LOW-COST, HIGH HOPES

News / Airlines

Flyafrica is rapidly spreading its wings across the continent, picking up some high-profile backers – and opponents – along the way. Martin Rivers checked in with chief executive Adrian Hamilton-Manns for an update.

Just one year into operations, pan-African low-cost carrier Flyafrica is making good on its ambitious growth plans by launching a new subsidiary in Namibia and securing political backing for a third offshoot in Gabon.

The airline group, which began flying from Zimbabwe in July 2014, is headed by chief executive Adrian Hamilton-Manns and part-owned by South African arms dealer Ivor Ichikowitz. Its business model involves setting up franchises across Africa through joint-venture agreements with local partners.

But, despite spreading its wings faster than London-listed competitor FastJet, which first exported the European low-cost model to Africa in 2012, the group has not been immune to the continent's regulatory headwinds.

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Flag-carrier Air Namibia fought tooth and nail to block Flyafrica from establishing a local subsidiary in Windhoek, first delaying its launch and later convincing the High Court to ground flights just two days into operations.

“They’ve thrown every stone they possibly could in the road to stop this,” an infuriated Hamilton-Manns said shortly before Flyafrica Namibia’s inaugural service on September 2.

“These guys are perennial Pinocchios. They say one thing and they continually lie. They attacked us even on safety, and that is the traditional no-go ground of airlines globally. Everyone observes the same rules, because we’re all committed 100% to safety.”

After seeing off the flag-carrier’s earlier challenges, Flyafrica Namibia issued a gloating press release entitled ‘You can’t keep a Namibian down!’ in which it confirmed the new launch date. Yet its success was to be short-lived, with the High Court deciding on September 4 that Flyafrica lacked the proper paperwork for its new Windhoek-Johannesburg service.

The court told the start-up that its operating permit was not valid for flights to South Africa’s main hub, OR Tambo International Airport. The licence is, however, valid for Lanseria Airport, a secondary airport near Johannesburg, as well as other destinations such as Cape Town.

“Air Namibia has again used dirty tactics to stop competition so it can continue to charge unreasonable fares for bad service,” Flyafrica said in a scathing statement after its flights were grounded. “We can always operate from a low-cost airport [Lanseria] if we wish to. Until we decide, we will honour the judgment and not fly from OR Tambo.”

Elsewhere on the continent, Gabonese president Ali Bongo Ondimb confirmed in August that Libreville would become the group’s first West African base.

“My vision for Africa has always been that of an integrated continent,” he said. “An Africa where every citizen has the opportunity to afford air travel and take advantage of the benefits of being economically mobile. The launch of Gabon FlyAfrica.com, a pan-African airline, is an important step in implementing this vision.”

No date was provided for the inauguration of the Libreville- based franchise, which was described as a strategic partnership between the Gabonese Government and Ichikowitz’s Paramount Group.

But, notwithstanding the difficulties in Namibia, Flyafrica has largely avoided the kind of bilateral delays that plagued FastJet during its ramp-up. The group’s first flight in Zimbabwe was an international service to Johannesburg, and it quickly gained approvals for Lusaka in Zambia and Lubumbashi in the Democratic Republic of the Congo.

Flyafrica Zimbabwe is a joint-venture with local infrastructure firm Nu.com.

Talks for a fourth subsidiary in Mozambique, meanwhile, continue to gather steam, prompting Hamilton-Manns to sound a positive note about low-cost prospects across the continent.

“Everyone says Africa is different. It’s not,” he insisted. “The concept of the consumer wishing to tailor-make their product and wanting the cheapest fare possible is universal. You have some challenges around distribution, infrastructure – accepted – but you do not have challenges around the basic consumer demand of cheap travel.”

He said the group currently has five Boeing 737s Classics, two of which are deployed in Zimbabwe and one in Namibia. “When we add West Africa, we will need five more aircraft, so that will give us ten within the next 12 months.”

However, while the outlook is promising, Flyafrica can expect to encounter heightened competition in the form of a reinvigorated FastJet. Its competitor’s fleet will double in size to six Airbus A319s by the end of 2015 – ending three years of stagnant capacity – as new offshoots in Zimbabwe and Zambia get off the ground.

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