

QUARTERLY

NEWSLETTER · ACS

Aviation Co-ordination Services (Pty) Ltd



**PIONEERING
SERVICE EXCELLENCE**

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EDITOR'S NOTE

Greetings Colleagues

Our newsletter has been a steadfast source of information for enthusiasts and professionals alike, covering CEO insights, operational updates, market analyses, interviews, and significant programme highlights.

The CEO's message has showcased visionary leadership, driving innovation and adaptability in the face of challenges, setting the tone for industry resilience and progress.

Operational updates have delved into the intricate workings of aviation systems, highlighting advancements and challenges in safety and efficiency.

Air passenger and cargo market analyses have provided a comprehensive overview of industry trends, shedding light on factors shaping travel and trade globally. The recent interview with Ms. Emma Da Sliva offers readers a glimpse into the visionary minds shaping the future of air travel.

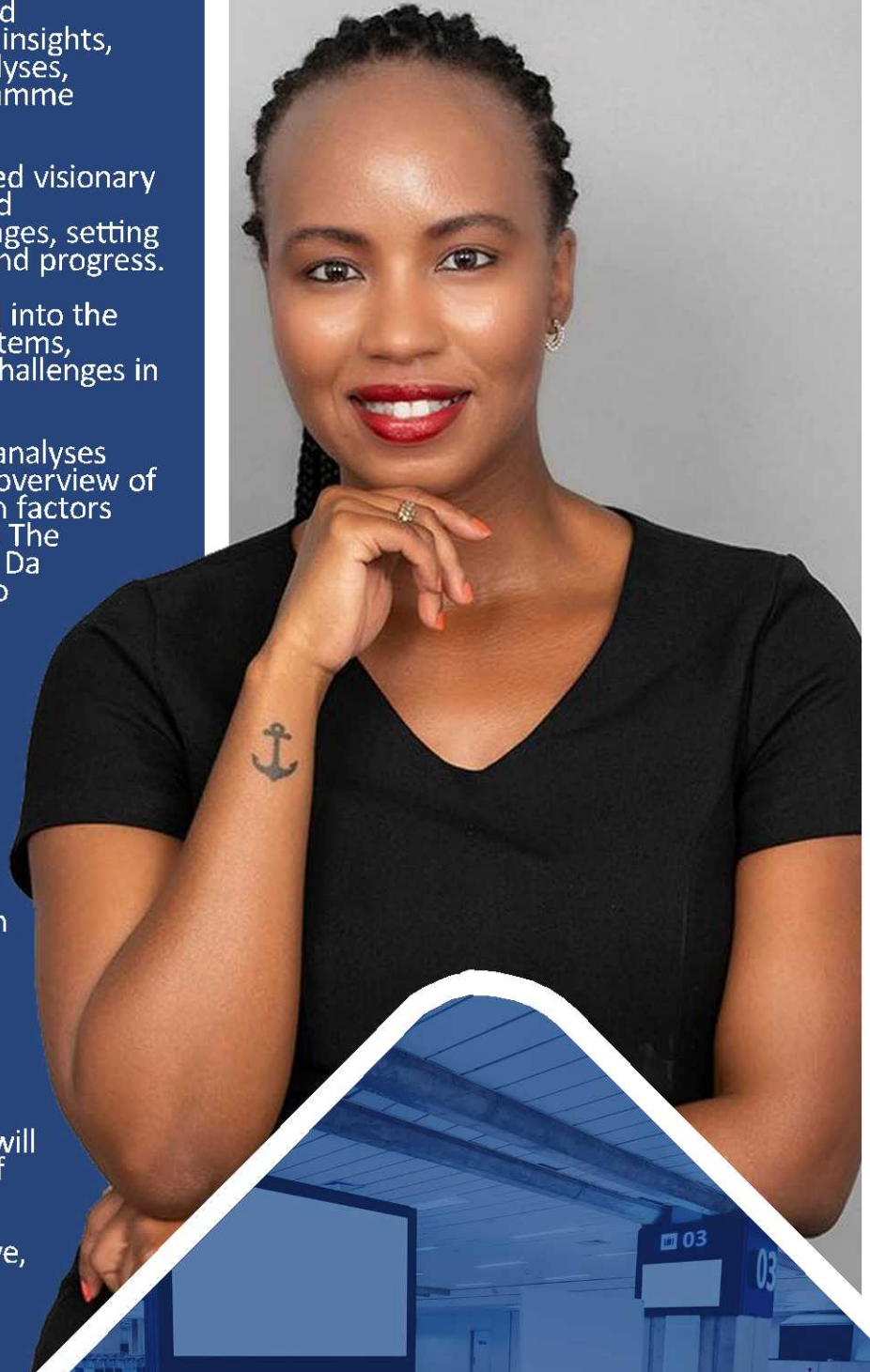
We've championed the importance of security awareness, emphasising collective responsibility in safeguarding the skies.

Celebrating the successful completion of our Youth Employment Services (YES) intern programme, we recognise the next generation of aviation leaders poised to make their mark.

Looking forward, we eagerly anticipate the upcoming BARSA Summit, where thought leaders will chart the course for the future of aviation.

Let's continue to soar with resolve, embracing innovation, collaboration, and the spirit of adventure that defines our industry. Here's to the journey ahead.

Warm regards,
Ingrid Skhosana
Editor



MESSAGE FROM THE CEO

Dear Valued Stakeholders,

I am delighted to extend a warm welcome to all our esteemed stakeholders as we embark on another exciting journey together at Aviation Coordination Services.

I am deeply honoured to lead our organisation alongside a team of professionals dedicated to upholding the highest standards of safety, efficiency, and customer satisfaction, and I am confident that together, we will continue to achieve remarkable milestones and successes.

As stakeholders, your support, insights, and partnership are invaluable to us. Your trust in our abilities and your unwavering commitment to our shared goals inspire us to strive for excellence in everything we do.

I encourage you to stay actively engaged with us. Your feedback, perspectives, and contributions are instrumental in shaping our strategic direction and driving continuous improvement across all facets of our operations. Should you have any questions, suggestions, or feedback, please do not hesitate to reach out to me directly or through our dedicated communication channels.

Thank you for your continued trust and support. Together, let us soar to new heights of success and achievement.

Warm regards,
Duke Phahla



OPERATIONS UPDATE

THAPELO MOKWENA
Divisional Head:
Operations

HBS OPERATIONS

The serviceability of our Explosives Detection Systems (EDS) continues to exceed our expectations, with the availability at all stations well above our internal target. The excellent performance is in part due to our intensive maintenance regime on critical EDS units.

- The Security of supply for spares continues to be a challenge as most of our EDS units are at the end of their useful lives.
- The need for replacement of all our EDS units remains heightened.

The commissioning of our new Explosive Trace Detection (ETD) units is underway, and we look forward to feedback from our teams.

AVSEC

The transition or handover between the outgoing and incoming AVSEC service providers took place successfully on 31 January 2024 at 22h00. As with any change process, there were minor niggling issues that needed to be ironed out. However overall, the transition has been seamless.

In the short term the ACS AVSEC team will direct their focus on compliance related matters to ensure the incoming service providers fulfil their statutory requirements.

Incidences of slippages (i.e., undesirable goods going through EDS undetected) have been stable for the period (i.e., with no noticeable increase).

CUTE & BRS

The CUTE operations were handed over to the ACSA IT team with no noticeable disruption to the service as expected. ACS has conveyed their appreciation to all stakeholders for their cooperation and support over the years on the CUTE operations.

The BRS service has remained resilient during the period, with no notable disruptions to the service despite the increase in the frequency of loadshedding.

AIR PASSENGER MARKET ANALYSIS



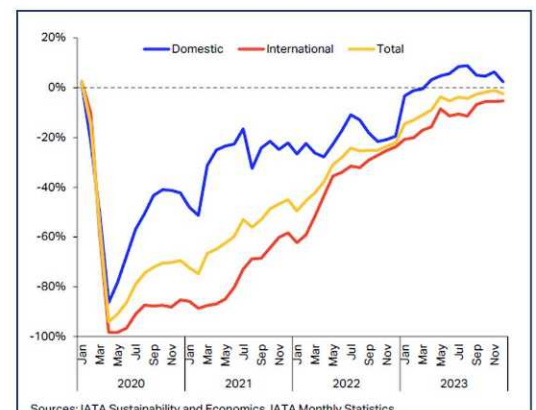
- Industry-wide revenue passenger-kilometers (RPKs) increased 25.3% year-on-year (YoY) in December. In 2023, industry RPKs reached 94.1% of 2019 levels.
- Available seat-kilometers (ASKs) grew by 24.1% YoY and recovered to 94.4% of pre-pandemic capacity over the whole year. Global passenger load factor stood at 82.3%, slightly under the 2019 threshold.
- Domestic markets have seen diverse developments as the year closed, total domestic traffic in 2023 nevertheless surpassed 2019 numbers by 3.9%.
- International traffic achieved great recovery this year while attaining 88.6% in 2023.

	World share ¹	Year-on-year %			Year-on-year % vs 2019			PLF (level)
		RPK	ASK	PLF (%-pt)	RPK	ASK	PLF (%-pt)	
TOTAL MARKET	100.0%	36.9%	31.0%	3.6%	-5.9%	-5.6%	-0.3%	82.3%
Africa	2.1%	36.4%	35.5%	0.5%	-6.6%	-7.9%	1.0%	72.8%
Asia Pacific	31.7%	96.3%	75.1%	8.7%	-14.0%	-12.3%	-1.6%	80.3%
Europe	27.1%	20.2%	15.8%	3.1%	-4.8%	-3.9%	-0.8%	84.4%
Latin America	5.5%	17.0%	14.5%	1.8%	0.4%	-0.4%	0.7%	83.2%
Middle East	9.4%	32.3%	24.6%	4.7%	-1.9%	-6.6%	3.8%	80.0%
North America	24.2%	15.3%	14.0%	0.9%	2.4%	2.8%	-0.4%	84.4%

¹% of industry RPKs in 2023

2023 WAS MARKED BY STRONG INDUSTRY-WIDE RECOVERY

Strong demand for air travel continued to propel the recovery of passenger markets in 2023. The total industry achieved a remarkable 36.9% year-on-year (YoY) growth, as traffic, measured in revenue passenger-kilometer (RPKs), reached 94.1% of 2019 levels, a significant increase from 2022 when it stood at 68.7%. The supply of seats slightly exceeded the demand for travel compared to 2019 (pre-pandemic), resulting in an industry-wide load factor of 82.3%, which was only 0.3 ppt lower than the load factor in 2019.



Domestic traffic set new highs in 2023, most of the monitored markets surpassed the pre-pandemic levels by mid-2023. The definitive reopening of China in January 2023 shaped the industry's recovery profile as total domestic RPKs remained largely above pre-pandemic levels for most of the year reflecting the buoyant activity this major market has observed (Chart 1). In 2023, total domestic RPKs grew 30.4% YoY and stood 3.9% over 2019 levels.

On the other hand, international traffic remained lower than its levels of 2019 while maintaining a stable yet robust growth pace. Industry-wide international RPKs increased 41.6% YoY and totaled 88.6% of pre-Covid levels. Although airlines across the globe saw various outcomes, all regions contributed to those developments by achieving resilient growth in international passenger traffic.

Asia Pacific airlines more than doubled their RPKs, growing 126.1% compared to 2022, overcoming a large part of the setback caused by past strict travel restrictions, however, they remained 27.3% under pre-pandemic levels. On the other hand, North American carriers have surpassed their 2019 record by 1.4%, leading the regions in terms of international recovery.

While the airline industry had recovered the majority of its traffic 2019 levels as of December 2023, network restoration remained relatively uneven as connectivity and passenger demand to and from Asia Pacific has not yet reached its pre-pandemic status.



In December, global air cargo traffic saw a notable year-on-year increase of 10.8%, marking the most substantial annual growth in air cargo tonne-kilometers (CTKs) over the past two years. This surge brought the annual average 2023 figures to within 1.9% of the traffic seen in 2022.

Global International Cargo Tonne Kilometres (CTKs) increased year-over-year by 11.5% in December, with growth in all major trade lanes. This resulted in the year 2023 concluding just 2.2% below the international traffic level reached in 2022.

December saw new highs in Available Cargo Tonne-Kilometers (ACTKs), a metric for global air cargo capacity. This increase, largely due to the expansion of international passenger belly capacity, resulted in a 13.6% year-on-year (YoY) rise in December's ACTK. Consequently, 2023 concluded with an 11.3% increase in total air cargo capacity compared to 2022.

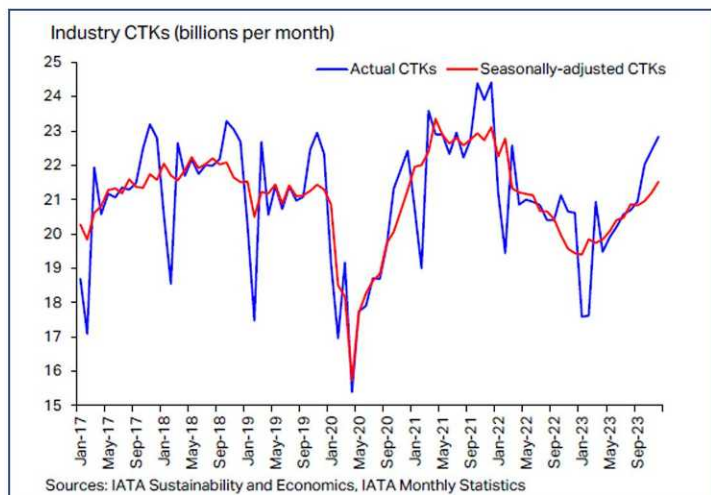
The expansion in global air cargo capacity also resulted in a small drop in cargo load factors (month-on-month), closing the year at 44.0% on average.

DECEMBER CONTINUES STRONG GROWTH IN AIR CARGO TRAFFIC

Global air cargo demand reached 22.8 billion CTKs in December, the highest traffic in two years, representing a 10.8% increase year-on-year (YoY) – the most significant annual growth since October 2021. While this performance is partly due to a base effect (the decline in CTKs for most of 2022), it also reflects strong, continuous YoY demand growth over the past four months and robust month-on-month growth since April. This narrows the gap between 2023 and the previous year to 1.9% yet remains 3.6% below the total air cargo traffic achieved in 2019.

SEASONALLY ADJUSTED (SA) CARGO TONNE KILOMETRES (CTKS) MAINTAINED THEIR UPWARD TRAJECTORY, INCREASING BY 10.7% YEAR-ON-YEAR (YOY) THIS MONTH. THE CONTINUED ANNUAL GROWTH IN SA CTKS, EVIDENT SINCE AUGUST, MARKEDLY STRONG REVERTING FROM THE DECLINING TREND OBSERVED THROUGHOUT 2022. THIS UNDERSCORES THE PROGRESSIVE RECOVERY OF THE GLOBAL AIR CARGO MARKET, CONCLUDING 2023 ON A ROBUST NOTE WITH STRONG MOMENTUM MOVING FORWARD.

CARGO CAPACITY SUSTAINED DOUBLE-DIGIT GROWTH THROUGHOUT 2023



In December, air cargo capacity, measured in Available Cargo Tonne Kilometres (ACTKs), reached 49.8 billion. This figure exceeds the levels of 2022 and 2019 by 13.6% and 5.7%, respectively. Annually, 2023's air cargo capacity was over 10% higher than that of 2022. This growth was largely attributed to Asia Pacific carriers, who recorded a 28.5% increase from 2022 and surpassed their 2019 capacity by 6.7% (Chart 2).

	World share ¹	December 2023 (% year-on-year)			December 2023 (% ch vs the same month in 2019)			
		CTK	ACTK	CLF (%-pt)	CTK	ACTK	CLF (%-pt)	CLF
TOTAL MARKET	100.0%	10.8%	13.6%	-1.2%	2.3%	5.7%	-1.5%	45.9%
International	86.9%	11.5%	14.1%	-1.2%	2.5%	6.3%	-1.9%	51.2%

Note 1: % of industry CTKs in 2022

INSPIRING THE NEXT GENERATION OF WOMEN IN AVIATION

In pursuit of our objective to familiarise ourselves with our leaders, we are introducing a platform for discussing diversity, gender equality, and women's progress within the aviation industry. In the discussions for this quarter with the newly elected Board of Directors of ACS, we are honoured to speak to **Ms. Emma Da Silva**.



WHAT ENERGISES YOU ABOUT YOUR WORK?

The team I work with! Working with a key group of passionate ladies is exceptionally rewarding and keeps me energised on a daily basis. Having taken on a new role, learning every day, and looking at how we can improve on what we do is definitely refreshing, and keeps every day interesting.

IS EMPATHY IMPORTANT IN THE WORKPLACE? IF SO, WHY?

Empathy within the workplace is extremely important. I believe it assists in building the right kind of relationship with your co-workers and improves communication between the team which will ultimately improve and enhance customer service.

WHAT ARE SOME OF THE TRAITS THAT YOU ADMIRE THE MOST AMONG THE LEADERS YOU'VE WORKED WITH?

Respect, Communication & team empowerment. I believe these 3 are the traits that I admire the most.

ANY PERTINENT LESSONS ON LIFE AND BUSINESS THAT YOU'VE LEARNED WORKING ON THE GROUND ACROSS AFRICA?

Patience would be the first lesson that I learned while working on the ground within Africa. We move at a different pace, and hurrying the process along does not result in success. Knowledge, in the different countries I have visited, everyone is thirsty for knowledge, and being open to sharing and learning results in continuous learning and lifelong friendships.

OVER THE YEARS, HAVE YOU ENCOUNTERED ANY BARRIERS TO YOUR SUCCESS OR GROWTH AS A FEMALE LEADER?

Yes, there have been some elements of inequality in terms of reward, but fighting for what I believe in achieved the desired result. Progression in the workplace to have a fair process for all is critical to the overall success of any organisation.

WHAT DO YOU THINK ARE THE BIGGEST CHALLENGES AHEAD FOR THE NEXT GENERATION OF FEMALE LEADERS?

Huge strides have been taken over the last few years, I believe that the next generation of female leaders needs to ensure that we continue to make progress, maintain a level playing field, and ensure a collaborative approach within the workplace. Identify a circle of support, that offers advice when times are good and bad.

WHAT ARE SOME STRATEGIES THAT CAN HELP WOMEN ACHIEVE THE SUCCESS THEY WANT IN THEIR WORKPLACES, ESPECIALLY IN MALE- DOMINATED ROLES OR INDUSTRIES?

Embrace your individuality, everyone has something to offer, and once you know what your offering is, make sure you embrace and package it the right way. Finding the right environment to work in is critical to achieving your goals, make sure you find the 'right' fit for you and your family. Be confident in your abilities, and be proud of your achievements, celebrate your success and the success of others around you.

WHAT ARE SOME OF THE MOST CONCRETE AND CONSTRUCTIVE CHANGES THAT WE CAN MAKE AS A CULTURE OR SOCIETY TO IMPROVE THINGS FOR WOMEN TO BECOME LEADERS IN THE CORPORATE SPHERES?

A work-life balance is critical to ensure that we improve on, not only for women but for all. I don't believe that there should be gender bias when looking at how we can make changes for women to be leaders, it should be how we can make changes for society at large for all to be more successful in the working environment. Work at home, results to be driven by outcomes and not by the time spent at an office/desk as an example.

ANNUAL SECURITY AWARENESS CAMPAIGN

Every year, airport operators embark on a crucial mission – the Annual Security Awareness Campaign. This campaign is strategically crafted to engage the airport community and the traveling public, regardless of whether they are arriving at or departing from the airports. The focus of this initiative is to enlighten the traveling public about Aviation Security, particularly its implications for passenger terminals. It also underscores the significant role passengers can play in thwarting acts of illegal interference. Making a memorable impact, the Aviation Coordination Services (ACS) team actively participated, showcasing their expertise and distributing ACS-branded treats to both the airport community and the traveling public.

Lizzy Motsepe



UPCOMING AVIATION EVENTS



This is a kind reminder to register to attend The BARSA Aviation Summit 2024. This year, the summit will take place over two days and will be held in Johannesburg at the Houghton Hotel.

Thursday, 7 March 2024

Time: 09h00 - BARSA Aviation Summit
Day 1 & afternoon excursions
Dress Code: Business casual

Opening cocktail dinner: 18h00
Dress Code: Smart casual
Venue: The Venue at Houghton Hotel,
Johannesburg

Friday, 8 March 2024

Time: 08h00 - BARSA Aviation Summit
Day 2
Dress Code: Business casual

Gala dinner: 19h30
Dress Code: Formal
Venue: The Venue at Houghton Hotel,
Johannesburg

YES INTERNS FAREWELL MESSAGE

Reflecting on the YES Journey 2023-2024 As we bid farewell to the 2023-2024 YES (Youth Employment Service) interns, we reminisce about a transformative year filled with challenges and triumphs, moulding them into resilient individuals who dared to venture beyond their comfort zones.

Internships serve as pivotal milestones in a graduate's professional journey, offering invaluable opportunities for self-discovery and growth. Through navigating both highs and lows, interns gain profound insights into their capabilities and areas for development, equipped with the necessary tools to transform weaknesses into strengths.

The YES interns of 2023-2024 embraced this journey wholeheartedly, emerging empowered, and primed for their future endeavours. At ACS (Aviation Co-ordination Services), we are privileged to have been part of their formative experiences. Here's to their promising futures, where the horizon shines with endless possibilities.

Lizzy Motsepe

YES INTERNS

2023-2024



CEO: Duke Phahla

Aviation Co-ordination Services

Thank you for your hard work during this past year, you have what it takes to achieve all of your dreams. All the best for the future!!!



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KIMBERLY Kimberly Airport

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Kimberly
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ACS Office Arrivals Terminal
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UPINGTON Upington International Airport

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