BOEING TAKES UP THE AFRICA CHALLENGE

News / Manufacturer



Boeing predicts considerable **African** demand for new aircraft over the next 20 years. Keith Mwanalushi talks to the aircraft manufacturer about the opportunities and **challenges**.

Africa is a unique market, and one that Boeing knows well. During the Aviation Festival Africa in Johannesburg recently, the manufacturer revealed that the region could generate orders of up to $160 billion within the next two decades.

“In reference to Africa, we have shown the two sets of numbers everyone is looking for,” said Van Rex Gallard, VP-sales Latin America, Africa and Caribbean for Boeing Commercial Airplanes. “Over the next 20 years, when taking into account what we know today, the best estimate we can make is that Africa will need 1,170 aircraft worth $160 billion.”

Boeing predicts that, of the 1,170 airliners, 960 will be growth aircraft and the remainder will replace those currently in operation.

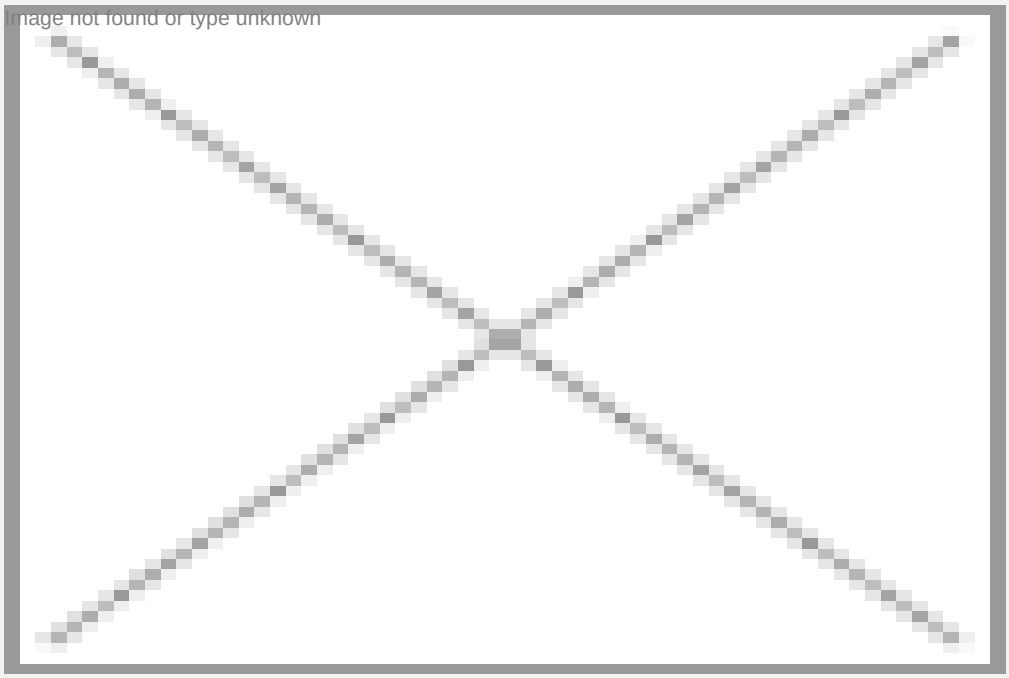
An estimated 830 will be narrow-body or single-aisle aircraft, while 260 will be what Boeing refers to as small wide-body (or twin-aisle) airliners (such as the Boeing 787-8 and 787-9). Also, the aircraft manufacturer said there was likely to be 40 medium wide-body airliners (such as the Boeing 777) worth $10billion. The company sees no market in Africa at present for the 747-8.

Gallard said the numbers were staggering considering the billions of dollars involved. “But, bear in mind you don’t buy aircraft across the counter. They don’t get paid on that day, they get paid over time, generally 12 to 15 years of financing periods.”

And, in relation to financing, Gallard confirmed that African airlines had access to cash for new aircraft. “Financing is available for African airlines, which is good,” he said. “We can find funding

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for most of our African customers.”
Clearly, demand for new aircraft will come from the handful of African airlines that have capacity to grow. Earlier this year Ethiopian Airlines upped its number of 787s by placing an order for an additional six aircraft. The Dreamliners complement the airline's 13 existing 787s currently operating in the fleet and are part of Ethiopian’s long-term strategy to increase capacity and provide greater route flexibility to and from its hub in Addis Ababa.
Gallard said demand would come with challenges when this many new aircraft were coming into the market. “How are we going to fly them? How are we going to maintain them? Can we keep them flying safely in the environment that we currently have?”



He added: “Let’s face it, once you start flying on the borders of our colleagues in Zambia, you are flying by the seat of your pants. Also, you need to be way inside Algeria before you get someone on the ground to respond to your messages. There are quite a few challenges in Africa.”
On a positive note, Africa’s economy has grown more than 4.5% per year over the past 10 years, despite the global recession. “That’s very robust economic growth for Africa in general. It’s higher than any other region in the world,” he said.
In fact, Africa has the youngest population of any continent and will be adding 11 million people to the job market per year for the next 10 years, according to Boeing.
High unemployment is already a challenge in many countries, further emphasising the need for proper skills and training.
The biggest risks for the region include lower commodity prices and increased volatility in the international financial markets. Even so, the expanding middle class will positively affect aviation in the region, the company said.
“There are good opportunities. But we must face the challenges,” Gallard summed up.

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