

No profits for African airlines

African airlines will collectively make no profits this year according to the International Air Transport Association (IATA).



"This is despite the fact that air traffic is growing strongly in Africa," the association's vice-president Mike Higgins told reporters in Sandton on Tuesday (20 November).

"So we need to understand the challenges facing aviation in the region."

He said air transport, which generated US\$67.8bn in gross domestic product (GDP) for Africa, was vital for economic growth.

"With the right policies in place, this footprint will grow substantially in the years to come," he said.

The association forecast that aviation's direct contribution to GDP in Africa would increase by 5% a year over the next 20 years if airlines in Africa were profitable.

"Unfortunately our October forecast shows that once again African airlines will collectively make no profit this year," Higgins said.

Source: *Sapa* via I-Net Bridge