



# SOUTHERN AFRICAN AIRLINES FACE CRISIS

News / Airlines



The **Southern African airline** industry is **facing a crisis** as demand for flights decreases and profits drop.

The Airlines Association of Southern Africa (AASA) has warned that the airlines ability to create jobs and stimulate economic growth is under threat, mirroring the lack of economic growth across the region.

AASA CEO Chris Zweigenthal explained: “Most African airlines have been unable to follow suit and remain stuck in an on average 0.8 percent (USD1,59 per passenger) profit margin band with IATA forecasting a combined return of around USD100m across the continent again this year.”

“What is missing is an alignment of governments’ policies and strategies to let airlines safely, efficiently and affordably carry more people and goods on more routes linking more towns and cities, more frequently, across the continent.”

The industry has suffered over the last 12 months due to the economic and social impact of the Ebola outbreak, whilst oil and aviation fuel prices dropped, which should have resulted in a fairly successful year.

This is not the case, as Zweigenthal said: “Economic uncertainty characterised by labour disputes, electricity shortages, weakened currencies in some markets, a rampant US dollar in others, such

as Zimbabwe, and more recently, the downturn in China's fortunes have pushed those of the airlines and of the region back over the horizon.”

Zweigenthal believes the governments need to step in, in order to help the industry recover.

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