

SAA, Kenya Airways partner with plans to create pan-African airline group

South African Airways (SAA), which returned to the skies last week after an 18-month hiatus, is signing a memorandum of cooperation with Kenya Airways with a long-term goal of creating a pan-African airline group.



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The airlines said that, in time, they expect this airline group to "enhance mutual growth potential by taking advantage of strengths of the two airlines' busy hubs".

SAA's interim CEO Thomas Kgokolo, said, "As well as being a strong local carrier, part of our broader growth strategy is to become a major player in regional travel and this joint memorandum with Kenya Airways, one of the continent's strongest and most respected carriers, will do just that. Part of SAA's core remit is to be a significant enabler of business and trade in Africa and it's through a strategic understanding like this that real progress will be made in advancing South Africa and the continent's growth."

The agreement does not offer an exclusivity that precludes either of the airlines from pursuing commercial cooperation with other carriers within the current route network strategy.



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Siphiwe Sibeko 23 Sep 2021



Turning around fortunes of airlines

Allan Kilavuka, Kenya Airways CEO, highlighted the partnership's significance in turning around the fortunes of both KQ and SAA. "The future of aviation and its long-term sustenance is hinged on partnership and collaboration. Kenya Airways and South African Airways collaboration will enhance customer benefits by availing a larger combined passenger and cargo network, fostering the exchange of expertise, innovation, best practices, and adopting home-grown organic solutions to technical and operational challenges'."

Kgokolo added that the memorandum will help improve customer experience by offering a wider range of choices and destinations, and the cooperation will also help in the standardisation of product and service offering that is in line with current global aviation trends, the airlines said.

He said that working with Kenya Airways will also harness internal resources and capacities leading to sustainable and cost-effective growth. This includes shared services in the areas of route networks, fleet, and capacity deployment; exploring economic, technical as well as maintenance, repair, and overhaul opportunities to achieve economies of scale.



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Kgokolo said collaboration will also assist both airlines in the current and post-pandemic business and travel environment. This, he said, involves joint recovery strategies and other cost-containment strategies that will aid recovery of both carriers in an increasing competitive African airline environment.

The SAA CEO believes the memorandum will also help the tourism sectors in both countries, in time creating "the most formidable airline in Africa", benefiting from at least two attractive hubs in Johannesburg, Nairobi and possibly Cape Town.

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

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