

Airport charges and economic recovery

Ensuring the take-off of African airports



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Airport Charges and Economic Recovery:
Ensuring the Take-Off of African Airports

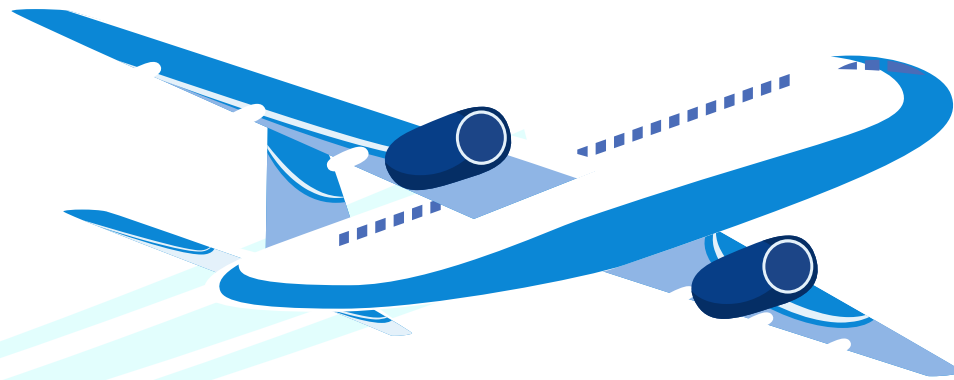
Managing the Covid19 Pandemic Downturns The Mauritian Airport Experience



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22 July 2020

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SSR International Airport at a glance

- Single gateway for air access to Mauritius
- Key Contributor to National GDP & Crucial Component of the local Tourism Sector
- Connected to 10 out of the 15 Major Hubs in Europe, Asia & Africa
- Airport capacity of 4.5 mppa
- +19 airlines connecting to +40 city destinations worldwide
- Nearly 3.9 million passengers in 2019
- Government of Mauritius is the Main Shareholder of AML



Dealing with the Pandemic



Republic of
Mauritius

COVID-FREE



20 March 2020
**Lockdown &
Complete Closure
of Borders**



15 May 2020
**Easing of Lockdown;
Borders still Closed**



01 June 2020
**Lockdown Waived;
Borders still closed as
at date**

Covid Cases as at 20 March

4



Total Cases detected

343



Active Cases as at date

1



(Imported- Repatriated)

(All figures at as date, 20 July 2020)

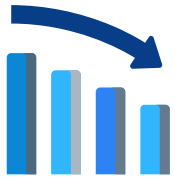
Current Operational Status



- Domestic Service resumed to Rodrigues, with two daily flights
- International Flights: Only Repatriation, Cargo and Private Medical Evacuations as at now
- National Carrier: Air Mauritius placed under Voluntary Administration
- Most Terminal/ Facilitation Services interrupted
- Overall staffing levels prior to pandemic maintained
- Section of non-required Ops Team are at home, with pay



Overview of Financial Situation



- Drastic decline in Passenger & Aircraft Traffic due to Travel Restrictions & Border closure
- Aero & Non-Aero revenue streams have plummeted



- Burden of Fixed costs (land lease, debt servicing, etc...)
- Responsibility to bear semi – fixed running costs, due to preserved employment & part of the airport facilities maintained

Overview of Operational Situation



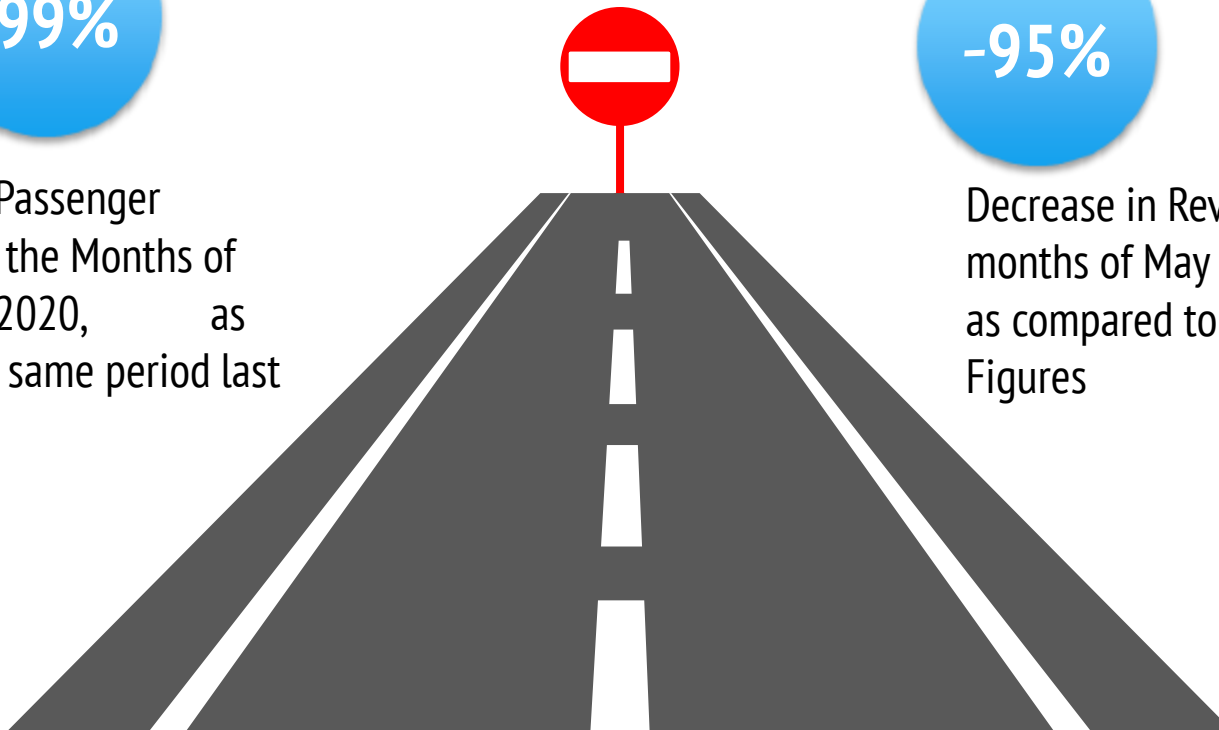
May & June 2020



Decrease in Passenger Numbers for the Months of May & June 2020, as compared to same period last year



Decrease in Revenue for the months of May & June 2020, as compared to Budgeted Figures





Present Challenges

Ensuring financial sustainability of the business during the crisis



- Maintaining revenue sources e.g. recovering outstanding charges from debtors



- Managing Fixed costs & Implementing costs control measures



- Dealing with the increasing costs of sanitary measures



- Ensuring safe and successful restart of the airport operations & maintaining an optimal level



- Date for opening of borders still to be confirmed

Airport Charges, The Mauritian Context

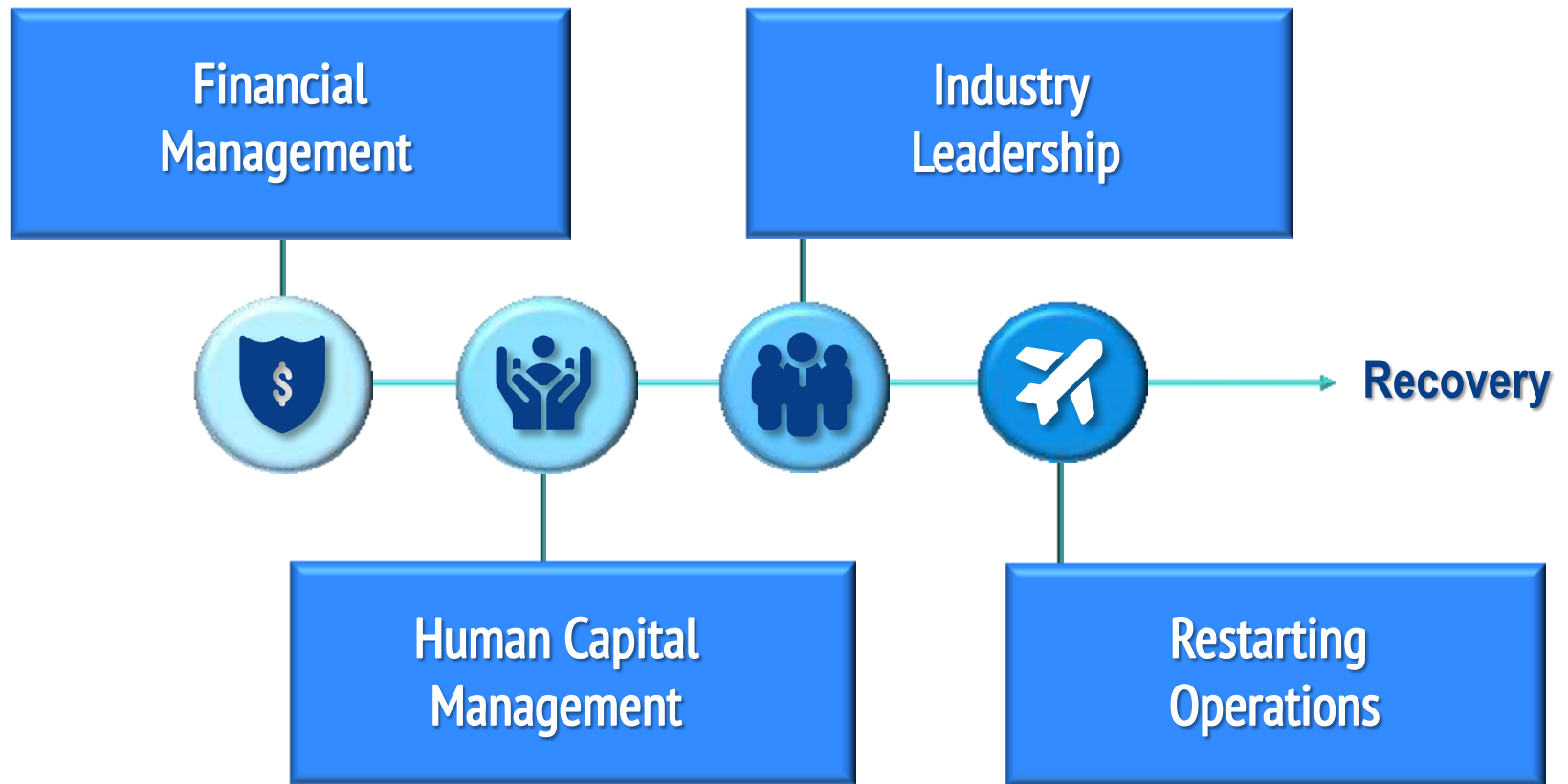
Aeronautical Revenues are defined and fixed as part of National Legislations-



- Civil Aviation (SSRIA Airport Fees and Charges) Regulations 1999
- Civil Aviation (Passenger Service Charge) Regulations 1999
- Limited scope for flexibility from the Airport Operator
- Mauritian Airport Charges have not been reviewed/ increased since 1999



Managing the Curb: Our 4-Pronged Strategy





Managing the Curb Financial Management

- Intensive Debt recovery
- Control on Operating Expenses
- CAPEX Review- Deferment of non essential capital projects
- Exploring New Revenue Streams

As part of the new financial strategy, discussions have also been initiated with regard to:

- Waiving/ Reviewing of Regulatory Fees
- Securing Moratoriums on loan repayment from Banks and for payment of charges for airport land leased.



Managing the Curb **Human Capital**

- Providing adequate protection and support to our Frontline Teams
- Connecting all team members with Top Management
- Empowering Middle Management to better assist employees
- Addressing immediate concerns of staff such as decrease in remuneration, loan repayment, etc...
- Facilitating Early Retirement of aged employees



Managing the Curb Industry Leadership

- Leading the sector-wide efforts towards rebuilding confidence and ensuring future Safe Travel & Early Recovery
- Airport Committees used as platforms for discussions and finalisation of Airport Sanitary Protocols & Procedures
- Ensuring collaboration of all relevant stakeholders towards systematic compliance with local and international sanitary norms





Managing the Curb

Facilitating the Restart of Operations

- Making the Terminal Covid19-Safe for Passengers & Personnel (Thermal Scanning, Distancing and Sanitising, etc...)
- Setting of an Airport Covid Testing Laboratory
- Adapting internal procedures and deployment to the New Normal
- Ensuring that Airport systems and procedures are robust and compliant, to reassure passengers & staff
- Assisting the Authorities towards planning for the phased re-opening of borders

The New Normal...

Leveraging downturns into new potential for growth

The pandemic has left no part of our lives untouched. Giants have crumbled and once far-fetched possibilities are now the new reality.

However, amidst all this turmoil in our personal and professional lives, there are precious lessons which may help us to get back on our feet and continue to grow...

Turning Adversity into Opportunity is the only way ahead...

Managing the Covid19 Pandemic Downturns The Mauritian Airport Experience

Thank You

