Maintenance, Repair, and Overhaul (MRO) hub for sub-Saharan Africa.
5. Joint ventures are important for sustainability – we have technological upgrades for countries in Africa. Pilot and Technician training is also available locally. Our local aviation training organisations are not only training pilots for Africa, but also for Asia, namely India, Pakistan and even Afghanistan. Denel is training technicians from all over Africa as is ATNS.
6. With respect to ground infrastructure problems, South Africa is leading the way with the implementation of performance-based navigation and multilateration surveillance, as a cost effective alternative to secondary radar.
We are planning to introduce RNAV/GNNS procedures at all the major airports and key smaller airports; with subsequent time and fuel savings to the industry and operators being anticipated. At big airports, and in bad weather, these facilities can increase capacity due to the ability to allow multi-sector approach paths.

7. Development of local manufacturing and modification programmes

A number of South African companies have been very successful in local manufacturing and modification programmes. E.g. Upgrade packages for existing military helicopters, at a cost which significantly reduces the capital outlay required for new equipment, while delivering equivalent capability. Give further examples – Rotorway, MGL.

With regards to Air Traffic Management, by combining our resources, we can have seamless airspace for the entire region. A SADC team, lead by Peter Marais from ATNS have shown that it is possible to have a single UACC for the whole region, and indeed for the whole of Africa based in one centre. This will result in significant cost savings for the industry and common standards and procedures which will have a huge effect on safety.

The CAA supports this Expo in that it is not only putting aviation on the map, it is also giving exposure to the industry. We hope that this first expo will not be the last, but that it will continue and generate even more similar events.

I wish you an enjoyable and profitable time at the Expo. Thank you