

AIR TRANSPORT: THE MOST PROFITABLE ROUTES FROM AND TO THE CONTINENT

The analysis company OAG has recently released Africa's ten most profitable air routes. Emirates and the South African connection generally dominate the ranking. The only West African route of this top 10 is Abidjan–Paris, which comes in the eighth position. Emirates operate the continent's most profitable routes, half of which link South Africa to Europe or Asia. In the Top 10 published on August 13 by OAG, **Dubai's Emirates is ranked four times among the most profitable route companies, with Johannesburg and Cape Town airports hosting five of the ten routes.**

At the top of this ranking, which covers the period from April 2018 to March 2019, Emirates' Johannesburg–Dubai line generated \$ 315.6 million. It is ahead of the Johannesburg–London lines (British Airways, \$ 295 million in sales) and Cairo–Jeddah (Saudi Arabian Airlines, \$ 242 million in sales).

The only line of the top 10 in West Africa is Abidjan–Paris, operated by Air France, which generates \$ 175 million: it ranks eighth with a significant business clientele. According to various analysts, with three daily flights, it would even be among Air France's most profitable routes.

A Recipe for Profitability?

How to explain the increased profitability of an air route? "It's hard to answer," says John Grant, Air Analyst and Vice President of OAG. Each company, each line has its own costs and its suppliers, who charge different prices. Generally, the most profitable routes have a large proportion of business–class travelers, who will pay a high price, or a large market of tourism class passengers throughout the year”.

According to the analyst, Johannesburg Airport seems to have a combination of these two assets. As for Emirates' predominance, he added, that, "this company has a very dense network in Africa and offers connections to other regional areas".

A Single Intra–African Line

80% of intercontinental traffic linking Africa to other continents is carried by foreign companies... the only intra–African line in the ranking is the one between Cape Town and Johannesburg (South African Airways, \$185 million). This is a particularity that represents a challenge for air traffic among African countries.

"Long–haul flights generate the most revenue, especially those with business class," says the analyst. But on the continent, short– and medium–haul are the majority». This offer from African companies meets the demand of their users but is also conditioned by the regulatory barriers on the continent.

The project of the Single Market for Air Traffic in Africa (MUTAA) intends to tackle these barriers (taxes and legislation) in order to facilitate intra-African links. The goal is also to lower the price of tickets and develop this mode of transport on the continent. If the MUTAA does not necessarily increase continental interconnections to the top of the OAG's ranking, it will strengthen competition in the African sky, to the detriment of the smallest companies, some analysts warn.

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