

Tactical Approach - Hubs:

Competition issues (level playing fields, slot-constrained airports) as well as impact of rapid expansion of hubs in one region impacting on services operated to other regions to be considered during mandate setting process, including alignment with South Africa's policy on foreign relations.

Tactical Approach to tariff regulation based on market segment:

- **DOMESTIC MARKET:** Retain full tariff liberalisation. Market only subject to competition rules applicable to all industries;
- **INTRA-AFRICAN MARKET:** Tariff control only in respect of tariff increases, subject to regional/Continental competition rules, in line with the Yamoussoukro Decision.
- **OVERSEAS MARKETS:** Airlines to be allowed to rapidly and effectively respond to market demands. Flexible arrangement requiring filing of tariffs only when considered potentially anti-competitive, based on the double disapproval model for tariff control to be applied.

Tactical Approach – Pricing and competition:

- *If tariffs charged by airlines are considered to be excessively high or low, it should be referred to the Competition Commission for further consideration and implementation of the necessary corrective measures.*
- *In the case of constrained routes, capacity to be increased in respect of relevant Agreement(s) to ensure provision of adequate number of seats at reasonable prices.*
- *In the case of high fares charged by SA airlines on capacity constrained routes, and such constraint is due to intervention by the airline(s) concerned, such tariffs to be subjected to a competitive pricing comparison process by Competition Commission to determine acceptability and/or corrective action to be taken.*

Tactical Approach – Cabotage rights:

Cabotage rights should not be granted, based on the following considerations:

- *Aviation safety and security are of cardinal importance – efforts should be focussed on harmonisation of aviation regulations and standards within the SADC-Region (Africa, in the case of the YD).*
- *Granting of blanket cabotage rights at this early stage of Africa's unification is considered premature and will create additional concerns regarding Africa's ability to ensure acceptable levels of aviation safety and security.*

¹² IATA recommended average passenger load factor is 75%. This represents the point at which airlines are able to accommodate passengers without losing business due to non-availability of seats.

Tactical Approach – 5th Freedom traffic rights:

- ***YAMOUSSOUKRO DECISION (YD) - Free exchange of 5th freedom traffic rights, with due consideration of reciprocity concerns during the period leading up to full implementation of the Yamoussoukro Decision across Africa.***
- ***OTHER THAN IN TERMS OF YD - Strategy Planning Committee to critically assess implications of exchange of 5th freedom rights in respect of the potential impact on the:***
 - ***Implementation of the Yamoussoukro Decision; and***
 - ***Total air service network.***

Granting of such rights should be considered:

- ***on reciprocal or comparable benefit basis;***
- ***only in circumstances where scheduled third and fourth freedom¹ services are not available and only on condition that these services should be phased out over a period of six (6) months if a third or fourth freedom service is introduced; and/or***
- ***Only in exceptional cases after the potential consequences and benefits to the South African economy have been evaluated and reciprocal or comparable rights or benefits have been obtained for South Africa.***

Tactical Approach – Ownership / control of airlines:

- ***African Union Common External Air Transport Policy in respect of EU-Ownership requirements to be applied once approved. In the interim, South Africa not to agree to the EU ownership clause.***
- ***DOT to complete its work in respect of the Aviation Sector BEE Charter and to actively monitor the achievement of set targets in respect of ownership.***
- ***Barriers to entry into the aviation market should be eliminated, subject to the requirements of aviation safety, security and reliability of air services.***

Additional information regarding the above-mentioned *Tactical Approaches* is reflected in [Annexure E](#).

5.3.4 Use-it-or-loose-it principle:

The use-it-or-loose-it principle is an approach aimed at preventing one airline blocking another from introducing new air services or to expand current services through retention of unused traffic rights and is normally applied in respect of-

- South African airlines who are required to introduce / expand air services granted in terms of their air service licences within a specified period, failing which such rights may be withdrawn;
- The right to utilise airport and airspace infrastructure during a specific time, also referred to as an airport slot. Utilisation of slots is reviewed each International Air

Transport Association (IATA) timetable period¹³ and unused slots are withdrawn.

The following strategic approach in respect of the abovementioned principle to be implemented:

Strategic Approach to the use-it-or-loose-it principle:

- *Should a SA airline not use its capacity allotment in terms of its international air service licence within a period of 12 months or less, as may be specified by the International Air Services Council, such rights will automatically lapse, unless reasons to the satisfaction of the Council are filed before the end of this period.*
- *Additional capacity in terms of the particular agreement to be granted to compensate for the capacity shortfall on a route due to the non-performance of a SA airline.*
- *Airport slots not used at least 80% of the time within a given IATA timetable period will be withdrawn and re-allocated.*

5.3.5 Stability and sustainability of network of air services serving South Africa:

Due to globalisation and high levels of airline cooperation worldwide, air services agreements and routes are interdependent and should not be considered in isolation.

The following strategic approach in respect of the abovementioned principle to be implemented:

Strategic Approach towards ensuring stability and sustainability of air service network:

- *All negotiations and setting of negotiation mandates to be evaluated in terms of actual and potential impact on the network of air services serving South Africa and its key markets.*
- *In particular, the African Union Common External Air Transport Policy in respect of open-skies arrangements and the EU-Ownership clause (once approved) will provide guidance towards enhancing the stability of the intra-African air services network and must be duly considered.*
- *Exchange of 5th freedom traffic rights and rapid liberalisation of hub-markets (6th freedom traffic rights), have the potential to destabilise the air services network and should receive due attention. (Note that intra-African air services will be considered within the framework created through the Yamoussoukro Decision).*

¹³ Two IATA Timetable Periods per year, namely April to end October (IATA Summer Season) and November to end of March (IATA Winter Season).

5.3.5.1 Tactical Approach to ensuring the Stability and sustainability of the network of air services serving South Africa:

In giving effect to the abovementioned Strategy, various key elements requiring specific attention have been defined as follows:

Tactical Approach – Anti-competitive behaviour / market dominance:

- *Threat of capacity “dumping” and predatory pricing to be managed in collaboration with the Competition Commission.*
- *DOT to actively participate in the development of regional and AU-based competition rules and arbitration procedures in terms of the Yamoussoukro Decision.*
- *Regional (SADC) and AU based competition rules and arbitration procedures to be applied once approved.*

Tactical Approach – Reciprocity / market share:

- *DOT to consider trends and reasons for shift in SA airlines’ market share;*
- *Plan of action to be crafted and appropriate action taken based on reasons for shift (anti-competitive behaviour of foreign airline, government subsidies, etc).*
- *Should competitive environment be considered “normal”, as assessed by the Competition Commission, capacity should be granted to allow the foreign airline(s) to increase capacity in the interest of trade and tourism.*

Tactical Approach – Airline Alliances / code-share:

- *Consumer interests (i.e., prevention of consumer deception regarding the identity of airlines actually providing air services) and the implications for effective airline competition must be addressed;*
- *Impact of Global Alliances competing for market-share and potential impact on anti-competitive / restrictive behaviour of airlines participating in such Alliances to be monitored.*
- *All code-share arrangements to be critically assessed as it should not constrain the growth of services actually operated or new services to be introduced, as code-shared services as marketing airline do not add physical capacity to routes.*

Tactical Approach – Seasonality / Special Events:

- *Temporary capacity needs due to seasonal demands to be met through the granting of supplementary flights in terms of the relevant air services agreement(s) on request. Reciprocal opportunities to be ensured.*
- *Non-scheduled (charter) air services to compliment scheduled air services during these periods and should be allowed, subject to the meeting of safety and security standards.*
- *Specific Strategy to address capacity needs of World Cup 2010 and similar events as well as serving the expected sustained demand following such events to be developed.*

Additional information regarding the above-mentioned *Tactical Approaches* is reflected in [Annexure F](#).

5.3.6 Role of Government:

Government should at all times ensure that the roles of its various executing arms are clearly defined and executed accordingly. The roles of DOT as policy maker and regulator and DPE as shareholder of SAA and SA Express require particular attention.

It is important to note that whilst the DOT creates the policy and enabling framework for the regulation of air transport, the airlines ultimately decide, on a commercial basis, whether they wish to utilise traffic rights as well as the level of activity. A number of air services agreements have been negotiated based on political importance and may only become economically viable within the medium to long term.

The DOT, as air transport regulator, should therefore apply the following approach to the regulation of air carriers:

Strategic Approach- Role of Government:

- ***Consistent with the White Paper on National Transport Policy, 1996, the current unbundling of SAA from Transnet should ensure equal treatment of all participants in the air transport market as well as ensuring that SAA operates efficiently, effectively and on a sound commercial basis whilst positioning itself to taking up opportunities in the liberalising African skies as well as generally servicing the global market.***
- ***In the context of ASGISA, as well as Airlift Strategy, growth of the Civil Aviation Sector demands that all airlines operate according to the following principles:***
 - ***Air carriers to be able to operate autonomously and on a commercial basis, including decisions about the routes to be served, aircraft capacity, frequencies and airfares, unless such intervention is required based on national interest considerations.***
 - ***Consistent with the spirit of sound commercial operations, air carriers should have no obligation to provide services below cost to any institutions whether Government or otherwise, unless such intervention is required based on national interest considerations and subject to appropriate financial compensation.***
 - ***In terms of Government's public service obligations, air transport services on routes that are not economically viable be invited through a transparent public tender process.***

This strategic approach offers Government much more than it had before which focussed on SAA to the exclusion of other airlines to achieve its strategic objectives. In this context, Government will be able to focus on both SAA and other airlines to play a role in achieving the economic growth and developmental objectives.

5.3.7 Aviation Infrastructure:

Efficient airports and effective airspace management are critical to future development of air transport. Three projects aimed at addressing air transport infrastructure are currently underway, namely: The Air Freight Logistics Project, the creation of a National Airports Development Plan and a project aimed at the possible establishment of an independent slot-coordinator for South Africa as proposed in the draft White Paper on National Civil Aviation Policy, 2006.

The principle of “fair and equal opportunity” enshrined in Bilateral Air Services Agreements to be applied in cases of slot-constrained airports with a view of achieving maximum economic benefits within a pro-competitive environment.

The following strategic approach in respect of aviation infrastructure to be implemented:

Strategic Approach – Infrastructure:

- *Infrastructure requirements to be identified and confirmed through the National Air Freight Logistics Project. This Project will provide critical inputs towards the creation of the National Airports Development Plan.*
- *Infrastructure development at current and future airports to be guided by the National Airports Development Plan currently being developed by the DOT.*
- *Close collaboration with the Regulating Committee to reinforce the need to reduce the cost of doing business in South Africa. Increase of tariffs of ACSA and ATNS to be kept as low as possible.*
- *ATNS to continue with their current slot-coordination (slot-allocation) activity. Subject to government’s directives regarding the ultimate need for a separate, independent slot co-ordination body, the necessary legislative framework will be developed.*

The following tactical approach in respect of aviation infrastructure to be implemented:

Tactical Approach –Slot-constrained airports:

- *Issues relating to the granting by 3rd countries of slots that are not in line with the above-mentioned principle of fair opportunity to compete (similar to the current EU regulations regarding fair allocation of slots by 3rd countries) to be considered during the investigation into the development of slot allocation system.*
- *Alternative access points to a country/region should be considered in the case of seriously slot-constrained airports. DOT to carefully assess the severity of slot constraints at key airports and its impact on the network of air services.*

5.3.8 Strategic approach to the “Open-skies” Model for liberalisation

The “open-skies” concept remains a key topic in international aviation, mostly due to pressure from the United States and the European Union member states. It is therefore imperative that a strategic position be adopted to guide South Africa’s future engagements with its counterparts.

- **Background:**

The international aviation community does not uniformly define the term “open-skies”. Reference to open-skies may refer to the creation of a regulatory regime that allows freedom of market access, unlimited capacity and no control on pricing. Differences in opinion regarding the level of freedom allowed by air services agreements will result in different categorisation of such agreements. For instance, air services agreements based on the full implementation of the Yamoussoukro Decision will be more liberal than the US open skies model.

The US-Open-skies concept dates back to the Carter Administration, which launched a *pro-competitive policy* to expand access to global aviation markets through the removal of operating constraints, thereby achieving maximum benefits *for the US economy* through travel and trade.

Open skies liberalisation was thereafter championed by the Clinton and Bush Administrations with the goal of taking open-skies to the entire globe through multilateral and bilateral arrangements.

The US normally presents the open skies agreement as a “one size fits all” proposition whereby foreign governments are encouraged to sign the entire package as reflected in the model open skies agreement. To date, the US concluded a total of 75 open-skies agreements. Seventeen (17) African States have concluded open-skies agreements with the US, including Nigeria, Senegal, Ghana, Tanzania, Uganda, Ethiopia and Namibia.

As a result of intense competition within the open-skies regime, the U.S. Bankruptcy Court appears to be an all-too-frequent stop for US airlines, becoming a routine refuelling and refinancing station on the way to whatever may be the final destination for the embattled airline¹⁴. Some US airlines often use this facility as an excuse to re-organise, whilst continuing with services at fares that are often not market related. This places competing airlines at a distinct disadvantage. According to the

¹⁴ Jerry Knight, Washington Post, 18 September 2005

Washington Post, since airline deregulation in the USA in 1978, more than 100 carriers have filed for bankruptcy protection.

A summary of potential positive and negative implications associated with open skies agreements appears in [Annexure G](#).

▪ **Problem Statement, Current African Position and recommended ICAO Approach:**

It is expected that current pressures from both the USA and the EU regarding open-skies would intensify and may ultimately lead to a “take it or leave it” approach which may impact severely on South Africa’s aviation, tourism and trade sectors.

In addition to the concerns relating to competing with large, developed airlines, an open-skies agreement will allow foreign airlines access to 5th freedom traffic rights¹⁵ in Africa. Such airlines will be able to convey passengers and cargo between African destinations in direct competition with African airlines that are currently reluctant to implement the Yamoussoukro Decision with their African counterparts. In essence, African airlines in general may not be able to withstand the pressure from the stronger foreign airlines.

During their meeting of May 2005, the African Ministers responsible for air transport in Africa decided that the African Union should coordinate the development of a Common External Air Transport Policy addressing the issues of open-skies within the African context.

In addition, during the 5th ICAO World Wide Conference of March 2003, the ICAO Conference:

- *Reaffirmed that the basic principles of sovereignty, fair and equal opportunity, non-discrimination, interdependence, harmonisation and cooperation set out in the Chicago Convention have served international air transport well and continue to provide the basis for future development of international civil aviation; and*
- *Confirmed that each State will determine its own path and own pace of change in international air transport regulation, in a flexible way and using bilateral, sub-regional, regional, plurilateral or global avenues according to circumstances.*

¹⁵ Definitions contained in Annexure H

The following strategic approach in respect of the open-skies concept to be implemented:

Strategic approach to Open-Skies:

- ***OPEN-SKIES – INTRA-AFRICA AIR SERVICES:*** Accelerated implementation of the Yamoussoukro Decision (YD) through modernisation of Bilateral Air Services Agreements with all like-minded African states as interim measure, pending full implementation across Africa on a multilateral level. In particular, the following approach to the implementation of the YD to be implemented:
 - *Prioritisation of negotiations with Angola, Mozambique and Nigeria to ease capacity constraints;*
 - *Development of an approach aimed at accelerating the implementation of YD, including an econometric study to quantify the economic cost of regulatory constraints, including benefits that could be reaped as a direct result of the implementation of the Yamoussoukro Decision.*
 - *Addressing airline safety oversight capacity at an institutional level.*
- ***AFRICAN UNION APPROACH:*** South Africa, through the Department of Transport, to actively participate in the activities of the African Union towards the creation of a Common External Air Transport Policy for Africa. This Policy to be applied once approved. In the interim, South Africa should not enter into open-skies agreements with non-YD States.
- ***ENSURING STRICT ENFORCEMENT OF COMPETITION RULES:*** The ability and jurisdiction of the Competition Commission and Competition Tribunal to effectively and timely intervene in cases of abuse of dominance, predatory pricing and capacity dumping should be critically evaluated and enhanced, prior to the adoption of any open skies agreements.
- ***PREPAREDNESS AND TIMING:*** Implementation of the key elements of open-skies with non-YD States to be considered only after:
 - *The AU position has been formalised;*
 - *Effective measures aimed at addressing potential anti-competitive behaviour of airlines are in place; and*
 - *The current high cost base and lack of competitiveness of certain SA airlines (notably state-owned airlines) have been effectively addressed by their shareholders through appropriate turn-around strategies.*

6. COORDINATION AND IMPLEMENTATION

6.1 The Strategy provides for practical implementation of the International Aviation Policy (1992), the White Paper on National Transport Policy (1996) as well as critical elements of the *draft White Paper on National Civil Aviation Policy, 2006*.

6.2 The strategy will be implemented through a period of five years, based on an annual programme for the amendment of bilateral air services agreements with foreign countries. The integrated approach however, requires even closer cooperation within Government and between Government and other role players. Therefore, successful implementation of this Strategy depends mainly on the effective functioning of the *Strategy Planning Committee* as key *Implementation Mechanism*, as set out below.

6.3 Implementation Mechanism:

Current *Strategy Planning Committee* (Committee) tasked with the critical role of ensuring alignment of the recommended negotiating mandate(s) with the national interest, to be upgraded and capacitated, based on the following:

- Membership of the “*Strategy Planning Committee*” to be:
 - Formalised by formal nomination in writing of members by top management of all relevant organisations (governmental as well as all other stakeholders);
 - Key departments such as DEAT, DTI, DOT, DPE and DFA to be represented at least at Chief Directorate level with appropriate mandates from their principals in respect of each meeting. Likewise, SA Tourism and the aviation industry to be represented at senior management level.
- Meetings to be chaired by the DOT;
- Strategy planning to take place in two stages:
 - Consultation with all relevant Government Departments, airlines and other interested parties;
 - Followed by an inter-governmental meeting, without the airline industry, to consider recommended negotiating mandate based on evidence presented by industry stakeholders and shareholders.
- Committee to be mandated to:
 - Review the *Airlift Strategy* on an ongoing basis in response to market and industry developments;

- Participate in the DOT-led strategic planning for the 2010 Soccer World Cup event.
- Consider the annual planning schedule for negotiations, based on aviation, trade and tourism specific needs, foreign policy considerations, and other criteria as defined in the documents identified under “national interest” above;
- Establish a clear position regarding all aspects of the air services network, including, but not limited to, priority of negotiations and the potential impact on South African air carriers’ market share due to-
 - Traffic being re-routed via hubs in other regions (e.g., Middle East);
 - Inability to effectively compete due to internal and/or external factors;
 - Anti-competitive actions of foreign states (e.g. subsidisation of airlines and/or routes).
- Approval of negotiating mandate(s):
 - Committee’s recommended negotiating mandate to be submitted to the Minister of Transport for approval.
 - In the case of *irreconcilable* strategic positions of key Departments and aviation stakeholders, such positions will be formally recorded and referred to the Minister of Transport. The Minister of Transport shall rule on the way forward, which may include:
 - The adoption of a negotiating mandate which in the Minister’s view, represents the best alignment with the national interest;
 - Consultation with Cabinet Colleagues prior to setting of the negotiating mandate; and
 - Referring the issue to Cabinet for consideration and decision on the most appropriate negotiating mandate.

6.4 The Department of Transport, as the overall implementing agency, shall monitor global developments and trends and may on annual basis effect minor adjustments, within the parameters already defined in this Strategy.

7. CONCLUSION

The aviation sector is a vital component of the South African economy. As such, the draft White Paper on National Civil Aviation Policy was developed through extensive consultation and debate with all interested parties, and aligned with Government's macro economic policies. This Strategy is focussed on giving effect to the key policy recommendations relating to domestic and international air transport.

The intricate and dynamic nature of international civil aviation has imposed the need for South Africa to adopt a multi-pronged approach to air transport liberalisation. Due to the unique features of the various regions / markets, this Strategy aims at providing practical implementation measures aimed at maximising benefits for aviation, tourism and trade.

In conclusion, the aviation industry is poised to serve the national interest of South Africa through the provision of adequate air service capacity and infrastructure to cater for the projected sustained growth in air and freight movements within South Africa and between South Africa and its key international partners.

ANNEXURE A

Capacity licensed / used by SAA and other SA airlines to and from South Africa per Region

(July 2006)

SADC

Total: SAA licensed, unused: 4 Total unallocated: 16 + note open capacity agreements

State: Capacity allocated to BASA	SAA		Unallocated Capacity for South Africa	Capacity used by South African Airlines:
	Licensed	Unused		
Angola: 3	4 (to be corrected)	None	None	SAA (3)
Botswana: Unlimited capacity	-	-	Unlimited capacity	SA Express (37)
DRC: 7 Kinshasa and Lubumbashi:	4	None	None	SAA (4) to Kinsasha SA Express (3) to Lubumbashi
Namibia: 76 (with seat restrictions at Windhoek Int)	14	None	[21 (note seat restrictions)]	SAA (14) Comair (7) SA Express (34)
Mozambique: Route specific: Johannesburg - Maputo: 11 flights per week / 1160 seats. Durban - Maputo: 145 seats p/w Vilankulu - JNB: 204 seats p/w Beira - JNB: 96 seats p/w KMIA - Maputo: 160 seats p/w Lanseria - Inhambane: 60 seats p/w Lanseria - Vilanculo: 90 seats p/w Lanseria - Maputo: 90 seats p/w KMIA - Inhambane: 36 seats p/w KMIA - Vilanculo: 100 seats p/w Johannesburg - Pemba/Nampula: 208 seats per week KMIA - Beira: 60 seats p/w Cape Town - Maputo: 60 seats p/w	11	None	Route specific	SAA (11)Jnb - Maputo SA Airlink (6) on the Jnb – Beira (3) + KMIA – Maputo (3) Pelican (8) on the Jnb – Vilanculos (6) + KMIA – Vilanculos (2)
Lesotho: 29	-	-	7	SA Airlink (22)
Malawi: 7	7	None	None	SAA (7) Blantyre: 2 flights Lilongwe: 5 flights

Mauritius: 15 units (100 seats per unit)	11	(4 – note seating limitations)	None	SAA (7) Comair – Lic for 3
Zambia: Route specific Jnb – Lusaka: 3000 seats Jnb – Ndola: 2700 seats Jnb – Livingstone: 2200 seats Pilanesberg – Livingstone: 400 seats Jnb - Mfuwe: 400 seats	18 (seat dependent)	1	Route specific	SAA (17): Lusaka @ 14 flights Livingstone @ 3 flights SA Airlink (12): Jnb - Ndola Nationwide (11): Jnb- Livingstone
Tanzania: 14	12	3	2	SAA 9 flights: Jnb – Dar-es-Selaam (7) Jnb – Zanzibar: (2)
Zimbabwe: 65	21	None	None available	SAA (21): Jnb – Harare: (14) Jnb – Vic Falls: (7) Comair (14): Jnb – Harare: (7) Jnb – Vic Falls (7) SA Airlink (10)
Seychelles: 7	-	-	7	No operation (SAA applied for 3)
Swaziland: 15	-	-	Depends on the aircraft size	SA Airlink (13)

EAST AFRICA Total: SAA licensed, unused: 9 Total unallocated: Note open capacity agreements

State: Capacity allocated ito BASA	SAA		Unallocated Capacity for South Africa	Capacity used by South African Airlines:
	Licensed	Unused		
Kenya: Unlimited capacity	14	7	Unlimited capacity available	SAA (7)
Ethiopia: Unlimited capacity	3	2 (code-share ET)	Unlimited capacity available	SAA code shares on ET services @ 4 flights
Uganda: Unlimited capacity	3	0	Unlimited capacity available	SAA (3)

WEST AFRICA Total: SAA licensed, unused: 1 Total unallocated: 1 + note open capacity agreements

State: Capacity allocated ito BASA	SAA		Unallocated Capacity for South Africa	Capacity used by South African Airlines:
	Licensed	Unused		
Rwanda: 2	2	1	1	SAA (1)
Nigeria: 4	4	None	None	SAA (4)
Ghana: 3	3	None	None	SAA (3)
Gabon: Unlimited capacity	-	-	Unlimited capacity available	Interair (1)
Ivory Coast: 2	2	None	None	SAA (2)
Senegal: 14	14	None	None	SAA (14)

NORTH AFRICA Total: SAA licensed, unused: 1 Total unallocated: Note open capacity agreements

State: Capacity allocated ito BASA	SAA		Unallocated Capacity for South Africa	Capacity used by South African Airlines:
	Licensed	Unused		
Egypt: Unlimited capacity	1	1	Unlimited capacity available	No operation

MIDDLE EAST Total: SAA licensed, unused: 11 Total unallocated: 11

State: Capacity allocated ito BASA	SAA		Unallocated Capacity for South Africa	Capacity used by South African Airlines:
	Licensed	Unused		
UAE: 16	7	6 (code-shares as m/ carrier)	9	SAA code shares with EY @ 14 flights to Dubai)
Saudi Arabia: 2	2	2	0	No operation
Israel: 4	3	2 (code-shares as m/ carrier)	1	SAA code shares on LY services @ 3 flights
Oman: 2	1	1	1	No operation

AUSTRALASIA: Total: SAA licensed, unused: 18 Total unallocated: 17

State: Capacity allocated ito BASA	SAA		Unallocated Capacity for South Africa	Capacity used by South African Airlines:
	Licensed	Unused		
India: 14	10	6	4	SAA (4)
Singapore: 10	-	-	10	No operation
Malaysia: 4	1	1	3	No operation
Hong Kong: 7	7	7	None	SAA code shares on CX services @ 7 flights
Australia: 5	5	None	None	QF code shares on SAA on the Jnb – Perth route @ 5 flights and SAA code shares on QF services on the Jnb – Sydney route
Korea: 1	1	None (code-share as marketing carrier)	0	SAA code shares on OZ services via Hong Kong @ 7 flights)
China (PRC): 4	4	4	0	No operations
Thailand: 7	7	0	0	Code-share only (see BASA special conditions)

EUROPE: Total: SAA licensed, unused: 42 Total unallocated: 43 (active agreements only)

State: Capacity allocated ito BASA	SAA		Unallocated Capacity for South Africa	Capacity used by South African Airlines:
	Licensed	Unused		
UK: 40	27	6	6	SAA (21) Nationwide (3), lic = 7
Germany: 21	18	4	3	SAA (14): SAA code shares with Lufthansa
Switzerland: 10	7	4	7	SAA (3)
France: 10	7	0	3	SAA (7)
Netherlands: 16	9	9	7	No operation
Italy: 7	7	2 (5 Seasonal)	0	SAA operates seasonal 5
Portugal: 3	3	3	0	No operation
Greece: 4	1	1	3	No operation