

---

# Unlocking the African continent

By **PAX International** on | Aviation Trends



The Bombardier CRJ-Q family is helping expand Africa's aviation market

## Investing in regional aviation is the key to building sustainable airlines

With more and more travelers and investment heading into Africa, the airline industry will need to respond to growing demand. Above all, that means connecting the major hubs to the secondary cities so both business travelers checking on the progress of their investments, as well as a growing class of adventurous tourists, can take advantage of a true intra-Africa network.

The recent rate of Foreign Direct Investment (FDI) into Africa has been among the highest in the world, and those who benefit from the resulting economic growth will want to take full advantage of a convenient network. Overall, increased disposable income among many members of these growing communities will increase their propensity to travel. It is critical then to take a holistic approach to development, including expanding routes, diversifying carriers and developing more infrastructure.

## Choice of carrier, choice of comfort

As noted, the main driver behind the increased air transport demand is primarily business travel – both intra-African and from further afield. The passengers traveling on these services will need the right combinations of destination and choice of carrier to create productive market competition that ensures fares are not overpriced. According to Innovata, 70 percent of current regional routes (sectors of 1,500nm or less) are monopolies, operated by a single airline. Such exclusivity needs to change because business travel requires frequencies and comfort.

One single-aisle rotation a day is unlikely to satisfy travelers' demands, nor is flying on an aircraft now

with its third or fourth operator after 15 or more years of operation. Only newer, current-generation aircraft can provide the comfort level these well-traveled passengers expect.

Still, as the building blocks for a successful pan-African network come together, obstacles are anticipated. Africa remains a high-cost environment: ground services, taxes and fees, fuel costs (sometimes dictated by a state monopoly), heavy regulation, plus require committed investment.

### **The right tools for the right routes**

The still heavily regulated, yet-to-be fully liberalized market, combined with a low-fare industry still not suited to passenger preferences will take some time to adapt to the growing demand for business travel. National carriers, meanwhile, cannot repeat past mistakes which drove many an airline bust due to over-reaching and wrong turns in the decision-making process.

To build something which will serve Africa long-term, carriers will need to operate the right size of aircraft. The reasons are simple: As noted, frequency is needed to attract new travelers and ensure a competitive market share. But concurrently, at least to start, the per-day-each-way (PDEW) traffic will not be enough to provide adequate load factors for large single-aisle aircraft. That means aircraft size is the key to minimizing the risk of operating empty aircraft.

Regional aircraft are the tools to provide the backbone of a sustainable airline. Turboprops enable access to communities which may not have adequate infrastructure for larger aircraft yet. Ghana's Passion Air, for example, has recently taken delivery of its first Bombardier Q400. On its website, the airline states that its top objective is to "create a network that provides feeder traffic to existing and future intercontinental operators to Accra."

In communities where such infrastructure development has been possible, but the PDEW traffic is still not sufficient for large single-aisle jets, regional jets become the obvious choice for an airline fleet planner. They are cheaper to operate, with comparable seat-mile costs, but much lower trip costs. All that adds up to an ability to offer the frequencies needed to develop a route and raise the PDEW passenger figure. Some of the more successful African carriers are already using regional aircraft in just such a manner. The fleet at Ethiopian Airlines, for example, includes both widebodies as well as 23 Bombardier Q400s. These have been used to develop services to the country's hinterland, which also, of course, bring traffic to the hub for long-haul flight connections.

Moreover, the East African carrier has been a strategic partner for Togo-based ASKY, also a Q400 operator, as the latter has developed its network across 20 countries in West and Central Africa.

Similar to Ethiopian Airlines, Rwandair flies two Bombardier CRJ900s and two Q400s to connect to the country's interior. The fleet choices also underline the airline's recognition that certain markets need these aircraft types, which have the added benefit of being valuable to launch and grow new markets. The strategy of including regional aircraft as a vital component of network development is also being continued by the revived Uganda National Airlines, which announced at the 2018 Farnborough Air Show, an order for four CRJ900s. The carrier understands the importance of using regional aircraft to begin its operations and build the foundation for a future long-haul network.

### **Adopting a regional aviation focus**

These carriers all have regional aviation as a pillar of their operations, which has clearly contributed to their successes. More carriers, however, need to shift their attention similarly, because airline sustainability across Africa is now becoming an imperative.

With the vast amount of investment coming into the continent, as well as the considerable growth in 2

intra-African trade, a strong regional route network must develop alongside the growth that such investment brings.

The network needs to reach beyond the major cities, which means that regional aircraft - which provide all the necessary comfort and economics - must be at the heart of every African strategy for sustainable growth.

[Learn more about Bombardier's products here.](#)