

Uganda Airlines takes off

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In 2016, just months after being sworn-in for a fifth term, President Yoweri Museveni, during the Independence Day celebrations in Kiyunga, Luuka district, announced the revival of the Uganda Airlines, after a hiatus of 15 years.

In August 2019 Uganda Airlines made its inaugural flight to Jomo Kenyatta International Airport in Kenya.

The national airline started with two Bombardier CRJ 900 aircraft with flights to seven destinations, including Nairobi, Mombasa, Dar-es-salaam, Mogadishu, Kilimanjaro, Bujumbura and Juba.

In October, two passenger planes were delivered into the country, doubling the size of the fledgling airlines fleet. This enabled the airline to expand its route network to nine, including Kinshasa in DR Congo, Zanzibar, Asmara, Hargeisa, Lusaka, Harare, Johannesburg, Djibouti and Addis Ababa.

Uganda Airlines expects to receive two Airbus A330 Neo planes soon. The first will arrive by the end of the year, and the second a few months later. These are expected to ply the longer routes.

According to the National Planning Authority, due to the absence of a national carrier, Uganda was losing about \$540m annually, in the form of high transport costs mostly resulting from extra charges to passengers moving in and out of Entebbe International Airport.

WHY THE REVIVAL

"There was need to enhance the country's competitiveness by reducing the cost of air transport and easing connectivity to and from Uganda," said former transport minister Monica Azuba.

Other reasons included supporting the faster harnessing of opportunities in the economy to promote tourism, agriculture, minerals, oil and gas, as well as meeting the growing demand for air transport (both for passengers and cargo).

For years now, the Africa air business has been showing great potential, with more Africans flying than ever before and the numbers are expected to grow by 5% annually in the next 20 years as reported by DW.

"The International Air Transport Association (IATA) estimates that the continent will see 274 million air passengers by 2036. Yet, despite such estimates, Africa remains an underserved market, with passengers being forced to fly from one African country to a neighbouring nation via hubs such as Addis Ababa, Johannesburg, Nairobi or even via Europe or Dubai, because there are no direct flights. It is these connection gaps that we are coming in to fill," Azuba said.

BOOST TOURISM

The revival of Uganda national carrier will push the tourism in the Pearl of Africa to the peak by enhancing direct flight routes to Uganda for tourists after exclusions of the initial inconveniences associated with various stopovers.

There has been an increase in the number

Uganda Airlines spreads its wings

The revival of Uganda airlines will raise the number of travellers here to outcompete neighbours as a tourism destination

AFRICA:

Estimated 274 million air passengers by 2036

- The International Air Transport Association (IATA)

TRAVELLERS RECEIVED IN UGANDA:

2019: 1.7 million

2014: 1.4 million

Of the 5 million direct jobs generated by the air transport industry worldwide, 4.3 million people are employed by the airlines and airports (aviation sector), contributing around \$275b of GDP to the global economy.

of tourists coming into the country. In 2019, Uganda received a total of 1.7 million travellers, which is an increase from 1.4 million travellers received in 2014.

The revival of Uganda airlines will undeniably raise the number of travellers higher to compete for the neighbouring tourism destinations.

The current traffic at Entebbe is expected to shoot up in the coming years and the airline will create both direct and indirect jobs for Ugandans.

It is estimated that over half of international tourists globally travel to their destinations by air. Uganda's tourism potential will be boosted by the national airline's services and promotion of brand "Uganda" through its marketing power, travel connections and visibility internationally.

Other than promoting tourism, the air transport industry has a substantial economic impact, both through its own activities and as an enabler of other industries.

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PROFITABILITY OF THE AIRLINES

For Uganda Airlines to be profitable in the face of cut-throat competition from established regional and international airlines, President Yoweri Museveni advises that the new airlines should target Ugandans in the diaspora, Asian-Ugandans who were expelled by Idi Amin in the 1970s, Ugandan businesspeople and tourists.

"Sometimes bad things create good things. During Amin's time, many Ugandans ran away because of insecurity and when they got where they went, they established themselves and they always want to come back. So, you should establish their exact figures. That diaspora in North America, UK and Southern Africa is big, find out how big it is because they are always travelling," Museveni said.

The President adds that the tourists who come to Uganda are always inconvenienced by several stopovers in different capitals like Nairobi, Addis Ababa and Kigali.

"What will happen if a tourist can fly directly from the UK to Entebbe or from Guangzhou to Entebbe or from Amsterdam to Entebbe?"

Museveni said. He added that the country will save in the excess of \$400m in foreign exchange, which Ugandans travelling outside pay for their trips.

of GDP to the global economy.

PROMOTING EXPORTS

Cornwell Muleya, the Uganda Airlines Chief Executive Officer, highlighted the promotion of exports through the facilitation of access of goods to international

important trade facilitator. It increases the global reach for companies, enables them to get products to market more quickly and allows them to be more responsive to customer needs," Muleya said.

"A functional national airline has the potential to improve the balance of trade by saving and generating foreign exchange directly and indirectly through foreign exchange premium savings and spin-off activities," Muleya said.

He added that there will also be a balance of aviation opportunities arising from mutually beneficial bilateral agreements and benefits only attributable to national airlines.

Before, only foreign airlines were benefiting from Uganda's aviation market, with revenue and profits repatriated to home countries.

Uganda Airlines will also create employment and offer citizens the opportunity to develop careers and participate in an essential and growing aviation industry worldwide. "The absence of a national airline was limiting opportunities for Ugandans to develop careers and benefit from the global rapidly growing revenues in the aviation sector," Muleya said.

5%

Projected annual percentage growth rate in the next 20 years with more Africans flying than ever before

4.3 million

People employed by the airlines and airports worldwide

