



## SUPPLY CHAIN WORKING GROUP

PAPU/OTC/SCG/PATF/01/2025 – Doc No. 03

**PAPU-AFRAA TASK FORCE (PATF)**

**24<sup>th</sup> MARCH 2025 (VIRTUAL)**

**09:00 Hours (GMT)**

### PAPU-AFRAA ACTIVITIES REPORT

<b>1. Subject</b> <b>PAPU-AFRAA ACTIVITIES REPORT</b>	<b>References/Paragraphs</b> <b>PAPU Action Plan 2022-2025</b> <b>PAPU-AFRAA MoU</b>
<b>2. Decisions Expected</b> <ul style="list-style-type: none"><li>• Take note of the activities undertaken;</li><li>• Adopt the Report;</li><li>• Submit to the Supply Chain Working Group.</li></ul>	

#### 1.0 INTRODUCTION

Within the framework of the PAPU/AFRAA Memorandum of Understanding (MoU), signed in February 2019, the two organizations collaborate on a number of issues regarding mail conveyance by African airlines, including, but not limited to, attendance and participation at each other's relevant meetings by PAPU and AFRAA General Secretariats.

The main objective of the MoU is to ensure continuous consultations between the African Airlines serving Africa and the Designated Postal Operators of the continent, particularly by ensuring:

- a. Sharing of up-to-date information on schedules and links served;
- b. Timely payment to Airlines by Designated Operators (DOs);
- c. Facilitation of settlement of disputes between Designated Postal Operators and Airlines;
- d. Safety and mail security;
- e. Quality of service improvement in mail conveyance;
- f. Compliance with customs rules and regulations
- g. Electronic Data Interchange between Dos and Airlines.

## **2.0 AREAS OF COLLABORATION**

During the financial year 2024/2025, PAPU and AFRAA collaborated in the following collaboration areas:

### **2.1 REVIEW OF PAPU AFRAA MoU**

The two organizations are in the process of reviewing the MoU signed in February 2019 to reflect current industry developments and align it with the standard collaboration agreements signed between PAPU and other partners.

#### **2.2 AFRAA Sky Connect Leadership Dialogue**

The MoU signed between PAPU and AFRAA requires that the two parties attend each other's meetings and collaborate on transport matters in Africa. In the spirit of the MoU, the PAPU General Secretariat attended the Sky Connect Dialogue organized by AFRAA on 5<sup>th</sup> February 2025.

The dialogue covered the following main issues:

##### **a) Airline Performance and Profitability**

The discussions indicated that the African Airlines are recovering from the COVID-19 pandemic error. However, the airlines continue to face several challenges, the major ones being listed below:

- High inflation and low purchasing power of travelers;
- Africans not trading enough among themselves – resulting in low cargo volumes;
- High cost of doing business – leading to high ticket prices and cargo rates;
- African airlines rated low on safety and security;
- Internal inefficiencies.

##### **b) Single African Air Transport Market (SAATM), African Continental Free Trade Area (AfCFTA) Protocol on Movement of People and Goods**

SAATM is a flagship project of the African Union (AU) Agenda 2063. Its goal is to create a unified air transport market in Africa, advance the liberalization of civil aviation, and act as an impetus to the continent's economic integration agenda. SAATM will play a major role in connecting Africa, promoting social and economic integration, and boosting intra-African trade. To date, thirty-four (34) countries have signed the SAATM, which represents 80% of the existing aviation market in Africa.

The African Continental Free Trade Area (AfCFTA) is also one of the flagship projects of the African Union (AU) Agenda 2063: The Africa We Want. By eliminating barriers to trade in Africa, the objective of the AfCFTA is to significantly boost intra-Africa trade, particularly trade in value-added production and trade across all sectors of Africa's economies.

The AfCFTA is the world's largest free trade area bringing together the fifty -five (55) countries of the African Union (AU) and eight (8) Regional Economic Communities (RECs) to create a single market for the continent. The aim is to enable the free flow of goods and services across the continent and boost the trading position of Africa in the global market. To date, only a few countries have ratified the AfCFTA.

Implementation of the SAATM and the AfCTA Protocol on the movement of people and goods is not moving at a fast rate in the interest of both the airline and postal industries.

### **c) AFRAA Priorities for African Airlines in 2025**

The priorities include:

- Focusing on Air Safety and Security;
- Improving intra-Africa connectivity and route development;
- Ensuring sustainability of airlines (both economic and social) which impacts on performance;
- Enhancing data exchange and statistics;
- Formulation of the 2026-2030 Strategic Plan in collaboration with stakeholders

### **3.0 RECOMMENDATIONS**

- a. Member States are encouraged to enhance collaboration with African airlines to ensure enhanced intra-Africa trade through the post and achieve efficient mail movement;
- b. PAPU General Secretariat to enhance collaboration with AFRAA to maintain good relations and cooperation between Designated Operators and Airlines.

### **4.0 DECISIONS EXPECTED**

The Report is submitted for the Task Force to:

- Take note of the activities undertaken;
- Adopt the Report;
- Table the Report with the Supply Chain Working Group.