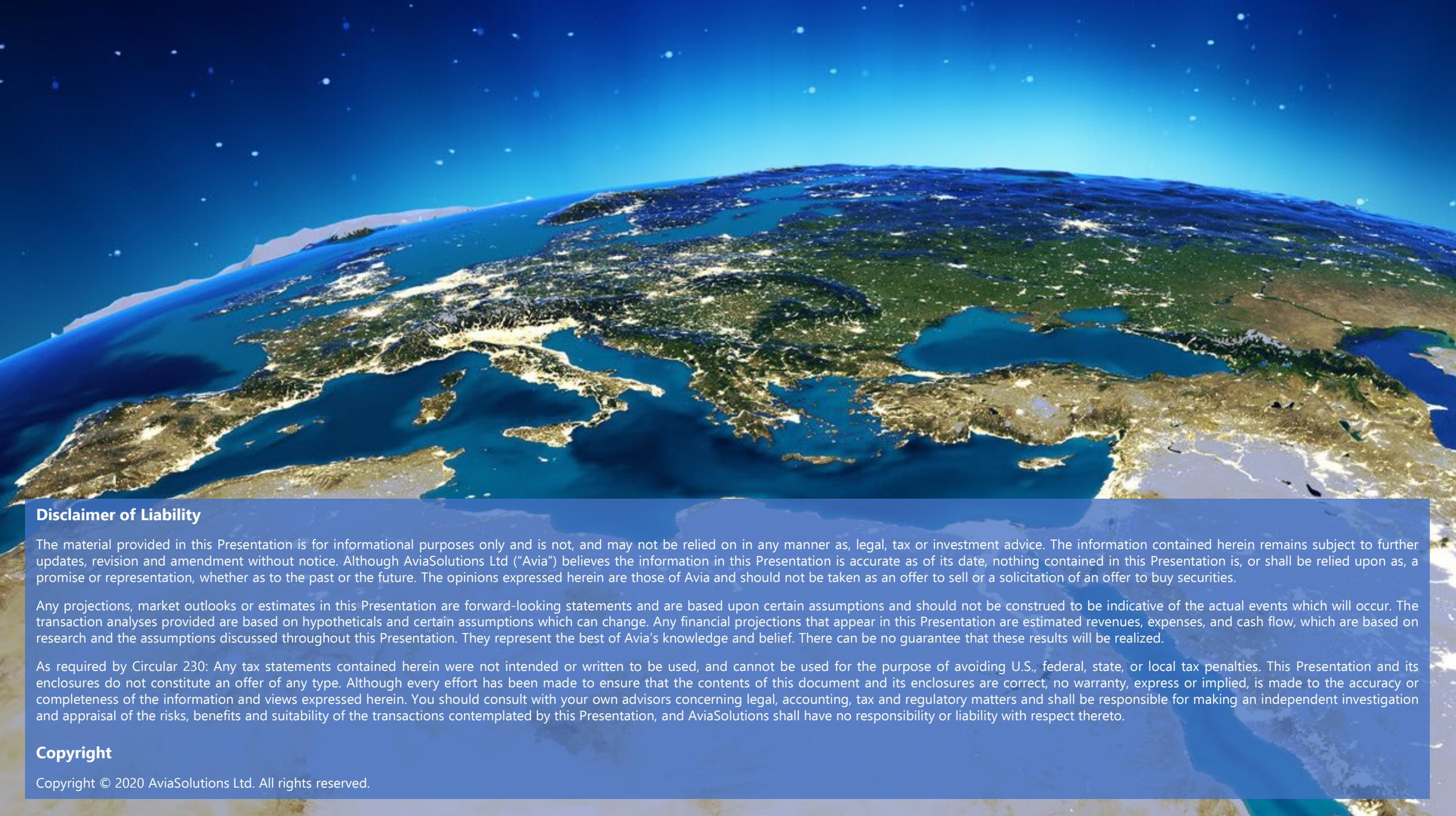


COVID-19 Pandemic: Impact on ASKs

Europe
Middle East
Africa

December 2020





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Despite lockdowns some European airlines gained market share

Rising COVID-19 cases in Autumn 2020 reversed the mild summer recovery

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

- Capacity collapsed in Spring 2020, partially recovered in the summer months before declining again from Autumn

2021 – recovery likely to start in Q2 2021, with wider vaccine availability across Europe and the end of the flu season

Chart 1: Europe-Originating ASKs Change 2020 vs 2019

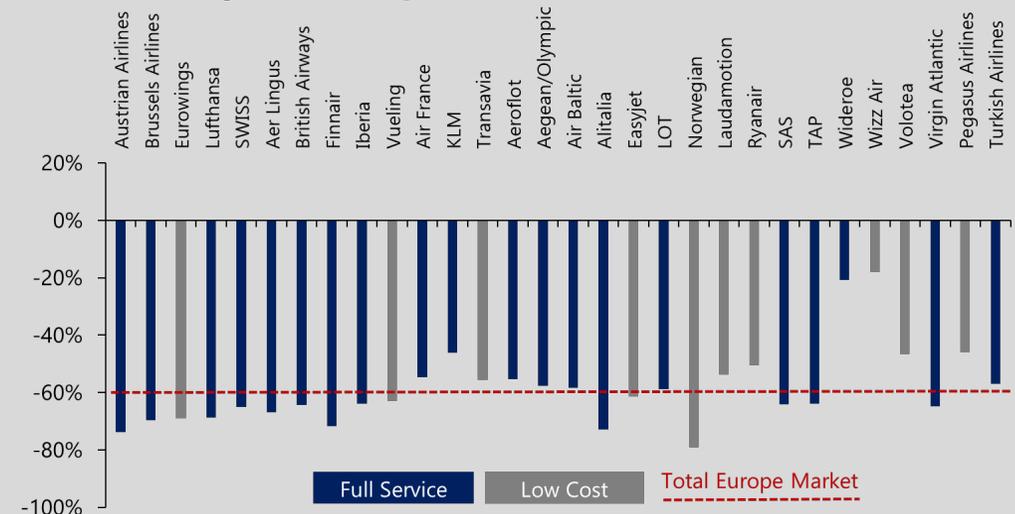


- Capacity started to decline in February 2020, with the pace of decline significantly accelerating in March when lockdowns were introduced in most European countries.
- Declining COVID-19 cases in Europe by May led to easing of restrictions for domestic and intra-Europe flights ahead of the Summer season.
- Rising COVID-19 cases from Autumn 2020 led to further lockdowns and capacity reduction.
- In 2020, overall ASKs in Europe declined -60% YoY.

- Norwegian is the hardest hit airline
- AF/KLM are less impacted than LH and IAG

2021 – In Europe, Wizz Air will increase market share; further consolidation in fragmented European market possible as airlines run low on cash from Q3

Chart 2: Europe-originating ASKs Change by Main European Airlines (2020 vs 2019)



- COVID-19 impacted all European airlines, regardless of business model.
- Wizz Air (-18%) and Wideroe (-21%) performed best; Norwegian (-79%) worst. Wizz expanded (mostly in W.Europe) with new bases (Italy, UK, Cyprus Norway).
- Wideroe provides essential connectivity across Norway, with a significant number of PSO services that were maintained throughout lockdowns.
- Norwegian had already been struggling before the pandemic. The closure of all North Atlantic routes further impacted its US strategy.
- Air France/KLM Group posted a much smaller decline in comparison to the other two major airline groups in Europe: Lufthansa Group and IAG.

Despite lockdowns some European airlines gained market share

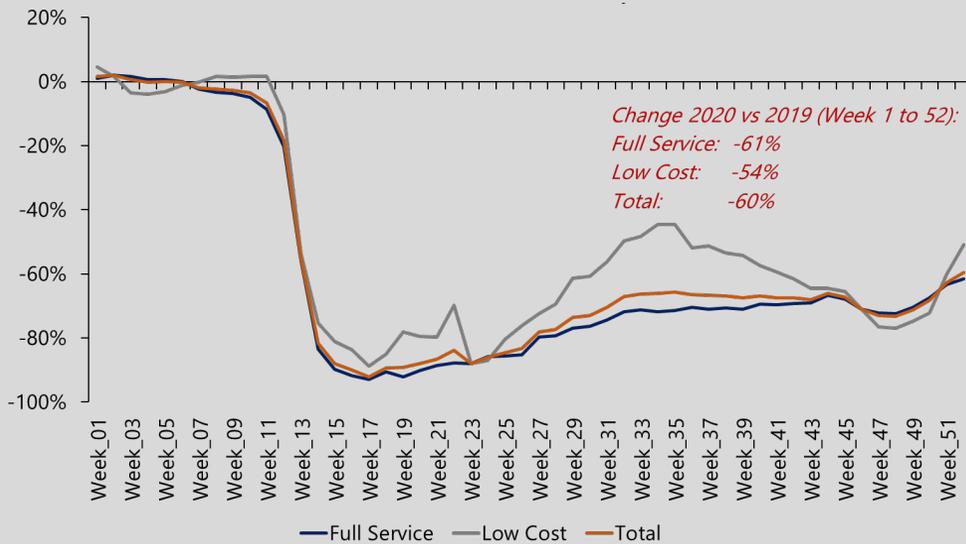
Domestic traffic recovered better to between -15% and -20% in August 2020

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

- Low cost airlines in Europe have reacted promptly to the changing demand throughout 2020

2021 – LCCs are likely to capture some market share from Full Service airlines due to their ability to adapt more promptly to changing demand

Chart 3: Europe Full Service vs Low Cost ASKs Change 2020 vs 2019

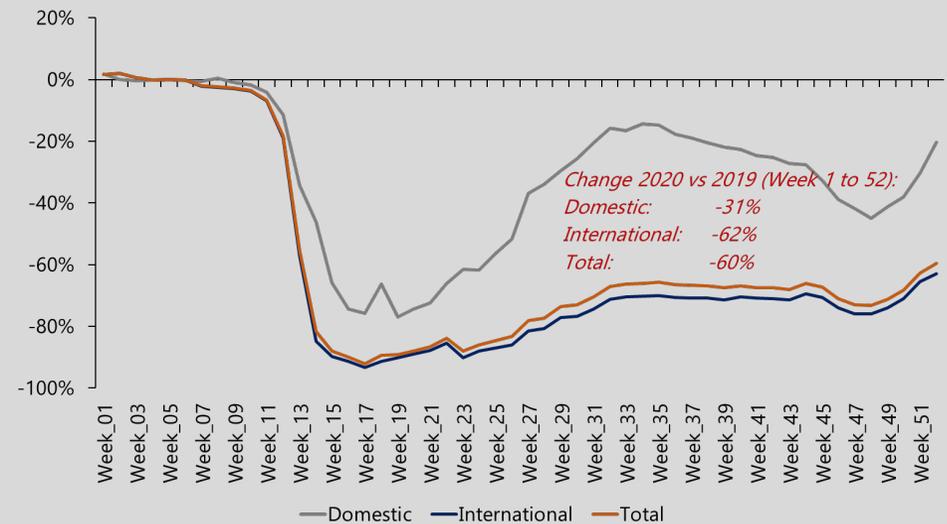


- Both LCCs and FSCs in Europe were seriously impacted in the early months of the pandemic and again when COVID-19 cases rose again in Autumn 2020. However, during the summer months when restrictions were temporarily eased, LCCs showed much stronger recovery than FSCs.
- European LCCs recovered to -45% in Summer 2020 vs. 2019 levels.
- During the Christmas period, LCCs have been able to react more quickly to increased demand by adding capacity.

- Domestic capacity in Europe surged during the holiday season

2021 – European International traffic is likely to remain low due to travel restrictions, however domestic traffic will recover faster, aided by vaccines

Chart 4: Europe Domestic vs International ASKs Change 2020 vs 2019



- Overall, Domestic traffic in Europe was less impacted than International traffic.
- At the start of the pandemic, domestic capacity declined -75%, while international capacity declined -90%.
- During the summer months, domestic traffic saw a very strong recovery to -14% in August vs the prior year.
- International capacity was slowly recovering since March, however, in summer, capacity was still down by -70%.
- Rising COVID-19 cases in November reduced domestic and international capacity.
- During the Christmas period, capacity rose again with strong demand for VFR travel.

Europe: Decline in ASKs by Country

2020 decline in ASKs ranged from -40% to -76%

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

Table 1: Europe Decline in ASKs per country

Country	ASKs (m) - 2019	ASKs (m) - 2020	% Change
United Kingdom	419,184	157,052	-63%
Germany	294,758	106,651	-64%
Spain	266,152	97,268	-63%
France	234,138	96,078	-59%
Russian Federation	188,894	102,488	-46%
Turkey	165,849	70,708	-57%
Italy	159,267	50,081	-69%
Netherlands	122,663	58,410	-52%
Switzerland	69,392	25,301	-64%
Portugal	66,720	27,322	-59%
Greece	52,162	20,547	-61%
Ireland Republic of	40,282	14,727	-63%
Belgium	40,191	15,847	-61%
Poland	36,924	17,798	-52%
Sweden	36,382	13,004	-64%
Austria	34,849	12,861	-63%
Denmark	34,396	12,225	-64%
Finland	33,083	9,870	-70%
Norway	29,198	11,773	-60%
Ukraine	22,064	13,023	-41%
Romania	18,163	10,813	-40%
Czech Republic	17,144	4,799	-72%
Cyprus	14,829	5,434	-63%
Hungary	14,153	6,288	-56%
Iceland	12,630	4,196	-67%
Bulgaria	9,706	5,002	-48%
Croatia	8,214	1,985	-76%
Malta	6,992	2,951	-58%
Serbia	6,204	3,084	-50%
Latvia	5,565	2,263	-59%
Lithuania	4,534	2,288	-50%

Europe: State Support for Airlines (1)

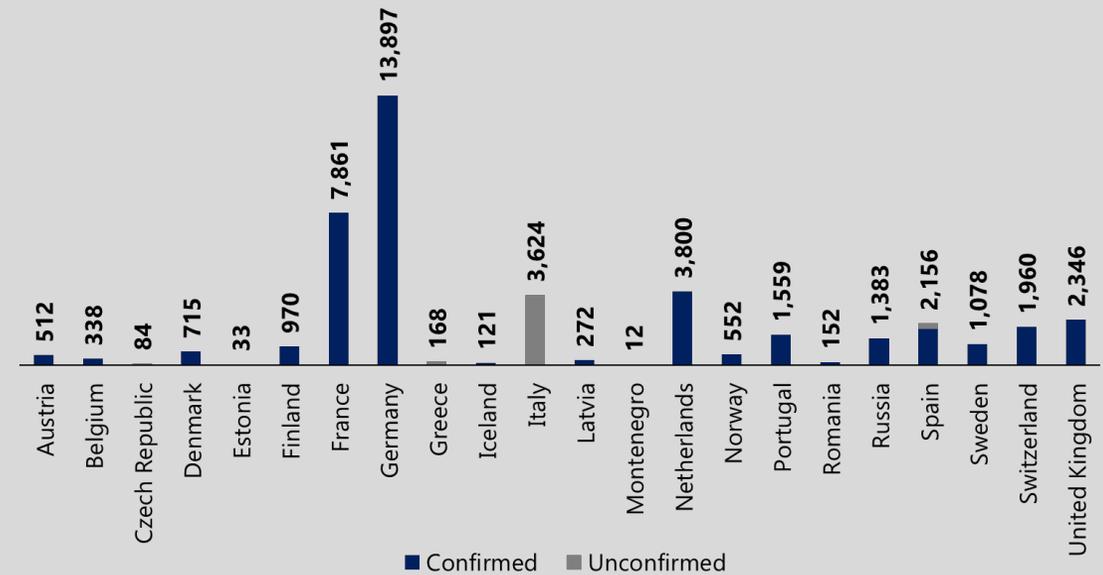
High level of State Support

Source: Ishka 3rd September 2020; Analysis by AviaSolutions

- A total of \$39.4B of state support was allocated to European airlines as of 3rd September 2020 – a third of total global support.
- Aid came in varying forms including loans, tax waiver and tax deferral schemes, state equity injections and nationalisations.
- State equity injections mostly benefitted nation’s full service flag carriers.
- State equity injections involved several big players including Lufthansa, Air France / KLM, TAP Portugal and SAS. Alitalia is being nationalised through the creation of a new company.
- State capital injections triggered complaints by operators that did not ask for or did not receive support. Low cost carriers in particular have highlighted the potential risk of market distortions deriving from such capital injections.
- Another side effect of state capital injections is the conditions attached – which almost always result in government involvement in the airline’s management.
- For example, the French government called on Air France to halve its overall carbon dioxide emissions per passenger kilometre by 2030 (compared with 2005), with an earlier target of 2024 for emissions from domestic flights. The government also asked Air France to renew its fleet with more efficient aircraft, and to commit to sourcing 2% of its fuel requirements from sustainable sources by 2025.
- The Dutch government also imposed conditions on KLM, including that all KLM employees agree to adjust certain employment conditions for the duration of the loan, which is set to last until 2025.
- European governments also put other extensive measures in place to support businesses throughout the pandemic. Among these measures, most countries introduced furlough schemes for employees and tax waivers/deferral schemes both for employees and for businesses.
- It is likely that an element of additional support for the aviation industry will be provided by European governments in 2021.

Chart 5: Europe State Support for airlines as of 3rd September 2020

Source: Ishka (US\$M)



Europe: State Support for Airlines (2)

High level of State Support

Source: Ishka 3rd September 2020; Analysis by AviaSolutions

Table 2: Europe State Support for Airlines as of 3rd September 2020***

Government / authority	Stage	(USD millions)			Measures
		Confirmed	Unconfirmed	Total	
Austria	Confirmed state aid	512	0	512	Private equity injection, State loan guarantee
Belgium	Confirmed state aid	338	0	338	State loans, Private equity injection
Croatia	State financial aid under negotiation	0	0	0	
Czech Republic	State financial aid under negotiation	0	84	84	Large business state loan financing
Denmark	Confirmed state aid	715	0	715	State equity injection, State loan guarantee, Flight subsidies
Estonia	Confirmed state aid	33	0	33	State equity injection, Share repurchase
EU Transport Ministers	Unclear or N/A	0	0	0	
European ANSPs*	Confirmed state aid	0	0	0	Operational fee waivers
European Commission	Some measures introduced or being considered	0	0	0	Operational fee waivers
European Parliament**	Unclear or N/A	0	0	0	
Finland	Confirmed state aid	970	0	970	State equity injection, State loan guarantee
France	Some relief measures or state aid introduced, further aid under negotiation	7,861	0	7,861	State loans, State loan guarantee, Tax waivers or deferrals
Germany	Confirmed state aid	13,897	0	13,897	State loans, State equity injection
Greece	Some measures introduced or being considered	0	168	168	Large business state loan financing
Iceland	Confirmed state aid	121	0	121	Flight subsidies, State loan guarantee
Italy	State financial aid under negotiation	0	3,624	3,624	Nationalisation
Latvia	Confirmed state aid	272	0	272	State equity injection
Montenegro	Confirmed state aid	12	0	12	State equity injection
Netherlands	Confirmed state aid	3,800	0	3,800	State loan guarantee
Norway	Some relief measures or state aid introduced, further aid under negotiation	552	0	552	State loan guarantee
Poland	Government considering requests for state aid	0	0	0	
Portugal	Confirmed state aid	1,559	0	1,559	State loans, Share repurchase, State equity injection
Romania	Confirmed state aid	152	0	152	State loans
Russia	Confirmed state aid	1,383	0	1,383	State equity injection, State budget subsidy / not specified, State bank loans
Serbia	State financial aid under negotiation	0	0	0	
Spain	Some relief measures or state aid introduced, further aid under negotiation	1,871	285	2,156	State loan guarantee, State bank loans, Operational fee waivers, Flight subsidies
Sweden	Confirmed state aid	1,078	0	1,078	State equity injection, State loan guarantee
Switzerland	Confirmed state aid	1,960	0	1,960	State loan guarantee
Turkey	Some measures introduced or being considered	0	0	0	Operational fee waivers
United Kingdom	Confirmed state aid	2,346	0	2,346	Large business state loan financing, Operational fee waivers
<i>Total Europe</i>		<i>39,431</i>	<i>4,161</i>	<i>43,592</i>	
<i>Total All Regions</i>		<i>128,211</i>	<i>32,674</i>	<i>160,884</i>	

***Source: Ishka

* European Air Navigation Service Providers (ANSPs)

** Tourism Task Force Members of the Transport and Tourism Committee

European Traffic – 2020 Summary and 2021 Outlook

Analysis by AviaSolutions



Summary 2020	Outlook 2021
<p>Generally, the European market was more heavily impacted than most other regions. In 2020, European capacity declined -60% compared to the global average of -51%.</p> <p>Eastern European airlines have typically been less impacted than those in Western Europe, owing to more stringent travel restrictions in countries like UK, Spain, Italy and Germany.</p> <p>Renewed restrictions from November 2020 forced European airlines to cut capacity from -66% to -73%. The summer season, as well as the second half of December showed slight increases in capacity, mostly driven by low cost domestic travel.</p>	<p>International travel is likely to start recovering from Q2-Q3 2021 as vaccine availability grows in Europe, USA and other countries around the world, meaning the easing of current travel restrictions.</p> <p>ASK capacity is expected to be -65% in Q1 2021 and -45% in Q2 2021*.</p>
<p>Domestic traffic in Europe was impacted less than international traffic due to tighter restrictions on international travel. Domestic capacity in Europe in 2020 has been similar to the worldwide average (-30% vs. -31%).</p>	<p>Domestic traffic in Europe is expected to continue its recovery to -35% decline in Q1 2021 and -25% decline in Q2 2021*.</p>
<p>Low cost airlines in Europe have shown the ability to adapt to changing demand more quickly than full service carriers, as demonstrated during the summer months, as well as at Christmas time.</p>	<p>Given low cost airlines are more flexible than full service airlines in capacity and route planning, it is highly likely that they will gain some additional market share from legacy full service carriers like Lufthansa and British Airways in 2021.</p>
<p>European Governments put in place extensive support schemes for businesses, including the aviation sector. Some governments acquired shares in national carriers.</p>	<p>State support is likely to continue into 2021. Aid schemes should aim to avoid competition distortion and not just favour national flag carriers.</p>

*AviaSolutions view

Middle East airlines impacted regardless of business model

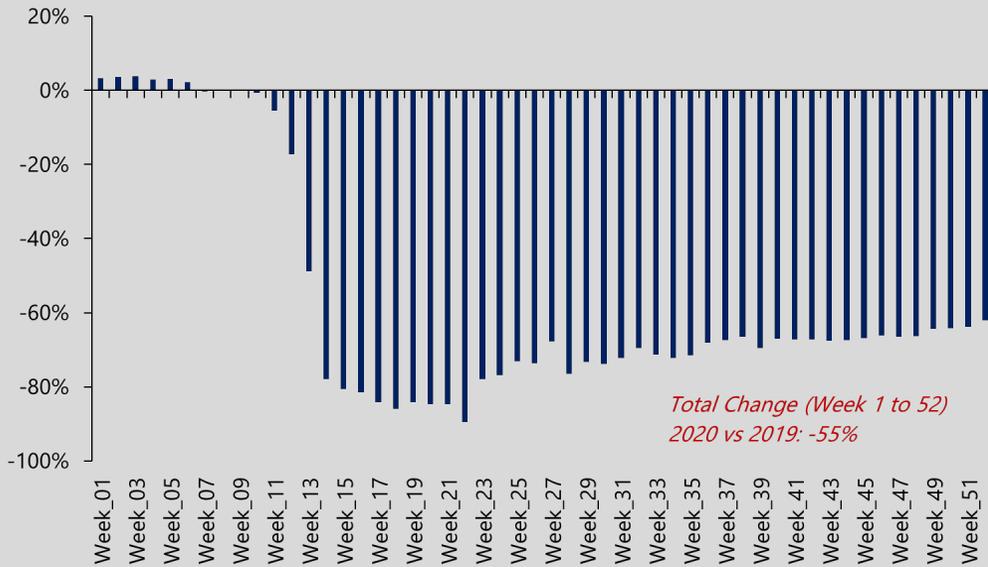
However, no major impact from rising COVID-19 cases in Autumn 2020

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

- Middle East airline capacity collapsed in Spring 2020, before starting a slow, consistent recovery from the Summer

2021 – recovery likely to start in Q2 2021, but major long haul hubs may suffer for longer

Chart 6: Middle East-Originating ASKs Change 2020 vs 2019

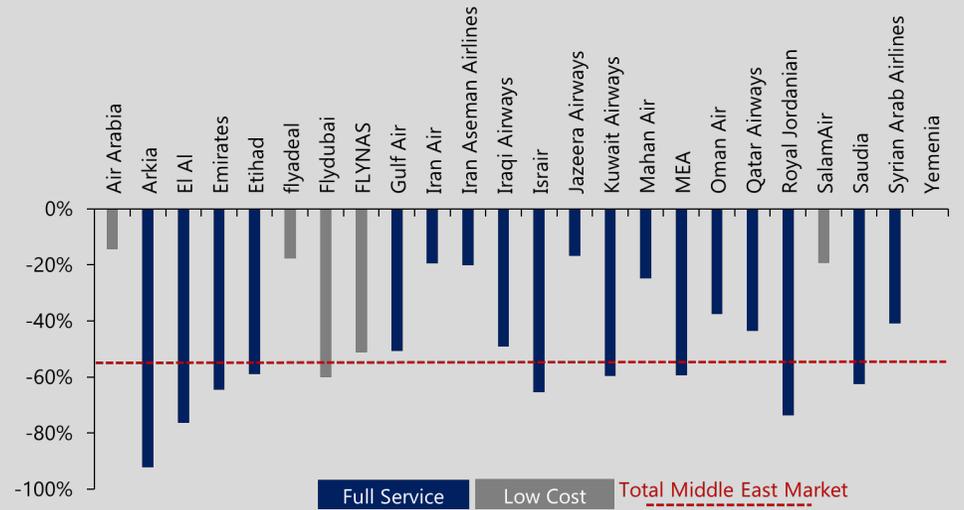


- In 2020, overall ASK reduction in the Middle East is expected to be -55%.
- ASK reduction reached its peak in Spring 2020, before starting to recover from Summer 2020.
- ASKs in the region have not been significantly impacted by rising COVID-19 cases from Autumn 2020.

- All airlines were impacted by the pandemic – no evidence that the low cost business model performed better

2021 – recovery to be driven by shorter sector point-to-point markets

Chart 7: Middle East-originating ASKs Change by Main Middle Eastern airlines (2020 vs 2019)



- Among the "Big Three" airlines, Emirates cut capacity more than Etihad and Qatar.
- Among low cost airlines, Air Arabia, flyadeal and Salam Air posted a smaller ASK reduction than Flydubai and FlyNas.
- Among the remaining carriers: Arkia, El Al, Israil, Kuwait Airways, MEA, Royal Jordanian and Saudia fared below average in terms of ASKs.
- Recovery is expected from Q3 2021, but major differences are expected across different hubs and business models.
- Point-to-point, short haul markets are likely to recover faster than long haul connecting markets.

Middle East airlines impacted regardless of business model

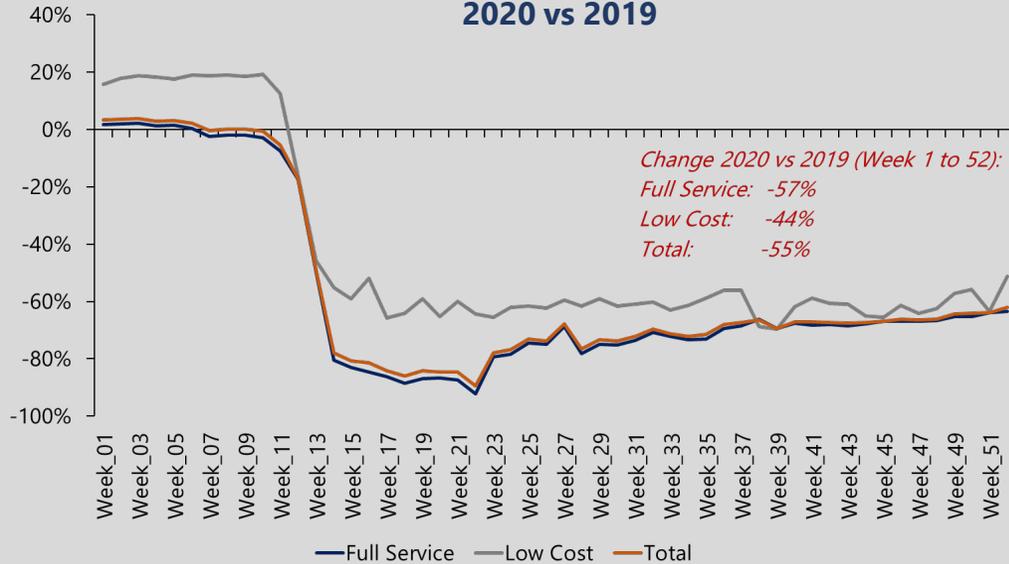
Domestic traffic remained relatively strong

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

- Low cost airlines in the Middle East had a particularly strong start to 2020

2021 – Full service carriers not likely to recover fully in 2021, as the gulf carriers focus heavily on long haul passengers

Chart 8: Middle East Full Service vs Low Cost ASKs Change 2020 vs 2019



- Low cost airlines in the Middle East grew strongly from January to March 2020 (ASKs +18% to +20%).
- Between March and May 2020, capacity of full service carriers declined rapidly to -80% to -90%. June saw a small recovery in capacity.
- In March, capacity of low cost airlines declined rapidly to -60% and remained at that level for the rest of 2020, with no significant recovery in high travel periods.

- Domestic travel in the Middle East has not been as strongly impacted as in other regions

2021 – International traffic likely to stay low due to the gulf carriers being strongly affected by the pandemic

Chart 9: Middle East Domestic vs International ASKs Change 2020 vs 2019



- Domestic travel in the Middle East saw a delayed impact from the pandemic versus international travel. Domestic capacity did not start declining until April 2020, followed by a steep decline in capacity in May.
- Domestic capacity declined to -75% in May, recovering to -50% in June. Since, ASKs have slowly recovered to reach -25% in December.
- International traffic was impacted sooner with a steep decline in March.
- Together with Africa, the Middle East was the least impacted region in terms of international capacity in 2020 (-56% YoY).

Middle East: Decline in ASKs by Country

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

Table 3: Middle East Decline in ASKs by Country

Country	ASKs (m) - 2019	ASKs (m) - 2020	% Change
United Arab Emirates	302,091	119,174	-61%
Qatar	123,811	68,647	-45%
Saudi Arabia	97,782	42,014	-57%
Israel	44,298	14,317	-68%
Oman	22,401	13,414	-40%
Kuwait	20,746	9,432	-55%
Iran Islamic Republic of	17,569	12,580	-28%
Jordan	11,576	3,952	-66%
Bahrain	11,153	5,087	-54%
Lebanon	9,855	4,000	-59%
Georgia	5,750	2,178	-62%
Azerbaijan	5,400	1,984	-63%
Armenia	3,277	1,658	-49%
Turkmenistan	2,088	706	-66%
Syrian Arab Republic	639	330	-48%

Middle East: State Support for Airlines

Region's major airlines suffered large losses but are ready for recovery

Source: Ishka 3rd September 2020; Analysis by AviaSolutions

- Middle East carriers received \$2.2B confirmed state support as of 3rd September 2020, with the vast majority being granted by **UAE**.
- **Iran** and **Jordan** provided moderate support with \$87M and \$71M respectively.
- Airlines such as Emirates, Etihad and Qatar Airways built their networks around their hubs as long haul connecting points.
- Furthermore, these airlines serve no domestic routes and limited regional flying – which proved to be the most resilient traffic segments during the pandemic.
- Consequently, Emirates Group posted a huge loss of \$3.8B for the six months ended 30 September 2020. Airline revenues declined -74% during the first half of its financial year.
- Despite the pandemic downturn, there are signs of recovery in the region for 2021, including the resumption of old routes, the launch of brand new services (Qatar Airways to Seattle) and the delivery of new aircraft (including Emirates new A380s and Qatar Airways B787-9).
- A further boost to regional flying is the recent agreement between the UAE and Israel, with new direct flights introduced between the two countries. It is reported that Etihad and El Al are in co-operation talks.
- Overall, it is to be expected that government support for the airlines in the region will continue in 2021 and the outlook for the region remains positive.

Table 4: Middle East State Support for Airlines as of 3rd September 2020*

Government / authority	Stage	(USD millions)			Measures
		Confirmed	Un-confirmed	Total	
Iran	Confirmed state aid	87	0	87	State loan guarantee
Israel	Confirmed state aid	0	0	0	State loans State equity injection State loan guarantee
Jordan	Confirmed state aid	71	0	71	State equity injection
UAE	Confirmed state aid	2,000	0	2,000	State equity injection
<i>Total Middle East</i>		<i>2,158</i>	<i>0</i>	<i>2,158</i>	
<i>Total All Regions</i>		<i>128,211</i>	<i>32,674</i>	<i>160,884</i>	

*Source: Ishka

Middle East Traffic – 2020 Summary and 2021 Outlook

Analysis by AviaSolutions

Summary 2020	Outlook 2021
<p>Overall, the Middle East market was impacted marginally more than other regions with capacity declining -55% in 2020 vs. the global average of 51%. This is likely driven by the fact that Gulf carriers focus on long haul transfer passengers, a segment worse impacted by the pandemic.</p> <p>Unlike carriers in other regions, airlines in the Middle East did not experience any increased demand in the Summer 2020 season.</p>	<p>International traffic in the Middle East is not expected to recover quickly in 2021, given many airlines in the region carry long haul and ultra long haul passengers, which are most affected by the ongoing pandemic.</p> <p>ASK capacity is expected to be -60% in Q1 2021 and -55% in Q2 2021*.</p>
<p>Overall, domestic capacity in the Middle East was slightly above the worldwide average in 2020 (-28% vs. -30%). However, by the end of December, Middle East domestic capacity was lower than the worldwide average (-25% vs. -19%) due to people travelling for Christmas holidays in other regions.</p>	<p>Domestic traffic in the Middle East is expected to continue its recovery, reaching -15% decline in Q1 2021 and -10% decline in Q2 2021*.</p>
<p>Throughout 2020, low cost airlines in the Middle East were similarly impacted by the pandemic as those in other regions (ASK decline of -44% vs. the worldwide average of -45%). However, low cost airlines in the Middle East were not able to increase capacity in Summer 2020, as was the case in most other world regions.</p>	<p>Unlike most other regions, low cost airlines in the Middle East are expected to achieve similar recovery to full service carriers in 2021.</p>
<p>State support schemes implemented in 2020, with UAE airlines benefitting the most.</p>	<p>State support is likely to continue into 2021. Outlook remains positive.</p>

*AviaSolutions view

Africa airlines were impacted regardless of business model

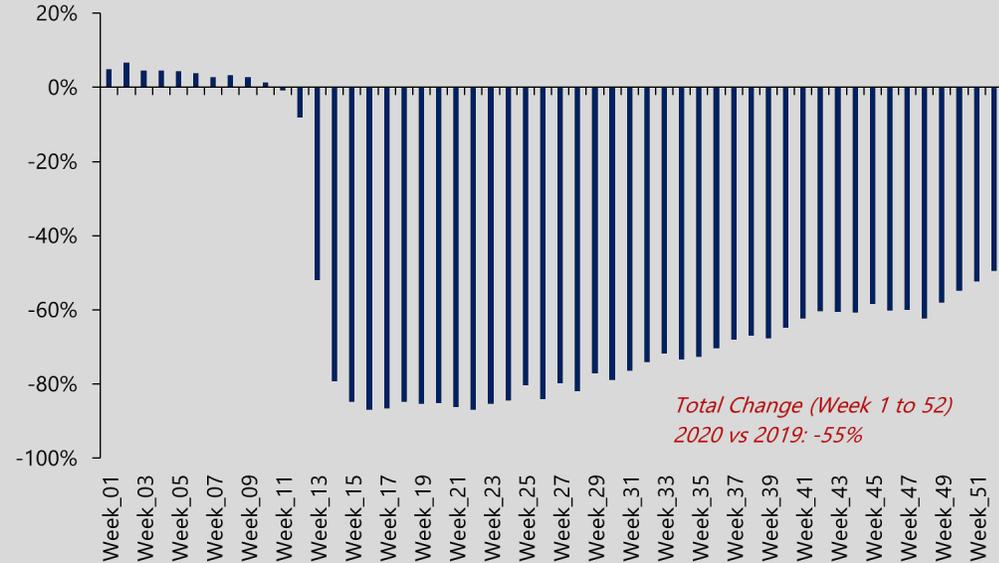
However, no major impact from rising COVID-19 cases in Autumn 2020

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

- Africa capacity collapsed in Spring 2020, followed by steady recovery from Summer 2020

2021 – significant recovery likely to start by Q3 2021

Chart 10: Africa-Originating ASKs Change 2020 vs 2019

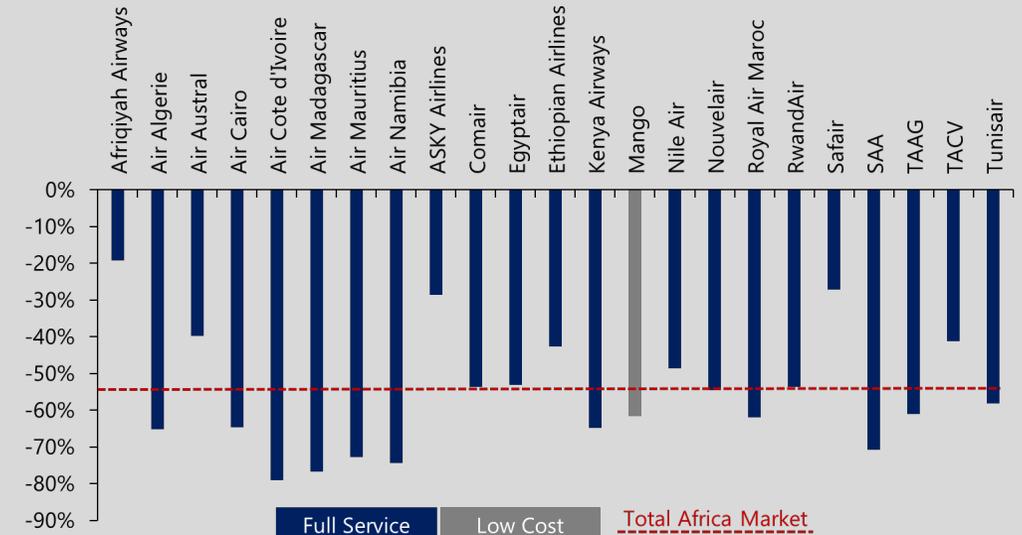


- In 2020, overall ASK reduction in Middle East is expected to be -55%.
- Capacity declines were largest in Spring 2020, before starting to recover from Summer 2020.
- ASKs in the region have not been significantly impacted by rising COVID-19 cases from Autumn 2020.
- In fact, the pace of capacity recovery is accelerating towards the end of 2020.

- Ethiopian Airlines was one of the least impacted carriers; SAA was one of the worst affected

2021 – major hub & spoke carriers exposed to international markets likely to recover faster

Chart 11: Africa-originating ASKs Change by Main Africa Airlines (2020 vs 2019)



- Ethiopian Airlines (Africa's largest carrier) was less impacted by the pandemic.
- Smaller airlines such as Air Cote d'Ivoire, Air Madagascar, Air Mauritius and Air Namibia were more heavily impacted.
- SAA also fared below average; the airline has long been in a restructuring phase.
- Recovery is likely to start earlier for airlines that have a significant exposure to international connecting markets (such as Ethiopian Airlines). This is partly due to vaccines being introduced earlier in particular regions (incl. Europe).

African airlines hit by lockdowns regardless of business model

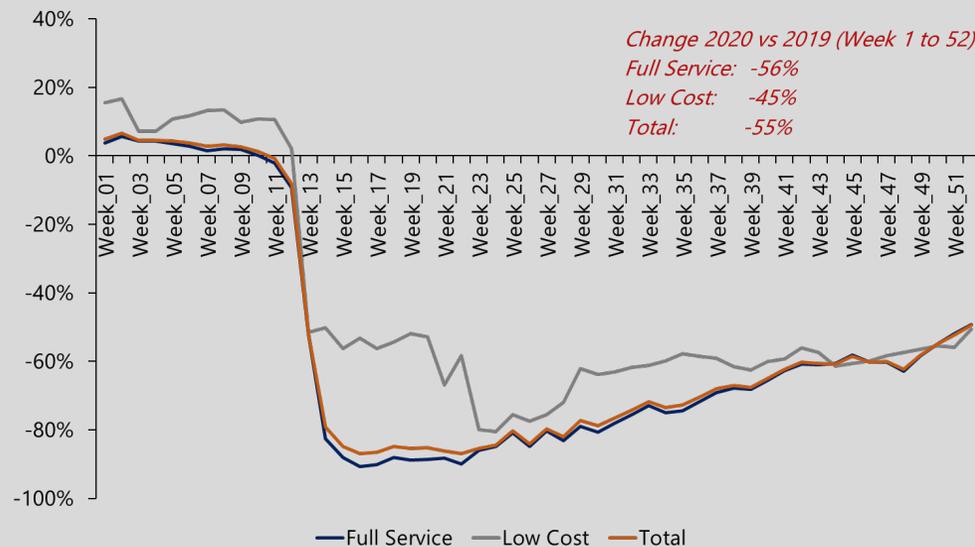
Domestic traffic surges in December 2020

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

- Full service airlines were more heavily impacted than LCCs at the start of the pandemic, however, they have since recovered to a similar level as LCCs by December 2020

2021 – outlook remains more uncertain, as vaccine availability is lower than in some other regions

Chart 12: Africa Full Service vs Low Cost ASKs Change 2020 vs 2019

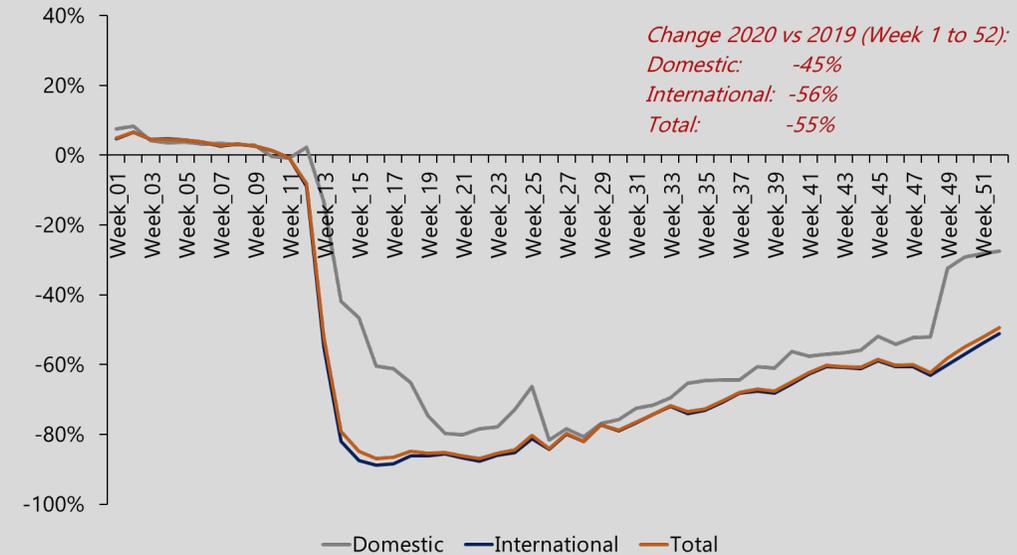


- In March 2020, Africa full service airlines reduced capacity to -90%, while low cost airlines only reduced capacity to -50%.
- Low cost airlines reduced capacity in two waves: -50% to -60% in April-May and -80% in June.
- Full service airlines reduced capacity to -90% in April, followed by gradual recovery to December when capacity reached circa half of that recorded in 2019.

- Domestic traffic was less impacted than international at the start of the pandemic, and also performed better in December 2020

2021 – both domestic and international capacity is expected to recover gradually throughout 2021

Chart 13: Africa Domestic vs International ASKs Change 2020 vs 2019



- Domestic traffic was less impacted than international at the start of the pandemic, and performed much better in December 2020, showing better signs of recovery.
- Together with the Middle East, Africa international capacity was more heavily impacted than other world regions (-56% decline in 2020 vs 2019).

Africa: Decline in ASKs by Country

Of the largest markets, South Africa was most impacted

Source: OAG Schedules published 23 Nov 2020; Analysis by AviaSolutions

Table 5: Africa: Decline in ASKs by Country

Country	ASKs (m) - 2019	ASKs (m) - 2020	% Change
South Africa	58,625	21,619	-63%
Egypt	40,463	19,732	-51%
Morocco	34,463	13,378	-61%
Ethiopia	29,518	16,021	-46%
Kenya	16,369	7,033	-57%
Nigeria	13,148	6,308	-52%
Algeria	11,714	3,487	-70%
Mauritius	11,396	3,363	-70%
Tunisia	10,582	4,095	-61%
Ghana	6,740	3,015	-55%
Tanzania United Republic of	6,113	3,408	-44%
Angola	5,715	2,074	-64%
Senegal	4,967	2,909	-41%
Cote D'Ivoire	4,488	2,240	-50%
Cape Verde	4,150	1,891	-54%
Sudan	3,507	2,549	-27%
Uganda	3,108	1,271	-59%
Seychelles	2,914	1,063	-64%
Cameroon	2,792	1,240	-56%
Congo Democratic Republic of	2,520	1,617	-36%
Madagascar	2,433	793	-67%
Namibia	2,341	844	-64%

Africa: State Support for Airlines

Uncertain outlook for 2021 – more support needed

Source: Ishka 3rd September 2020; Analysis by AviaSolutions

- Africa-based carriers benefitted from \$1.3B confirmed government support as of 3rd September 2020.
- The vast majority of aid was granted by Morocco, Mauritius and Egypt.
- The low level of government support compared with other world regions contributes to the uncertain outlook for Africa's aviation recovery in 2021.
- African airlines are proving particularly vulnerable to the impact of the pandemic, according to recent statements from IATA.
- Many Africa-based airlines had been struggling even before the pandemic started, such as high profile carriers like SAA.
- IATA's regional vice president for Africa and the Middle East recently stated that many airlines in Africa have exhausted their cash reserves during the pandemic.
- While additional state aid for struggling carriers is essential, IATA also called for a prompt implementation of long awaited reforms such as the opening up of borders, the removal of bureaucratic hurdles and the introduction of more effective policy regulations that could benefit all African carriers – even after the pandemic is over.
- The overall outlook for Africa's aviation sector in 2021 remains uncertain.

Table 6: Africa: State Support for Airlines as of 3rd September 2020*

Government / authority	Stage	(USD millions)			Measures
		Confirmed	Un-confirmed	Total	
Algeria	State financial aid under negotiation	0	0	0	
Angola	Government considering requests for state aid	0	0	0	Unspecified financial assistance
Burkina Faso	Confirmed state aid	6	0	6	State budget subsidy / not specified
Cameroon	State airline rescue rejected, government considering or implementing other measures	0	0	0	
Cape Verde	Confirmed state aid	12	0	12	
Egypt	Confirmed state aid	127	0	127	State loans
Ghana	Some relief measures introduced or being considered	0	0	0	Operational fee waivers
Ivory Coast	Confirmed state aid	24	0	24	State budget subsidy / not specified
Kenya	State airline rescue rejected, government considering or implementing other measures	0	70	70	Nationalisation
Madagascar	Unclear or N/A	0	0	0	Nationalisation
Mauritius	Confirmed state aid	225	0	225	State budget subsidy / not specified
Morocco	Confirmed state aid	624	0	624	State equity injection ,State loan guarantee
Nigeria	State airline rescue rejected, government considering or implementing other measures	70	0	70	Operational fee waivers Tax waivers or deferrals Airline-specific payroll support
Reunion	Confirmed state aid	72	0	72	State equity injection State loan guarantee
Rwanda	Some relief measures introduced or being considered	25	0	25	State budget subsidy / not specified
Senegal	Confirmed state aid	75	0	75	State budget subsidy / not specified
Seychelles	Some relief measures introduced or being considered	0	0	0	Operational fee waivers
South Africa	Government considering requests for state aid	0	0	0	State budget subsidy / not specified
Tunisia	State financial aid under negotiation	0	0	0	State equity injection
<i>Total Africa</i>		<i>1,260</i>	<i>70</i>	<i>1,330</i>	
<i>Total All Regions</i>		<i>128,211</i>	<i>32,674</i>	<i>160,884</i>	

*Source: Ishka

Africa Traffic – 2020 Summary and 2021 Outlook

Analysis by AviaSolutions

Summary 2020	Outlook 2021
<p>Overall, the African market was marginally more impacted than other world regions. In 2020, Africa capacity declined -55% compared to the worldwide average of 51%. However, by the end of the year, African full service carriers had recovered to -49% ASKs vs. worldwide average of -52%.</p> <p>The Africa region did not experience any recovery in the Summer season 2020, as seen in other regions.</p>	<p>Due to uncertainty over vaccine availability in Africa in 2021, it is unlikely that traffic will make any meaningful recovery before Q3 2021.</p> <p>ASK capacity is expected to be -55% in Q1 2021 and -45% in Q2 2021*.</p>
<p>African low cost airlines recorded positive growth in the first two months of 2020, followed by capacity declines in two waves due to the pandemic.</p> <p>Overall, low cost airlines in Africa have been similarly affected as those in other world regions (-45% decline in ASKs in 2020).</p> <p>Full service carriers in Africa have been more impacted than low cost carriers in 2020 (-56% ASKs vs. -45% ASKs respectively).</p>	<p>Given the strong performance of Africa's full service airlines in H2 2020, we expect them to continue their strong recovery and perform better in 2021 than the low cost carriers.</p>
<p>Throughout 2020, domestic traffic in Africa has been affected more than in the other regions in the world (-45% vs. worldwide average of -30%). However, December saw a surge in domestic capacity, recovering to -25% in the last week of December.</p>	<p>Despite a major surge in December 2020, domestic traffic is expected to remain low throughout 2021.</p> <p>Domestic ASK capacity is expected to be -35% in Q1 2021 and -30% in Q2 2021*.</p>
<p>Very limited state aid throughout Africa in 2020 versus other regions.</p>	<p>Additional state aid is likely but recovery remains hampered by long standing hurdles (bureaucracy, high costs, limited connectivity). 2021 outlook is uncertain.</p>

*AviaSolutions view