



## Strategic Role of Bilateral Air Service Agreements as Tools for the Regulatory Framework in Africa

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### Abstract

This study evaluates the strategic role of bilateral air service agreements in Africa's regulatory framework and their limitations in relation to aviation sector liberalization. The body of current research suggests that bilateral aviation service agreements increase in tandem with levels of global connectivity. However, it immediately becomes evident from the recent dispute between Tanzania and Kenya that the primary goal of these agreements in Africa is the exchange of passenger traffic rights in comparison to freight traffic rights where passenger traffic rights are prioritized over freight rights. However, as a result of the Yamoussoukro decision's poor execution, bilateral aviation service agreements in Africa continue to be burdensome. The results of this study also indicate that not much research has been done on the connection between tourism and the expansion of charter flights. As a result, this study suggests that African states swiftly implement the Yamoussoukro decision so they can bargain bilateral air service agreements as a block with third parties, rather than separately with each member state, as is the situation with the European Union. It is also important to accept a new wave of open skies agreements, which are considerably more liberal and are similar to those the United States of America made with a number of other nations as well as what is happening within the European union. This study further recommends that in order to facilitate tourism, it is important to consider the significance of charter airlines.

**Keywords:** Air transport liberalization; Bilateral air service agreements; Regulatory framework; Yamoussoukro decision

### Introduction

The vast majority of states continue to rely primarily on bilateral air services agreements to liberalize international air transport services.

Vasigh et al., contend that the Bilateral Air Service Agreements (BASAs), which were established to protect national interests and promote local carriers, are usually seen as the main mechanisms for regulating international air travel. The best grounds for regulation, according to Vasigh et al., may include fostering a sense of national identity, fostering trade and tourism, generating foreign exchange, and preserving national security [1]. Two countries can allow commercial aircraft from one to operate in the other's airspace through bilateral air service agreements. Mutual recognition of rights between the two parties is always the foundation of these agreements. The allocation of passenger rights vs cargo rights, however, has always led to disputes. An instance of this occurred recently between the Republic of Tanzania and Kenya. In retaliation for Kenya rejecting Tanzania's request to allow its national airline, Air Tanzania Company Limited (ATCL), to fly cargo between Nairobi and other countries, the Tanzanian Civil Aviation Authority (TCAA) suspended all passenger flights operated by Kenya Airways (KQ) between Nairobi and Dar es Salaam [2].

The US, however, has been pursuing an open skies policy since 1992. In an open skies agreement, the following are the major elements: The 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, and 6<sup>th</sup> freedom traffic rights are among the open international routes that connect the parties; there are no restrictions on how many carriers may operate; liberal rules on pricing and charters, as well as no restrictions on the frequency of flights they may do; provisions on doing business matters including user fees and ground handling and commercial prospects like intermodal rights.

Although multilateralism is becoming more active, deregulation and liberalization were vigorously pursued, primarily through bilateral agreements, in recognition of the decisive role that this industry plays in the growth of the economy and social welfare. Using resources like the ICAO Air Services Negotiation (ICAN) events, ICAO continues to advise and aid states in the negotiation of bilateral air services agreements. In addition to the thousands of bilateral agreements (including amendments and/or memoranda of understanding) that were reportedly signed during the previous ten years, more than 40 Bilateral Air Service Agreements (BASAs) were reportedly signed between the years of 2017 and 2019 according to records in the ICAO World Air Services Agreements (WASA) database up until 2022. As of 2022, more than 4,000 ASA (Air Service Agreements) with various degrees of market access exchanges had been lodged to WASA (ICAO, 2022). This study aims to assess the strategic role of bilateral air service agreements as tools for the regulatory framework in Africa and their limitations in connection to the liberalization of the air transport industry.

The study applies a reflective technique to the process of performing a literature review. The study demonstrates how improved levels of global connectivity have been attributed to bilateral air service agreements. Reflective approach is employed in numerous professional and academic areas, such as teaching, nursing, medicine, engineering, the social sciences, and sport sciences. According to Roberts et al., Ashby et al., Cunningham et al., Ferriera et al., Kori et al., and Chretien et al., people report benefits from reflection in each of these fields [3-8]. Reflection has also been discussed repeatedly in discussions regarding adult education due to its direct connection to effective learning strategies [9,10]. Although reflection is closely related to intentional learning in educational settings, it is also essential in the world of professional practice [11]. Donald et al.,

emphasized the significance of experience as a tool for updating professional theories and using them through reflection to improve practice. Although it's not always handled that way, reflection has deep philosophical roots that investigate knowledge, action, and mastery in the workplace [12].

A few general approaches to reflection are identified in the literature, which can be succinctly summed up as two main conceptions: Reflection on experience, which uses experiences as a basis for learning and updating one's understanding of preexisting theories, and reflection as metacognition, which focuses specifically on an issue, conception, or idea [13,14]. However, the sheer volume of research, including qualitative studies reporting benefits, the clear advantages of communication skills for employability, and the philosophical and logical justification for why reflection is beneficial all combine to make an incredibly strong case for why reflection, when done properly, is beneficial. The fact that many people mistakenly think they are reflecting while they are actually doing something else is one of the major obstacles to reflection.

## Literature Review

### Bilateral air service agreements and their nature and contents

The significance of air service agreements and the unique characteristics of various states mean that their contents might vary based on a few distinct criteria, most notably the parties' preferences and their respective regions. Yet, as will be covered below, most air service agreements share certain similar components.

**The designation of routes:** The permissible routes that airlines from each state are permitted to operate between are often specified in an air service agreement. This clause may be expanded to cover the route's description and possibly particular airports.

**Pricing and tariffs:** This is a necessary clause to have in the contract in order to avoid disputes, unfavorable competition, or exploitative pricing. Price and tariffs comprise the details that should be made clear regarding price, fares, levies, and the currency in which payments are to be made.

**Frequency and capacity:** For a standard air service agreement, this is frequently provided. It covers the number of flights, passengers, and how much cargo airlines are allowed to carry on the approved routes.

**Safety and security:** There may be safety clauses in an air service agreement that stress adherence to global aviation security and safety standards.

**Customs and immigration:** It may contain provisions pertaining to freight and passenger handling during transit as well as customs and immigration processes.

**Resolution of disputes:** For air service agreements, this is an essential clause. It lays out exactly how disputes between the airlines or party countries will be resolved, including the options of arbitration or negotiation at the parties' discretion.

**Airlines designation:** The agreement may specify which airlines are permitted to fly on certain approved routes. Since it restricts the number of airlines that can operate on a specific route, this clause is important.

**Aircraft registration:** The registration requirements for aircraft used on routes covered by the agreement may be included in the agreement.

**Fair competition:** Provisions prohibiting exploitative and anti-competitive behavior may be included in the agreement.

**Termination of the agreement and amendments:** The terms of termination and amendment, as well as the steps involved, may be specified in the agreement.

### Conceptual analysis of bilateral air service agreements

The form of capacity control used in the agreement serves as the foundation for the conceptual study of bilateral agreements. As air travel and air transport facilities are seen as essential to facilitating tourism sites' access, bilateral air service agreements are important to the competitiveness of tourist destinations from an economic theoretical standpoint [15]. There doesn't seem to be a widely used system for identifying air transport agreements. In general, Diamond et al., divides them into four classes, namely: Contracts without capacity restrictions, agreements with capacity clauses of the Bermuda type, agreements with capacity clauses of the predetermination type, and agreements with capacity clauses that are neither of the Bermuda type nor the predetermination type [16].

All bilateral agreements for the provision of aviation services have two essential elements. The two contracting parties exchange rights and privileges for the scheduled air services their airlines provide, and the other is a set of regulatory mechanisms for managing the rights that are granted. The rights to be granted fall into one of four categories, including the promise by the grantor states to grant to particular airlines of the grantee states an operating permission, the confirmation of transit rights, the conferral of traffic rights, and the conferral of auxiliary privileges to facilitate the aforementioned granted rights.

The regulatory actions, meantime, are divided into the following four groups: Route control, capacity restriction, tariff, and designation of an airline by the grantee state and issuance of an operating permit by the grantor state. Every international air agreement currently in effect and every plan under consideration could be said to involve one or more of the following elements: Routes, privileges given to one country's air carriers in another's airspace, prices, frequency of operations, aircraft capacity, and the level of economic control granted to an international authority. All of these things together make up what is referred to as freedoms of the air. These rights are explained below. (Table 1).

Types of freedoms	Rights granted
First freedom	The right to fly over another country's territory without landing
Second freedom	The right to land in another country for maintenance or refueling needs without picking up or dropping off paying passengers
Third freedom	The right to carry passengers, mail or cargo (revenue traffic) from the airline's home country to the destination country
Fourth freedom	The right to carry passengers, mail or cargo from a foreign country to the airline's home country

Fifth freedom	The right to carry revenue traffic between two foreign countries with services beginning or terminating in the home country of the airline (sometimes referred to as beyond rights)
Sixth freedom	The right to carry traffic between two countries via the airline's own country
Seventh freedom	The right to carry revenue traffic between two foreign countries on a service outside of the airline's own country
Eighth freedom	The right to transport revenue traffic between two points within a foreign country (i.e., domestic traffic) as an extension of a service starting or ending in the airline's own country (also known as tag-on or fill-up Cabot age)
Ninth freedom	The right to carry revenue traffic between two points within a foreign country with no requirement to start or end the service in the airline's own country (also known as pure or standalone Cabot age)

**Table 1:** Explaining “Freedoms of the air”. When countries negotiate bilateral air service agreements, they grant traffic rights to airlines that are referred to as "Freedoms of the air".

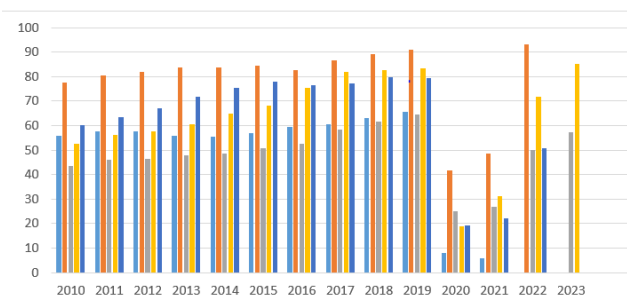
### Bilateral air service agreements and tourism flows

It is important to consider a bilateral air service agreement in light of tourist traffic. Such study is essential since trade and diplomacy are still conducted on a state-to-state basis, despite growing multilateralism in free trade blocs like the European Union. This is because governments now have less capacity to impose import restrictions on tourism, which makes bilateralism essential in a period of rapid globalization. Butler et al., notes that despite the obvious connection, there hasn't been much discussion of this relationship between aviation and tourism [17].

While more foreign tourism spending means more exports for a nation, which is almost certainly a source of economic benefits, the author argues that strict international aviation regulations often place restrictions on travel. Tourism has gained importance as one of the few service industries to start controlling the post-industrial global economy in recent decades. If policymakers have a clearer knowledge of the relationship between bilateral air service agreements and tourism, they will be better able to develop more effective policies to promote destination competitiveness and attractiveness in a bilateral context. Demand considerations and destination competitiveness were the two reasons that were most frequently highlighted. Other academics have focused on the role that tourism can play in mending rifts between nations [18-21]. Despite the fact that they are often labeled as peace studies, these contacts form a unique kind of bilateral tourism. Butler et al., for instance, suggested that travel between politically contentious regimes could assist to ease tensions and create greater political understanding [17].

In addition to generating foreign exchange receipts and relieving the balance of payments problems experienced by many poor countries, International tourism also generates jobs, income, savings,

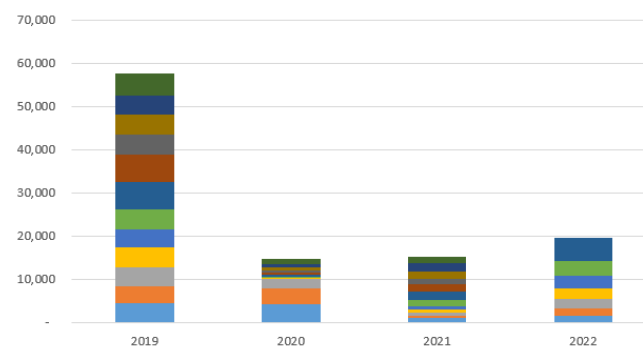
investments, and economic growth. For this reason, due to tendencies toward market liberalization and globalization, the number of tourists visiting these locations has been continuously increasing. With an average growth rate of 4.88% over the previous five years, tourism has continued to rise internationally following a historic milestone in 2012 when one billion people traveled in a single year. 2018 saw a 5% increase in international visitor numbers to 1.4 billion marks, and 2019 is expected to see robust growth at a pace of 4%-5%. The tourism industry has received substantial funding from the public and private sectors (Figure 1).



**Source:** UN Tourism/IATA

**Figure 1:** Top five countries in international tourist arrivals (in millions). **Note:** China: (■); France: (■); Italy: (■); Spain: (■); U.S: (■)

Bilateral air service agreements and liberalization of air transport services appear to be primarily responsible for the connection between tourism and air transport. Studies by Bieger et al., also demonstrate a relationship between the expansion of tourism and the infrastructure supporting air transportation [15]. With an expected 1.3 billion worldwide arrivals, international tourism finished 2023 at 88% of pre-pandemic levels, according to the inaugural report by UNWTO World Tourism Barometer of the year. In the best-performing nations, bilateral air service relationships facilitate market accessibility and hence tourist arrivals. Therefore, access to air markets can be considered as a key factor in determining tourist success (Figure 2).



**Source:** Statista 2023.

**Figure 2:** Showing arrivals of foreign tourists in Africa between January 2019 and July 2022 (in 1000's). **Note:** January: (■); February: (■); March: (■); April: (■); May: (■); June: (■); July: (■); August: (■); September: (■); October: (■); November: (■); December: (■).

In July 2022, 5.1 million international visitors arrived in Africa, as seen by the above diagram. This represents a significant increase over the similar figures for 2020 and 2021. This resulted from the impact of the COVID-19 pandemic on the travel and tourism sector. July was the month when the most international visitors arrived on the continent in 2022. Because of the simple access to the air that these agreements

provide, one may contend that the rise in bilateral air service agreements in Africa is correlated with an increase in visitor arrivals.

### Using bilateral air service agreements to open up previously locked skies

Despite claims from some authors that the system for bilateral air transport is based on a stringent regulatory framework by Njoya et al., Abate et al., Warnock-Smith et al., nonetheless, the rise of bilateral air service agreements has resulted in better global connectivity than ever before [22-24]. Although open skies agreements are praised for assisting airlines and their clients and dismantling cultural barriers, this would not have been feasible if countries hadn't first signed bilateral treaties. Therefore, it is prudent to acknowledge the historical significance of the bilateral air service regime in opening up the formerly restricted skies.

The phenomenon of bilateralism in international civil aviation has existed since France and Germany signed a bilateral agreement on aerial navigation in 1913 [25]. In addition, the Department of Transportation (DOT, 1978) notes that the first bilateral air service agreement was signed by the US and the UK on February 11, 1946, in Bermuda, shortly after the Chicago convention. It boasts the distinction of being the first bilateral air service agreement to be signed and is one of the most important and long-standing bilateral accords in aviation. A system of international law that regulates regularly scheduled air services has also been formed as a result of these agreements. It is therefore essential to understand how these accords came to be so significant in the field of international civil aviation in order to fully appreciate the bilateral air service regime. Around the end of World War II, it was understood that some sort of supervision over the industry was required due to the rapid expansion of the aviation industry. As a result, in November 1944, the allied nations gathered in Chicago to try to decide the future of international civil aviation. The convention's 96 articles were created as a result.

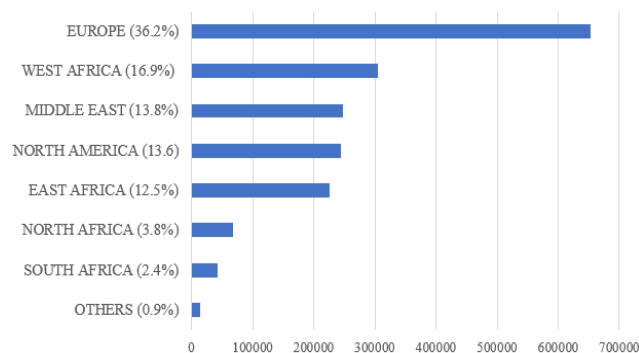
The right to equality for all states, the principle of absolute sovereignty, and the role of the state in international aviation were the three most significant principles to come out of the conference. Therefore, the rights that may be exercised under bilateral agreements are based on Articles 1 (concerned more with sovereignty) and 6 (exchange of commercial rights) of the Chicago convention of 1944. After discussions and obtaining an understanding on positions by all relevant states, permission for commercial landings for each airline must be acquired.

The third, fourth, and fifth freedoms of the air, which the contractual parties were unable to exchange on a multilateral basis at Chicago in 1944, are often granted to the contracting parties on a bilateral basis once an agreement is achieved by both parties. Bilateral agreements for aviation services. According to Cristea et al., have been found to lower trade and travel costs. This supports the findings of Cristea et al., who assert that deeper provisions exist in both bilateral and plurilateral air services agreements and are associated with higher passenger flows [26].

According to records in the ICAO World Air Services Agreements (WASA) more than 4,000 bilateral air service agreements with various degrees of market access exchanges have been registered with WASA as of 2022. As can be convincingly shown, bilateral air service agreements link up diverse geographical regions, creating opportunities for business and investment ties as well as promoting travel between bilateral partners. Although bilateral air service

agreements occasionally place limitations on foreign ownership and control, in order for an airline to be recognized by a country in the agreement, it often had to be majority owned and controlled by citizens of that country.

This was done, in part, to ensure that the airline complied with the agreement's national ownership criteria [27]. However, given the struggle faced by airlines to not only recover from the severe capacity losses brought on by the unprecedented global border closures that lasted for such a long time, but also to rebuild their financial positions after being devastated by negative earnings, skyrocketing expenses, and a rise in passenger refund claims, the COVID-19 pandemic's aftermath has caused States to consider the reduction of ownership and control of the regulatory regime (Figure 3).



Source: Airport Council International (ACI).

Figure 3: Showing passenger distribution statistics for 2022 international flight operations. Note: Total number of passengers (■).

### Impact of bilateral air service agreements on passenger air travel demand between Nairobi in Kenya and Entebbe in Uganda

The demand equation for air travel between the bilateral partners is determined by a number of variables, including typical fares, which can change based on the airline, the time of year, the class of service, and the booking time between Entebbe and Nairobi. Oum et al., state that bilateral passenger flow, service export and import trades, particularly in the commercial service trade, are directly impacted by the demand for air travel [28]. Additionally, the two countries that are connected by air through each other's international airports is how we describe this demand. Evidence shows that liberalized air services agreements has a direct impact on demand for air travel as demonstrated by the demand equation below.

**Demand Equation:** The demand equation for air travel, as measured by the volume of air passengers traveling between Uganda and Kenya, is given by the following regression equation:

$$\ln Q_{ijt} = \beta_1 \ln 300_{ijt} + \beta_2 \ln 635.75_{ijt} + \beta_3 \ln 770_{it} + \beta_4 \ln 1900_{jt} + \beta_5 \ln 54000000_{it} + \beta_6 \ln 7000_{it} + \beta_7 \ln 54,000,000_{jt} + \beta_8 \ln 4000_{jt} + \beta_9 \ln 98900000_{ijt} + \beta_{10} \ln 480_{ijt} + \beta_{11} \ln \text{Contig}_{ijt} + \beta_{12} 5_{ijt} + c_i + c_j + ut + \varepsilon_{it}$$

Q represents the total number of people flying back and forth between Uganda and Kenya.  $\beta$  stands for the average fares in US dollars for a flight between these two places. The average cost of a ticket between Uganda and Kenya can vary depending on factors such as the time of booking, the airline, the class of service, and the time of year. In January 2022, the average cost for a round-trip ticket between Entebbe, Uganda, and Nairobi, Kenya, ranged from approximately \$200 to \$400 USD. By 2024, According to Expedia.com, average air fares between Entebbe and Nairobi range between US \$175 to US



\$200 for a single trip and between US \$336 to US \$400 for a round trip.

However, prices can fluctuate. Frequency shows how often flights happen between these two places. Other things we're looking at include factors like how much people spend on air travel (e.g., population, per-capita Gross Domestic Product (GDP), urban density, volume of bilateral trade). In 2022 the per capita GDP of Uganda was approximately \$772 USD, while in 2023, The World bank estimates that Uganda's gross domestic product was around 81,632.25 US dollars.

We're also considering things that might make travel harder, like how far apart the two places are in terms of population, if they speak the same language, or if they share a border. Because we're using data that tracks these things over time, our equations will include fixed effects for each country and year. All the regression equations feature country and year fixed effects, as denoted by "ci" for Uganda, "cj" for Kenya, and "ut" for year.

### Research gap

According to a review of the literature on the strategic role of bilateral air service agreements as tools for the regulatory framework, it is evident that in Africa, not enough research has been done on tourism, particularly the emergence of innovative economic models like charter airlines. Conversely, bilateral ties in aviation have made it possible to reach new places and engage in new types of travel, including lengthy trips.

Additionally, the primary focus of bilateral air service agreements in Africa is the exchange of traffic rights for passenger travel. According to Hillberry et al., Tanzania Civil Aviation Authority (TCAA) recently announced that, as a reciprocal measure for Kenya rejecting Tanzania's recent request to grant permission for Air Tanzania Company Limited (ATCL), the national airline of Tanzania, to conduct cargo flights between Nairobi and other nations, it has suspended all passenger flights operated by Kenya Airways (KQ) between Nairobi and Dar es Salaam [2,26]. This announcement highlights the conflict between the grant of passenger traffic rights and cargo traffic rights in the continent. This was in retaliation for the republic of Kenya's aviation authority's decision to reject Tanzania's request for Air Tanzania Company Limited to conduct all-cargo flights under Nairobi's fifth freedom traffic rights with third-party nations, in violation of Section 4 of the memorandum of understanding on air services that Tanzania and Kenya signed in Nairobi, Kenya, on 24 November, 2016.

Dettmer et al., are in favor of liberalizing the market for cargo services in Africa in order to promote economic integration and lower transportation costs [29]. The current traffic rights included in bilateral air service agreements are based on concepts of traffic carriage reciprocity that are challenging to meet in freight markets and are passenger centered. However, the US open skies accord contains optional cargo-related clauses that it requests from its negotiating partners, including intermodal code sharing and seventh freedom traffic rights for scheduled and charter services involving any goods. The right of an airline to transport cargo between two nations that are not its home country for example, Lufthansa's ability to transport cargo between the United States of America and India without stopping in Germany is known as the seventh freedom transportation rights. Naturally, before the rights may be put into effect, the third country's approval is required.

## Results and Discussion

### Limitations of bilateral air service agreements in light of liberalization of air transport and the link between bilateral air service agreements and tourism

Economic theory and empirical studies have shown that liberalizing air transport has favorable impacts, and Nigeria is among the developing nations that have liberalized portions of their air service agreements [24]. Many nations' air transport laws have changed structurally as a result of globalization and the idea of a free market economy. According to Gudmundsson et al., there have been political and historical motivations and expectations for liberalization, as well as for how the regulatory landscape evolved in the years after deregulatory changes in the USA and Europe [30]. As a result, the United States of America and the European Union have implemented regulatory reforms in four main areas of the air transport industry.

This includes domestic markets, air services contracts, ancillary services, and inter-regional open aviation areas. Many open skies agreements have also been signed by states, according to ICAO 2022 [27]. More than 150 States were parties to approximately 900 open skies agreements by 2016. The number of open skies agreements exceeded 1000 as of 2022. These accords at the very least allow for the free capacity determination of third and fourth-freedom rights. Additionally, more than 720 agreements that liberalized the market up to fifth freedom rights were reached in 2022. In contrast, more than 160 agreements liberalized the market up to Seventh freedom rights globally.

There were also a number of cabotage agreements reached by states, indicating states growing interest in relaxing market access restrictions while appreciating the benefits that liberalization provided to socioeconomic development. When compared to advances in the global aviation industry, these innovations appear to have left most African states far behind. However, with 131 agreements, the United States continues to have the most open skies agreements, according to ICAO (2022) [27]. The only country in Africa with 11 signed agreements is Rwanda, which also signed the most open skies agreements between 2017 and 2022.

Different perspectives might be used to analyze the limitations of bilateral air service agreements. One such area is the European court of justice's ruling that forbade its member nations from negotiating their Bilateral Air Services Agreements (BASAs), individually but collectively as a block, when doing so with third parties and regional blocs as part of its external aviation policy according to Abate et al., [31]. This strategy was innovative because it gave regional organizations the authority to regulate the economy of individual nations' international aviation markets.

The European Union model also marked the beginning of a potentially multilateral strategy for liberalizing the world air transport sector. According to According to Hubmels et al., and Micco et al., the growth of air cargo's modal share, particularly for transporting high value commodities, is proof that the liberalization of air travel has also played a vital role in reducing freight transport costs by facilitating worldwide supply chains [32,33]. Additionally, nearly 61 million tons of freight were flown by aviation in 2019, according to IATA (International Air Transport Association) [34].

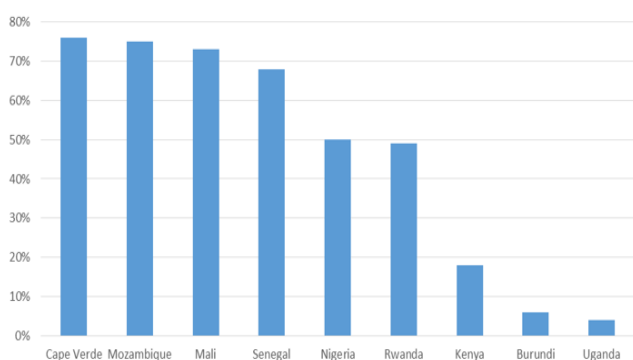
A whopping \$6.5 trillion worth of goods are shipped internationally by air each year, or 35% of worldwide trade. Although some schools

of thought might argue that increased competition and liberalization have the potential to harm national carriers' market share and profitability, Kincaid et al., note that whether domestic carriers do well or poorly as a result of liberalization will largely depend on the management of the carrier and how it chooses to react to the liberalization [35]. He contends that by opening up new markets, giving home carriers the chance to expand their businesses, and giving them access to a larger pool of capital and knowledge, liberalization also has the potential to strengthen their position.

Contrary to freight, the topic of bilateral air service agreements primarily pertains to the exchange of traffic rights for passenger travel. According to a research by Zhang et al., the current traffic rights included in bilateral Air Service Agreements are based on notions of traffic carriage reciprocity that are difficult to fulfill in freight markets and are passenger centered [20]. Therefore, all-cargo carriers frequently advocate for distinct traffic rights.

The African states approved the Yamoussoukro decision in 1999 to develop a multilateral strategy to benefit from liberalization due to the restricted nature of bilateral air services agreements. A significant regulatory breakthrough in both breadth and depth can be seen in the decision on the implementation of the Yamoussoukro Decision concerning the liberalization of access to air transport markets in Africa. It establishes an ambitious framework for a regional regulatory regime that would liberalize the skies over Africa when completely implemented. Essentially a multilateral pact, the Yamoussoukro decision brings together the bulk of the African partner states.

The heads of state and government finally agreed to this resolution in 2000 in Lome, Togo, and it came into effect in 2002. This marked the start of this decision. The number and structure of bilateral links in regard to tourism flows may be significantly influenced by how states manage their domestic economy and international relations. Limits on the issuing of visas, verification of a return ticket, and evidence of enough money to pay living expenses while within the country are all often utilized policy measures by governments. But as the Approved Destination Scheme (ADS) like the case with China gets bigger, this restriction is being lifted more and more [36]. Therefore, bilateral transport policy continues to be essential (Figure 4).



Source: IATA/InterVISTAS Consulting (2021).

**Figure 4:** A graph showing a list of some African states percentage compliance of the Yamoussoukro Decision (YD) with reference to Bilateral Air Service Agreements (BASA). **Note:** BASAs that were YD compliant as a percentage of all 607 BASAs: (■).

From the above graph, Cape Verde, Mozambique and Mali demonstrated high compliance with the YD with (76%, 75% and 73%) respectively. Senegal, Nigeria and Rwanda demonstrated medium compliance with (68%, 50% and 49%) respectively while Kenya,

Burundi and Uganda showed the lowest compliance with (18%, 6% and 4%) respectively. The status presented above demonstrates that YD is still only partially implemented across African states, and that complete implementation is required in order to fully realize the Single African Air Transport (SAAT) market and the substantial economic benefits of aviation in Africa. Uganda and Kenya should therefore adopt a more lax approach to its international Air Service Agreements (ASA) in light of the effects of air transport liberalization.

In order to promote the African Continental Free Trade Area (AfCFTA) and facilitate market access, the policy calls for the implementation of the Yamoussoukro Decision and the Single African Air Transport Market (SAATM).

### Relationship between tourism and charter airlines

According to Chuntao et al., Japan's bubble economy burst, plunging the nation's economy into a protracted period of stagnation and costing it its status as the "leading goose" in the 1990s East Asian economic cooperation [37]. Therefore, the Koizumi cabinet started implementing extensive structural changes in the early 2000s, including a "Tourism-Oriented Nation Strategy" aimed at reviving Japan's economy and allure. The Ministry of Land, Infrastructure, Transport and Tourism (MLIT) launched the visit Japan campaign in 2003 to carry out this plan, with the goal of doubling inbound tourism to 10 million by 2010. Since air travel is the primary method of entering Japan, the main reason this plan was successful was the liberalization of charter services. Acknowledging the significant impact of inbound tourism, Japan set a target to draw in 25 million tourists by the year 2020. Furthermore, as the majority of charter flights are used for short to medium-distance travel, the larger charter carriers' average sector is typically around 2,500 km [1]. It can be argued that, in contrast to scheduled carriers, charter flights are more appropriate for the expansion of secondary airports and the penetration of tourism markets.

### Impact of COVID-19

Following its breakout in March, 2020, COVID-19 resulted in regulatory limitations on cross-border travel for health and safety reasons. Air service agreements were still required even with the continued openness of the freight trade. One of the most notable developments in air freight traffic as a result of COVID-19 was the rise in cargo traffic, which resulted from the increased demand for a range of items, including the provision of vaccinations [38-40].

According to ICAO (2021), the passenger sector lost close to USD 370 billion in operating revenue in 2020 as compared to 2019, carried over 2.7 billion fewer people, and provided almost 50% fewer seats. It is essential to assess and, where required, modify bilateral air service agreements in response to the rapidly changing market conditions in order to ensure that the appropriate set of agreements are in place so that operators can react to the dramatic fall in commercial air passenger travel this time and the increase in air cargo traffic.

When compared to bilateral regulatory systems, global multilateralism has not yet generated a widely accepted agreement for the sharing of commercial air transport rights, even if regional multilateralism is frequently viewed by states as a way to achieve common goals. The benefits of the African aviation industry have also suffered significantly from the Yamoussoukro Decision's incomplete implementation and the Single Africa Air Transport (SAAT) Market's subsequent tardy ratification. It is imperative that the African aviation

industry adopt a new generation of open skies agreements that are far more liberal and comparable to the ones the US established with a number of other countries and what is taking place within the European Union [41-45].

According to Njoya et al., if African nations negotiated bilateral air service agreements as a group with third parties or other regional blocs rather than with each member state separately, more airlines from Africa would be able to enter the European Union market and other parts of the world, allowing African states to bypass unfavorable bilateral agreements. Njoya et al., further assert that long-distance route networks have been forced to concentrate on Europe and, more recently, the Middle East due to the protectionist practices of intra-African air services. An essential component of international aviation has been the easing of restrictions on air services [22].

The operational or practical aspects of Yamoussoukro Decision implementation depend disapprovingly and fundamentally on the free exercise of the rights of the first, second, third, fourth, and fifth freedoms of the air, as stated in Article 3 of the Yamoussoukro Decision [46-51]. The study also finds that the importance of bilateral air service agreements in relation to tourism and the contribution of tourism to economies has not received adequate consideration. Although several theories have been established to explain tourism flows between countries, the literature has paid relatively little attention to the structure and relevance of bilateral tourism. Additionally, not enough research seems to have been done on the relationship between and the emergence of innovative economic models like charter airlines and tourism growth in Africa [51-53].

## Conclusion

For the vast majority of states, bilateral air services agreements continue to be the primary means of liberalizing international air transportation services. When compared to bilateral regulatory systems, multilateralism on a global scale has not yet produced a broadly ratified agreement for the sharing of commercial air transport rights, although regional multilateralism is usually viewed by states as a means of achieving common goals.

Bilateral air service agreements are always based on the mutual recognition of each party's rights. Article 6 of the Chicago convention on international civil aviation lays the groundwork for the uniqueness of international air travel. Additionally, bilateral passenger flow, service export and import trades, particularly in the commercial service trade, have been found to be directly impacted by the demand for air travel.

The demand for air travel has also been proven to have a direct impact on bilateral passenger flow and service export and import trades, notably in the commercial service trade according to a number of research studies. Not enough research seems to have been done on the relationship between and the emergence of innovative economic models like charter airlines and tourism growth in Africa.

The study used a reflective methodology to carry out a literature review. The study reveals how bilateral air service agreements are responsible for increased levels of global connectivity. The existing traffic rights, which are included into bilateral air service agreements, are based on passenger-centered traffic rather than freight traffic. Additionally, the Covid-19 pandemic experience has shown that a significant policy shift is possible, particularly in times of global crises. Despite the fact that numerous theories have been created to

explain flows between countries, the literature has focused very little on the structure and relevance of bilateral agreements in relation to tourism and charter airlines.

Liberalizing the market for cargo services in Africa will promote economic integration and lower transportation costs, as emphasized. The major issue in bilateral air service agreements is the exchange of traffic rights for passenger transit as opposed to freight transportation. Africa must evaluate and renegotiate bilateral air service agreements together, not separately, with other countries or regional groups. Furthermore, this makes it possible to manage freight traffic and provide uninterrupted product flow across national and international boundaries.

While renegotiating bilateral air service agreements, it is important for African states to first expeditiously implement the Yamoussoukro decision and embrace the African single air transport market. It is also important to accept a new wave of open skies agreements, which are considerably more liberal and are similar to those the United States of America made with a number of other nations as well as what is happening within the European union. A multilateral strategy in the flow of passenger traffic requires a change in policy in bilateral regimes, particularly during emergencies. The experience with the Covid-19 outbreak has shown that any future worldwide disaster requires extreme caution. Significant consideration should also be given to the significance that bilateral air service agreements play in regard to the movement of tourists and the role charter airlines play in the growth of tourism sector.

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