

# Africa's travel market experiencing healthy growth, Lagos falls short

According to an analysis conducted by [ForwardKeys](#), Lagos has seen a substantial decline in both its domestic and international capacity. It's estimated that between August and December 2017, Lagos will have 16% fewer airline seats on domestic routes and 9% fewer on international routes, in part, as a result of Arik Air cutting 53% of its seats.



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“One of the major reasons for falling arrivals by air to Nigeria is the fact that many airlines could not repatriate funds after the currency crisis in 2016. As a result, Iberia and United Airlines have ceased operations to Nigeria, whilst Emirates and the other foreign carriers have scaled back services. The Nigerian airlines have suffered too and so this void has been filled by the ever-opportunistic Ethiopian Airlines, who began serving their fifth Nigerian destination, Kaduna on 1st August 2017 and are now the largest carrier in the Nigerian market,” said Jon Howell, managing director of AviaDev, aviation and tourism development manager, Bench Events.

Other airports in Africa’s top ten leading list are seeing a healthy growth in capacity, which is more international than domestic. However, the most notable exception to this trend is Nairobi, which has seen a 22% boost in domestic capacity.

## 2017 Aug-Dec capacity: Int'l capacity grows faster for 7 out of Top 10 airports

- Among the Top 10 African airports, ranked by total scheduled capacity for August to December 2017, 8 airports are welcoming growth for both domestic and international capacity; Nairobi is the only airport seeing bigger growth for domestic capacity than that of international capacity.
- Lagos is the only airport seeing declines in both domestic and international capacity, mainly because Arik Air is cutting 53% of its seats for the rest of 2017.

### Scheduled capacity to Top 10 airports in Africa, August to December 2017

| %Var. of domestic capacity | %Var. of int'l capacity | Top 10 airports in Africa | Total scheduled seats for the airport Aug to Dec 2017<br>(%Share of different categories of seats for the airport) |     |     |
|----------------------------|-------------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------|-----|-----|
| 1%                         | 1%                      | Johannesburg              | 49%                                                                                                                | 24% | 27% |
| 1%                         | 3%                      | Cairo                     | 10%                                                                                                                | 82% | 8%  |
| 9%                         | 9%                      | Addis Ababa               | 12%                                                                                                                | 40% | 47% |
| 1%                         | 7%                      | Casablanca                | 12%                                                                                                                | 65% | 23% |
| 1%                         | 19%                     | Cape Town                 | 77%                                                                                                                | 17% |     |
| 22%                        | 8%                      | Nairobi                   | 18%                                                                                                                | 31% | 51% |
| 2%                         | 3%                      | Algiers                   | 25%                                                                                                                | 66% | 10% |
| 14%                        | 18%                     | Tunis                     | 71%                                                                                                                | 26% |     |
| 5%                         | -26%                    | Durban                    | 95%                                                                                                                |     |     |
| -16%                       | -9%                     | Lagos                     | 46%                                                                                                                | 30% | 24% |

■ domestic seats  
■ long-haul int'l seats  
■ intra-Africa int'l seats



Geography as per UNWTO definition; except, Egypt is included in Africa.  
August 1<sup>st</sup> to December 31<sup>st</sup> 2017 vs. same period previous year  
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5

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Scheduled capacity to Top 10 airports in Africa, August to December 2017.

These findings are part of a wider report on travel to Africa, produced by ForwardKeys, which predicts future travel patterns by analysing 170 million booking transactions a day. It has shown double digit growth in flight arrivals for the first half of this year, with little indication that the pace of growth will slow down soon. The wider report makes for encouraging reading for airlines, governments and hoteliers planning to discuss possible new aviation routes at AviaDev in Kigali in October.

The report reveals that in the first seven months of the year, 1 January to 31 July 2017, total international flight arrivals grew by 14.0% over the same period in 2016. Most significantly, growth was stronger for travel to and from the continent than within the continent. Arrivals from Europe, which make up 46% of the market, were up 13.2%. From the Americas, arrivals were up 17.6%; from the Middle East, they were up 14.0% and from Asia Pacific, they were up 18.4%. By comparison, intra-African air travel, which makes up 26% of the market, was up by 12.6%.

## 2017YTD: the Americas, Middle East and Asia Pacific arrivals grew robustly

- International arrivals in Africa have continued the positive performance of the second half of 2016 into 2017, welcoming an increase of 14.0% in 2017 year to date. Longer haul arrivals from the Americas and Asia Pacific, and the Middle East performed better than intra-Africa international arrivals and European arrivals into Africa; the latter two flows grew below the overall international growth.

Int'l arrivals in Africa by origin regions, January to July 2017



Total International Arrivals in Africa 2017 Year to date  
(+14.0%)

Geography as per UNWTO definition; except, Egypt is included in Africa.  
Length of stay at the destination is 1 to 21 nights.  
January 1<sup>st</sup> to July 31<sup>st</sup> 2017 vs. same period previous year

International arrivals in Africa by origin regions, January to July 2017.

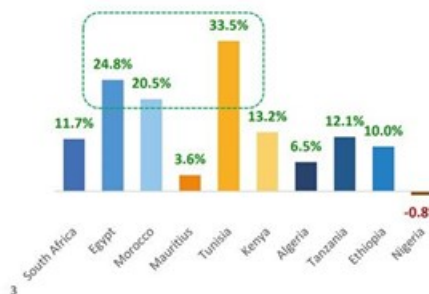
Looking at Africa's top ten destination countries, there have been standout performances from both Tunisia and Egypt, which are up by 33.5% and 24.8%. In addition, Morocco and Tunisia received a huge boost in arrivals from China, which were up by 450% and 250% respectively, after they relaxed visa restrictions. The one disappointment is Nigeria, which has seen a 0.8% drop, in the wake of the recession in 2016, caused by a collapse in the oil price to a 13-year low.

## 2017YTD: Chinese tourists helped along with tourism recovery in Africa

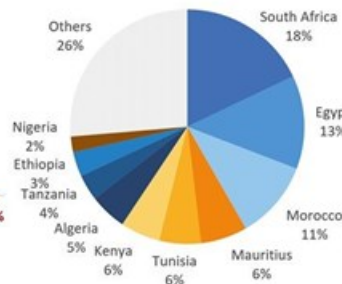
- African destinations have enjoyed a one-year-long recovery after the health and security concerns in 2014 and 2015 gradually faded: Egypt and Tunisia are the destinations leading the recovery. Nigeria is the only underperforming one among Top 10, because its intra-African arrivals declined seriously along with its intra-African capacity decline.
- Morocco and Tunisia benefited from their visa exemptions for Chinese travellers, receiving +450% and +250%, respectively, in Chinese arrivals 2017 year to date.

Int'l arrivals in Africa, Top 10 destination countries, January to July 2017

%YoY variation international arrivals in each destination 2017 year to date



% Share international arrivals in Africa 2017 year to date



Total International Arrivals in Africa 2017 Year to date  
(+14.0%)

Geography as per UNWTO definition; except, Egypt is included in Africa.  
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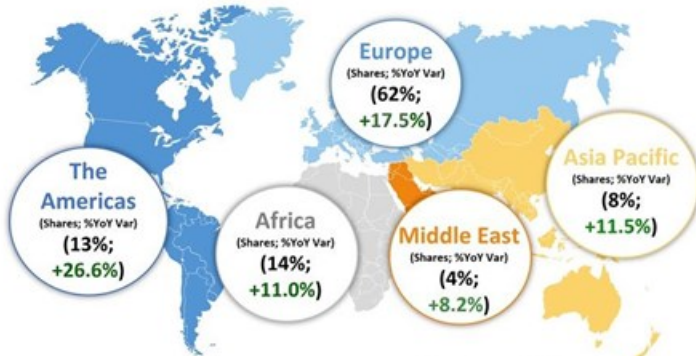
International arrivals in Africa, Top 10 destination countries, January to July 2017.

Looking forward to the end of the calendar year, bookings for flights to Africa are currently 16.8% ahead of where they were on 31 July 2016. Bookings from Europe are currently 17.5% a head, from the Americas 26.6% a head, from Asia Pacific 11.5% a head, from the Middle East 8.2% a head and bookings for intra-African air travel is 11.0% a head.

## Forward looking: Middle East and Asia Pacific are not as strong as YTD

- Forward bookings for Africa for the rest of 2017 are +16.8% ahead of last year, thanks to the extra early bookings from the Americas and Europe. Asia Pacific and Middle East are lagging comparing the on-the-book variations to the 2017 year-to-date variations: Asia Pacific outlook is affected by a sharp decrease in early bookings of Chinese groups to Mauritius, while Middle East has negative outlook not only for Africa, but for worldwide destinations in general, due to its ongoing regional economic and geological crisis.

Int'l arrivals in Africa on the book by origin regions, August to December 2017



Geography as per UNWTO definition; except, Egypt is included in Africa.  
Length of stay at the destination is 1 to 21 nights.  
August 1<sup>st</sup> to December 31<sup>st</sup> 2017 vs. same period previous year

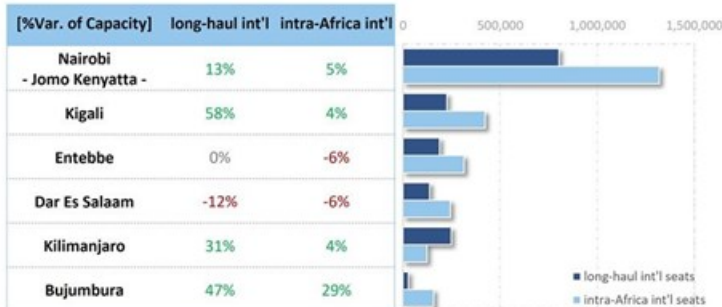
International arrivals in Africa on the book by origin regions, August to December 2017

A specific look at East Africa shows very similar trends in the year to date performance and outlook to the end of the year. However, it has stronger forward bookings from Europe, 22.9% ahead and less strong forward bookings from elsewhere; the Americas are 15.5% ahead and intra-African air travel 7.6% ahead. However, bookings from the Middle East and Asia Pacific are 6.0% and 3.8% behind respectively.

## 2017 Aug-Dec capacity: EAC is welcoming 6 new routes

- There are 6 new routes scheduled for the rest of 2017 for EAC: Kigali is welcoming one route to reach both London and Brussels and one route to connect Mumbai, both operated by RwandAir; Kilimanjaro will have 3 weekly flights from Dubai by Flydubai starting end of October; Dar Es Salaam has one more weekly flight to Dubai (DWC airport) by Inter Iles Air while Nairobi is linked to Muscat with 4 weekly flights by Oman Air starting August 2017; Nairobi also has a new route from Yemen. Dar Es Salaam lost the flights to Muscat since January 2017, causing the significant overall decrease of 12% in long-haul international capacity.

Scheduled capacity to EAC main airports, August to December 2017



Geography as per UNWTO definition; except, Egypt is included in Africa.  
August 1<sup>st</sup> to December 31<sup>st</sup> 2017 vs. same period previous year

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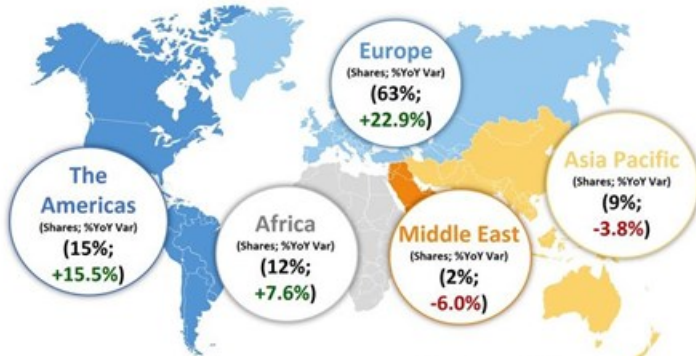
Scheduled capacity to EAC main airports, August to December 2017.

On an individual airport level, the most significant capacity increase in East Africa is at Kigali, with new routes to Brussels, London and Mumbai. Other notable new capacity includes Kilimanjaro to Dubai and Nairobi to Muscat and to Yemen.

## Forward looking: weak outlook for Middle East to EAC and Asia Pacific to Kenya

- Forward looking international arrivals in EAC are 16.4% ahead of last year. Germany, France, and Italy in Europe, the U.S.A. and Canada in the Americas, and South Africa and Nigeria, the two biggest markets in Africa but out of EAC, all see double-digit growth from last year's booking situation. While all EAC destinations have a weak outlook with Middle East markets, only Kenya has a weak outlook with Asia Pacific: a lack of bookings from India and Japan is not compensated by the increasing bookings from China.

Int'l arrivals in EAC on the book by origin regions, August to December 2017



Geography as per UNWTO definition; except, Egypt is included in Africa.  
Length of stay at the destination is 1 to 21 nights.  
August 1<sup>st</sup> to December 31<sup>st</sup> 2017 as of July 31<sup>st</sup> 2017 vs. same period previous year

8

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International arrivals in EAC on the book by origin regions, August to December 2017.

"The growth in air travel to Africa is impressive. However, it is notable that consumer demand and airline investment is greater in travel to African countries from outside the continent than it is between African countries," Olivier Jager, CEO, ForwardKeys.

"As an international executive who has travelled around Africa for many years, I am longing for the day when it is easier to fly directly between African cities, as is possible on other continents. I am sure I'm not alone in that desire and I'm equally sure, it will happen eventually. That's why I'm determined that the discussions that will take place at AviaDev will help bring that vision closer," concluded Howell.

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