Opening Up African Skies: The Case of Airline Industry Liberalization in East Africa

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Abstract:

The three member states of the East African Community (EAC) have made great efforts in modernizing their air transport industry in order to meet the increased demand for international tourism and horticultural export trade. The policy adopted by the sub-region, at independence, to regulate the airline industry was the bilateralism approach with emphasis on reciprocity. Such a policy became a bottleneck in the development of the air transport industry in the sub-region. It became apparent that the EAC member states needed efficient air services and not airlines that served mainly as status symbols. However, the last decade witnessed the liberalization of the aviation sector in the sub-region. This liberalization process is part of a proactive policy to encourage global investment in the sub-region. This has led to the adoption of the Yamoussoukro Decision, which calls for the opening of the African skies. This paper, therefore, critically discusses the process of the airline industry liberalization and its prospects for success in the sub-region.