

Enhancing Africa Tourism Growth through Aviation – Tourism Regulatory Convergence

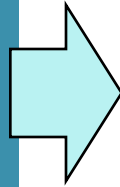
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Africa has witnessed a sustained growth in her air transportation sector, rising by 6.6 % over the last decade, making the continent the second fastest growing region globally after Asia.

Traffic to, from, and within Africa is projected to grow by about 6 percent per year for the next 20 years (Boeing's long term forecast 2014-2033)



Drivers...

- Efforts to liberalize her aviation industry (particularly the outcomes of the Yamoussoukro Decision of 1999)
- A number of airlines from the U.S., Europe and Africa have continued to expand operations across the continent.
- The growing alliances with counterpart regions
- The growth of LCCs in Africa (though not widely spread, with the current composition being in six countries-South Africa, Kenya, Egypt, Morocco, Tanzania, Zimbabwe)
- Accelerated economic growth (by the close of 2014, 25 African countries had attained middle-income status)- resulting in an economy based on rising incomes, consumption, employment, and productivity (Boeing, 2014)
- Growth in the middle class- 313 mn by 2011 (AfDB)-.

Efforts towards the liberalization of Africa's aviation industry...

The aspirations for an integrated intra-regional air transportation has always existed in Africa...

1961	Yaoundé Treaty	Provided for the creation of Air Afrique, the assignment of the international traffic rights of each signatory to Air Afrique and the definition of the relationship between Air Afrique and the national airlines of the signatory states.
May 1963	Adoption of the Charter of OAU	Provided the political umbrella and empowerment Integration and cooperation
Nov 1964	Conference on Air Transport in Africa	<ul style="list-style-type: none"> • Made the first initial attempts at joint collaborative programmes for air transport • Set the stage for three crucial issues for Africa's aero-political policies: (i) creation of a unified African market; (ii) airline integration and cooperation; and (iii) traffic rights issues. • Led to African Civil Aviation Commission (AFCAC) in 1969

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1978	First United Nations Transport and Communication Decade for Africa (UNTACDA I (1978-1988))	<ul style="list-style-type: none">• To serve as the basis for all of the major air transport initiatives during the following two decades• UNTACDA global objectives and strategy became the de facto African Transport and Communication Policy and fully incorporated into the Lagos Plan of Action

1980	Lagos Plan of Action and Monrovia Strategy	Provided the political and economic basis for air transport development in Africa.
1980	General Civil Aviation Policy Declaration	Basis of AFCAC action in the technical, economic and cooperation areas
1980	Convention on the Establishment of the African Air Tariff Conference (AFTATC)	<ul style="list-style-type: none">• Convention had the main objective of establishing a regional tariff coordination mechanism for all tariffs and act as machinery for negotiating all tariffs.• The Convention was never implemented

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Nov 1984.	Mbabane conference	<ul style="list-style-type: none">• The adoption of the Mbabane Declaration on the Freedoms of the Air.• Led to the adoption of AFCAC Model Multilateral Agreements it set ground for the Yamoussoukro Declaration of 1988
1988 -	Yamoussoukro Declaration	<ul style="list-style-type: none">• Covered three main issues: (i) integration of airlines; (ii) traffic rights; and (iii) costs and tariffs.• Committed African Governments to achieve the integration of the “airlines within a period of eight years divided in 3 phases
1994 -	Mauritius Guidelines on Traffic Rights	<ul style="list-style-type: none">• Guidelines for the exchange of traffic rights and related issues inadequately covered in the Yamoussoukro Declaration were developed.• Adopted proposals on “solutions” for accelerating the implementation of the Declaration.

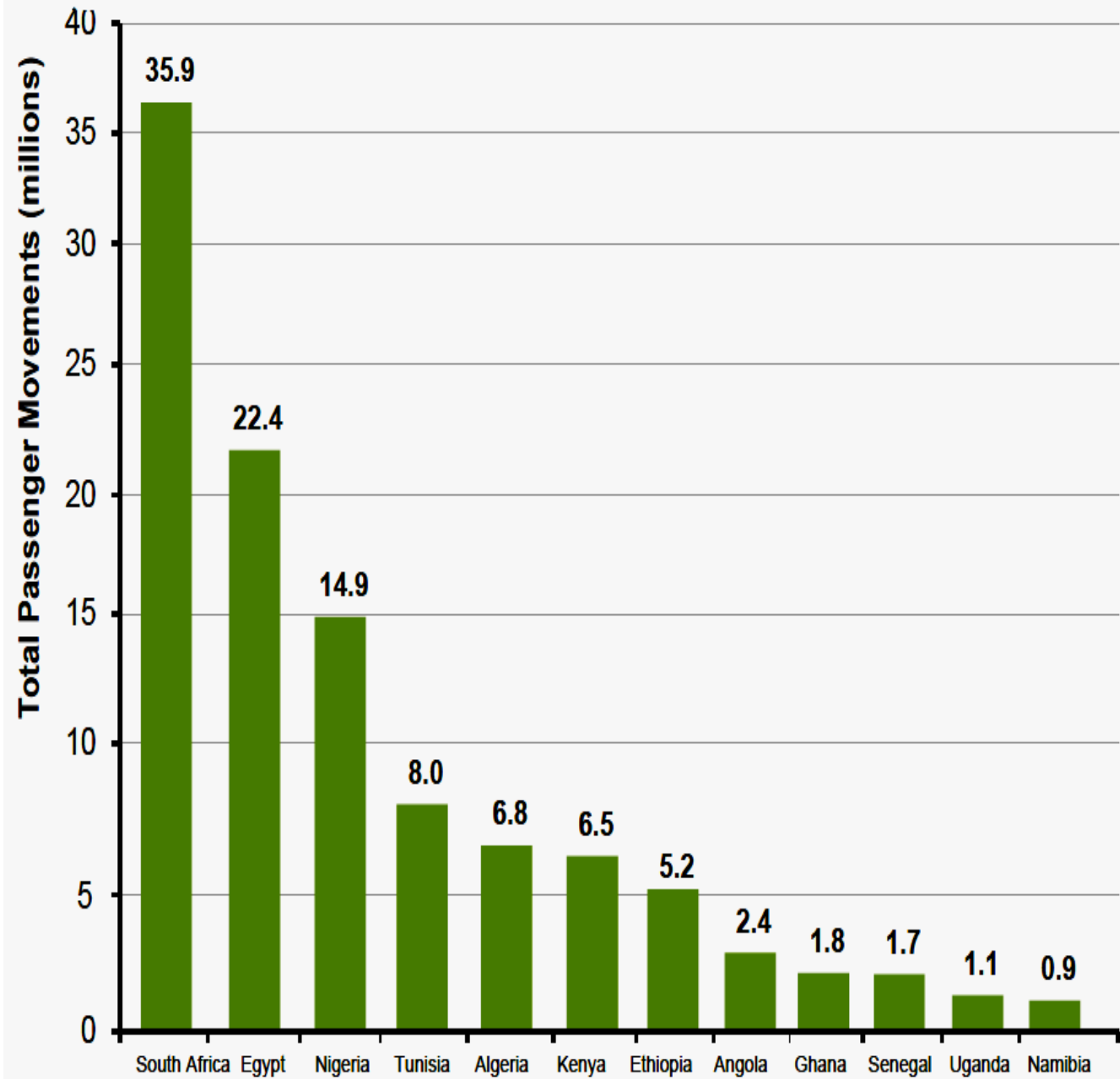
1999 -	Yamoussoukro Decision	<ul style="list-style-type: none"> • The first Africa-wide legally binding arrangement for the liberalization of scheduled and non-scheduled air transport services within Africa. • The Decision deals only with intra-African air transport leaving domestic air services and relations with third countries to be governed by intergovernmental BASAs
1999 To Date	Sub regional Initiatives	Implementation of YD undertaken under sub-regional level
2007	Third Conference of African Ministers in charge of Air Transport	Adopted a resolution entrusting AFCAC the responsibility of the YD Implementing Agency

July, 2010	Programme for Infrastructure Development in Africa (PIDA) 2010-2040	<ul style="list-style-type: none">• Recognises the need for regionally integrated approach to infrastructure development• Sets Priority Action Plan (PAP) for the transport sector that contains two specific programmes for the regional aviation sector integration: (i) Single African Sky, (ii) Accelerating Yamoussoukro Decision implementation
2014	Agenda 2063	<ul style="list-style-type: none">• Recognises the significance of intra- regional travel• Declares a commitment to connect Africa through world-class infrastructure, with a concerted push to finance and implement major PIDA infrastructure projects including improved efficiency and connections of the African aviation sector and implement the Yamoussoukro Declaration.

However, despite all these efforts...

1. Africa share of the global air transport industry is significantly minimal -less than 3% of the global air service market (Kuuchi, 2013).
2. The sector's performance is also below the global level-
- In the year 2013, for instance, the global air transport industry recorded a net post-tax profit of \$10.6 billion up from the US\$6.1 billion profit made in 2012, African airlines made a combined loss of about US\$100 million (Chingosho, 2014).
3. Only a handful of intercontinental carriers operating into the region with non-African airlines accounting for 80% of the intercontinental market share

4. Uneven expansion of airline services
eg, in the year 2011, only eleven countries experienced growth in air passenger numbers above 1%
(Airports Council International, 2012)



Causes of Africa's poor civil aviation performance of the industry...

A. *Regulatory-based challenges*

- ❑ **The question of sovereignty:** bilateral air service agreements decisions on market access and related issues are made in the exercise of sovereignty over their air space
- ❑ **Anti-competition and protectionist practices**
- ❑ **Difficulties and the long process required for exchanging traffic rights,** mainly the 5th freedom
- ❑ **Discriminatory practices against African airlines** where some African states have refused to open their skies to each other, preferring to do so to carriers from other continents
- ❑ **Non-transparent regulations imposed by regulators outside the continent particularly on the matter of safety records.** Lack of confidence in the safety oversight provided by African regulatory authorities

b. Infrastructure-based challenges:

- 1. Focus on trunk-haul services to the neglect of domestic feeder services:** This has limited the growth of the domestic market.
- 2. Issues regarding the nature and structure of African airlines:** Most of the airlines in the region feature high levels of state shareholding. As a result, over a quarter of routes in Africa are served by a monopoly carrier
- 3. Operational inefficiency** of most African airlines
- 4. Poor safety record:** For instance, by 2013, only 38 African airlines met global safety standards, out of at least 200 that were operating in the continent
- 5. Poor air connectivity**

C. Non-physical bottlenecks to traffic flow

1. The restrictive, expensive and inefficient visa processes
2. Lack of binding external policy and framework allowing block negotiation
3. Impact of foreign policies (unilateral measures) on African airlines
4. Unfavourable socio-economic and political environment in few countries
5. Obsolete airport infrastructure and air navigation facilities
6. Inadequate funding for fleet renewal, acquisition of equipment and new technology
7. Capacity building (training) and brain drain
8. Lack of programmes and strategies for technical cooperation.

The foregoing drawbacks notwithstanding...

Africa's initiatives towards air transport liberalization underscores the region's continued appreciation of:

1. The need to maximizing air travel into and within the region, and
2. The aviation sector's significance of the to the region's socio-economic growth

Purpose and objectives of the study..

- Study conducted in 2015/2016 to explore on how regulatory convergence between air transportation and tourism sectors can be exploited as an avenue to enhance the growth of Africa' s tourism.

- The study thus sought to
 1. Explore the symbiotic relationship between air transportation and growth of the tourism sector including relevant case studies
 2. Examine the nature regulatory relationship between air transportation and tourism in Africa
 3. Examine the the visa dimension in the aviation-tourism nexus
 4. Draw lessons and policy recommendations on regulatory convergence between civil aviation and tourism sector necessary for the development of the two sectors.

Study approach

1. Analytical literature review
2. Documentary content analysis
3. Case studies analysis
4. Stakeholder consultation through an Expert Group Meeting

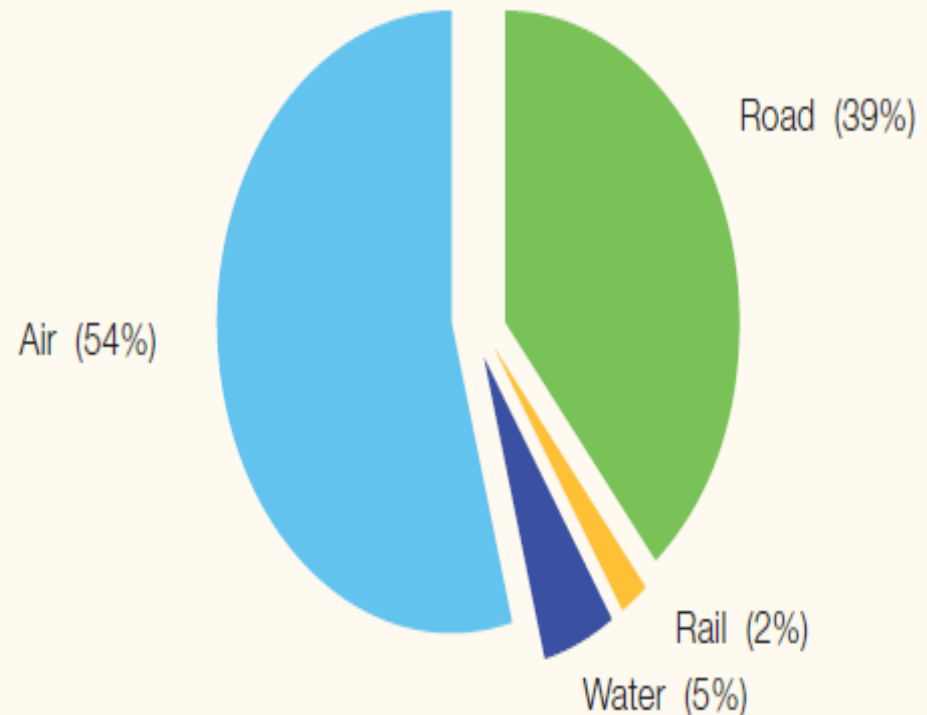
Study findings

Obj 1: Evidences of symbiotic relationship between air transportation and the growth of tourism sector

Introduction

Overall, air transport remains the preferred form of transport for much of international tourism particularly, for the long haul tourism and tourism to islands.

Inbound tourism by mode of transport, 2015* (share)



Source: World Tourism Organization (UNWTO) ©

1. In many countries, liberalising their international aviation arrangements has been the most effective single measure to stimulate the growth of tourism
2. To many countries, tourism benefits are now an important factor influencing their international aviation policies-
 - based on recognition that to grow their tourism Industries, greater accessibility and lower international air fares are needed.
3. Tourism impacts are being taken into account when undertaking international aviation negotiations-
 - Countries are measuring the extent of potential tourism benefits and comparing these benefits against impacts on home country airlines, and benefits to home country travellers.

4. Growth in air transportation responsible for new tourism destinations

Examples of new European international tourism destinations resulting from LCC activities

Country	New International Tourism Destinations
Austria	Graz, Linz, Klagenfurt
Belgium	Charleroi
Denmark	Esbjerg
Finland	Tampere
France	Bergerac, Rodez, Limogez, Carcassonne, Pau, La Rochelle, Nimes, St. Etienne, Tours, Poitiers, Dinard
Germany	Karlsruhe-Baden, Altenburg, Hahn, Tempelhof, Munster (Osnabruck), Erfurt
Ireland	Knock, Derry, Kerry
Italy	Bari, Pescara, Ancona, Brindisi, Palermo, Alghero, Trieste
Norway	Haugesund
Poland	Gdansk, Poznan
Slovakia	Kosice
Spain	Bilbao, Girona, Jerez, Murcia, Santander, Valladolid, Zaragoza
Sweden	Malmo, Nykoping
United Kingdom	Blackpool, Bournemouth, Newquay

5. Aviation-Tourism Policy trade-offs have been undertaken as a measure to grow the two sectors:

Examples of Aviation-Tourism trade-offs

a) The European Charter Boom of the 1960s and 1970s

Opening up air routes to charter airlines resulted in a boom in tourism from Northern to Southern Europe, especially Spain.

b) Long haul route between Australia and Europe in the late 1970s and early 1980s

The Australian government decided that cheap fares for outbound Australian tourists, and for inbound European tourism to Australia was more important than protecting the home airlines.

Result:- European travel to Australia began to grow significantly.

C) ASEAN dual-pronged approach to regional tourism and aviation policy initiatives

- In Regional tourism policy initiatives:
 - the ASEAN Tourism Agreement (signed in 2002),
 - ASEAN Framework Agreement for the Integration of Priority Sectors (signed in 2004), and
 - the ASEAN Tourism Strategic Plan 2011-2015 adopted in 2011

- In 2007 the plan for an ASEAN-wide Single Aviation Market was included in the ASEAN Economic Community Blueprint including
 - the Multilateral Agreement on Air Services, and
 - the Multilateral Agreement on the full liberalisation of Air Freight Services.

RESULTS...

i)The two sectors experienced growth both at region level and country level...

	Tourism Sector performance (int'nal arrivals, 000*)			Aviation sector performance**		
Year	2006	2012	Change (%) 2006 & 2012	2006	2012	Change (%) 2006 & 2012
Country						
Lao PDR	842	2 140	60.7	326 730	877 950	62.8
Cambodia	1 591	3 584	55.6	256 160	508 689	49.6
Philippines	2 843	4 273	33.5	8 304 634	28 540 727	70.9
Vietnam	3 584	6 848	47.7	5 283 831	16 976 051	68.9
Indonesia	4 871	8 044	39.4	29 867 483	79 405 800	62.4
Singapore	7 588	11 098	31.6	19 565 884	29 138 458	32.9
Thailand	13 822	22 354	38.2	20 102 408	36 392 469	44.8
Malaysia	17 547	25 033	29.9	17 833 364	39 165 195	54.5
Myanmar	..	593	..	1 620 895	1 663 425	2.6
Brunei	..	209	..	1 041 478	1 044 170	0.3
A S E A N regional Total	52 688	83 967	37.3	104 202 867	233 712 934	55.4

ii). Growth in intra-regional tourist arrivals within the ASEAN...

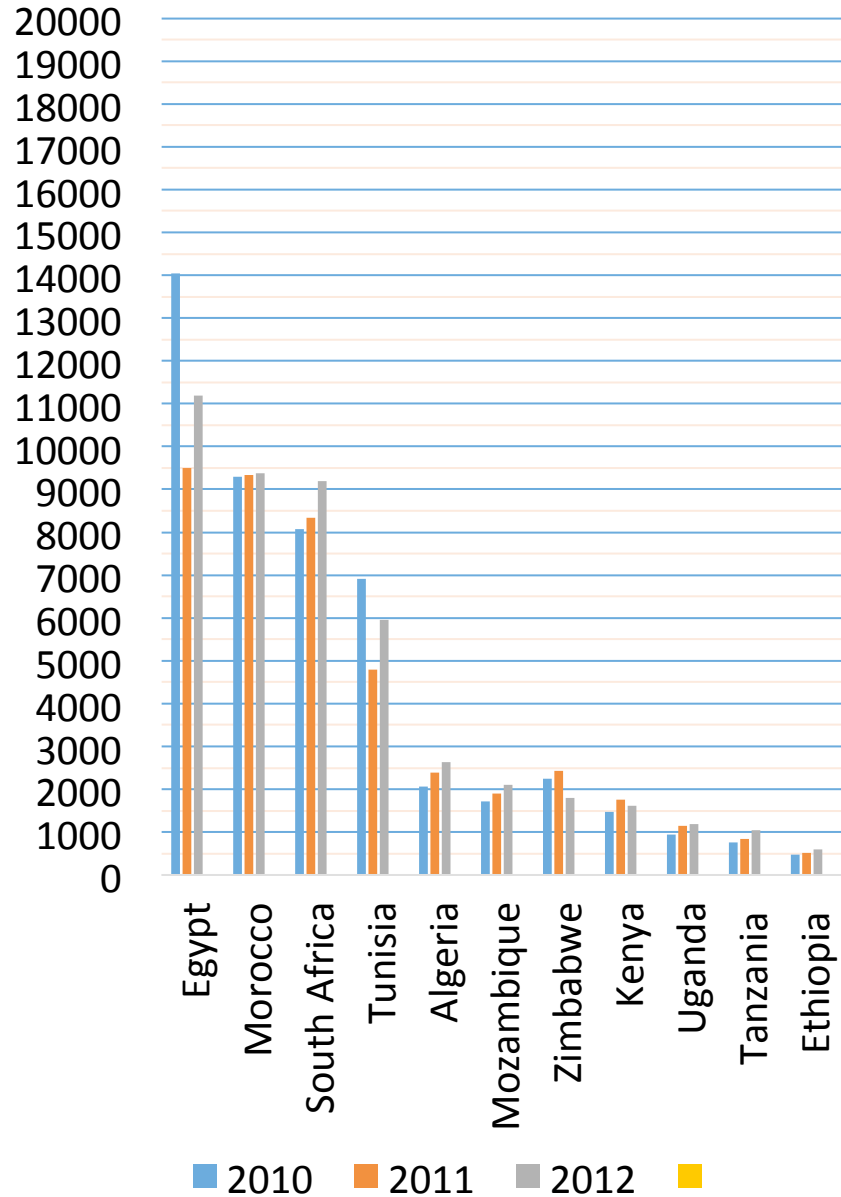
- Between 2007 and 2011, intra-ASEAN arrivals grew by 34.5%
- For instance, three quarters of the 24.7million tourist arrivals received into the country in 2011 came from within the ASEAN region

Obj 2: The case of Africa's tourism and aviation policy convergence

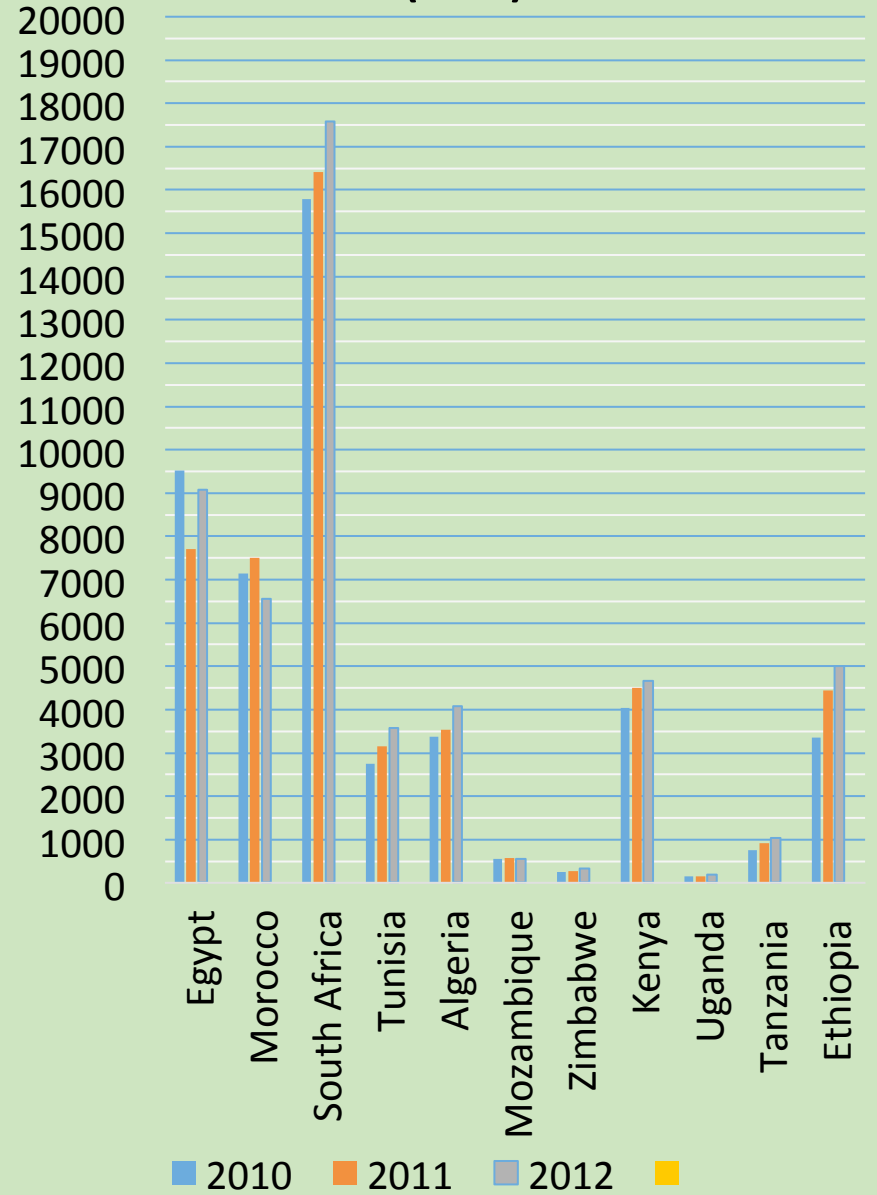
Key observations:

1. The same pattern in which almost 70 per cent of the total passenger air traffic flow in Africa is operated by 10 countries is still replicated in international tourist arrivals with the top countries (i.e. Egypt, South Africa, and Morocco) also recording the highest air transport passenger traffic
2. Countries with the least air connections also have very limited tourism development (eg Comoros, Central African Republic, and Liberia, *with exceptions of countries like Botswana and Namibia which have strong hubs in neighbouring countries and frequent regional connections*)
3. Where a change in air passenger traffic occurred, a similar trend was also noted in international tourist arrivals (as in the cases of Egypt, South Africa, Algeria, Tanzania, and Ethiopia) *see next slide...*

International Tourist Arrivals (‘000)*



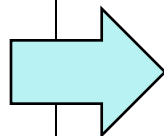
Air transport passengers carried (‘000)**



....Status of link between tourism and aviation sector policies in selected African destinations

An analysis of a selection of tourism policy documents from leading African tourism destinations reveals mixed results

- some countries expressly recognizing the tourism-aviation link and devising strategies to fully exploit the subsequent benefits
- others not recognising the same.



Country	Link between Tourism and Aviation
South Africa	Link acknowledged in the <i>National Tourism Sector Strategy</i>
Morocco	Link acknowledged in the <i>Strategy of the sector of tourism: Vision 2020</i>
Mauritius	Link acknowledged in the <i>Master Plan for Air Transportation in Mauritius</i>
Botswana	Only need for co-operative marketing acknowledged in the <i>Botswana Tourism Master Plan</i>
Kenya	No mention of aviation or visa facilitation strategy in the <i>National Tourism Strategy 2013-2018</i> .
Zimbabwe	No mention of aviation sector in the <i>Ministry of Tourism and Hospitality Industry Strategic Plan 2013-2015</i>

Conclusion

1. Reliable and affordable air travel would influence both

- International arrivals
- cross-border travel

Obj 3: The Visa Dimension in the Aviation-Tourism Nexus

- The facilitation of travel through visa policy regimes is a key prerequisite for international travel for whatever reason, tourism included.

As countries pursue these objectives, visa policies also produce an impediment to travel and tourism.

3.1 Overview of global visa policy regimes

- The UNWTO in 2013 undertook one of the most elaborate analysis of global visa regimes.
- 1. 63% of the world's population needed a visa to travel abroad and only 18% were not required to.
- 2. Emerging economies were less strict regarding visa requirements than advanced ones.
 - 1. For emerging-economy destination, on average, 61% of the world's population needed a traditional visa and 2% an eVisa.
 - 2. Advanced-economy destinations, 73% needed a traditional visa and 2 percent an eVisa.
- 3. Full exemption from a visa was more common in advanced economies than emerging ones (24% versus 17%),
- 4. Emerging economies obtaining a visa on arrival was much more common than in the advanced economies (21% versus 0.4%).

3.2 The case of Africa...

- The region overall requires a visa prior to departure from 62% of the world's population.
- Africa has the highest percentage of countries whose visitors are able to obtain a visa on arrival (29% in 2012)
- In Central Africa for instance, the use of traditional visas is highest of all Africa's sub-regions (required for 92% of the world's population).
- East Africa, has the lowest requirement of the traditional visa in the world- only 33% of the world's population are required to have visas to visit the sub-region.
 - In addition, the sub-region grants visas on arrival to 62% of the world's population making it the second most open sub-region in the world after South East Asia

In General, Africa closed to Africans...

“You are an African and want to travel in Africa? Try later.” [Mthuli, 2014]

Intra-Africa travel restrictions: facts and figures.

1. Africans traveling within the region are generally more restricted compared to outsiders, esp Europeans and North Americans.
2. On average, African citizens require visas to visit 60% of countries in the region - ranging from a high of 84% for Somalia to a low of 41% for The Gambia
3. Only five African countries (Seychelles, Mozambique, Rwanda, Comoros and Madagascar) offer visa-free access or visas on arrival to citizens of all African countries.
4. DRC, Equatorial Guinea, São Tomé, and Sudan require citizens from every single African country to apply for a visa.
5. On average, African citizens require visas to visit 60% of African countries - ranging from a high of 84 per cent for Somalia to a low of 41% for The Gambia.
6. Central Africa has highest use of traditional visas out of all Africa's sub-regions.
7. East Africa is the second most open sub-region in the world, with high numbers of visas on arrival. While on the hand, East Africans require the most visas to travel within Africa
8. Countries in the Economic Community of West African States (ECOWAS) have the most access, requiring a visa to visit for under 50% of the African countries ---due to the visa-free movement within the ECOWAS sub-region, implemented under the 1979 Protocol of Free Movement.
9. Rwanda has the continent's most liberal migration policy. January 1, 2013, allowed entry-visas-on arrival for all African citizens arriving at its borders. offers online visa requests (Result: a 24% rise in tourism from African countries since the beginning of 2014; a 50% increase in trade with neighbouring countries in 2012; and a 73% increase in trade with the Democratic Republic of Congo).

SOURCE: Mthuli (2014).

3.3 Initiatives to open Africa to Africans

Notable examples include:

□ EAC

EAC Passport. The passport is applicable to the nationals of EAC Partner States (Burundi, Kenya, Rwanda, United Republic of Tanzania and Uganda) traveling within the region. However, plans are underway for the East African partner states to start issuing a common electronic passport that will be recognised across the globe.

- Single Tourist Visa for the East African Community (EAC). This was launched in February 2014 officially allowing visitors to travel to the EAC countries on a single visa.

□ COMESA: Under the 'Protocol on Free Movement of Persons, Services, labour and Rights of Establishment and Residence in the region' and ' the Protocol on Gradual Relaxation of Visa Requirements' efforts are underway to ease visa requirements among nationals of Member states travelling within the Free Trade Area (FTA) members.

□ ECOWAS

- ECOWAS Passport: created to facilitate intra-regional travel of member states' citizens for a maximum of 90 days. The passport is also recognised for international travel.
 - Travel Certificate: created to facilitate and simplify formalities governing the movement of people across borders of ECOWAS states. Having this document in possession exempts the holder from filling in the ECOWAS immigration and emigration forms.
-
- SADC: Negotiations still ongoing for a SADC Uni-visa.
 - The *AU Agenda 2063* stipulates several measures to abolish restrictions to intra-regional travel including introducing an African Passport to be issued by member States, capitalising on the global migration towards e-passports, and abolishment of visa requirements for all African citizens in all African countries by 2018.

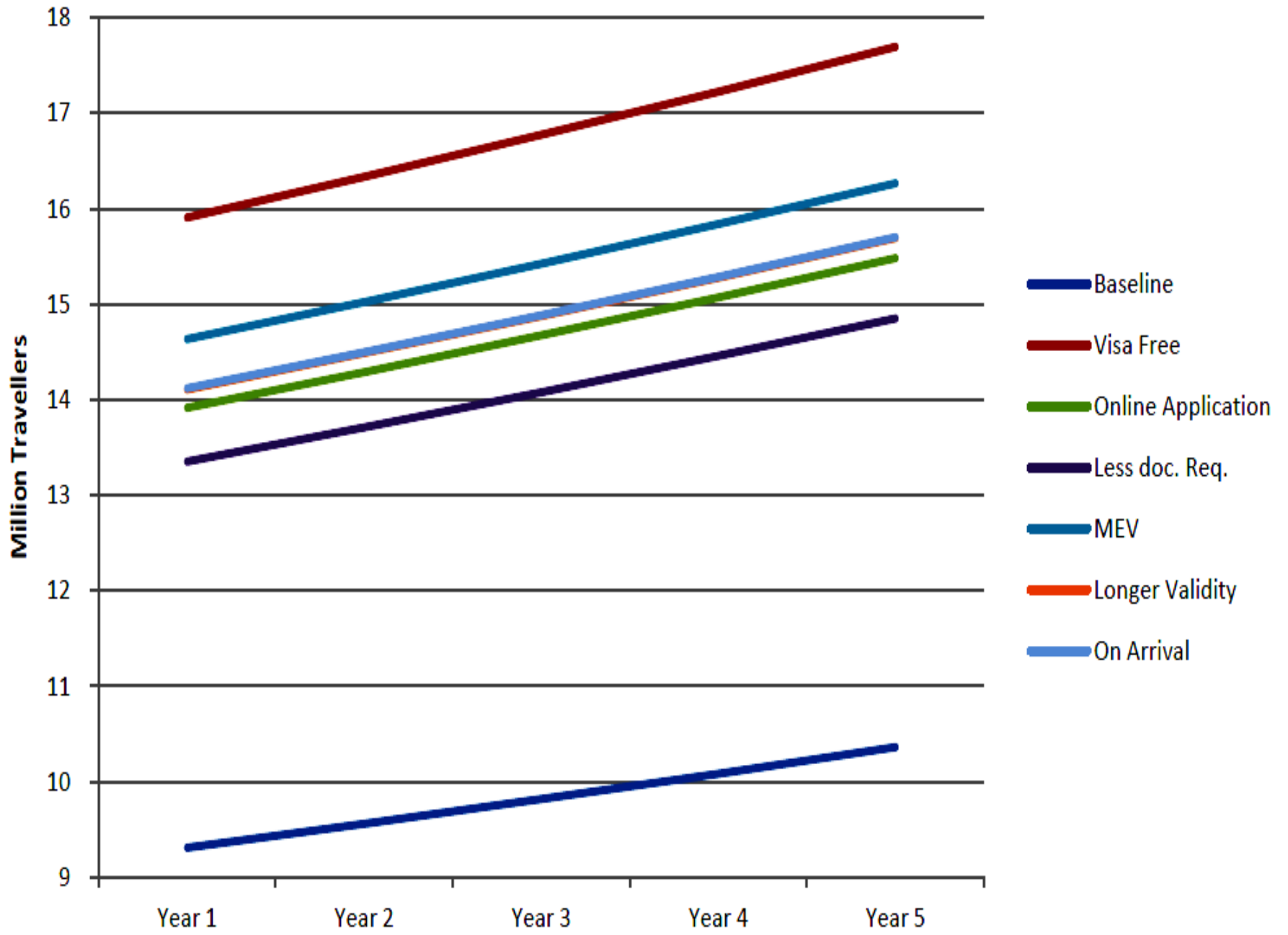
3.4 Visa policies and tourism development: case studies

Cases considered on specific visa policy changes on tourist arrivals

1. Schengen Visa
2. Australia Electronic Travel Authority (ETA) program in 1996
3. India visa on arrival program beginning in January 2010 for 11 countries (New Zealand, Finland, Luxembourg, Japan, Indonesia, the Philippines, Singapore, Cambodia, Laos, Myanmar, and Vietnam)
4. India visa on arrival program Russian source market (between 2000 and 2010)
5. USA Electronic System for Travel Authorization (ESTA) -January 2009
6. ASEAN Framework Agreement on Visa Exemption (2006 *The Silk Road Action Plan 2014/2015*)
7. The Silk Road, or Silk Route through Silk Road Action Plan 2014/2015

Case of Schengen Visa- special reference

- The region comprises 26 European countries that have abolished passport and any other type of border control at their common borders
- European Commission in 2013 conducted a study on the economic impact of short stay visa facilitation on both the tourism industry and the overall economies of the Schengen Area.
- The impact analysis set out to assess five year cumulative potential effect of **six policy options applied on six target markets for the region**: China, India, Russia, Saudi Arabia, South Africa, and Ukraine. The six policy options considered included
 - Visa free travel
 - Online application
 - Less administrative/documentary requirements
 - Wider use of Multiple-Entry Visa ("MEV"),
 - Longer validity of visas
 - Visa on arrival
- The results of the impact study showed positive relationship between the different visa policy options and the increase in visitor arrivals



3.5 Conclusions on the use of visa policies to promote tourism

- While relaxation of visa policy leads to increased visits, the reverse is true, irrespective of the nature of restriction. In some cases, the rate of decline is even higher than the rate of increase occasioned by relaxation of visa requirements
- Secondly, the range of effects attributable to a country's change in visa policy may vary across different countries. This is rather expected as visa facilitation is just one of the many factors influencing travel to a given country.
- Thirdly, in formulating visa policies at a regional level, time-lines can be allowed for each member country to ratify a regional visa framework with other regional members (e.g. the case of the ASEAN region).

Fourth, a variety of visa policies can be applied for tourism purposes including:

1. Full visa waiver for all visitors coming from specific countries
2. Visas on arrival for all visitors coming from specific countries
3. Visa free travel for visitors travelling in groups (e.g. Russian 2000 visa policy to China)
4. Visa free travel for tourists from specific countries
5. Visa free travel during specific months of the year (e.g. Russian visa policy to Croatia, 2008)
6. Visa free entry for select countries and for specific length of stay (e.g. the UK 2009 visa policy to Taiwan (Province of China) citizens)
7. Visa waiver program for a particular region/ destination within a country (e.g. Republic of Korea on Chinese visitors to Jeju Island)
8. Multiple-entry visas to selected demographics from a given country (e.g. Chinese citizens by the Republic of Korea)
9. 'Double-entry' visas to citizens of a particular country within a set period of time for tourism purposes (e.g. Chinese citizens by the Republic of Korea)
10. Electronic Travel Authority (ETA) program, an electronically stored travel authorization for travel to a country linked to the traveller's passport as is the case with Australia.

Fifth, further best practice suggestions with regard to how visa procedures can be facilitated include

1. Improvement of customer service including clear information and the provision of application forms in the national language of the applicant.
2. Reducing the number of required supporting documents in order to reduce the waiting time for a visa.
3. Abolishing the requirement to appear at the consulate in person and to hand in original documents, in order to facilitate the visa application process.
4. Introduction of online visa application procedures to further facilitate visa application process.
5. A visa for several entries instead of one single-entry visa.
6. Distinguishing between travel types to allow a more differentiated treatment of tourists.

Obj 4: Lessons and policy recommendations on regulatory convergence between civil aviation and tourism sector necessary for the development of the two sectors.

- Restrictive air service regulations constrain air travel, tourism, and business, and as a result, impact negatively on economic growth and job creation. Liberalization of air transport is therefore, a critical decision that must be taken for the health of the African economies.

A number of conclusions can be drawn from the foregoing analyses;

1. Member States countries pursue a tourism and aviation policy trade-off approach with a view to ensuring mutually beneficial outcomes for the two sectors
 - focus on improving efficiency along those tourism value chains linked with air transport.
 - **be informed by quantifying the costs and benefits of aviation liberalisation**

2. Optimising the mutual benefits resulting from liberalised regional aviation sector for the tourism sector would require **strategic regional tourism policies**

- The regional tourism policy should seek to improve efficiency along the tourism value chains especially those linked to air transport.
- Focus on how the sector is to be developed including destination accessibility, intra-regional or sub-regional product development schemes, marketing programmes, human resource development, among others
- Backed by the relevant **institutional framework** focused on driving and coordinating the tourism development agenda in the region (*examples: the Pacific Asia Travel Association (PATA), the ASEAN Tourism Association (ASEANTA), and the European Travel Commission (ETC), among others*)

3. Member States and the aviation industry should avoid imposing unjustified taxes, charges and other levies on international aviation which may have negative impacts on the competitiveness of the air transport and tourism industries, and national economies.

4. Noting that tourism industry is cross-sectorial in nature, this study therefore recommends that **a common model/ framework for tourism planning** be developed to enable capturing of all essential tourism development components (including the aviation component)

5. Member States undertake facilitation of travel formalities and procedures in respect of **visa requirements** both for international and intra-African travel
 - crucial for the tourism and air transport sectors to sustain their resilient growth and yield their development potentials.
 - A call to embrace the