AVIATION, TOURISM AND CONSERVATION NEWS from Eastern Africa and the Indian Ocean islands. A weekly roundup of breaking news, reports, travel stories and opinions by Prof. Dr. Wolfgang H. Thome



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East Africa News FASTJET TURMOIL COSTS LENIGAS HIS CHAIRMAN OF THE BOARD POSITION (Posted 11th June 2013)



Word from the UK has it that things on the FastJet board moved fast and furious, following a devastating report by auditors KPMG over a 56 million US Dollars loss, which called the survival of the airline into doubt just a few days ago, of course reported here at the time.

While management promptly started their counterattack on the reputable audit and financial consultancy firm, calling the losses 'historical and out of context' the market was not fooled over this smokescreen being put up. With delays of the startup in South Africa now running into months rather than weeks already, and three aircraft on the books for the Tanzanian operation, questions are being asked of the financial sustainability of the FastJet's model, which, while attracting passengers in Tanzania seems to leave too little on the bottom line to turn the ship around at present. The airline is also still not operational in Kenya, a much larger domestic market and thought to have been the prime target for a FastJet launch, until they found themselves in legal battles with partner Fly 540, which prevented a startup and even prompted talks with Jetlink at the time.

The hullabaloo with erstwhile partners Fly 540, then turned into foes over claims and counterclaims of an additional nearly 7 million US Dollars of historical debts by Fly 540, which their managers claimed had to be paid by FastJet and which David Lenigas in particular claimed was entirely to be borne by Fly 540, ended up with suggestions by this correspondent that not all was well in the due diligence carried out by Lenigas' trusted team, as apparently such crucial details were either completely overlooked or conveniently ignored. Then, as now, it was equally suggested that heads would likely roll, and when the losses piled up, and KPMG put their concerns in writing and qualified the FastJet PLC accounts, the endgame seemed to race towards those responsible for the mess. While the legal cases have all been dropped under a mutally agreed upon out of court settlement, the departure of Lenigas will no doubt bolster Don Smith's ego, who after all now appears to have won the day and gotten rid of his erstwhile partner, who then turned business rival and finally turned enemy.

The proposed new investors in FastJet's principal shareholders Lonrho, a group of reportedly wealthy people from Switzerland or so it appears, seemingly left no doubt over whom the felt responsible for the financial dire straits FastJet found itself in, and in – and one can only go by rumours – a major boardroom bust up David Lenigas was

left with no option but to quit, having previously resigned as Chairman of Lonrho to become full time Chairman of FastJet in late 2012. In a rather interesting aside it was also found out that Lenigas, only days ago, apparently purchased another 1 million FastJet shares, probably hoping to either shore up his position on the board or else sell them to potential investors at a premium. The share price at the time was said to have been down from the all time high by some 80 percent.

While Lenigas tried to put a brave face to his departure, has CEO Ed Winter been appointed as temporary Chair, trying to save the day and convince investors that their money will be safe, a hard sell considering the devastating opinion offered by KPMG on the state of the company's finances.

Time as always will tell where this is heading but the negative PR over FastJet has just been piling up of late and should the potential investors remember the main joke about aviation, they will be double wary to sink their money into such a venture. 'Q: How does one get a rich man ... A: By starting out as a very very very rich man and then going into aviation'. Watch this space as this saga is for sure having more twists in the tail.

QATAR AIRWAYS ADDS THIRD DAILY FLIGHT TO PARIS

(Posted 08th June 2013)



Qatar Airways, presently flying double daily to Dar es Salaam and Nairobi and daily to Kilimanjaro, Entebbe and Kigali, has just revved up their daily frequencies between Doha and Paris, ahead of the upcoming summer travel season.

The city of the Eiffel Tower and the Louvre continues to command rising global interest for travelers and while Parisians stream out of their own capital city for their summer vacations, foreign tourist more than make up for it by flooding it en masse.

An airline source has stressed that while the new airport is not yet operational, until some pending technical issues have been resolved, the source also did mention that Qatar Airways was in any case only to move their entire operation to the new facility by the end of this year. The present Doha International Airport has however seen continued improvements to be ready for the jump in passenger numbers expected for the summer season and those flying in premium class can enjoy the award winning lounges which have, during the travel award season, again scooped major global recognition. For more information on schedules, special fare offers and bookings visit www.quatarairways.com

AFRICA TRAVEL ASSOCIATION WELCOMES BRUSSELS AIRLINES AS CORPORATE MEMBER (Posted 08th June 2013)



Just days from launching their commercial flights to Washington DC, initially served five times a week from Brussels with an Airbus A330-200, has Brussels Airlines joined the Africa Travel Association as a corporate member. Washington is after New York SN's second directly served US destination, though the airline offers a wider range of North American cities to their passengers through codeshare agreements with their US Star Alliance partners.

Brussels Airlines, like predecessor SABENA, maintains an extensive Africa network and is jointly with major shareholder Lufthansa one of the leading carriers to fly with to West and East Africa. In East Africa the airline flies from Brussels to Nairobi, Entebbe, Kigali and Bujumbura.

SN's Chief Commercial Officer Lars Redeglix commented on the announcement, saying: 'Joining the Africa Travel Association is another clear example of our long lasting passion for Africa. It illustrates our strong commitment towards the tourism development of the continent'.

The Africa Travel Association is dedicated to promoting travel to Africa, based in the United States but has members from all over the world, though with heavy emphasis on US and Africa based membership. For more

information about Brussels Airlines Africa destinations see <u>www.brusselsairlines.com</u> and for particulars of ATA's membership and their regular meetings across the continent, visit <u>www.africatravelassociation.org</u>.

Uganda News AIR UGANDA SETS DATE FOR LAUNCH OF MOGADISHU FLIGHTS (Posted 15th June 2013)



Air Uganda, the *Pearl of Africa's* quasi national airline, has just announced the launch date for their latest destination, Mogadishu in Somalia. Starting on 08th of July, U7 will fly initially three times a week nonstop between Entebbe and Mogadishu, offering government officials, army personnel and a growing number of business people from Uganda the fastest way yet to reach Somalia.

Uganda, alongside Burundi, was the first country to commit a major contingent of troops some years ago to the African Union led peace keeping mission, and with that mission now more or less accomplished, has the time come to launch commercial flights, available for everyone, compared to the purely military flights which had in the past served as a link between the two countries.

In a related development it was also learned that Air Uganda is keenly eying Southern African destinations, and while official confirmation is still awaited, Harare, and perhaps Lusaka have been mentioned to this correspondent

by usually reliable sources. Air Uganda only a few weeks ago received a third CRJ 200 aircraft to replace their last MD 87, which has been redeployed into the fleet of another Celestair partner. Happy Landings, as and when, to crews and passengers, when flights to Mogadishu commence in just under three weeks' time.

BUDGET RESTORES VAT ON HOTEL ACCOMMODATION

(Posted 14th June 2013)



The budget announcement yesterday afternoon, made by Uganda's Finance Minister Maria Kiwanuka, that the VAT exemption for hotel accommodation will be withdrawn, has sent shockwaves down the spines of the hospitality industry. VAT in Uganda presently stands at 18 percent and if the proposal is passed by parliament into law, the cost of hotel accommodation in the country could rise by a corresponding figure.

This would translate into significantly higher cost for tourists visiting the country as well as for conference organizers and conference participants. Combined with a further tax increase on petrol and diesel by 50 Uganda Shillings per liter which will undoubtedly find its way too into quotations for transport, the net result will be that visits to Uganda will become even more costly.

In addition was VAT introduced on the supply of water, again impacting heavily on the cost of running restaurants and hotels, as will the introduction of VAT on wheat flour, hitherto exempted as a basic necessity.

'We are studying the implications of the various tax measures proposed by the minister in her budget speech yesterday' said a regular contributor and hospitality source from Kampala before continuing: 'By the look of it a range of tax changes will affect our pricing of services. Hotels use a lot of water and when VAT becomes applicable we need to pass the cost increase on to our tariffs. When flour, which we use for bread and pastries and in cooking becomes 18 percent more expensive after VAT is introduced, this added cost will go into our prices for meals to recover the extra expense. When fuel, which we need for our backup generators, becomes 50 Shillings more expensive, that also must be passed on to our clients over tariff increases. Our patrons and clients can expect to dig deeper into their pockets for our services and not because we want to raise tariffs but because of the tax measures government has now proposed. There is still a chance that parliament may reject VAT on water and flour, but for the rest of the measures, I am sure they will be approved'.

Across East Africa were the budget presentations to the respective parliaments yesterday made at the same time in Kampala, Nairobi, Dodoma, Kigali and Bujumbura, in line with recent practice among EAC member states to harmonize these dates. Most of the major audit firms in the East African region will hold breakfast or lunchtime sessions on Friday to give their initial assessment on the impact of the respective budgets on the business environment to their clientele. Key business associations like the Chambers of Commerce and Industry and the Private Sector apex bodies too will hold member sessions with either the Finance Ministers, their deputies or key personnel from the ministry in attendance to clarify on issues raised and answer questions.

What is clear though, from a quick look across the region, is that the five governments have proposed significant increases in infrastructure spending, which has to be financed through increased revenues, making sure that not only will there be no more free lunches, but that the lunches will cost a lot more in the future. Watch this space.

Kenya News NAIROBI COMMUTERS GET WIFI IN THEIR MATATUS (Posted 15th June 2013)



Kenya's leading mobile company, Safaricom, has yesterday launched another innovation, when they introduced WIFI for commuters in their '*matatus*', a widely used form of transport by Kenyans not owning cars or not wanting to sit in the notorious traffic jams wasting their own petrol.

According to information received from Nairobi, some 20 commuter vehicles have already installed a router through which passengers can now connect through their 3G enabled smart phones or tablets, staying connected with friends on Facebook or ranting about traffic problems on Twitter.

Many Kenyans commute long distances into the city for work in the morning and back home in the evening, spending hours at end sitting almost idle, unless for a chance conversation with a fellow passenger. That has now turned into more productive time for those with the right devices at hand, as they can use the commute time to do their social network chatter, or for those more business minded start reading emails and responding even before they get to the office.

The service is expected to spread like wildfire among the tens of thousands of such commuter vehicles, as passenger preference will be clear, they board a bus with WIFI more readily than one without.

The pressure is now on too for the tourism industry, as one stakeholder already put it to this correspondent in an overnight mail: 'If the wananchi can access WIFI in the matatus, it is only a matter of time before tour companies, even taxi operators, have to follow suit. When we take tourists from the airport to the hotel, you can already see how they fidget with their phones looking for a signal. When they go on safari, they take pictures and even videos with their smart phones. Then they are stuck because they cannot upload there and then to share their impressions with friends at home. For us in Kenya, this innovation can be crucial to get a marketing advantage over other destination in the region. If our safari vehicles and tour busses offer such connectivity, we will be leading from the front. Our tourists will market Kenya with the pictures they post on Facebook or on Twitter and the videos they send to YouTube. They will be our brand ambassadors the entire time they are in Kenya because we can keep them connected while they are in our cars. This is a great thing happening'. When raising the issue with my transfer driver on arrival in Kigali yesterday evening, he said:' You mean this is possible now? Here we pick our signal from MTN Hotspots or you buy a local SIM card and buy a data bundle. Many tourists do that. But if these tourists come across from Kenya where they find this service they might demand it here too. Maybe MTN or TIGO or Airtel here can do the same because here in Rwanda we believe we are ICT leaders in East Africa and should not be left behind'.

With Safaricom in Kenya now launching this service, the pressure is on for other operators in Kenya to follow suit, and for other countries in the East African region to equally embrace such new technology to stay competitive through innovation. Watch this space.

KENYA AIRWAYS PRESENTS FULL YEAR RESULTS (Posted 14th June 2013)



Kenya Airways' Board of Directors and top management yesterday morning presented their annual results to shareholders, invited guests and media representatives at the InterContinental Hotel in Nairobi. Seen in isolation the balance sheet presented would indeed make grim reading, showing a loss of some Kenya Shillings 7.9 billion vis a vis a profit during the previous financial year of Kenya Shillings 1.6 billion, but considering the trend of the preliminary results of the first half of the financial year, which covered the period 01st

April 2012 to 30th September 2012, it suggests that the underlying issues causing this reverse in fortune have been dealt with.

Kenya Airways' statement towards that end reads as follows: 'The financial year 2012-2013 was characterized by harsh economic and geopolitical conditions that adversely impacted on the performance of Kenya Airways. Commercial aviation worldwide was negatively affected by the sustained underperformance of the European economy as well as volatility in fuel prices. Although the larger African markets remained buoyant, Kenya witnessed constricted passenger traffic. The causal factor for this lull was the advisories issued against travel to the country by key market sources in the West due to fears of retaliatory attacks from the Al-Shabab terror group, together with the unpredictable electioneering process. In spite of the adversities mentioned above, Kenya Airways expanded its footprint into Delhi and Kilimanjaro during the first half of the year, and later re-opened Eldoret in October. However, in a bid to minimise losses the airline cut back capacity offered to Europe and suspended operations into Muscat, Jeddah and N'Djamena. The group achieved a turnover of KShs 98.9 billion, down from KShs 107.9 billion realized last year. This decline is largely attributed to constrained passenger traffic together with immense pressure exerted on yields. This resulted in KShs 7.9 billion loss after tax compared to 2011-2012 profit of KShs 1.6 billion.

The capacity put in the market place at 13,937 million Available Seat Kilometres (ASK) was flat compared to prior year. Passenger traffic declined by 3.6% to 9,579 million. Revenue Passenger Kilometres (RPK) on account of reduced passengers particularly those originating from Europe. Unprecedented competitive pressures drove passenger yields down, with the network average declining by 1.3% against last year. Passenger revenues at KShs 85.1 billion declined from KShs 95.2 billion achieved last year primarily due to depressed passenger loads, network-wide pressure on yields and stronger Kenya Shilling in the year. The passenger traffic growth trends in Middle East & Asia, Far East and Africa regions remained positive due to increased capacity made possible by either offering additional frequencies or operating larger aircraft. Additional uplifts to and from the Middle East and Asia was stimulated by the introduction of Delhi in India together with three additional weekly frequencies into both Mumbai and Dubai. The Far East destinations benefited from the operations of the larger B777 aircraft compared to the B767 which has 33% less capacity operated in the previous year. Traffic within Africa grew due to increased capacity. Additional frequencies were introduced to Juba; more wide body aircraft were flown into Kinshasa; and two extra weekly flights were scheduled to Dakar via Abidjan. The capacity offered into Europe was reduced by 22% compared to last year in order to minimise losses occasioned by low seat occupancy levels. Passengers transported within Kenva remained at last year's levels despite the loss of traffic from major feeder markets in Europe. This is mainly attributable to increased point to point travel within Kenya.

With the mentioned two key factors responsible for the FY 2012/13results now largely out of the way, one, the elections peacefully concluded in Kenya and two, Al Shabab driven out of their strongholds in Somalia, that country is now undergoing a period of pacification and is seeing the start of a rebuilding process which will ultimately benefit Kenya too. Kenya Airways will be holding their Annual General Meeting on the 26th September at the Bomas of Kenya in Nairobi at which time the first preliminary data will be available of the airline's performance during the first half of the current financial year, giving a clear indication if the projected recovery has indeed taken root and the carrier can return to profitability once again. Watch this space for regular and breaking news from East Africa's vibrant aviation sector.

KTF LOSES UNWTO AFFILIATE STATUS

(Posted 14th June 2013)



Kenya's tourism association apex body, the Kenya Tourism Federation, has lost their status as an UNWTO affiliate body, reportedly as a result of a back log of dues accrued over the past two years.

KTF is the tourism industry's primary focal point for government, bringing together their key member associations like the Kenya Association of Hotel Keepers and Caterers, the Kenya Association of Tour Operators, the Kenya Association of Travel Agents and EcoTourism Kenya, among others, and as such hugely important for the constant dialogue between private sector and public sector. KTF also operates a coordination centre in cases of emergencies, to ensure that all relevant parties work hand in hand to ensure the safety and security of tourists visiting Kenya.

Even more painful for Kenya here is the fact that KTF's membership on the board of directors for UNWTO's affiliates is now also lost, robbing the country of an important presence on one of the World Tourism Organization's organs. It is presently unclear if KTF will be able to attend the UNWTO's General Meeting which is due to be held in August this year, hosted jointly by Zambia and Zimbabwe in both Victoria Falls and Livingstone, unless the arrears, reportedly over 4.000 Euros, will be cleared first and KTF's membership be restored. Commented a regular source from Nairobi: 'As usual you are right on the ball as things happen. Yes, we have been told that KTF's membership in UNWTO as an affiliate has been suspended. As a sector, we have the duty to not just associate ourselves and have an apex tourism body to represent the interest of our membership, but also to facilitate the work of our association offices. Only last week was the CEO of KTF elected to the East African Business Council, representing tourism sector interests at the EAC in Arusha. Having influence on UNWTO level is very important. Former Minister Balala in fact was at one time elected to chair the UNWTO Executive Committee and now this. As a country we should have our public and private sector equally represented at the world stage. We are East Africa's leading destination for tourists and as such cannot afford to miss out on the opportunities UNWTO membership for our apex body avails us. We will rally together and find the funds to bail out KTF and pay the arrears somehow'.

Having regularly interacted with KTF and their key personnel, a source for factual feedback on many issues relevant to the tourism industry in Kenya, it can only be hoped that fund can indeed be found fast so that the association can return to the big league table at UNWTO and represent not just Kenya's but East Africa's interests.

KENYA AIRWAYS PREPARES TO ANNOUNCE FULL YEAR RESULTS ON FRIDAY (Posted 13th June 2013)



Friday this week will be D-Day for Kenya Airways as the company prepares to release the annual results for the financial year 2012/13, which closed on 31st March.

Considering that the half year results were written already in red ink, the airline did in November last year confirm half year losses amounting to 4.8 billion Kenya Shillings, the final results for the year are unlikely to show a profit, one reason the company share price at the Nairobi Stock Exchange dropped in recent days into the low 10+ Kenya Shilling range. Financial analysts in Nairobi in turn said the airline's stock is substantially undervalued, presenting an opportunity to snap up bargains in anticipation of better trading results in coming years.

The announcement of results comes on the back of expectations that the airline is set to announce additional orders for B737NG aircraft while one source close to them has speculated that KQ might be in talks with Boeing over an accelerated delivery of their ordered B787's, to be able to phase out the, in comparison at least, fuel guzzling aged B767 fleet. The first Dreamliner is due to arrive in Nairobi in March next year, at least going by the present delivery schedule Boeing has given, but as neighbouring rival Ethiopian is shortly receiving their fifth B787 already, the pressure will be on to match a similar fleet renewal in Nairobi too.

Aviation pundits agree that one of the keys, besides the rapid introduction of fuel saving new aircraft, will be the reduction of the national airline's cost structure, an effort seriously impaired last year when the Industrial Court halted a voluntary retrenchment exercise. Wild cat strikes by the main labour union did also not help to accomplish a range of cost saving measures the airline's management had proposed, a situation not lost on shareholders who saw the value of their holdings trimmed back by nearly a quarter over the past 12 months.

A recent code share deal and cooperation pact with Etihad, Abu Dhabi's national airline, which is known to seek out investment opportunities in carriers thought to complement and enhance Etihad's market position, has also given rise to talk about a possible investment by that airline, should the opportunity arise to acquire an entry stake in Kenya Airways. 'As long as the foreign shareholding is not reaching the critical 50 percent margin, it would be a good thing under present circumstances. KLM, Kenya Airways' second largest shareholder after the Kenya Government, is also in talks with Etihad. Anyone seeking to acquire a significant stake in Kenya Airways, and I think significant would be anything from say 5 percent upwards, would surely offer a premium over the current share price which stood at 10.55 at close on Wednesday, so such a transaction could be profitable for a seller' said a regular aviation source from Nairobi.

While the market in Kenya showed some trepidations ahead of the FY 2012/13 result announcement, there is also significant potential in buying into KQ now at relatively low share prices, a gamble which might well pay off handsomely in time to come as key market places for Kenya Airways in Europe are coming out of their economic downturn, offering the prospects of more passengers and higher yields. Expect details on the financial performance

of Kenya Airways right here, just as soon as the results have been formally announced by the airline's CEO and Board. Watch this space for breaking and regular news from East Africa's vibrant aviation scene.

QATAR AIRWAYS SIGNS DEAL WITH FLY 540 TO EXTEND REACH ACROSS KENYA (Posted 13th June 2013)



Information was received from Fly 540's media agency, confirming that the airline has signed a deal with Qatar Airways to extend the reach of the Qatar national airline to a range of domestic and regional destinations currently served by Fly 540. Luther Pendragon's release read as follows: 'Under the terms of the agreement, Qatar Airways' passengers will be able to connect with a Fly540 Kenya flight at Jomo Kenyatta International Airport in Nairobi and fly to destinations within Fly540 Kenya's network using one itinerary. This will ensure that passengers have seamless, through-baggage and hassle-free onward connections to some of Kenya's most beautiful destinations, including Eldoret, Kisumu, Lamu, Lodwar, Malindi and Mombasa and also across the border into Juba and Zanzibar'.

This is the first such agreement for Fly 540 and the pride of being able to 'bag' such a deal with a prestigious carrier like Qatar Airways reflects in the statement the airline's CEO Don Smith made: 'We are delighted to have signed this interline agreement with Qatar Airways, which is our first such agreement. This deal expands our flight network beyond Africa and to a key growth-area of the Middle East. We feel honoured to have been selected to partner one of the world's premier airlines, which reflects the strength of our offering in Kenya, and we look forward to welcoming Qatar Airways passengers onboard'.

Qatar Airways presently flies twice a day between Doha and Nairobi, using a two class Airbus A320 on the route and also operates daily services to Entebbe / Kigali and Dar es Salaam / Kilimanjaro in the wider East African region. Watch this space for breaking and regular aviation news from across East Africa and the Indian Ocean region.

KENYA AIRWAYS AMONG THE WORLD'S FIRST SIX AIRLINES TO GET IEnvA CERTIFIED (Posted 13th June 2013)



Kenya Airways was during the just concluded IATA annual general meeting in Cape Town / South Africa awarded the coveted IEnvA Certificate by IATA, among the first six airlines worldwide to have met the exacting standards required to pass the mandatory audit carried out by IATA experts.

The International Air Transport Association granted the airline IATA Environmental Assessment Programme (IEnvA) Stage 1 certification. The groundbreaking IEnvA programme aims at creating an internationally recognized evaluation system designed to assess and improve environmental performance of airlines and is IATA's own answer to global efforts to make aviation more environmentally friendly, working hand in hand with ICAO to develop globally acceptable and enforceable standards.

Speaking when he received the certification at the IATA annual general meeting held recently in Cape Town, Kenya Airways' Group Managing Director and Chief Executive Officer, Dr. Titus Naikuni said that the IEnvA accreditation was a key milestone for the airline, and underlined its commitment to upholding highest possible environmental standards. Dr. Naikuni added, when receiving the recognition: 'At Kenya Airways, we are committed to meeting our customers' needs in an environmentally sound and sustainable way in line with relevant national and international laws and regulations as we make our contribution towards developing the different markets that we operate in. We are proud to have been certified in this respect'.

Kenya Airways is amongst only six airlines that participated in Stage 1 of the IEnvA programme, which involved development of IEnvA Standards and Reference Manuals as well as Guidance Documents. Kenya Airways also developed a Stage 1 Environmental Management System that was assessed by an independent Environment Assessment Organization and certified by IATA as compliant with the IEnvA Stage 1 standards.

The Director of Aviation Environment at IATA, Paul Steele said when recognizing Kenya Airways: 'I am delighted to note that Kenya Airways' has satisfied the independent assessors and passed the IATA Environmental Assessment Stage 1. IEnvA is the first environmental management system applied to the aviation sector and enables an airline to improve its environmental management and follow best environmental practice. This makes Kenya Airways one of the world's leading carriers in the areas of environmental responsibility and sustainability'.

The IEnvA certification is expected to lead to the eventual development of standard environmental reporting format that is compatible with the GHG Protocol, Global Reporting Initiative and Carbon Disclosure Project. It will also help in regulatory assurance compliance, save on costs, and support the aviation industry's climate change goals. Kenya Airways, *The Pride of Africa* once again did Africa proud by taking the continental leadership on embracing and advancing the green agenda.

MOMBASA AIRPORT OVERHAUL ENDS IN TIME FOR HIGH SEASON

(Posted 12th June 2013)



Work at the Moi International Airport in Mombasa, ongoing for several years to upgrade arrival and departure lounges and other facilities, is according to the airport manager Yatich Kangugo on course to be completed in time for the next tourist high season. Mombasa receives daily scheduled flights from Kenya Airways, Ethiopian Airlines and Turkish Airlines while RwandAir and Air Uganda fly several times a week nonstop from Kigali and Entebbe respectively to Kenya's port city. However, most traffic from abroad comprises inclusive tour charters from mostly European destinations bringing sun seekers to the Kenyan coast. As a primary gateway into Kenya, the majority of passengers going through the airport are tourists and many of those have in the past complained about less than adequate facilities and the state of upkeep of the airport.

Under KAA's infrastructure development plan, Mombasa too was benefiting from major refurbishment and modernization measures, a move welcomed by the coast's tourism industry.

'What we now need is the county government to tackle the roads from the airport into Mombasa and across to the northern mainland. We also need the bypass to the south coast area. It makes no sense that you can fly from Kigali in an hour and a half to Mombasa and then spend twice that time to get to a resort in Diani. When we get our long promised international conference centre in Bamburi, we cannot afford to have participants of conventions and large scale meetings come to Mombasa and be stuck in traffic. MCTA [Mombasa and Coast Tourist Association] has made many detailed proposals of what the tourist industry requires for future growth. Infrastructure is on top of that list, roads, water and sewerage connections, electricity. If the central government in Nairobi and the county government we now have in Mombasa can resolve these issues, the sky will be the limit for us' wrote a regular contributor from the coast, when passing the news about the airport refurbishment coming to a conclusion. Kenya on the move? No doubt about that. Visit www.kws.org for details on national and marine parks, game reserves and other protected areas.

WORK ON SECOND MOMBASA TO NAIROBI RAILWAY LINE TO START NEXT YEAR (Posted 12th June 2013)



Kenya's Cabinet Secretary, aka minister for Transport and Infrastructure Michael Kamau gave the clearest indication yet that President Uhuru Kenyatta's government is fully committed to have a second, standard gauge railway built to connect the port of Mombasa with the capital Nairobi.

Kamau was quoted in Kenya's local media to have complained about the performance of current railway concessionaire Rift Valley Railways, which was some years ago given a joint concession by Uganda and Kenya to

manage the railway system, improve it and make it more efficient. 'Upon its concession to the Rift Valley Railways seven years ago, the railways was handling 1.5 million tonnes of cargo. Today, it handles less than 1 million tonnes and this is unacceptable' was he quoted to have said, clearly showing the exasperation within government circles over RVR's inability to perform within the concession parameters. Passenger rail transport, especially in Nairobi, has already been taken out of RVR's concession when last year the new line between Syokimau and Nairobi central was commissioned after RVR's failure to make headway in creating new passenger services was cited for that decision at the time.

Cabinet Secretary Kamau was on his inaugural visit to the Kenya Ports Authority where he held talks with KPA officials, senior staff of Kenya Railways and stakeholders, all of whom agreed that the elimination of the bottleneck of transportation of goods, and passengers, between Mombasa and Nairobi was a critical element in Kenya's economic progress. Besides the LAPSSET project, which foresees the construction of a new deep sea harbour in Lamu – work is already underway – in combination with a railway, highway and pipeline corridor connecting the new port with South Sudan and Ethiopia, this new railway line will be part of the country's major infrastructure boost. In past years have major highways towards and across Nairobi taken shape and alongside major expansion projects for Nairobi's international airport are bound to catapult Kenya firmly into the 21st century, allowing for economic transformation and to cement the country's position as East Africa's leading economy and transit route from the ocean to the hinterland.

When Kenya's budget estimates are presented next week to the National Assembly, it is expected that major infrastructure projects will take a big share in the fund allocation so that tenders can be issued and work commence within the first year of the Kenyatta presidency.

Tourism stakeholders have in the past made it clear that key highway projects, like the new southern bypass around Nairobi, the construction of an elevated section across Nairobi, the bypass from the Nairobi to Mombasa highway to the south coast of Mombasa, a second bridge from Mombasa to the northern mainland, a resolution of the eternal traffic jams out of Mombasa on to the Nairobi highway in Changamwe and the new road link from Voi, through the Taita Hills to the Taveta border with Tanzania and on to Moshi and Arusha are critical for their sector too. Special emphasis has been put by the tourism industry on the modernization and expansion of key airports like Nairobi and Mombasa, to facilitate passenger growth on which especially the MICE sector will depend for future expansion. Kenya, and in particular Nairobi, are ranking high among foreign visitors as conference destinations and are second only after South Africa, when it comes to the number of conferences held. Watch this space for future updates.

KENYA SET TO CANCEL DISPUTED TITLES FOR KISITE ISLAND (Posted 12th June 2013)



The titles, allegedly fake anyway, for islands inside the Kisite Marine National Park, can now be cancelled by the Kenyan government following the expire of a formal notice period published last month by the land commission. Claimed by Switzerland based 'owners' as theirs, the matter gained publicity and notoriety when the self professed owners tried to sell the plots for a staggering 1.5 billion Kenya Shillings, prompting caveats to be placed on the disputed marine park land, KWS staking their own rightful claim and a social media campaign going underway. During the notice period, or so a regular source from Mombasa claims, only KWS showed formal interest in the land, with the so called owners reportedly staying away from staking their own claim, adding to speculation that indeed their title deeds were invalid as they were made out by colluding individuals in the lands office. The lands commission is now in a position to formally cancel the disputed titles and the entire land, in any case located inside the marine national park, can then be vested in the Kenya Wildlife Service as the custodians of Kenya's protected areas. The applicable law, under which this change will take place, is the National Land Commission Act, which entitles the government, after a due notice for a hearing had been given, to cancel title deeds of either free hold or lease hold nature and repossess the land in question or vest it in new owners. The coast tourism fraternity considers the Kisite National Park as one of the key attractions for day excursions and was up in arms when it was learned that part of it was to be sold, started a sustained social media campaign against it and can now celebrate their success in saving Kisite for good. It could not be established by the time of uploading this article if the so called owners will be challenging the process in court, but with all legal requirement observed,

such a case would stand little chance to succeed. Well done to all the conservation activists in Kenya involved in this case for their latest success story.

SUSPECT IN GRENADE ATTACK SHOT DEAD IN NAIROBI

(Posted 11th June 2013)



The intense manhunt underway in Nairobi and Mombasa, for suspected Al Shabab terrorists thought responsible for the dual grenade attacks in Mombasa and Nairobi on Sunday evening, has now led to a first result.

Reports just breaking from Nairobi speak of one suspect in the Eastleigh area of Nairobi being gunned down in a shootout with security operatives, who had cornered him. Local residents had tipped off police that a man, fitting the description of the suspect of the Nairobi incident, was hiding in a flat and when police had cordoned off the area and tried to arrest him he died in the resulting shootout. A gun and ammunition was recovered from the scene but it was not clear at the time of uploading this article if explosives were found too in the flat.

Forensic tests on explosive traces and fragments confirmed, according to the same source, that both attacks were using the same type of grenades, firming up suspicion of Al Shabab involvement. The two incidents occurred after months of relative calm and have caused some concern among tourism stakeholders. One, preferring anonymity, though just responded to a mailed query and said: 'This is the result of good police work and of wananchi assisting in such investigations. As long as we are all vigilant, security can be maintained at very high level. Tourists need not worry about their safety because our beach resorts, city hotels and safari lodges are very well protected. No one should stop coming to Kenya because of such an isolated case'.

Well done to Kenya's security forces for their swift and decisive action and a speedy recovery to all those injured in Sunday evenings incidents.

JETLINK'S FUTURE IN BALANCE AFTER FASTJET DUMPS JV IDEA

(Posted 11th June 2013)



Talks between Fastjet and Kenya's Jetlink, initiated at the height of the legal troubles by FastJet with partners Fly 540, were according to a source in Nairobi ended without an agreement being reached, following the end of the legal battle between 540 and FastJet a few weeks ago.

Jetlink had to halt operations when they ran out of cash, over 2.5 million US Dollars are being held captive by South Sudan's Central Bank, unwilling or unable to permit the remittance of ticket sales accumulated over a period of time. Jetlink, which operated up to three daily flights between Nairobi and Juba, and arguably one of the most successful airlines on the route, failed to secure Kenya government intervention to compel the South Sudanese to pay up, a situation repeated many times over for companies from Kenya and Uganda, which supplied goods and services to businesses in South Sudan only to find out that, when the oil exports via Port Sudan ceased, that the country had run out of foreign exchange.

While there was hope for a while, when exports had resumed a few weeks ago, that such issues could at last be amicably settled, these hopes appear to have been dashed over the weekend when regime strong man Bashir announced in Khartoum that he had once again halted all South Sudan oil exports over increased and renewed tensions. The business communities in Kenya and Uganda have appealed to their respective governments to demand full payment of outstanding and unsettled bills before advancing South Sudan's bid to become a member of the East African Community, with one regular, albeit very outspoken contributor from Kampala having this to say: 'As long as our companies are not paid, why should we provide political advantages to them. They must learn to behave in a civil way and part of that is to pay bills. Many companies are financially ailing after being told that huge consignments delivered to Juba would in the end not be paid. We demand a quid pro quo, they want to join the EAC, let them settle their bills first. I think that case of Jetlink is maybe the worst but it is a tip of the iceberg

really. Our traders delivered beers, soft drinks, food and spare parts, paint, cement, buildings steel and more and in turn our traders in Juba are often mistreated or even killed. You tell the world that this is not acceptable. They may be in difficult circumstances but they are not helping themselves by agonizing the business communities of countries friendly to them'.

Jetlink indeed is the most publicized of the known cases of payment disputes with South Sudan, and the latest developments between Juba and Khartoum would indicate that a part or full remittance might yet be delayed further. The end of cooperation talks with FastJet, and pending court cases by suppliers of Jetlink in Nairobi, have also dashed any immediate hopes that the company could be revived and flights resumed. Watch this space therefore to find out in future editions if Jetlink will ever take to the skies again or remain grounded, shackled by debts, courtesy of the Central Bank of South Sudan.

MOMBASA GRENADE ATTACK ON OPEN AIR CHURCH SERVICE RATTLES KENYA (Posted 10th June 2013)



A grenade thrown last evening at around 7 p.m. into a crowd of Christian worshippers at an open air prayer meeting in Mombasa injured at least a dozen people, while in Nairobi, an hour and a half later, at least 4 people were injured in a similar attack. The devices were thrown from a motorbike, according to witnesses in Mombasa and a car, as seen in Nairobi and no arrests were made until this morning.

The Mombasa attack comes almost exactly a year since a similar act of terror was carried out, but in Nairobi grenades thrown at local bars, pubs and bus stages have been a recurring situation, since Kenya invaded Somalia in hot pursuit of Islamic terrorists, to dislodge with the help of AU troops from Uganda and Burundi the Al Shabab militias from their strongholds. While this objective has by and large been accomplished, even though periodic attempts are made by remnants of the terrorist group affiliated to Al Qaida to re-enter the main cities and cause disruption, life has been progressively returning to normal in Somalia, while Kenya sadly remains at risk for her courageous action.

Sources in Kenya agreed that both attacks were likely carried out by Al Shabab sympathizers but expressed their disquiet over the apparently coordinated way, since both were only an hour and a half apart.

Security organs have once again moved out in force to carry out door to door searches in the affected areas and parts of Nairobi and Mombasa where in the past suspects have been arrested.

The country's tourism industry has until this morning shown little reaction though regular sources expressed their concern that now, as the high season is due to start again in July, this may have a negative impact on the sector's performance: 'I am sure by mid day we will have new travel warnings in place warning people off to come to Kenya. As bad as the media report make it sound, these are isolated incidents in areas not frequented by tourists and beach resorts and the main hotels are well protected by private security and police. Potential visitors should not be afraid to visit our beaches and national parks' said one regular contributor in a defiant spirit.

Regular visits by this correspondent to Kenya, including short one day trips in recent weeks, affirm this stand that airport and hotel security remain vigilant at a high level and that none of Al Shabab's threats for a major retaliation have come true, largely as a result of the work done by Kenyan security organs and their colleagues from abroad assisting them to keep the country safe.

IS OATAR AIRWAYS FINALLY HEADING TO MOMBASA?

(Posted 10th June 2013)



Word from regular sources in the aviation industry has it that Qatar Airways, after delaying the start of scheduled flights to Mombasa last year over what appears to have been traffic right issues, may now finally commence a daily service, using Airbus A320 equipment, by the end of August this year.

Last year a major row was reportedly brewing when Qatar's plans to fly via Nairobi to Kilimanjaro, where thwarted by Kenyan authorities, which, in an inexplicable turnabout at the last moment withdrew verbal promises made that the airline would be given 5th freedom rights between Nairobi and JRO.

Unlike on the route between Entebbe and Kigali, which Qatar Airways also serves daily, and where full traffic rights have been extended to the airline by both governments, Kenya appears to have backed out of their initial commitment, bowing to pressure from other airlines flying on the route.

This resulted at the time in a hectic last minute operational switch which saw Kilimanjaro combined with Dar es Salaam, and a subsequent drop of plans to fly to Mombasa, which was due to be served, again with full traffic rights, via Dar es Salaam.

It could not be established which final routing Mombasa flights might take, if combined with either Dar or Nairobi, but a Mombasa airport source insists that flights are indeed due to commence on August 30th this year. This will put Qatar into direct competition with Ethiopian Airlines, which also serves Mombasa on a daily basis, but regularly uses their slower Bombardier Q400 turboprop aircraft, and with Turkish which uses a B737NG version, presently the only two foreign airlines serving Mombasa on scheduled flights besides national airline Kenya Airways. [Tanzanian airlines flying into Mombasa are not considered 'foreign' under EAC rules] No confirmation however could be received at this time if the airlines is still eyeing Zanzibar, which was also due to commence last year and has been postponed, or flights to Bujumbura which – or so it was understood – QR is also eyeing. A further expansion into Eastern Africa would see Qatar Airways face up directly to Turkish Airlines' relentless rollout into Africa, which is pursuing a similar market strategy and also uses a narrow body aircraft like QR does. It would also show the airline's priorities for catching future traffic from what has of late been described as 'a region rich in newly discovered oil, gas and other natural resources, undertaking massive infrastructure investments over the coming years in highways, railways and pipelines'. It would also come only weeks after Qatar Airways announced their withdrawal from the Seychelles after serving the archipelago uninterrupted since 2004. Watch this space for regular and breaking news from Eastern Africa's vibrant aviation sector.

HAVE THE GAMEKEEPERS TURNED POACHERS?

(Posted 09th June 2013)



News broke yesterday evening that the Kenya Wildlife Service has suspended at least 32 senior personnel, now suspected to have participated in poaching or aided poaching gangs through various means across Kenya. KWS Executive Director William Kiprono confirmed the development when presiding over the annual *Mt*. *Longonot Wheel Barrow Race* and reaffirmed that should the internal investigations now underway find those accused guilty, they would be dismissed and charged in courts of law to face justice.

Kenya's elephant and rhino population but also other species have come under increasing threat in recent years, when poaching was re-kindled to levels last seen in the late 1970's and 1980's. In recent weeks have several massacres among the elephant population, and the killing of several rhinos in one single week, raised public alarm and triggered action on several levels, including on the political front.

Kenya's cabinet last week sanctioned a package of measures to introduce to parliament for amendments to the Wildlife Act, aimed at increasing fines and raising jail terms for those found poaching, trading and otherwise being involved in illicit trade of rhino horns, blood ivory and other trophies.

Only two weeks ago did KWS in conjunction with other law enforcement agencies launch a major manhunt for poaching gangs and has since also stepped up monitoring and intelligence gathering, thought responsible for the action now taken against the officers who were suspended.

Watch this space for breaking and regular news from East Africa's wildlife sector.

Tanzania News PRECISION AIR ADDS MORE FLIGHTS TO SONGWE (Posted 11th June 2013)



Unperturbed by news yesterday over financial issues has Precision Air just announced that they will up their present daily flights from Dar es Salaam to Songwe to 10 frequencies per week, using, depending on load either their ATR 42 or ATR 72 aircraft for the service.

Flights to Mbeya only commenced in January this year, initially four times a week, but were as a result of sharply rising demand soon raised to daily operations. The addition of a further 3 flights a week is according to a source close to the airline only the precursor for eventually going double daily. 'Precision Air is the airline of choice for most Tanzanians when they want to fly to places beyond Dar or Kilimanjaro or Mwanza. The fleet of Precision allows them to serve those very important secondary airports across the country. They provide a vital service for Tanzanians who need to fly to such places like Mbeya, or Mtwara, Kigoma, Musoma or Bukoba. They also fly scheduled services to the Arusha municipal airfield, where jets cannot land but from where a lot of people prefer to fly because it is nearer for them than Kilimanjaro. Mtwara for instance is now served double daily already and the way things are going with gas exploration and the building of infrastructure, it is a matter of time before more flights are added'.

Meanwhile was it learned too that the Tanzania Airports Authority continues to search for a partner to establish an aviation fuel depot at Songwe airport, as airlines presently have to carry enough fuel for their return flights out of Songwe. This restricts the number of passengers and cargo which can be uplifted. It is understood that for instance the number of passengers carried on an ATR 72 aircraft is limited to 50 only at present, which has an impact on the fares airlines have to charge to recover that added cost. Tanzania has over the past several years rolled out a major investment programme to upgrade aviation infrastructure, from air traffic control to airport developments, not just restricted to the main airports in Dar es Salaam and Kilimanjaro but with special emphasis on secondary airports, aerodromes and airfields across the entire country. Watch this space for regular and breaking news from East Africa's vibrant aviation sector.

PRECISION AIR'S FINANCIAL TROUBLES GO INTO THE PUBLIC DOMAIN (Posted 10th June 2013)



Troubling financial details are emerging from Dar es Salaam over the financial status of Precision Air, Tanzania's only publicly quoted airline company on the Dar Stock Exchange, with major shareholders being Michael Shirima, who founded the company in 1993/4 and Kenya Airways, the regional aviation giant.

The present management has until now not gone public, other than assuring their passengers in a recent statement, when revealing a new 5 year strategic plan review last week, that the airline's underlying fundamentals are strong. Usually well informed sources have suggested that the roots of the financial troubles extend back into the term of former CEO Kioko, who was at the helm of Precision Air for over a decade and was in charge of expansion and route development projects like flying to Johannesburg, purchasing a number of brand new ATR 42 and ATR 72 aircraft and leasing as many as 3 B737-300 aircraft. The Jo'burg flights were halted late in 2012 but not until after the route had dumped major red ink onto the airline's bottom line in the balance sheet. Code shared flights with Kenya Airways from Dar and Kilimanjaro to Nairobi to a point assisted Precision Air to boost load factors, but it is thought that only the routes flown by the more fuel efficient ATR turboprops are presently contributing financially to the cash flow, perhaps one reason why the airline no longer operates all of their three B737-300. Those aircraft types are by the way being phased out by partner KQ, and converted into full cargo versions, while passenger services are flown with the more cost efficient Embraer jets and the latest B737-700NG's and B737-800NG's, which burn substantially less fuel compared to the ageing -300 versions.

From information at hand it appears that a formal approach has been made to the Tanzanian government to bail out Precision Air, which has stepped into the vacuum a moribund Air Tanzania left for the country's domestic connectivity by air. National airline ATCL, currently only flying with one Bombardier Q300 aircraft, is financially crippled by historical debts and has been periodically bailed out by the government, something the present PW management and board seems to seek for themselves now.

Staff salaries have for months now been paid late, and there appears to be a backlog of NSSF remittances too, though the airline's personnel have been remarkably loyal, also believing that the shortage of cash can be overcome and good financial order be restored. There is also talk of both the Zanzibar and the mainland CAA's having had to agree to deferred payments of navigation, landing and parking fees, as well as for airport service charge.

The bailout reportedly would require the Tanzanian government to inject some 4 million US Dollars, perhaps even more, and there is, according to a well placed source within government circles, a lively discussion going on behind the scenes to perhaps take a major stake in Precision Air to ensure that air services into the more remote parts of the country can be maintained uninterrupted.

Questions are now being asked of course, who knew when and how much, in particular in view of the airline being a stock exchange listed company, which requires strict oversight from the board and regular reporting to the financial regulators. While at present there are no open suggestions, leave alone accusations at this moment in time of financial improprieties by the former CEO, it can be expected though that an audit will be launched to establish exactly why Precision Air, within the space of a few months since the departure of the former CEO, got in financially so deep and so fast.

An emergency board meeting, currently underway in Dar es Salaam, is reportedly looking at a number of options and has been grilling the former CEO on a range of issues earlier today. While no conclusion should be drawn on that action, it is an increasingly likely scenario that should any incriminating evidence be found, that court action will be swift to follow.

Meanwhile it should be stressed that all of Precision Air's operations continue and passengers are being assured that flights will continue to serve Tanzanians across the domestic routes network.

PRECISION AIR ANNOUNCES REVIEW AND FINETUNING OF STRATEGIC 5 YEAR PLAN (Posted 07th June 2013)



Precision Air today announced a review of their 5 year strategic plan as part of their intended expansion into new markets. After three months on the job, did Ms. Sauda Rajab, CEO of Precision Air, make details available earlier in the day.

Ms. Sauda, East Africa's first female airline CEO, revealed the airline was undertaking the review to map out a revised course for operational and fleet expansion measures and re-assessment of the airline's current position which will have a significant impact on Precision Air's business landscape and finances.

'The next 5 years will be exciting ones for the airline and the plan will involve massive growth in Precision Air's operations and will therefore require major injection of funds. Various investment options are being reviewed and once the plan has been finalized and approved by the Board it will be shared with various stakeholders and the public at large' was Ms. Sauda reported to have said.

The airline according to regular sources in Dar es Salaam continues to register a positive growth trend in passenger uplifts, at this point being some 12% above last year's records. This performance is attributed to the increase in passenger numbers mainly in the lake and coast zones. Despite the airline's suspension of operations to Musoma and Shinyanga to pave way for the ongoing airport renovation exercise, Precision Air's uplifts in the lake zone increased by 44% compared to the financial year 2011/12. The coast zone also saw an increase of 18% compared to prior year due to the increased demand on the Mtwara route.

'Our lake and northern zone influence and dominance as evident from the records remain uncontested todate and continue to be one of our successful routes despite what others claim. The southern penetration with our launch for Mbeya is still vibrant. In just 6months, we are now flying ten (10) times a week to Mbeya from the initial launch 4times weekly in January' added Ms. Rajab according to material made available just an hour ago. 'Indeed, it is our hope that with our new 5year plan, we will be able to offer a more worthwhile product to our customers and make the wananchi proud of their very own company. We take this opportunity to thank all our customers for their continued support over the years' concluded Ms. Rajab at the end of her statement. Precision Air is Tanzania's only airline listed on the Dar es Salaam stock exchange and operates a mixed fleet of ATR 42, ATR 72 and B737-300 aircraft, including the latest ATR 72-600 series, one of the most fuel efficient turboprops currently available on the market. The partnership with Kenya Airways, a major shareholder besides company founder Michael Shirima, has benefitted both airlines through codes shared operations, schedule alignments and a range of other cooperation measures. Visit www.precisionairtz.com for information about the company's operations, schedules, destinations, frequent flyer scheme and more.



When Martin Luther King delivered his 'I had a dream' speech few of today's RwandAir managers and staff were born, and yet, it was clearly similar, albeit business focused dreams which inspired the way Rwanda's national airline grew in recent years. 'Once upon a time we were dreaming, but when we woke up we set out to make our dreams come true, to see those dreams grow wings and fly across the African skies' would be a text book answer to describe what happened over the past few years at RwandAir, except that the words did not come from any RwandAir staff but came out of the author's keyboard, aptly describing however the mood and intent at WB. Yesterday was the official launch of the new route from Kigali, via Lagos to Accra, and Guest of Honour on board was none other than the Rwandan Minister for Infrastructure Prof. Silas Lwakabamba, who was accompanied by RwandAir's CEO John Mirenge, the company's Chairman of the Board of Directors Girma Wake and a number of other government officials, airline executives and invited guests. It was the latter in particular who used the opportunity to meeting Ghanaian counterparts to develop potential business relations, leading among them Charles Muia, Country Manager of Serena Hotels in Rwanda and General Manager of the Kigali Serena Hotel, who spent his time during the cocktails and the dinner to 'press the flesh, i.e. working travel agents from Accra to give Serena a try next time they were sending clients to Kigali, Kampala, Nairobi or Dar es Salaam.

Everyone present was surprised to learn during the official launch party at the La Palm Royal Beach Hotel in Accra – the hotel did lay on a superb spread of dishes by the way – that the airline was starting up the new destination fro the word go with 5 flights a week, all routing via Lagos, i.e. combining the two destinations. Five flights a week are a testament to the bold belief that Ghana would within months produce enough traffic to make this massive investment pay off and the fifth freedom rights between the two West African cities will allow to generate additional revenue by selling tickets, or transporting cargo or mail, supplementing the cash flow for the route.

Considering that Douala has already been named as RwandAir's next West African destination, to be launched within weeks after the Accra inaugural flight, making it five with the other two being Brazzaville and Libreville, the expansion of destinations along Africa's Atlantic coastline serves notice to other airlines flying from Eastern Africa to Western Africa, that RwandAir is going to fight tooth and nail for a big enough market share to make their West African destinations generate the revenues needed to justify such a bold investment.

CEO John Mirenge in fact dropped a bombshell of sorts when he announced that RwandAir was also looking at starting flights to Abidjan / Cote d' Ivoire, on top of the launch of Juba flights come July this year.

The airline presently operates 2 B737-800NG, 1 B737-700NG with a second such aircraft joining the fleet shortly as two aging B737-500's are going back to GECAS at the end of their lease contract, and 2 CRJ900NextGen with a further two options which can be converted into firm orders. RwandAir's plans for West Africa, but also plans to fly to additional destinations in Southern Africa, besides Johannesburg, all point into the direction that the two CRJ900 options will in due course be turned into firm orders, if for nothing else but to be able to actually match new destinations with additional aircraft.



(From left to right Rwanda's Minister for Infrastructure Prof. Silas Lwakabamba, Ghana's Deputy Minister for Transport Mrs. Joyce Bawa and RwandAir's CEO John Mirenge, here seen at Accra's international airport during a media briefing after the arrival of the inaugural flight)

John Mirenge left no doubt in his formal address on the occasion of the launch of Accra flights that expansion, albeit carefully crafted, will continue towards establishing Kigali as a hub airport. The Rwandan government for sure appears fully committed to back RwandAir's plans, so stated a few months ago when President Kagame confirmed to this correspondent during one of his monthly media briefings, that his government will support the national airline. Interesting enough this will not just be through backing future finance aircraft purchases but also the construction of the new airport in Bugesera, some 25 kilometres outside the capital Kigali. Minister Lwakabamba also affirmed the same direction and commitment, when asked if the current level of government support would continue in the future.

The projected growth of destinations and fleet, coupled with increasing load factors, will make RwandAir a choice partner when, in three or four years time, a part privatization will be taking shape through a strategic partnership with another airline, which can add value to RwandAir and secure a long term future. At that stage, the new airport is expected to be fully operational and the airline should have taken delivery of at least two B787 Dreamliners, for which firm expressions of interest have been given by RwandAir to Boeing.

Three or four years, in today's volatile business environment with sharply fluctuating aviation fuel prices, can of course be an eternity, especially for others who lack the foundation of that dream, which RwandAir's current management and board are turning into tangible reality, driven by a steely will and by the recognition, that only their total commitment and success will do for *The Land of a Thousand Hills*. Said one of the staff on the trip, on condition of not being named for not being an official spokesperson: 'Our top management know that they are given a huge responsibility to perform. The success of the past 2 years must take roots and must continue. The entire country is behind our national airline and failure is not an option'.

Interaction with RwandAir's CEO and senior staff during the two day trip certainly provided new insights and reaffirmed, that *Rwanda Incorporated* is a deeply rooted reality, where all arms of government, parastatals and the private sector are working towards a common goal, to develop the country and propel it firmly forward into the 21st century. A recently launched Sovereign Fund generated sufficient cash to finance key new infrastructure projects, and RwandAir forms a cornerstone in that equation to connect the landlocked country with not just the region but the outside world.

Fly our Dream to the Heart of Africa – RwandAir's tag line, will soon be reaching more destinations in Africa and eventually further abroad, carrying the message of the new Rwanda into the world, both flying like the Phoenix which has risen into the skies.

UMUBANO HOTEL'S LIBYAN OWNERS COMMIT 10 MILLION DOLLARS TO REFURBISHMENT (Posted 13th June 2013)



Agreement has at last been reached between the Rwandan government and the Libyan co-owners of the Umubano Hotel, in which the two parties hold a 60/40 share distribution.

When it was acquired by Gadaffi Libya, it was first managed by their hospitality unit Laico Hotels, but at the height of the troubles in Libya failed to inject the funds promised under the acquisition deal, letting the hotel slide into disrepair. Subsequently, following due notices by the Rwandan government, the hotel was being evaluated for sale to new investors, bringing the new Libyan regime back to the negotiating table, not wanting to risk the loss of a second asset after already having to write off their investment through LAP Green in Rwanda Telecom last year. It was reliably learned that Libya will inject now an initial 10 million US Dollars to pay for a complete refurbishment of the 80 rooms the Umubano Hotel presently has, intent to upgrade it to 5 star standards, before in a second phase then adding more rooms.

While no specific time frame could be obtained, one regular source close to the Rwanda Development Board's Tourism and Conservation Department, the entity responsible for grading and classifying hotels and resorts in Rwanda, did say on condition of anonymity for not being an official spokesperson: 'If they finally bring that money and start work it is fair to give them another chance. The hotel was due to be sold and they were then to get 60 percent of the proceeds. Our government showed understanding for the situation in Libya but now the owners must perform. If they fail again they will find it hard to hold on to the hotel. Time is of essence now. After all, Kigali needs more hotel rooms. When our new national convention centre is open we expect many conferences to come to Rwanda. Our national airline is expanding and brings more and more people to Rwanda. Other airlines

have started flying here or want to fly here, so hotel beds are a good investment. Right now, Umubano Hotel is in bad shape but it can be upgraded as long as the money is there'.

Perhaps a site visit during the next trip to the Land of a Thousand Hills might permit to further evaluate the situation and obtain time frames and the scope of work, so keep watching this space for updates in coming weeks.

Ethiopia News ETHIOPIA IGNORES WAR THREATS FROM EGYPT TO RATIFY NILE TREATY (Posted 14th June 2013)



The longstanding row over the use of the Nile waters, for which the dictates of the 1929 and 1959 treaties between Britain and Egypt were shoved down the throats of the Nile basin countries on independence, resulted last year in the required number of members of the Nile Basin Initiative to sign on to a new negotiated treaty to make it legally binding, inspite of Egypt and Khartoum Sudan refusing to accept the majority verdict. Uganda, Kenya, Tanzania, Rwanda, Burundi and Ethiopia signed the new treaty while new member South Sudan indicated they too would add their signature, possibly ahead or alongside the meeting next week when the 21st Council of Ministers session will take place in Juba. In recent weeks did Egypt sound the war drums in an attempt to intimidate Ethiopia not to ratify the new treaty and halt their plans for the construction of a new hydro electric power plant on the Blue Nile, aptly named the Great Renaissance Dam, to which the regime in Cairo vehemently objected. A grand blunder by a national TV station in Egypt then showed live scenes from discussions in parliament in Cairo, where the majority of members advocated strongly for military action against Ethiopia, leaving the Morsi regime in a bind as their intent and purpose became exposed for the world to see.

The 6.000 MW project, which is thought to have the capacity to not only transform Ethiopia's economy but also provide electricity to neighbours South Sudan, Sudan (Khartoum) and even to Kenya, is a do or die project for Ethiopia and work on temporarily diverting the Nile at the site where the dam is due to be constructed has started last week. Egypt's Morsi left 'all options open' following the publicity debacle his regime suffered when members of his party were outspoken about blowing up the dam to 'save our water', with the result that the riparian states upstream have moved closer together to resist such aggression and extortion.

Ethiopa has now formally ratified the new Nile Treaty and the other water producing countries like Uganda, Kenya, Tanzania, Rwanda and Burundi have equally left no doubt, that while they respect the right of Egypt to water from the Nile, it will be the framework of the new treaty and not, as Egypt and Khartoum continue to insist, the old agreements of 1929 and 1959 which will henceforth govern the use of the Nile waters and the waters of upstream lakes and contributory rivers.

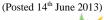
Interesting were opinions emerging from conservation circles in Kenya, who have been hugely critical of Ethiopia's plans for the Gibe III dam, which is bound to very likely cause irreparable damage to the Lake Turkana ecosystem: 'We have no issues at all with the new Renaissance dam in Ethiopia. Perhaps our support for that dam can persuade Addis to review the issues we presented about Gibe III and the impact that has on Lake Turkana. We support Ethiopia's right to build the new Renaissance dam and their right to decide on how to use their share of Nile waters. With 6.000 MW it will provide enough power for Ethiopia, South Sudan and even for us here in Kenya to purchase from Ethiopia. Our cooperation on the LAPSSET project too should signal to Addis that quid pro quo has its advantages so why not give back on the issue of Gibe III' said a regular source in Nairobi, who in the past was often making comments when touching on the Gibe III project and its impact on the Lake Turkana ecosystem.

There are strong indications that alongside the meeting in Juba next week, the upstream riparian states will also confer over the threats made against Ethiopia and discuss contingencies and countermeasures, should Egypt continue to show open hostility against fellow member Ethiopia. Ugandan President Yoweri Museveni also waded into the debate when he commented on the topic while speaking about the budget reading in Kampala. He was quoted in local media to have said: 'I have seen statements in the media coming out of the government of Egypt about the commendable work of Ethiopia. What Ethiopia is doing is what governments in Africa should do. The new government of Egypt should not repeat the mistakes of previous governments, the biggest threat to the Nile is not building hydropower dams, the biggest threat is the continued under development of countries in the tropics.

No African wants to hurt Egypt, however, Egypt cannot continue to hurt black Africa' coming out clearly on the side of Ethiopia and setting the stage for a partisan meeting of the Nile Basin Initiative ministers next week in Juba. Perhaps time for the regime in Cairo to sit back and reflect on how they are now perceived among the African upstream riparian states as a war mongering radical country, and to devise ways and means to cooperate instead of confront, to work with the African countries and not against them and how to formulate new partnerships instead of trampling the rights of African countries into the desert dust. Watch this space.

Seychelles News

BEAU VALLON'S 'GOLDEN MILE' TAKES FURTHER SHAPE





Plans to transform a key seafront section of Beau Vallon Bay, one of Mahe's prized beach resort areas, into what has initially been called '*The Golden Mile*' have made further progress according to a regular source from Mahe, following another stakeholder meeting during the week.

The new development, which is aimed to remodel the entire area, provide a beach promenade, a park for Seychellois as well as for tourists, secure parking and other amenities, is expected to bring the shine back on the entire area and make it more user friendly, and more safe, to walk and enjoy during day and evening hours.

Initially an idea floated by tourism stakeholders, the project swiftly brought the Ministry of Home Affairs and the Ministry for Environment on board, as did other government bodies join hands with private sector companies who have a vested interest to see the plans succeed.

This third meeting among interested parties was reportedly the final one before a final concept paper will be brought to cabinet for discussion and approval, following which a formal process will be going underway to plan, obtain prerequisite licenses and permits and eventually being construction to transform the area. Watch this space for updates on progress made and to learn about when the new 'Golden Mile' will become operational.

AIR SEYCHELLES BOARD MEETS TRAINEES AT ETIHAD AVIATION ACADEMY (Posted 11th June 2013)



The Board of Directors of Air Seychelles has during a recent visit to the Etihad headquarters in Abu Dhabi taken the time to meet 14 Seychellois students, who are now attached to the Etihad aviation academy. Seven engineers, two cadet pilots and five members of the Graduate Management Development Program (GMDP) are currently enrolled in relevant career development programs although all crew, and other staff, have since the start of the cooperation between the two airlines undergone training and type conversion from the previously used B767 to the airline's new Airbus A330 aircraft in Abu Dhabi too.

The Training Engineer Development Program includes two years of classroom training in Al Ain and two years of service training in Abu Dhabi while the cadet pilots complete 750 hours of classroom sessions and 205 hours flight training in single and multi-engine aircraft. Cadets must also pass the UAE General Civil Aviation Authority's theoretical knowledge and flying exams before being licensed by the Seychelles Civil Aviation Authority. The GMDP is a 21-month course, which involves nine months of workplace orientation across key Etihad Airways departments, followed by a six month placement with a specific team of interest. The final six months are allotted for a business-based project.

It is understood from Air Seychelles' sources that upon the successful completion of the training programs, all graduates return to the Seychelles and resume working with Air Seychelles.

Minister Morgan was quoted to have stated on the occasion of meeting the trainees: 'The training of our Seychellois nationals at Etihad Airways is another example of the 'win-win' partnership between the two airlines, not only in terms of operations and fleet management but also staff development. Etihad Airways is providing an experience through its state of the art training facilities, global management business approach and best practice,

enabling Air Seychelles to build a team of world class airline professionals. I urge our Seychellois students to make the most of this wonderful opportunity.'

In response did Cramer Ball, Air Seychelles' Chief Executive Officer have this to add: 'The most valuable asset of any organisation is its people and that's why staff development is such a big focus for us. As the national airline of the Seychelles, we are committed to supporting a highly-skilled national workforce. I am delighted to see how well the Seychellois trainees have developed and are making the most of this opportunity to receive world class training and experience'.

One of the trainees, Elsie Hurst, an Air Seychelles employee in her tenth month of the GMDP, spoke on behalf of her fellow trainees when she said: 'By working with the different business functions and departments, I now have an understanding of the dynamics needed to operate a successful airline. I am continually impressed by Etihad Airways' guest-focused approach and the experience I have gained here is invaluable. I now know what I need to do to ensure we satisfy passenger demands, regardless of the department I work in at Air Seychelles'.

Air Seychelles in recent weeks has scored plenty of brownie points with the Seychelles tourism fraternity as a result of introducing further code share deals which will now allow HM flight numbers to be put on Etihad flights to Melbourne and Sydney and with Czech Airlines for flights via Abu Dhabi, to Prague, which will undoubtedly help to market the archipelago's unique tourism attractions to a much wider global audience. Previously signed similar deals have been put into place with South African Airways on the route to and from Johannesburg, where Air Seychelles operates regular flights, and with Air Berlin, another Etihad partners, for flights from their German destinations to Mahe, also via Abu Dhabi.

Watch this space for regular and breaking aviation news from the Indian Ocean region.



(Seen her at the centre are the Chairman of Air Seychelles and Seychelles Minister for Transport and Home Affairs, Mr. Joel Morgan, accompanied by the HM CEO Cramer Ball, the Chairman of the SCAA Capt. David Savy, Ambassador Maurice Loustau-Lalanne, other Air Seychelles staff and the trainees)

GRANDE ANSE ON LA DIGUE RATED WORLD'S BEST BEACH BY CNN (Posted 09th June 2013)



The Seychelles beaches have in past years and in fact decades regularly been making it into the top league of the world's most highly ranged beaches, in the league tables of travel magazines from around the globe and in TV travel programmes. It is no wonder therefore that CNN has just crowned the beach of Grande Anse on the island of La Digue as their top choice, when they released their annual rankings during last week.



(Picture of Grand Anse La Digue courtesy of Seychelles Tourism Board)

The global news channel pronounced itself on the 100 best beaches and for aficionados of the Seychelles it comes as no surprise that even the fourth spot was taken up by another beauty spot from the archipelago, and again from the island of La Digue, this one being Anse Source d' Argent.

Tourism stakeholders from the Seychelles expressed their delight to be once again recognized for the natural beauty of the island, the beaches and the crystal clear blue and aquamarine waters, under which another world opens to visitors who come to snorkel or dive. A regular source did in fact copy the text from the CNN website on which they published their top 100 choices and it reads like this:

(CNN) -- Is it possible to rank the world's best beaches?

Of course it is. This is the Internet.

Will everyone agree with our ranking, murmuring respectfully among themselves about how perfectly accurate every placement is?

Maybe not. This is the Internet.

But that's why we've scoured the planet, demanded answers from our most well traveled friends, colleagues and cohorts, absorbed passionate pleas from readers, researched, investigated and examined the evidence then finally tipped the sand from our shoes, washed the brine from our eyes and put together a pretty good guide to the best beaches on the planet.

Now we turn it over to you.

Consider this list a premise, a platform from which you can jump into a dazzling, turquoise ocean of "further recommendations."

There's a comment box down below -- use it.

Or vote now on our Facebook poll -- World's Best Beaches.

'When you compete with the beaches in the South Pacific, those of Tahiti or Bora Bora, those of the Indian Ocean like Mauritius or the Maldives, the East African beaches, those from the Caribbean and the many others famous for their beauty, and they come out on top, and in fact capture top and fourth spot, you can be sure that CNN has done their homework and had a reason for how they arrived at their rankings. This is another great boost for Seychelles' global popularity as a bucket list destination people want to visit at least once in their lifetime for that special holiday of a lifetime' wrote the source when passing on the details.

Entirely justified of course says this correspondent, who has been getting sand between the toes and the feet wet on both beaches during past visits and, clearly biased towards the archipelago, would have added a few more into the top 100 from the islands of Praslin, Mahe and some of the other 115 island the Seychelles are made up of.

Visit http://edition.cnn.com/2013/05/28/travel/100-best-beaches/index.html?sr=sharebar_facebook for access to the CNN web page and to see all their top 100 places.

Meanwhile was it also learned that the Seychelles Tourism Board will in 2014 host the *Travel and Tourism Mart* for members of the *Indian Ocean Rim Association for Regional Cooperation* to further boost the popularity of the islands and in particular highlight the variety of island holiday experiences the Vanilla Islands cooperation offers to visitors.

India, Bangladesh, Australia, Indonesia, Iran, Kenya, Madagascar, Malaysia, Mauritius, Mozambique, Oman, Singapore, South Africa, Sri Lanka, Tanzania, Thailand, the United Arab Emirates, Yemen and Seychelles are members of the IOR-ARC which was set up in Mauritius in 1997. China, Japan, Egypt, France and Britain have the status of dialogue partners in the group. The possibilities for tourism growth and expansion within this region are considered to be major assets for economic development on the islands and the mainlands. The association is reportedly conducting a tourism feasibility study in the region of which the second phase will commence soon. This study will be vital for the proper planning and strategy formulation, aimed at mapping out the future development of this vital sector within our region. While no date has been set as yet, all the more a reason to watch this space to find out when exactly the IRO-ARC countries will come together in the Seychelles next year to showcase their tourism attractions. *Seychelles*, clearly *Another World*.

AND in closing, as on most occasions, some worthwhile reads from *The Livingstone Weekly* by Gill Staden:

New Tractors for Livingstone City Council

Government has given our City Council four new tractors and trailers for rubbish collection. I was told that people can get in touch with the Council to have their rubbish collected. The new tractors will mean that Livingstone can continue its clean-up operation prior to the UNWTO ... and afterwards too we hope ...



New Fence for Victoria Falls

National Heritage Conservation Commission has erected a new fence around the Victoria Falls. It is so much better than the previous holey chain-link fence topped with razor wire. It was reported to me during the week that hawkers are still getting into the park to try to sell their wares of copper bangles, etc, to tourists. Whereas before they used to crawl through the holey fence, now they must have found some other way of getting in ...



New ZAWA Gate

The new gate to the 'National Park' is being constructed along the Royal Mile (Sichango Road). It is looking very smart but what does it do?

As I have mentioned before this area of Mosi-

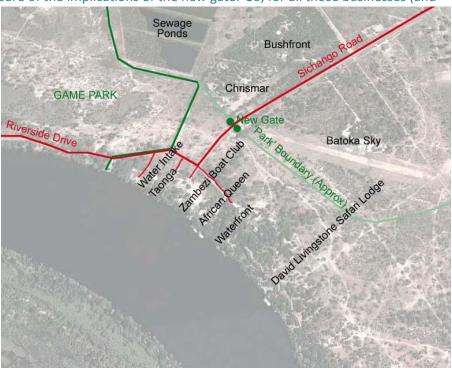


oa-Tunya National Park is rather an anomaly in that it belongs to ZAWA and to Council and has always been considered a 'grey area'.

Up until now, no-one seems sure of the implications of the new gate. So, for all those businesses (and

homes) within this area, there is uncertainty.

One would have thought that there would have been some stakeholder participation in the erection of the gate. As this never happened, maybe the businesses and homes inside the area should know what is going to happen ...



Kenya Airways comes to Town

During the week, Kenya Airways held a cocktail party to celebrate their new flights to Livingstone. The party was on the lawns at the Zambezi Sun and was scheduled to start at 6pm. I arrived just before 6 to find that noone was there. I waited. The speeches finally got underway at 8pm by which time I was cold and fed up. I lasted until the middle of the third speech and took myself off home. I don't understand why we always have to be late for everything ...



Kenya Airways is starting an ambitious plan to become a hub for flights to and within Africa. It is in stiff competition with Ethiopia Airlines. Of course, for us in Zambia our most common access is through Johannesburg.

Zambia does not have a national airline. It went bust in 1995. Zambia could become a hub of trade, but running an airline is no easy matter. Although we only have one private airline in Zambia – Proflight – we face stiff competition and, of course, Zambia is an expensive place to run any business, so it is unlikely that a new national carrier should be on the cards.

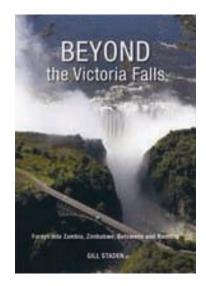
In the meantime we can hope that good prices for flights will be on offer by Kenya Airways. It will certainly make a change from having to get to Europe through South Africa.

Working Together

When I started my book, Beyond the Victoria Falls, the main idea behind it was that the countries in Southern Africa should work together to promote tourism in the region. Four countries, Zambia, Zimbabwe, Namibia and Botswana, all use the Victoria Falls for marketing their tourism attraction. But we all have other products to market which are very different. Not only do we have markedly different cultures and historical backgrounds we have different environments and wildlife.

Many people thought I was nuts when I started the book and told me so. Now, it seems that the idea is catching on:

Bits from Inter Press Service:



Competing players in the tourism industry in southern Africa are putting aside their rivalry in pursuit of a common goal – a big boost in tourist numbers to the region. ...

Mmatsatsi Marobe, the chief executive officer of the Tourism Business Council of South Africa: *There is also the power that lies in packaging our natural and cultural heritage and offering it to the world – that combination is hard to be rivalled anywhere in the world, adding the warmth and welcoming of the people of Africa.*

Glenn Stutchbury, the president of the Zimbabwe Council for Tourism: Southern Africa is long-haul travel for most of its visitors. No one really travels that kind of distance for a single destination, so packaging various options is essential – and cross border, given the various options, makes for a more attractive offer to the visitor.

Robin Brown: We need to portray an image to the market that the entire region – Zimbabwe, Zambia, Botswana, Namibia, Mozambique and others – is a good, safe and reliable option for 14-day and longer itineraries – with good access options, safe travel options and a world- class product that links together seamlessly across borders.

We need to educate one another to the fact that our real opposition is other regions around the world, not our next-door neighbour country. Engagement is required.

Noel De Villiers, Open Africa: First of all, regional tourism is burgeoning and ripe to grow more, so neighbouring states have great potential to feed off each other. Secondly, the strongest brand for overseas travel to Africa is Africa itself. It is the birthplace of humankind, there is the mystique of the place, it is the custodian of most of the world's animal and plant species, and it is magnificently diverse and spellbinding. ...

It would seem that the private sector now wants to work together and realises that it is to everyone's benefit. All we need now is for governments to come on board ...