

South African Airways (SAA) and Kenya Airways want to look into a long-term goal of co-starting a pan-African airline group.

The two airlines are signing a memorandum of cooperation in this regard, SAA announced in a statement on Tuesday.

The view is that such a pan-African airline group could, in time, “enhance mutual growth potential by taking advantage of strengths of the two airlines’ busy hubs”.

The agreement does not, however, preclude either of the airlines from pursuing commercial co-operation with other carriers within their route network strategy.

The next step is for both parties is to set up a joint working group to further discuss the memorandum and to put in place systems to achieve their joint objectives.

SAA, which was in business rescue from December 2019 to April 2021, started domestic commercial flights again on 23 September and kicked off regional services again on Tuesday. SAA stopped commercial flights in May last year when the rescue practitioners indicated that there were insufficient funds to continue with commercial operations.

According to SAA interim CEO Thomas Kgokolo, part of the airline’s broader growth strategy is to become a major player in regional travel and enable business and trade on the continent. The joint memorandum with Kenya Airways is expected to help with that.

In Kgokolo’s view, working with Kenya Airways will also harness internal resources and capacities leading to sustainable and cost-effective growth.

This includes shared services in the areas of route networks, fleet, maintenance, repair, and opportunities to achieve economies of scale. Kgokolo believes the memorandum will also help the tourism sectors in both countries.

For Kenya Airways CEO Allan Kilavuka, the future of aviation and its long-term sustainability is hinged on partnership and collaboration.

“Kenya Airways and South African Airways collaboration will enhance customer benefits by availing a larger combined passenger and cargo network, fostering the exchange of expertise, innovation, best practices, and adopting home-grown organic solutions to technical and operational challenges,” said Kilavuka.

SAA said on Tuesday that bookings have been very encouraging and broadly in line with market trends.

“Johannesburg-Cape Town is the largest market of the initial restart routes and, as a domestic market, is the easiest for customers to travel. Not surprisingly, this route has booked the quickest. Customers traveling on regional routes face the hurdle of PCR testing in both directions so bookings come later and will take more time to build,” SAA responded.

Johannesburg-Cape Town has experienced the strongest demand with Accra and Harare also performing very well.

“Overall demand is still considerably behind 2019, but SAA has timed its relaunch to coincide with sustained increase in demand aligned to local and regional vaccination distribution. SAA is returning to the air in a measured way to ensure customers benefit from a healthy SAA and a healthy industry,” the airline said.

When SAA went into business rescue, it still had many unused tickets and Voyager vouchers. The business rescue process protected these customers and they are currently being offered the choice of a refund or credits.