

Underdeveloped transport slows African growth

The lack of a dynamic and systematic transportation mode to connect countries on the continent is impeding Africa's economic potential, Public Enterprises Minister Malusi Gigaba said on Monday.



(Image: GOS)

"It is a sad fact that Africa lacks a dynamic and systematic transportation mode, either by rail, road or air, to connect the continent and make it possible for Africans to trade with one another or even to interact for leisure," said the minister.

Gigaba was addressing the International Air Transport Association Annual General Meeting, which kicked off on Sunday in Cape Town.

For South Africa, which is faced with significant unemployment challenges, the air transport industry was a key employer, providing over 200,000 direct and indirect jobs.

"These multiplier effects of the air transport industry lift various households out of poverty," Gigaba said.

The minister said rail infrastructure reinforced the resource extraction and exportation to the west, while one could seldom travel between major regions or countries within the continent without having to stopover in one of the European airports.

Despite these challenges, the continent presented opportunities for the growth of the air transportation industry.

"These economic changes were driven by various variables, including the growth of the middle class, which sustains demand for goods and services," he said.

Air transport was crucial to ensuring sustainable growth on the African continent, as it had a significant impact on the global economy.

Addressing operating barriers

It is important, Gigaba noted, for government to consider the strategic context of air transport when developing a framework to guide the key decisions that had to be made with regards to policies, air transport regulations, investments and oversight.

The continent had attempted to create a more liberal operating environment in its commitment to facilitate global trade, invest and facilitating the free movement of people through, for example, the Yamoussoukro Declaration.

The declaration calls for, among others, the full liberalisation of intra-African air transport services in terms of access, capacity, frequency, and tariffs; free exercise of first, second, third, fourth and fifth freedom rights for passenger and freight air services by eligible airlines. These rights, granted by most international air service agreements, include enabling non-national carriers to land in a state and take on traffic coming from or destined for a third state as well as liberalised tariffs and fair competition.

"As ambitious and catalytic in nature as it was, the Yamoussoukro Declaration has proven a challenge fully to implement due to various reasons," said the minister.

While the African market had a lot of potential, it was impeded by a number of structural obstacles that need to be addressed urgently.

Poor airport infrastructure characterised by uneven development and lags in growth, as well high user charges were among some of the challenges.

"Despite these challenges, both African and other international carriers have been actively pursuing the opportunities found in Africa," Gigaba said, adding that the national carrier South African Airways (SAA), Ethiopian Airlines and Kenya Airways were the largest carriers on the continent.

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