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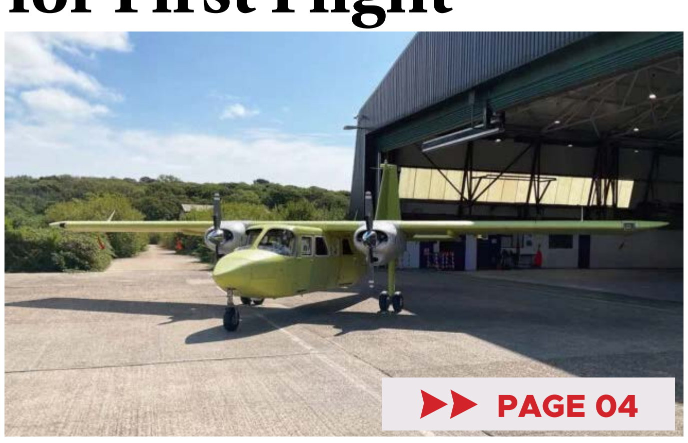

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Domestic Airfares Unlikely to Fall Soon Despite Tax Relief

By Dominick Andoh

Ghana's decision to abolish duties and taxes on imported aircraft spare parts for domestic airlines is unlikely to lead to an immediate reduction in domestic airfares, as industry conditions remain characterised by limited capacity and strong passenger demand.

President John Dramani Mahama recently announced that he had assented to amendments removing duties and taxes on aircraft spare parts for domestic operators, a long-standing demand from the industry intended to reduce operating costs and improve airline sustainability.

The immediate impact on ticket prices, however, is expected to be limited. Ghana's scheduled domestic market remains relatively concentrated, with Africa World Airlines (AWA) and PassionAir accounting for the bulk of scheduled operations.

High demand, fuel costs, taxation and other operating expenses have contributed to persistently elevated domestic fares

A key reason the tax concession may not quickly translate into cheaper tickets is the timing of the measure.

The two main operators are understood to have already procured and stockpiled spare parts for their maintenance requirements through the remainder of the year. Those components were purchased under the previous tax regime, meaning the immediate maintenance benefit from the new exemption will be limited.

Mr. Sean Mendis, African aviation expert and CEO of Seanmendis.com, believes that as a result of existing stockpiles, airlines are unlikely to suddenly reduce fares simply because their future parts purchases have become cheaper.

"I doubt you will see any changes in fares in the short term. The financial impact of this won't be felt for at least a year or more. Airlines already have their stockpiles of spares imported for everyday use," Mr, Mendis told AviationGhana

Competition holds the Key

Lower maintenance costs in the long run should gradually improve airline cash flow and provide operators with greater room to invest in fleet availability, maintenance and additional frequencies.

The arrival of additional scheduled operators could have an even greater effect on fares. Ghana's domestic market has for several years been dominated by AWA and PassionAir, although new operators have been exploring entry into the market.

More airlines competing for passengers would increase available seats and give travellers greater choice, creating stronger pressure on existing operators to compete on price, frequency and service.

Mr. Mendis adds that in the short term, the bigger constraint remains available seat capacity relative to passenger demand, for which reason fares will remain elevated "until there is competition to drive it down."

The real dividend for passengers is likely to emerge over time, once tax-free replacement parts begin feeding into airline costs, aircraft availability improves and new competitors add capacity to Ghana's domestic air transport market.

First Fully UK-Built Islander Since Repatriation Ready for First Flight

First Fully UK-Built Islander Since Repatriation Ready for First Flight | The first Islander to be fully built in the UK since Britten-Norman repatriated production to Bembridge has begun its ground test programme, with first flight targeted for September.

Delivery to the Falkland Islands Government Air Service (FIGAS) will follow completion of flight testing and customer preparation, and the company is opening its production line to customers and media ahead of the aircraft's formal launch later this year.

The aircraft was rolled out at the company's Isle of Wight facility on Thursday 30th July, the day after electrical power was successfully applied for the first time. The roll-out followed the installation of the aircraft's engines, propellers, cowlings, electrical systems, brakes and flight control surfaces and mechanisms, and came in sequence with the programme's previous public milestones: 75% structural completion confirmed in June, power-on on 29th July, and roll-out the following day.

The aircraft is the first Islander to be fully assembled through Britten-Norman's reshored UK production line, marking the return of complete civil Islander manufacturing to the United Kingdom following a period in which major assemblies were manufactured overseas prior to final assembly in the UK.

Behind this aircraft, the production line is already at work. A second airframe is progressing through the line, components for follow-on aircraft are in manufacture, and the company is establishing a continuous production cadence at Bembridge, supported by investment in new machinery, tooling and facilities and a workforce that has grown by more than 40% since production was reshored.

The new-build aircraft retains the qualities that have kept Islanders in service worldwide for more than five decades: low operating costs, rugged reliability and unmatched short-strip performance, now delivered through more modern manufacturing methods and tooling. This aircraft is built to the same standard its operators have always relied upon, an airframe with a proven track record of 50 years of service life.

Duane Stewart, General Manager of the Falkland Islands Government Air Service, said, "We're delighted to see this new aircraft taking shape and look forward to welcoming it to the Falkland Islands. We're incredibly grateful to Britten-Norman for their continued support and the strong relationship we have built over the decades. This new Islander will be a valuable addition to the FIGAS fleet and help us continue providing an essential service to our community for years to come."

"The roll-out of this aircraft is a hugely significant moment for the whole Britten-Norman team, and we want to share it," said Richard Milne, Chief Operating Officer at Britten-Norman. "To see the first Islander from our repatriated UK production line come together, from producing and sourcing the many parts to roll-out, is testament to the skill and commitment of everyone at Bembridge. We are now firmly focused on completing ground testing and preparing for first flight. The line is running, a second aircraft is taking shape behind this one. Customers and media are very welcome to visit Bembridge and see the aircraft and the production line for themselves ahead of the formal launch later this year."

Peter McKenna, owner of Aer Arann, said: "Having been an Islander operator for more than 56 years, we are thrilled to see new Islanders coming off the line at Bembridge. Nothing rivals the rugged reliability of the Islander, and our fleet is a testament to that. We look forward to continuing our relationship with Britten-Norman for many more years to come."

Emirates Introduces Premium Economy On Popular African Route

Emirates will introduce its highly-acclaimed Premium Economy cabin on two of its three daily flights between Mauritius and Dubai from 1 September 2026, providing Mauritian travellers with a new level of comfort and greater choice when travelling to Dubai and onwards across the airline's global network.

Premium Economy will be available on flights EK703/704, operated by Emirates' iconic A380, and EK709/710, operated by a retrofitted Boeing 777. Both widebody aircraft will operate in three-class configurations, offering expanded options and more choice to suit traveller's preferences when booking flights from and to Mauritius.

Emirates' flagship A380 aircraft operating flights EK703/704 will feature 76 Business Class seats, 56 seats in Premium Economy and 437 Economy Class seats, while the Boeing 777 operating EK709/710 will offer 38 Business Class seats, 24 Premium Economy seats and 214 Economy Class seats.

Oomar Ramtoola, Emirates' Manager for the Indian Ocean Islands, said: "Mauritius has always been an important market for Emirates, and the introduction of Premium Economy on the route is another demonstration of our continued commitment to our Mauritian customers as well as the nation's travel and tourism industry.

Oomar Ramtoola added: "Emirates' Premium Economy offering provides travellers with an attractive proposition, with stylish and elevated cabins for those seeking additional comfort and privacy for longer journeys. Driven by our commitment to Mauritius and the evolving needs of customers across our network, we are immensely proud to expand our offerings by introducing Premium Economy and other inflight enhancements that will elevate the travel experience for customers on the Mauritius-Dubai route – all designed to provide exceptional value for travellers.

With the steady roll out of Emirates' Premium Economy, the enhanced offering is now available on an extensive network of routes, so our customers from Mauritius will be glad to know they can enjoy the signature experience to Dubai and onwards to 70 destinations in Europe, Asia and the Americas."

Among the popular destinations where customers from Mauritius can enjoy Premium Economy throughout the entire journey, with a connection in Dubai, are select flights to Bangkok, and all six daily services to London Heathrow, among others.

Emirates Premium Economy has been designed for customers looking for additional space, comfort and an elevated inflight experience. Each 19.5-inch seat offers generous legroom and recline, together with six-way adjustable headrests, a footrest, in-seat charging points, a wood-finished side cocktail table and a 13.3-inch personal entertainment screen.

Customers travelling in Premium Economy can look forward to a distinctive dining experience, beginning with a welcome drink served in fine glassware as well as meals prepared with seasonal ingredients and served on Royal Doulton china and complemented by an extended beverage selection.

Emirates' customers travelling in Premium Economy cabins are also provided with sustainable amenity kits, blankets and generously sized pillows designed specifically for the cabin. Additional benefits include priority boarding and access to a dedicated Premium Economy check-in area at Dubai International airport.

Emirates has been operating in Mauritius since 2002 and since then has been actively promoting the preferred holiday destination to its global customers and driving growth in demand. The deployment of Emirates' latest-generation cabins to Mauritius forms part of the airline's ongoing investment in the market.

Government to develop 150-acre air cargo hub at Tamale Airport – Goosie Tanoh

Government is set to develop an approximately 150-acre air cargo hub at the Tamale International Airport, to facilitate the export of vegetables, fruits and other high-value agricultural produce from northern Ghana to international markets.

Mr Goosie Tanoh, the National Coordinator for the 24-Hour Economy Secretariat, who announced this, said the initiative formed part of the government's broader strategy to establish an integrated production and export system that would connect agriculture, manufacturing, energy and logistics in northern Ghana.

He said the Secretariat, in collaboration with the Ghana Airports Company Limited, had already demarcated about 150 acres of land at the Tamale International Airport for the development of the air cargo hub.

Mr Tanoh was speaking at the inauguration of Northshore Apparel Ghana Limited, an export garment factory at Savelugu in the Northern Region.

The company, funded through a partnership involving the Ghana Export-Import Bank, Germany's Investing for Employment through the KfW Development Bank among others, formed part of the implementation of the government's 24hour economy initiative.

Mr Tanoh said the air cargo facility would provide a dedicated logistics platform for moving high-value agricultural commodities produced in northern Ghana directly to international markets.

He said the development would complement government's efforts to promote commercial-scale agriculture and value addition while improving access to export markets for farmers and agribusinesses in the northern part of the country.

He said the air cargo hub was part of a wider economic transformation programme under the 24-hour economy initiative, which sought to integrate production centres with efficient transport, energy and export infrastructure.

Mr Tanoh said the government was also pursuing the development of an agriculture corridor covering about 120,000 hectares at Senga and Daboya along the White Volta where commercial-scale production of vegetables, cereals, oilseeds among others would be undertaken.

He said the corridor would also support a proposed 270-million-dollar integrated poultry industry further strengthening the agricultural and agro-processing value chains in the area.

Mr Tanoh said the government was also working to provide affordable and reliable energy to support industries in the region, including plans for a 1.5-gigawatt solar power plant under the Volta Economic Corridor.

He said the various initiatives were being pursued as interconnected components of a single production system rather than isolated projects.

He said "Farms at Senga, factories at Savelugu and Daboya, export logistics in Tamale and energy at Wipei are not separate initiatives. They are part of a single production system."

Mr Tanoh said the objective was to integrate and unify Ghana's economy into one ecosystem that would drive productivity, increase production, create jobs and promote inclusive economic growth.

He said the development of the air cargo hub would therefore be critical to ensuring that agricultural producers in northern Ghana could take advantage of both domestic and international markets, while government continued to work with the private sector and development partners to mobilise the investments and infrastructure required to transform northern Ghana into a major production and export hub.

Mr Tanoh stated that the success of the 24-hour economy programme would depend on the ability to connect farmers, industries, logistics providers and export markets in an efficient value chain that created opportunities for young people and local businesses.

Mr Frederik Landshof, the German Ambassador to Ghana commended Ghana for her industrial revolution and pledged the continuous commitment of Germany to supporting Ghana to drive sustainable development.

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Airline Mergers Or Take-Over In The Aviation Industry (A Regulatory Perspective)

By Ing. Benjamin Owusu

What is an Airline Merger?

An airline merger combines two or more airline companies into a single business (or single organisation) under one State Authority Operating Certificate (Air Operator Certificate - AOC). This means that each airline must have a valid Air Operator Certificate (AOC) prior to the merging process.

What is a Direct Merger?

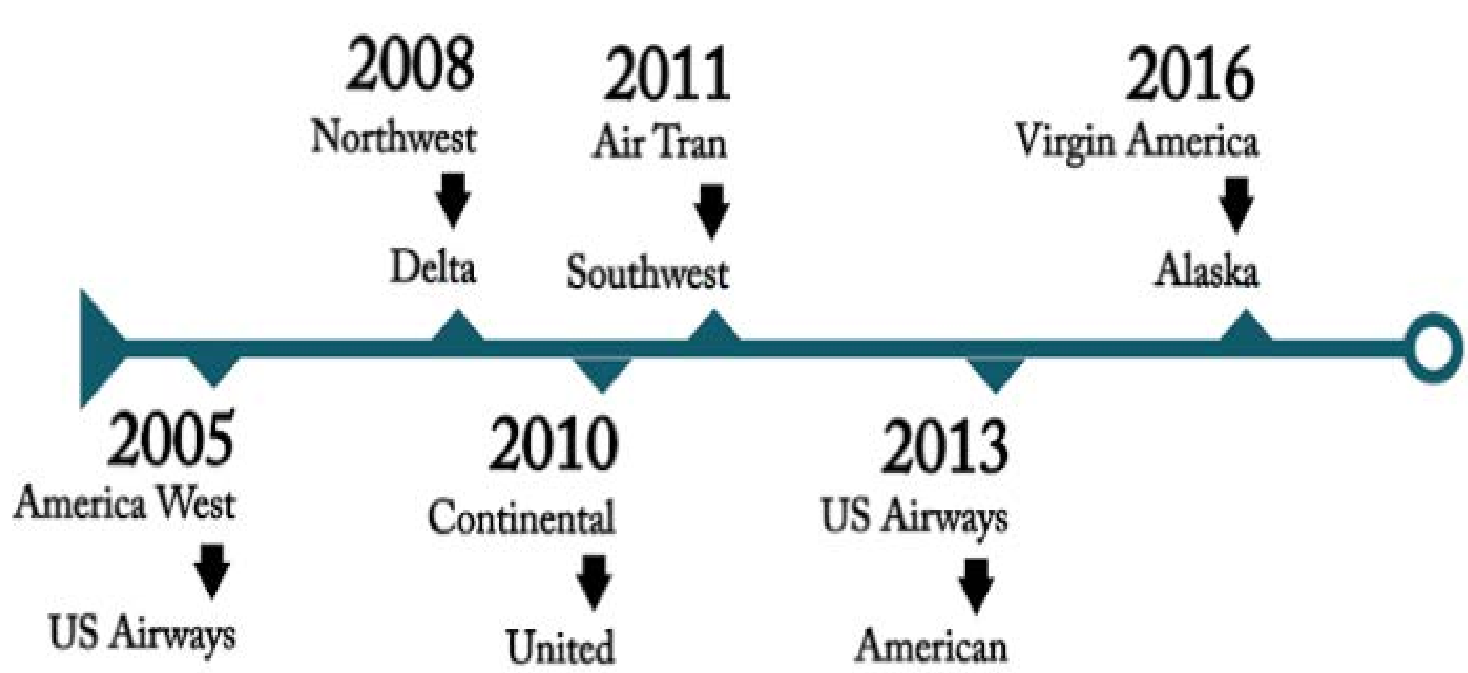
This is the simplest merger in concept in the aviation industry. In a direct merger, there are two airlines, say Airline A and Airline B. One of the airlines (Airline B) is the merged organisation and the other airline (Airline A) is the surviving organisation. At the end of the merging process, when the direct merger becomes effective, Airline B merges with and into Airline A, and Airline B ceases to exist. Airline A, the surviving organisation succeeds the assets, rights, liabilities, and obligations of Airline B by State Law and Aviation Regulations. The shareholders of Airline B will receive shares of stock of Airline A and join Airline A's shareholders as the owners of Airline A as the surviving Airline.

During the transition phase of the merging process, each airline (A and B) must operate with their own valid AOC, and they would be regulated independently by the State Authority. The airlines are not required to mix flight and cabin crew, maintenance teams (Engineers and Technicians plus supporting staff) and dispatch procedures until the State Authority approves the unified manuals as per a reminder checklist and training programs.

The State Authority requires a lengthy, six-phase process to combine the two Airlines A and B, potentially thousands of employees, different corporate cultures and perhaps different types of airplanes and styles of operations. As already mentioned, each airline continues to operate separately under its own AOC until the merged airline receives its single AOC.

The six-phase process are:

Phase One – Notification to the State Authority and the staff of both Airlines A and B.
Phase Two – Review of the Proposed Transition Plan and preparation of the issuance of Single Operations Specifications.
Phase Three – Submission of Documents and Manuals to the State Authority.
Phase Four – Demonstrations and Inspections by State Authority of competency.
Phase Five – Approvals or Denials by the State Authority
Phase Six – Issuance of Single Operating



#	Year	Airlines	Region	Deal Value	Outcome/Status
1	2004	Air France + KLM	Europe	$960 Million	*Successful* (Holding Company), both have independent AOCs as well.
2	2005	America West Airlines + US Airways	North America	$1.5 Billion	*Successful.* The merged airlines retained the US Airways name to preserve market recognition.
3	2008	Delta Airlines + Northwest Airlines	North America	$2.8 Billion	*Successful.* The merged airlines retained the Delta Airlines name, to lay the foundation for its current position as one of the most financially stable airlines with significant global reach
4	2010	United Airlines + Continental Airlines	North America	$3.1 Billion	*Moderately Successful.* The merger was a response to growing competition from other airline giants like Delta Airlines and American Airlines.
5	2011	Southwest Airlines + AirTran Airways	North America	$1.4 Billion	*Successful.* This was to allow Southwest to expand into key markets like Atlanta and international routes in the Caribbean and Mexico.
6	2011	British Airways + Iberia	Europe	$8.6 Billion	*Successful.* This was combined under International Airlines Group (IAG) to improve competitiveness in a highly fragmented European Market.
7	2013	American Airlines + US Airways	North America	$11 Billion	*Successful.* The merged airlines retain the American Airlines name and improved stability and strengthened the ability to compete with global carriers.
8	2016	Alaska Airlines + Virgin America	North America	$2.6 Billion	Successful. The merged airlines retain the Alaska Airlines name after beating competing bid from JetBlue.

Certificate (SOC).

Note that, it is the State Authority responsibility to issue an Advisory Circular (AC) on Air Operator Merger or Take – Over Procedures to the applicants.

Historical Overview of Airline Mergers both Successful and Unsuccessful

Recent aviation industry revealed successful merger concepts between major airlines like American Airlines and US Airways, Delta Airlines and Northwest Airlines, United Airlines and Continental Airlines, Southwest Airlines and AirTran Airways, British Airways and Iberia, while historical consolidation has left the market heavily dominated by top carriers.

There have also been unsuccessful merger concepts between Ryanair and Aer Lingus, Alitalia and Etihad Airways, Frontier Airlines and Spirit Airlines, etc.

Conclusion:

The airline industry has witnessed a significant wave of mergers over the past few decades. While some deals were successful others too were not successful due to adverse reasons. Strategic decisions around aviation market consolidation, route expansion, and operational collaborations will continue to drive merger activity in this sector as airlines navigate an increasingly competitive and globalised market.

In conclusion, not every merger looked the same; In North America, merger deals often became one airline (Single Unified Airline), while in Europe, two merger deals are kept under one holding company with two brands (Multi-Brand Holding Companies).

By Ing. Benjamin Owusu
CEO-CRAWLEY AVIATION CONSULT

#	Year	Airlines	Region	Deal Value	Outcome/Status
1	2014	Alitalia + Etihad Airways	Europe	€1.76 Million	*Unsuccessful.* Etihad Airways acquired 49% stake in Alitalia operations. Unfortunately, the investment failed because Alitalia declared bankruptcy due to operational inefficiencies in 2017.
2	2022	Frontier Airlines + Spirit Airlines	North America	$6.6 Billion (Attempted)	*Unsuccessful (Proposed and terminated).* JetBlue made a counter-offer to Spirit Airlines and the deal was blocked by a Federal Judge.
3	2024	JetBlue Airlines + Spirit Airlines	North America	$3.8 Billion	*Unsuccessful.* Blocked by Regulators due to antitrust concerns.

The Fed and the Treasury Are in Denial

By Katharina Pistor

For centuries, the Catholic Church upheld the dogma that the world was flat and that the sun revolved around it, despite evidence to the contrary. It would take a technological, scientific, and cultural revolution to undermine this doctrine fully. Today, we are at a similar juncture when it comes to finance, where the orthodoxy of "flat" markets in pursuit of efficient outcomes maintains its grip on the minds of many economists and, more problematically, policymakers.

Consider US Federal Reserve Chair Kevin Warsh's recent claim that markets should "play the ball, not the referee." Warsh wants us to believe that the central bank is not an active participant in the making of markets and the creation of liquidity that sustains them, when obviously sovereign debt management and monetary policy are integral to the markets as they exist. It is little wonder that market participants were bewildered by Warsh's remarks.

US Treasury Secretary Scott Bessent's explanation for his recent attempt to reduce yields on long-term US Treasuries added to the confusion: "We are trying to keep the market in equilibrium." (Predictably, his intervention failed.)

In fact, financial markets are not flat, and neither do they operate in a vacuum. They expand and contract in response to, or in anticipation of, actions taken by certain public and private players whose functions have always driven the evolution of credit markets. Chief among these functions are public debt management and public and private liquidity provisioning (money creation). In the context of the United States, the key players are the Treasury, the Fed, and the entire roster of private financial institutions, both domestic and foreign. It is they who jointly configure financial markets and the liquidity that sustains them.

In a recent paper I co-authored with Dario Laudati, William O'Connell, and Matthias Thiemann, we describe the entanglement of public and private actors in the making of modern credit markets as "liquidity triangulation." We show that credit markets have always evolved through an interaction of public debt management and public and private liquidity provisioning, regardless of the identity of the entities or individuals that carry them out, and regardless of their beliefs in carrying out these functions.

Ever since the establishment of the Bank of England, liquidity expanded and contracted within this triangulated space, fueling the growth of credit and fostering financial and economic development. Liquidity is central for credit markets because it determines the ease with which one financial asset may be converted into another without affecting

Continued from Page 11

its market price. As Hyman Minsky famously quipped, “Everyone can create money; the problem is to get it accepted.”

For most of the postwar era, the US has enjoyed a privileged position as an issuer of both sovereign debt and US dollars that always found takers. But there are signs that this may be changing. With fewer foreign central banks willing to hold vast amounts of US debt, and with more private investors seeking to switch from sovereign debt to corporate-issued debt (to finance AI infrastructure), the liquidity triangle is being reshaped. Importantly, the process is not coordinated; rather, it reflects strategic action taken by different actors at each corner to advance their own interests.

Historically, one can find many cases of financial crises being triggered by such reconfigurations. The 2008 crash, for example, was brought on by private actors dumping the financial assets they themselves had created (mortgage-backed securities and their derivatives). When these assets no longer found takers, they became toxic. The Fed and the Treasury then stepped in to offer vast amounts of liquidity and recapitalization to stabilize the system.

But what if the US, the bedrock of the global financial system, can no longer rely on stable demand for its debt or its currency, which in turn is necessary to refinance old debt or take on new liabilities? Only when issuance and refinancing happen almost seamlessly will most participants feel confident enough to rely on the (relative) safety of US dollars or Treasuries. If this confidence is shaken, they will seek alternatives, without regard for the consequences for the entire system.

Bessent’s recent announcement that the Treasury would at least double the scale of its debt buybacks is telling in this respect. It suggests a fear that there may not be enough takers out there to ensure liquidity protect the price and of US debt as well as for the debt markets that depend on it (given the Treasury market’s central function as a benchmark and collateral for private debt). The US has never defaulted on its debt. But nor has it ever amassed as much debt as it has now, when confidence in the reliability of the US has been shaken, and when private actors (most prominently the tech sector) are issuing massive amounts of competing debt.

The mere possibility that new private debt might be crowding out public debt is an ominous sign, because it suggests that the “full faith and credit” of the US government is waning. That realization will leave the Fed in a bind, because in any future crisis, the refinancing of both private and public debt would fall into its lap for want of other takers. It may wish to pass on this put option, but who else could possibly fill the void?

The sooner that both the Fed and the Treasury understand their deep entanglement with each other and with the private sector, the better. They are not referees. They are players in a system that they helped create (albeit inadvertently). Their current role is to formulate meaningful strategies to make this entanglement manageable again.

Katharina Pistor, Professor of Comparative Law at Columbia Law School, is the author of The Code of Capital: How the Law Creates Wealth and Inequality (Princeton University Press, 2019).