



REPUBLIC OF KENYA

*Approved SNA  
19/2/26.*

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION- 2026

DEPARTMENTAL COMMITTEE ON TRANSPORT AND INFRASTRUCTURE

REPORT ON:

CONSIDERATION OF SESSIONAL PAPER NO. 6 OF 2024 ON THE NATIONAL AVIATION POLICY

Clerk's Chambers  
Parliament Buildings  
NAIROBI

February, 2026



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## **ABBREVIATIONS**

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AIP	-	Aeronautical Information Publication
AMO	-	Approved Maintenance Organization
APSC	-	Air Passenger Service Charge
EACCMA	-	East Africa Community Customs Management Act
IDF	-	Import Declaration Fee
GDP	-	Gross Domestic Product
CAA	-	Kenya Airports Authority
KAACO	-	Kenya Association of Airline Operators
KCAA	-	Kenya Civil Aviation Authority
MRO	-	Maintenance and Repair Organization
RDL	-	Railway Development Levy
VAT	-	Value Added Tax

## **LIST OF ANNEXURES**

- Annexure 1: Report adoption list
- Annexure 2: Minutes of the Committee Sittings on Consideration of Sessional Paper No. 6 of 2024 on the National Aviation Policy
- Annexure 3: Advertisement in the local dailies inviting the public to make submissions on the Sessional Paper
- Annexure 4: Written submissions from the stakeholders

## **CHAIRPERSON'S FOREWORD**

Sessional Paper No. 6 of 2024 on the National Aviation Policy was tabled in the House on 14<sup>th</sup> August 2024 and subsequently referred to the Departmental Committee on Transport and Infrastructure for consideration and reporting to the House.

The main objective of the National Aviation Policy is to strengthen the national aviation industry in the global market. The specific objectives of the Policy include to foster the growth of the aviation business in Kenya, to support job creation by positioning Kenya as a recognized regional leader in aviation, and to enhance Kenya's connectivity at a national and international level by ensuring safe, secure, and competitive access which is responsive to the needs of business, tourism, and the population.

Pursuant to the provisions of Article 118(1) (b) of the Constitution, the Committee, through an advertisement in the local daily newspapers of 14<sup>th</sup> November 2024, invited the public to make representations on the Sessional Paper, which is attached to the report as annexure 3. Additionally, via letters Ref: NA/DDC/T&I/2024/086 and Ref: NA/DDC/T&I/2024/087 both dated 10<sup>th</sup> December 2024, the Committee requested relevant stakeholders, including the Kenya Airways (KQ), Kenya Association of Airline Operators, (KAAO), Kenya Airline Pilots Association, (KAPA) and Kenya Revenue Authority, (KRA) to submit their views on the Sessional Paper. Subsequently, the Committee received five (5) memoranda from the Ministry of Roads and Transport, Kenya Airways (KQ), Kenya Association of Airline Operators (KAAO), Kenya Revenue Authority (KRA), and Mr. Kennedy Mwenda Mabura, a Pilot.

The Committee held five (5) sessions to consider the Sessional Paper and recommended that the House **adopts and approves** Sessional Paper No. 6 of 2024 on the National Aviation Policy.

The Committee is grateful to the Offices of the Speaker and the Clerk of the National Assembly for the logistical and technical support accorded to it during the consideration of the Sessional Paper. I wish to express appreciation to the Honourable Members of the Committee and the Committee Secretariat for their resilience and commitment to duty, which made the consideration of the Sessional Paper successful.

On behalf of the Committee and under provisions of Standing Order 216(5)(b), 208B (1) and 199 (6), it is my pleasant privilege and honour to present to this House the report of the Committee on its consideration of Sessional Paper No. 6 of 2024 on the National Aviation Policy.

**HON. GK GEORGE KARIUKI, CBS, MP**  
**CHAIRPERSON**

# CHAPTER ONE

## 1.0 PREFACE

### 1.1 Introduction and Committee Mandate

1. The Departmental Committee on Transport and Infrastructure is established under the National Assembly Standing Orders No. 216 (1). The functions and mandate of the Committee as per Standing Orders, No. 216(5) include: -
  - a) To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;
  - b) To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;
  - c) To study and review all the legislation referred to it;
  - d) To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;
  - e) To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;
  - f) To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No.204 (Committee on appointments);
  - g) To make reports and recommendations to the House as often as possible, including recommendations of proposed legislation;
  - h) To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and
  - i) To examine any questions raised by Members on a matter within its mandate.
  - j) To examine treaties, agreements and conventions;
2. The subject matter of the Departmental Committee on Transport and Infrastructure are stated in the Second Schedule of the National Assembly Standing Orders as follows: Transport, including non- motorized transport and maintenance of Roads, rails, air and marine transport, seaports and national integrated infrastructure policies and programmes and transport safety.

## 1.2 Committee Subjects and Oversight

3. The Committee is mandated to consider the following subjects as per the second schedule of the Standing Orders:

- (i) Transport, including non-motorized transport;
- (ii) Construction and maintenance of roads;
- (iii) Rails, air and marine transport; Seaports and national integrated infrastructure
- (iv) policies and
- (v) programmes; and
- (vi) Transport safety.

4. The Committee oversees the Ministry of Roads and Transport which has three (3) state departments, namely:

- i) The State Department for Roads;
- ii) The State Department for Transport; and
- iii) The State Department for Aviation and Aerospace Development.

5. Further, Committee also oversees the State Department for Shipping and Maritime Affairs which is under the Ministry of Mining, Blue Economy, and Maritime Affairs.

### 1.3 Committee Membership

6. The Committee comprises the following Members:

The Hon. G.K. George Kariuki, CBS, M.P - **Chairperson**

Ndia Constituency

**United Democratic Alliance Party**

The Hon. Mutua Didmus Wekesa Barasa, CBS, M.P- **Vice-Chairperson**

Kimilili Constituency

**United Democratic Alliance Party**

The Hon. Arama Samuel. M.P

Nakuru Town West Constituency

**Jubilee Party**

The Hon. Abdul Rahim Dawood, CBS, M.P.

North Imenti Constituency

**Independent**

The Hon. Naicca, Johnson Manya, CBS, M.P

Mumias West Constituency

**Orange Democratic Movement Party**

The Hon. Elsie Muhanda, M.P.

Kakamega County

**Orange Democratic Movement Party**

The Hon. Francis, Kajwang' Tom Joseph,

CBS, MP

Ruaraka Constituency

**Orange Democratic Movement Party**

The Hon. Chege John Kiragu, CBS, M.P.

Limuru Constituency

**United Democratic Alliance Party**

The Hon. Kiaraho, David Njuguna, M.P.

**Jubilee Party**

Ol Kalao Constituency

The Hon. Kiunjuri Festus Mwangi, M.P.

Laikipia East Constituency

**The Service Party**

The Hon. Bady, Bady Twalib, M.P.

Jomvu Constituency

**Orange Democratic Movement Party**

The Hon. Abdirahman, Husseinweytan

Mohamed, M.P.

Mandera East Constituency

**Orange Democratic Movement Party**

The Hon. Komingoi Kibet Kirui, M.P.

Bureti Constituency

**United Democratic Alliance Party**

The Hon. Saney Ibrahim Abdi, M.P

Wajir North Constituency

**United Democratic Alliance Party**

The Hon. Jhanda Zaheer, M.P

Nyaribari Chache Constituency

**United Democratic Alliance**

#### **1.4 Secretariat**

7. The Committee is serviced by the following Members of Staff:

**Head of Secretariat**

**Ms. Tracy Chebet Koskei**

**Principal Clerk Assistant II**

**Mr. Mohamednur M. Abdullahi**  
**Clerk Assistant**

**Mr. Binensa Mabungu**  
**Clerk Assistant**

**Mr. Abdinasir Y. Moge**  
**Fiscal Analyst**

**Mr. Erick Kariuki**  
**Research Officer**

**Ms. Faith Makena**  
**Sergeant-at-Arms II**

**Ms. Patricia Gichane**  
**Legal Counsel**

**Ms. Rinha Saineye**  
**Media Relations Officer**

**Mr. Danton Kimutai**  
**Audio Officer**

## CHAPTER TWO

### 2.0 OVERVIEW OF SESSIONAL PAPER NO. 6 OF 2024 ON THE NATIONAL AVIATION POLICY

#### 2.1 Introduction

8. Sessional Paper No. 6 on the National Aviation Policy outlines the government's intent to address challenges in Kenya's aviation sector, positioning it as a key enabler for economic growth and Vision 2030.
9. The Policy is structured as follows:
  - i) Chapter 1 covers Governance matters and addresses the current institutional framework and the recommended institutional setting;
  - ii) Chapter 2 addresses Regulation and Sustainability with subsections on safety, security, environment and sustainability, and economic regulation;
  - iii) Chapter 3 focuses on Connectivity and Aviation Services, including the air transport market, airlines, cargo, regional and general aviation, taxation, and maintenance and repair organizations (MRO);
  - iv) Chapter 4 discusses Airports, covering management and operation, planning and development, and investment needs and financing;
  - v) Chapter 5 is on Air Navigation and addresses both the provision of service and the related infrastructure;
  - vi) Chapter 6 is on Human Resources Development and covers the attraction, recruitment and retention of aviation personnel;
  - vii) Chapter 7 is on Data and Statistics and comprises the collection of statistical data and information on the aviation sector and their publication.

10. The Components of Kenya's National Aviation Policy are:

- i. *Safety and Security*: The policy emphasizes adherence to international safety standards and the implementation of robust security measures to ensure the safety of air travel within and beyond Kenya's borders.
- ii. *Infrastructure Development*: It outlines plans for the expansion and modernization of airport facilities to accommodate increasing air traffic and enhance operational efficiency.
- iii. *Environmental Sustainability*: The policy includes strategies to minimize the environmental impact of aviation activities, promoting sustainable practices within the industry.
- iv. *Regulatory Framework*: It seeks to strengthen the regulatory framework governing aviation in Kenya, ensuring compliance with international standards and fostering a competitive aviation industry.

v. *International Connectivity:* The policy aims to enhance Kenya's connectivity at both national and international levels, supporting the needs of business, tourism, and the general population.

## **2.2 Strategic Policy Objectives of the National Aviation Policy**

11. The policy is intended to provide a primary framework for the future actions of the Government in the aviation industry of the country involving the formulation of the national strategy as the guideline to the entire sector development. The Main objectives of the National Aviation policy are:

- i) To foster the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation;
- ii) To maximize the contribution of the aviation sector to Kenya's economic growth and development; and
- iii) To enhance Kenya's connectivity at a national and international level by ensuring safe, secure and competitive access which is responsive to the needs of business, tourism and the population.

## **12. In particular, the National Aviation policy commits to:**

- i) Maintain safety as the number one priority in Kenyan aviation and ensuring that safety regulation is robust, effective and efficient;
- ii) Optimizing the operation and maintenance of the Kenyan Airport network to ensure safety, efficiency and maximum connectivity to the rest of the world while contributing to boost their financial performance;
- iii) Ensuring that the regulatory framework for aviation reflects best international practices and that the economic regulation facilitates continued investment in aviation infrastructure at Kenyan airports to support traffic growth and industry development;
- iv) Ensuring a high level of competition among airlines operating in Kenya aiming to benefit consumers while protecting the country's national interests;
- v) Creating conditions to encourage the development of new routes and services at national and international levels particularly to those countries with new market opportunities;
- vi) Developing aviation infrastructure such as airports;
- vii) Supporting aviation school and maintenance, repair and overhaul sectors to maintain Kenya's leading position in these spheres;
- viii) Providing adequate environment for small airlines operating in Kenya; and
- ix) Maintaining a safe and innovative general aviation sector to support Kenya's broader aviation industry.

13. The policy document has been structured into the following key thematic areas and resultant measures the government will implement:

**1) Governance**

- i. Align the aviation sector's institutional framework with international best practices.
- ii. Legislate to clearly separate air accident investigation from policy formulation functions.

**2) Regulation and sustainability**

- i. Establish suitable regulatory provisions.
- ii. Implement a robust oversight and enforcement system for these regulations

**3) Connectivity and aviation services**

- i. Negotiate air service agreements based on reciprocity and equal opportunities for airlines.
- ii. Promote commercial agreements and partnerships between airlines and third parties.

**4) Airports**

- i. Update masterplans for busiest airports and develop a national airport development plan.
- ii. Explore diverse funding options to speed up airport expansion projects.
- iii. Expand major airports, especially JKIA, to handle forecasted traffic growth
- iv. Focus on enhancing service levels at airports and especially to position JKIA as the best regional airport.
- v. Develop and operate airports based on financial sustainability and viability.
- vi. Optimize existing airport capacity to boost performance.

**5) Air Navigation**

- i. Ensure provision of global and regional meteorological services for air navigation.
- ii. Consider funding schemes for these meteorological services.

**6) Human resource development:** Develop trained and skilled aviation professionals through public and private aviation training institutions, aligned with the industry needs.

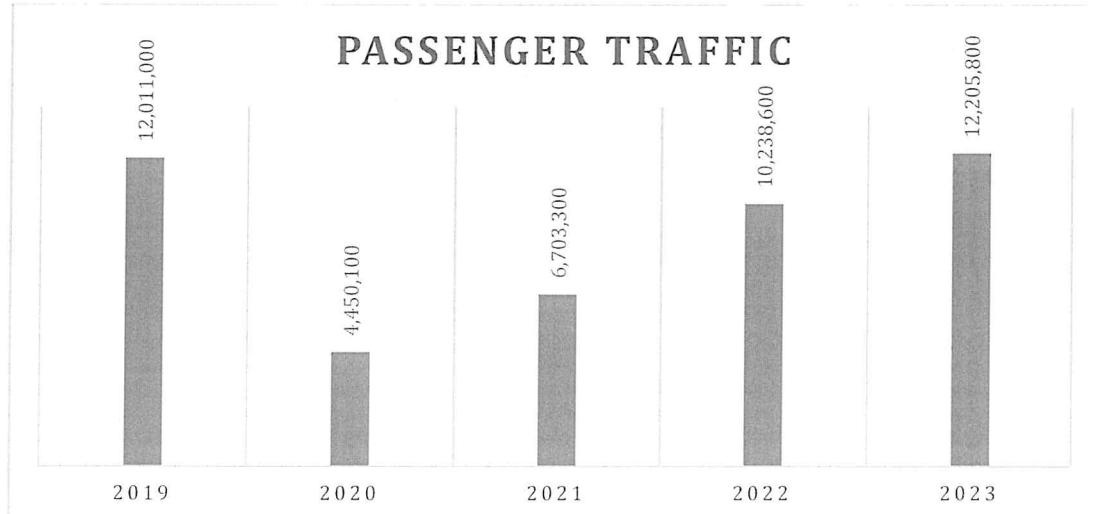
**7) Data and statistics:** Establish and continuously update a central repository of relevant aviation data and statistics.

## CHAPTER THREE

### 3.0 BACKGROUND INFORMATION

#### 3.1 Situational Analysis

14. Africa has a population of 1.5 billion people, about 20% of the global population, and only has a global air transport market of 2%.
15. According to a report by the International Air Transport Association (IATA), 2023 titled “The Value of Air Transport in Kenya,” the aviation sector contributes USD 3.3 billion to the GDP and generates 21,100 jobs directly and a further 459,500 jobs indirectly.
16. According to the Economic Survey 2024, in 2023, air traffic passengers in Kenya were 12.2 million, of which **6.6 million** were international passengers. Jomo Kenyatta International Airport handled 67.3% (8.2 million) of total air traffic passengers. In addition, the volume of commercial cargo handled at Kenyan airports in 2023 was 372.2 thousand tonnes. The total aircraft movement was 357,093. Total Passengers handled through our airports is portrayed in the graph below:



Source: Economic Survey 2024

17. Kenya has had an Integrated National Transport Policy (INTP) that was adopted by the Government in 2012, and an updated version was drafted in 2020. The Policy covers the country's integrated transport system, including the six transport sub-sectors: road, rail, port and maritime, aviation, pipeline, and inland water. However, the policy only provides a broad vision for the aviation transport sub-sector with limited policy objectives.

18. The Cabinet approved both the National Aviation Policy and the medium-term investment requirements for enhancing aviation infrastructure and other related services particularly for Jomo Kenyatta International Airport (JKIA) on 11<sup>th</sup> June 2024.

### **3.2 Kenya Airways (KQ)**

19. KQ was established in **January 1977** after the breakup of the East African Community and subsequent disbanding of the jointly owned East African Airways, and was owned wholly by the Kenyan Government. However, by 1991, the Airline was in massive debt, forcing the government to bail it out by repaying the debt the Government had guaranteed. The Company's shares were floated in 1996 to the public through the Nairobi Stock Exchange.

20. In the years after the privatisation, KQ performed impressively, challenging South African Airways, the most successful African airline at the time. However, performance changed after the airline adopted its ambitious growth strategy, project "Mawingu," in April 2012.

21. KQ is a private company listed at the Nairobi Securities Exchange. In terms of shareholding, the Government of Kenya owns 48.9%, KQ Lenders Company 38.1%, KLM 7.8%, the employees' share ownership plan 2.4%, and other individual shareholders 2.8%.

22. Since 2013, KQ has registered losses concurrently, with the highest loss of Kshs 38 billion in 2022. These losses have necessitated the Government to often come to KQ's rescue through bailouts. In 2017, the government provided a bailout of USD 243 million, resulting in an increase in government shareholding to 48.9%, up from 29.8%. In the 2022-23 financial year budget, Treasury allocated Kenya Airways Sh36.6 billion to help with its reorganization. However, in 2024, KQ seems to have reversed the negative position by posting a profit of 5.4 billion for the first time in more than a decade

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23. KQ has been losing market share to its competitors over the last few years. Ethiopian Airlines (ET), which was slightly larger than KQ in 2010, has grown exponentially in recent years and has outpaced KQ by a factor of 3 since then. From 2015 to 2018 all competing carriers in the region increased their market share: ET by 20%, Qatar by 12%, and RwandAir by 22%, all while KQ lost 4%.

### **3.3 Jomo Kenyatta International Airport (JKIA)**

24. JKIA was designed and constructed in 1978 to serve about 2.5 million passengers annually and serves as a hub for most airlines' operations in the Eastern Africa region. In 2015, the Government planned to enhance capacity and increase efficiency with the expansion of JKIA through a project referred to as the *Greenfield* terminal. The proposed project was expected to increase the capacity of JKIA from 6 million passengers annually to about 18.5 million

passengers by the year 2030. However, the expansion project never materialized and similar other subsequent projects haven't been successful.

25. The Cabinet on 11<sup>th</sup> June 2024, considered and approved the 'JKIA Medium Term Investment Plan' that includes the upgrade of the passenger terminal, runway, taxiway, apron and airside facilities in keeping with the global aviation trends. While considering the JKIA Medium Term Investment Plan, Cabinet noted that it was imperative to enhance the capacity of Kenya's international airports to meet existing and projected demand, which is estimated to rise to **42.1 million passengers** a year by 2050.

### **3.4 Recommendations by the Twelfth Parliament**

26. In 2019, the Departmental Committee on Transport, Public Works and Housing, in its Report on the Inquiry into the proposed Kenya Airways privately initiated investment proposal to Kenya Airports Authority, which was adopted by the House, recommended, among others that:-

- i. That Kenya Airways be nationalized.
- ii. The government establishes an Aviation Holding Company with four wholly owned subsidiaries, namely,-
  - a) JKIA company incorporated to manage JKIA as an international hub, ground handling and catering services;
  - b) Kenya Airports Authority with a revised mandate of managing the remaining airports and airstrips. Under its new mandate KAA shall maintain at least one serviceable airstrip in each county for purposes of security, health and other emergencies;
  - c) KQ as the national carrier; and
  - d) A centralized Aviation Services College/institute.

27. On 18 June 2020, the National Management Aviation Bill, 2020, was published. The Bill gave effect to the recommendations of the Parliamentary report on the Inquiry into the proposed Kenya Airways privately initiated investment proposal to the Kenya Airports Authority, which, among other things, recommended the nationalization of Kenya Airways. However, the Bill was withdrawn and lapsed with the expiry of the 12th Parliament.

### **3.5 Comparative Analysis**

#### **a) Ethiopian Airlines**

28. Ethiopian Airlines Group was originally established in June 1945 and had its first scheduled flight in April 1946. It is the flag carrier of the country. The Airline is wholly owned by the Government and is managed by a board that is fully independent, and the airline does not receive subsidies from the government.

29. Inaugurated on 27<sup>th</sup> January 2019, Addis Ababa Bole International Airport has the capacity to handle 22 million passengers per annum. Since 2006, Ethiopian Airlines Group has operated through establishing strategic plans, Vision 2010 (2006-2010), Vision 2025(2010-2025), and currently, the group has started implementing Vision 2035(2025-2035).

30. Among the strategies under the Country's vision 2035 are: - construction of Absera Airport 45 km from Addis Ababa by 2029, with capacity to handle 100 million passengers, parking for 270 aircraft, and four runways. The Airline seeks to be the leading carrier in Africa and one of the top 20 globally by carrying 65 million passengers, 3 million tonnes of cargo, and generating USD 25 billion in revenue annually by 2035. The new facility aims to alleviate pressure on Bole International Airport, which is expected to soon reach its maximum capacity of 25 million passengers annually.

**b) RwandAir**

31. RwandAir began its operations on 1st December 2002. It is the national flag carrier of Rwanda and is owned by the Government. The Airline operates from Kigali International Airport, currently operating 14 Aircraft. The Airline is planning to double its fleet to meet the growing demand and become the East African hub that has seen 60% of RwandAir's traffic deriving from transit passengers.

32. As at January 2025, it was reported that Qatar Airways was in negotiations with RwandAir seeking to acquire 49% in the National Airline and a 60% stake in the new Bugesera International Airport, which is under construction for approximately USD 1.3 billion, expected to be completed by 2028. Once complete, the Airport will have a capacity of 14 million passengers.

### **3.6 Legal Framework on The National Aviation Policy**

33. Kenya's National Aviation Policy provides a comprehensive framework to guide the development and regulation of the country's aviation sector. The policy addresses various aspects, including safety, security, infrastructure development, environmental sustainability, and international competitiveness.

34. The Kenya Civil Aviation Authority (KCAA) is the primary body responsible for implementing and overseeing the provisions of this policy. In line with the policy's objectives, KCAA has developed the National Aviation Safety Plan (NASP) for 2023–2025, which sets out strategic priorities and safety actions in collaboration with aviation stakeholders.

35. Through this comprehensive policy and its associated plans, Kenya aims to position itself as a regional leader in aviation, contributing significantly to economic growth and development. Kenya's National Aviation Policy is underpinned by a comprehensive legal framework designed to regulate and promote the country's aviation sector. The primary legislation and regulations include:

- i. **Civil Aviation Act, 2013 (Act No. 21 of 2013):** This Act serves as the cornerstone of Kenya's aviation law, providing for the control, regulation, and orderly development of civil aviation in the country. It establishes the legal basis for aviation operations, safety oversight, and the roles of various aviation entities.
- ii. **Civil Aviation (Amendment) Act, 2016:** This amendment addresses specific gaps identified in the 2013 Act, updating provisions to align with international standards and emerging aviation trends.

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- iii. **Draft Civil Aviation Bill, 2024:** Spearheaded by the Kenya Civil Aviation Authority (KCAA), this draft bill aims to consolidate existing laws, address current gaps, and incorporate emerging issues such as drone regulation, environmental concerns, and enhanced safety standards.
- iv. **Kenya Civil Aviation Regulations (KCARS):** Under the authority of the Civil Aviation Act, the KCAA has developed specific regulations to govern various aspects of aviation operations. Notable regulations include:
- v. **The Civil Aviation (Rules of the Air) Regulations, 2018:** These regulations outline the rules to be adhered to while flying an aircraft, ensuring compliance with international standards.
- vi. **The Civil Aviation (Unmanned Aircraft Systems) Regulations, 2020:** These regulations provide for the licensing of Remote Piloted Aircrafts (RPAs) and Remote Pilots in Command (RPICs), categorizing the operations and registration of Unmanned Aircraft Systems (UAS), and setting general requirements for their operation.
- vii. **The Civil Aviation (Security) Regulations, 2020:** These regulations establish comprehensive security protocols to safeguard civil aviation against acts of unlawful interference.

36. These laws and regulations collectively ensure that Kenya's aviation sector operates safely, securely, and in alignment with international best practices, supporting the objectives outlined in the National Aviation Policy.

## CHAPTER FOUR

### 4.0 PUBLIC PARTICIPATION/ STAKEHOLDERS CONSULTATION

37. Following the call for memoranda from the public through the placement of advertisements in the print media on 14<sup>th</sup> November 2024, vide letters Ref. NA/DDC/T&I/2024/087 dated 10<sup>th</sup> December 2024 and Ref: NA/DDC/T&I/2025/010 dated 24<sup>th</sup> February, 2025, the Committee received submissions from the following stakeholders;

- (1) The Ministry of Roads and Transport;
- (2) Kenya Airways (KQ);
- (3) Kenya Revenue Authority (KRA); and
- (4) Kenya Association of Air Operators (KAAO); and
- (5) Mr. Mwenda Mabura, a Pilot.

38. The details of the submissions are listed below:

#### 4.1 Submission by the Ministry of Roads and Transport

The **Cabinet Secretary for Roads and Transport, Mr. Davis Chirchir**, accompanied by other officials of the Ministry, appeared before the Committee on Friday, 14<sup>th</sup> February 2025 and submitted as follows;

39. The Sessional Paper No. 6 of 2024 was developed as a result of the review of the Integrated National Transport Policy (INTP), which was approved by the Cabinet and the National Assembly and thereafter adopted by the Government in 2012.

40. The INTP broadly covers various transport sub-sectors, including road, rail, port and maritime, civil aviation, pipeline, and inland waterways in line with Kenya's Vision 2030. However, it was observed that INTP only provides a broad vision for the aviation transport sub-sector in the country with limited policy objectives and therefore, there was a need to develop a specific National Aviation Policy that clearly lays the principles that will underpin the development of a more efficient, competitive, environmentally sound, secure, safe, and economically and financially sustainable aviation sector.

41. He informed the Committee that, specifically, the review of INTP in the development of the National Aviation Policy involved civil Aviation, legal and institutional framework, and corresponding strategic assessment, stakeholder validation of the draft report, and finalization.

42. The Cabinet Secretary highlighted the specific objectives of this Policy which include to foster the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation and to enhance Kenya's connectivity at a national and international level by ensuring safe, secure and competitive access which is responsive to the needs of businesses, tourism and the population.

43. He noted that the National Aviation Policy commits to:

- a. Maintaining safety as the number one priority in Kenyan aviation and ensuring that safety regulation is robust, effective, and efficient;
- b. Optimizing the operation and maintenance of the Kenyan airport network to ensure safety, efficiency, and maximum connectivity to the rest of the world while contributing to boost their financial performance;
- c. Ensuring that the regulatory framework for aviation reflects best international practices and that economic regulation facilitates continued investment in aviation infrastructure at Kenyan airports to support traffic growth and industry development;
- d. Ensuring a high level of competition among airlines operating in Kenya aiming to benefit consumers while protecting the country's national interests;
- e. Creating conditions to encourage the development of new routes and services at a national and international level, particularly to those countries with new market opportunities;
- f. Developing Aviation Infrastructure, such as airports, etc.
- g. Supporting aviation school and MRO sectors to maintain Kenya's leading position in these spheres;
- h. Providing an adequate environment for small airlines operating to/from Kenya's most touristic destinations;
- i. Supporting aviation training institutions excel in preparing young skilled professionals; and
- j. Maintaining a safe and innovative general aviation sector to support Kenya's broader aviation industry.

44. The Cabinet Secretary assured the Committee that these objectives and commitments shall be translated into action through specific implementation plans and strategies. He noted that the aviation ecosystem in Kenya is robust, encompassing multiple operators across various sub-sectors. He added that global aviation competition is now system-based, therefore, as part of Kenya's long-term strategy to grow and diversify the economy, Kenya must focus on developing the sector and being competitive.

45. He also noted that Kenya aspires to be one of Africa's leading aviation economies. This will only be achieved if the policy environment delivers its goals and the right incentives are put in place to attract the necessary capital.

46. The Committee heard that the Ministry of Roads and Transport, State Department of Transport, Aircraft Accident Investigation Department, and Air Transport Department had sourced from the Exchequer, the Kenya Airports Authority, and the Kenya Civil Aviation

Authority from internally generated resources. The funding for implementation of the Policy as well as upgrading of JKIA will be sought and prioritized by the implementing institutions through the normal budgeting process within the available ceilings.

47. He reiterated that any form of private sector involvement will be undertaken in line with Article 227 of the Constitution, as well as the Public Procurement and Asset Disposal Act, 2015, and the Public Private Partnership Act, 2021, as applicable.

48. The Cabinet Secretary also submitted that the Kenya Airports Authority undertook a feasibility study on JKIA to identify detailed technical, commercial, financial, social, and environmental aspects of the Airport to guide investment decision-making. The table below contains a summary of the Feasibility Study report

#### 4.1.1 Salient features of the study

<b>Project</b>	Feasibility Study for the development of a New Passenger Terminal Building and Expansion at Jomo Kenyatta International Airport (JKIA)
<b>The Need</b>	<ul style="list-style-type: none"> <li>• Aging Infrastructure</li> <li>• Funding</li> <li>• Capacity Constraints</li> <li>• Increasing Demand</li> <li>• Modernization</li> <li>• Competitive Advantage</li> </ul>
<b>Date Completed</b>	February 16, 2024
<b>Study Components</b>	<ul style="list-style-type: none"> <li>○ Needs Analysis- to identify the relevant national and aviation policies &amp; plans and key stakeholders of the project, among others;</li> <li>○ Technical Solution Option Analysis- to identify and propose a development plan for JKIA, determine its technical feasibility and identify its costs;</li> <li>○ Project Due Diligence - to assess the main legal and environmental issues with regards to a future expansion at JKIA;</li> <li>○ Financial Analysis and Modelling - to assess the project's financial feasibility;</li> <li>○ Risk Assessment and Allocation Matrix - to identify the main project risks and propose an allocation matrix;</li> <li>○ Procurement Options &amp; PPP Structure Analysis - Recommendation of Preferred Option to evaluate the potential procurement options (government procurement vs. PPP) and recommend one based on the value for money, fiscal impact, risk allocation, and manageability for KAA; among other factors</li> </ul>

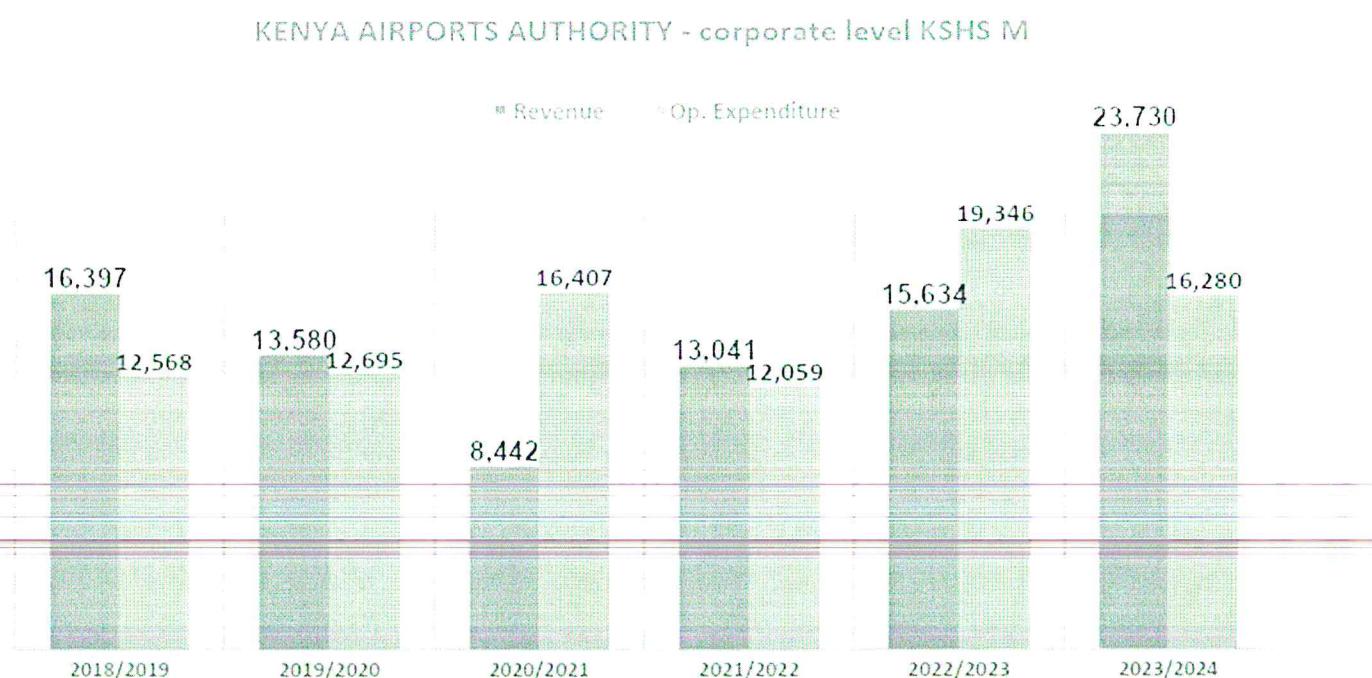
<b>Study Findings</b>	<ul style="list-style-type: none"> <li>✓ Based on the analysis of the procurement options and the financial assessment, the conclusion is that an Airport PPP model is the preferred option. The Airport PPP is feasible and bankable.</li> <li>✓ Developing the project is beneficial for the country, as developing the airport offers a social net present value of 241 M USD over the 30-year period, with a benefit/cost ratio (B/C) of ~3.5.</li> <li>✓ Value for Money assessment (both quantitative and qualitative) at P50 = 1.7 bn USD</li> <li>✓ Implementing the project under a PPP/concession adds the most value to the public sector by onboarding of efficiencies and the transfer of the majority of the potential project risks.</li> </ul>
<b>Key Development Highlights</b>	<ul style="list-style-type: none"> <li>▪ Development of New Passenger Terminal Building with a Capacity of 23m passengers per annum</li> <li>▪ Refurbishment of Existing Passenger Terminal Building</li> <li>▪ Maintenance and Rehabilitation of Existing Airside Infrastructure</li> <li>▪ Enhancement of Existing Runway with 4No. Rapid exit Taxiways</li> <li>▪ Development of a 4.6km Second Runway</li> <li>▪ Improvement of Access Roads</li> <li>▪ Development of a parking garage of at least 3000 parking lots</li> <li>▪ Development of Auxilliary Infrastructure comprising of: <ul style="list-style-type: none"> <li>○ Aircraft Contact Stands = 21</li> <li>○ Aircraft Remote Stands = 20</li> <li>○ Passenger Check-In Counters = 64</li> <li>○ Immigration Counters = 72</li> <li>○ Passenger Transfer Counters = 12</li> <li>○ Buggage Handling Systems = 18</li> </ul> </li> <li>▪ City Side Development including: <ul style="list-style-type: none"> <li>○ Hotels</li> <li>○ Convention centers</li> <li>○ Healthcare centers</li> <li>○ Retail, office and commercial setups.</li> </ul> </li> <li>▪ Development of Reserved Services Facilities comprising of: <ul style="list-style-type: none"> <li>○ Air Navigation and Traffic Services</li> <li>○ Immigration</li> <li>○ Port Health</li> <li>○ Customs</li> <li>○ KAA Facility</li> <li>○ VVIP Lounges</li> <li>○ Meteorological</li> <li>○ Quarantine</li> <li>○ Surveillance Services (SOC)</li> <li>○ Aeronautical information services</li> </ul> </li> </ul>

○ Communication

49. The Cabinet Secretary added that, following the cancellation of the PPP Proposal by *Adani Holdings Limited (AAHL)*, a company that had been fronted for the development and operation of JKIA, and the urgent need to modernize the Airport, the Government is considering various options, including a competitive PPP process.

50. Furthermore, he submitted detailed information on internally generated revenues and operational costs of Key Airports and Airstrips, including but not limited to; JKIA, Moi International Airport, Kisumu International Airport and Eldoret International Airport;

#### 4.1.2 Chart depicting KAA's Revenue & Operating Expenditure at Corporate level



#### **4.2 Submission by Kenya Airways (KQ)**

51. Kenya Airways in its written submissions dated 23<sup>rd</sup> December, 2024, highlighted that the Kenyan aviation sector has been declining, characterised by the turbulence experienced by the national carrier as well as the loss of business at Jomo Kenyatta International Airport (JKIA) to other competing hubs.
52. The National Carrier stated that it has been losing market share to its competitors over the last couple of years. Ethiopian Airlines (ET), which was slightly larger in size than KQ in 2010, has grown exponentially in recent years and outpaced KQ three times since then. From 2015 to 2018, all competing carriers in the region increased their market share: ET by 20%, Qatar by 12%, and RwandAir by 22%, while KQ lost 4%.
53. Kenya Airways submitted that Kenya has the potential to be the leading regional aviation hub because of its ideal geographical location, growing middle class, and rapidly growing economy. According to IATA, Kenya's aviation industry contributes 4.6% of the Gross Domestic Product (GDP) and supports 410,000 jobs. Earnings from visits to Kenya increased from Ksh. 87.1B in 2014 to Ksh. 157.4B in 2018. Between 2015 and 2019, there was a steady increase in aircraft, passenger, and cargo traffic.
54. It is projected that over the next 20 years, the Kenyan market could more than double in size, resulting in an additional 11.3 million passenger journeys, over 449,000 more jobs, and a US\$11.3 billion boost to GDP by 2037. JKIA is already relatively developed, being the 7th busiest airport in Africa, and with a 20-year Compound Annual Growth Rate (CAGR) of 4.8%, the forecast aligns with industry expectations. An enabling policy is a critical catalyst for this projected growth.
55. KQ further stated that the National Aviation Policy should enable the national aviation industry to strengthen its position in the global market. The policy should include objectives such as:
  - a) Fostering the growth of the aviation business in Kenya to support job creation by positioning Kenya as a recognized regional leader in aviation.
  - b) Maximizing the contribution of the aviation sector to Kenya's economic growth and development.
  - c) Enhancing Kenya's connectivity at a national and international level by ensuring safe, secure, and competitive access responsive to the needs of business, tourism, and population.

56. Concrete strategies and measures are required to realize these objectives, which include the following:

**(a) The National Aviation Policy Should Be Hinged on Vision 2030**

57. Kenya Airways, in their submission, noted that the National Aviation Policy should be aligned with the country's development blueprint, Vision 2030. The goal of Vision 2030 is to transform Kenya into a newly industrializing, middle-income country providing a high-quality life to all its citizens by 2030. Infrastructure is a key pillar of Vision 2030, but aviation infrastructure remains underdeveloped. The plan for JKIA under Vision 2030 included reconstructing Terminal 2, constructing the Green Field Terminal, a second runway, and associated facilities.

58. These projects need to be revisited and reprioritized. The national carrier and aviation infrastructure are of national strategic importance and are critical enablers of economic growth. Their expansion and modernization are now more urgent if Kenya is to keep pace with emerging trends and developments nationally, regionally, and internationally. A world-class integrated transport system that meets the needs of people and industry is imperative.

**(b) National Aviation Policy to Position Kenya as an Aviation and Commercial Hub**

59. In their submission, KQ states that the policy should lay a strong foundation for Kenya's ambition to become a leading aviation and commercial hub in Africa. Key areas that must be addressed include:

- i. The need for modern, world-class international airports with no capacity constraints and a strong home-based national carrier.
- ii. The integration of designated national airlines and JKIA into Kenya's overall economic development strategy.
- iii. Full integration of air transport infrastructure with road and rail transport systems.
- iv. Establishment of world-class Maintenance, Repair, and Overhaul (MRO) facilities, with aviation tools and toolkits exempted from customs duty.
- v. Rationalization of ground handling services, limiting the number of ground handlers to three from the current eleven, to create a healthier business environment. KQ should be the preferred ground handler for government flights, government-facilitated foreign flights, and national carriers under reciprocal terms.
- vi. Development of state-of-the-art aviation training facilities.
- vii. Promotion of aviation commerce enterprises such as insurance companies and aircraft brokers through enabling legislation.
- viii. Simplification of aviation sector rules and procedures.
- ix. Support for the growth of domestic aviation infrastructure and airlines by rationalizing aerodromes and maintaining viable domestic airstrips in accordance with civil aviation standards.

### **(c) Consolidation and Integration of Aviation Assets under a Special Purpose Vehicle (SPV)**

60. Kenya Airways, in their submission, noted that the National Aviation Management Bill (2020) was the first major attempt in recent years to consolidate national aviation assets. The Bill proposed the establishment of the Kenya Aviation Corporation, integrating Kenya Airways, Kenya Airports Authority, and the Aviation Investment Corporation.

61. The key principles guiding this included driving effectiveness and efficiency, growth and sustainability, improving competitiveness, pooling resources, and promoting employment opportunities. Although the bill was not enacted, consolidation remains critical for Kenya. KQ states that:

- i. Consolidation will bring significant benefits, including job creation, economic support, and tourism development.
- ii. It is a proven model that has propelled aviation sectors in countries such as Ethiopia, UAE, Qatar, Turkey, and Rwanda.
- iii. It presents a unique opportunity to expand aviation-related businesses and create special economic zones around JKIA.
- iv. The new entity will be a strategic national asset, supporting GDP growth while remaining financially self-sustainable.

### **(d) Incentivizing Growth of the National Carrier and Fleet Modernization**

62. Kenya Airways stated that it operates in an attractive and expanding airline market. However, it is the only privately owned and stock exchange-listed carrier among its competitors, meaning it does not benefit from airport revenues or cross-subsidies like some competitors.

63. Every time a KQ aircraft lands at a foreign airport, all charges paid to that airport reduce costs for competing carriers, while KQ does not receive similar benefits at JKIA. KQ plans to expand its fleet from 2025, increasing from 34 aircraft to over 60 within the next decade. The plan includes retiring older aircraft and introducing newer technology to align with sustainability goals. KQ will require support to realize this strategy.

### **(e) Implementation of the Fly Kenya Policy**

64. KQ stated that many countries designate their national carriers for government travel to support the airline and boost revenue. Countries such as the USA, UAE, India, Turkey, and China have policies requiring government employees to use their national carriers, supported by travel directives, policies, or legal frameworks like the Fly America Act.

65. Kenya's Fly Kenya Policy was approved in 2016 under the Public Procurement and Asset Disposal Act, 2015. However, uptake has been slow, with only 34 MDAs maintaining active accounts with KQ. The Kenyan government is the largest consumer of air travel services, spending Ksh. 54.77 billion on travel between 2020 and 2023. Strict implementation of the Fly Kenya Policy will provide the national carrier with guaranteed business, supporting its recovery and securing approximately 5,000 jobs.

**(f) Mitigating High Operational Costs to Enhance Competitiveness**

66. Kenya Airways noted that high operational costs, including fuel, handling services, and maintenance, impact its competitiveness. Fuel costs alone accounted for 41% of direct costs in 2019, rising to 51% in 2023. The National Aviation Policy should introduce tax incentives for aviation fuel and spare parts, establish a fuel hedging policy, and pursue reciprocal agreements in Air Service Agreements.

**(g) Aviation Market Access Framework (AMAF)**

67. KQ submits that an objective, data-driven framework for granting traffic rights is necessary. The framework should prioritize fair competition, market expansion, hub development at JKIA, and reciprocal benefits for Kenyan carriers.

68. In concluding their submission, KQ stated that with the right policies, Kenya's aviation sector can unlock economic opportunities, drive productivity, and enhance competitiveness. A synchronized aviation ecosystem, integrating airports, airlines, and auxiliary services, is essential for sustainable growth.

**4.3 Submission by the Kenya Revenue Authority**

69. The Kenya Revenue Authority made a written submission vide a letter dated 23<sup>rd</sup> December, 2024 and proposed the following issues be addressed in the Policy: address as follows:

<b>Section</b>	<b>Provisions in the Policy</b>	<b>Proposed amendments in the Policy</b>	<b>Justification</b>
<b>I. Introduction</b>	The aviation sector contributes \$1.5 bn to the Gross Domestic Product (GDP) comprising \$740M from aviation itself is \$515M through indirect	Update the statistics with more recent data where available.	For better understanding of the contribution of the sector to the economy.

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
	<p>activities. The statistics given are derived from the Aviation Benefits Beyond Borders, September 2020. There is need to update the statistics with more recent data where available.</p>		
	<p>This sector is supported by extensive network of more than four hundred and forty (440) airports and airfields throughout the country, eighteen (18) of which are actively managed by KAA</p>	<p>Use a definite number as this can be verified and add a reference data (Base data).</p>	<p>For certainty</p>
<b>1.1 Strategic Policy Objectives</b>	<p>As a result, this document is intended to provide a primary...</p>	<p>Amend to read as follows: As a result, this Policy document is intended to provide a primary...</p>	<p>The document is not any other document but a policy document.</p>
	<p>In particular, the National Aviation policy commits to:</p>	<p>Amend to read as follows: In particular, the Government through the National Aviation policy commits to:</p>	<p>Commitment can only be achieved through an institution but not through the policy itself.</p>
<b>2. Governance</b>	<p>Within the Ministry, duties and responsibilities are distributed among different organizations.</p>	<p>Amend to read as follows: Within the Ministry, duties and responsibilities are distributed among</p>	<p>Not applicable.</p>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
		different organizations.	
3-4 Economic Regulations	<p>Fees and charges for airports and air navigation services are published in the Aeronautical Information Publication (AIP). However, the Air Passenger Service Charge (APSC) is published in the National Primary Legislation. Despite the service being provided by Kenya Airports Authority (KAA) and Kenya Civil Aviation</p>	<p>Though the policy document does not explicitly state the problem that the current collection arrangement is, it is our recommendation that KRA continues collecting revenue.</p>	<ul style="list-style-type: none"> <li>The APSC is imposed under the Air Passenger Service Charge Act cap. 475.</li> <li>The Act gives the Commissioner the power to collect the APSC</li> <li>The Commissioner collects the Air passenger charge under the Agency arrangement.</li> <li>KRA has the necessary administrative structures and technological solutions to collect the charge.</li> </ul>
	<p>Authority (KCAA), Kenya Revenue Authority (KRA) is the Government body entitled to collect it.</p>		<ul style="list-style-type: none"> <li>Over the last three financial years APSC progressively from Ksh. 8,183Bn in FY 2021/2022 to</li> </ul>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
			Ksh. 16,970Bn in FY 2023/2024.
4-3 Cargo	The Government will explore and implement as appropriate, the concept of cargo villages to improve the processing of air cargo in the country.	<ul style="list-style-type: none"> <li>• Airports are appointed Customs Areas under Section 12 of EACCMA, 2004. It is therefore imperative for KRA to ensure proper management and operations of these facilities</li> <li>• Any expansion of airport infrastructure requires KRA to provide adequate support, including deploying the necessary workforce to maintain efficiency in cargo handling and clearance process.</li> </ul>	Streamline cargo clearance and foster trade facilitation
4-5 Taxation	Kenya's aviation system is not built as a closed-circuit and taxes have a direct	<ul style="list-style-type: none"> <li>• There is need to provide taxation frameworks</li> </ul>	To support the assertion of over-taxation of the sector.

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
	<p>effect on the funding of the different civil aviation system entities. Kenyan industry players are exposed to multiple taxes including APSC, IDF, Import Duty, VAT, Income Tax, RDL...</p>	<p>for the aviation sectors from other jurisdictions to support this argument.</p>	
	<p><b>4.5.3 Policy Statement</b></p> <p>The Government will put in place measures to continue ensuring that Kenyan designated airlines are not subjected to double taxation and to further ensure that excessive</p>	<ul style="list-style-type: none"> <li>Exemption and incentives to be determined in consultation with National Treasury to guard against unmitigated erosion of the tax base and should be domiciled in the tax statutes.</li> </ul>	<p>To support the assertion of over taxation of the sector.</p>
	<p>taxation especially exploited on the sale of international transport is avoided or reduced to the fullest practical extent.</p>	<ul style="list-style-type: none"> <li>The Sector needs to propose to the National Treasury, a taxation framework that would be suitable to the sector taking into account the revenue</li> </ul>	

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
		needs of the Government	
<b>4-6 Maintenance and Repair Organization</b>	<p>In order to promote the development of the Approved Maintenance Organization (AMOs)/Maintenance and Repair Organization (MROs) industry the following initiatives should be put in place:</p> <ul style="list-style-type: none"> <li>• Consider the introduction of tax incentives for maintenance related activities.</li> <li>• Discount KCAA charges for the issuance of approvals.</li> <li>• Avoid excessive taxation on imported parts and systems.</li> </ul>	<ul style="list-style-type: none"> <li>• Tax incentives to be addressed within the framework of the National Tax Policy to ensure alignment with national economic priorities and fiscal sustainability.</li> <li>• Additionally, the negotiation of Bilateral Air Service Agreements (BASAs) to include representation from the National Treasury and KRA in view of tax provisions that may be contained therein.</li> </ul>	<p>Government recognizes the negative impact of tax incentives on the tax base.</p> <p>The National Tax Policy therefore proposes the following to guide issuance of tax incentives:</p> <ol style="list-style-type: none"> <li>i) Review the current tax expenditure and formulate a framework for granting tax incentive,</li> <li>ii) Develop and regularly review guidelines for granting tax incentives taking into consideration the costs, benefits, promotion of investment and cushioning Kenyans against economic shocks</li> <li>iii) comprehensively review tax incentives after</li> </ol>

Section	Provisions in the Policy	Proposed amendments in the Policy	Justification
			every five (5) years to align them with the Government's agenda.
<b>5. Airports</b>	<p>Kenya has over four hundred and forty (440) aerodromes, comprising both state-owned and private facilities. Of the two hundred and thirty (230) public aerodromes, only eighteen (18) are actively staffed and managed by the Kenya Airports Authority (KAA). However, the maintenance, operational responsibilities and mechanisms for managing the remaining public aerodromes remain unclear.</p>	<p>Provide how the other public aerodromes would be maintained and operated.</p>	<p>This will provide certainty on the maintenance and operational responsibility of the said public aerodromes.</p>

70. In concluding their submission, the Authority acknowledges the critical role of the aviation sector in economic development and trade facilitation and noted that it is committed to supporting the implementation of these recommendations and any other, to create a conducive environment for growth and compliance.

#### **4.4 Submission by Kenya Association of Air Operators**

71. The Kenya Association of Air Operators (KAAO) submitted its comments on the Policy on 20<sup>th</sup> December, 2024, and noted that the Association has been at the forefront of advocating

for Kenya to develop and implement a National Aviation Policy, and they lauded the Cabinet for approving the policy on 11<sup>th</sup> June 2024.

72. In their submission, they stated that they held various workshop forums with members and stakeholders to review the draft policy and submitted feedback to the Ministry of Transport on 25th November 2022, with comments from over 40 representatives of various aviation-related associations and experts. A second engagement occurred on 29th November 2022 to review the recommendations and a final draft was presented to KAAO and its membership on 20th December 2022. KAAO subsequently submitted feedback to the Ministry of Transport on 28th December 2022. KAAO states that the final policy has considered a majority of their previous recommendations.

73. KAAO also highlighted overarching themes requiring focus, such as addressing Kenya's projected aviation growth in the next 30 years, the need to capitalize on Kenya's position as a gateway into East and Central Africa, and the strong post-COVID recovery in passenger numbers. They emphasized that Kenya's aviation sector is a key growth node for the economy.

74. KAAO also pointed out that the policy should address the intermodal relationships between air transport and other modes, as well as the connection between aviation and sectors like tourism and trade, which have existing policies.

75. To fully capitalize on growth, KAAO submitted that **the policy should define clear timelines, benchmarks for implementation**, including meeting ICAO standards and a monitoring framework. They added that the role of key stakeholders must be mapped.

76. The operators made the following **Specific Observations**

No.	Observations	Comments/ proposed amendments
I.	<b>Regulation &amp; Sustainability</b> <ul style="list-style-type: none"><li>• We need clarity on definitions for different players in the industry i.e., Recreational Flying, General Aviation, Commercial operations which would then help to define the regulations applicable to them.</li><li>• Document should detail the need to develop separate set of regulations for General Aviation/ Commercial Aviation, Domestic/International operations.</li><li>• Policy should define a pathway to self-regulation on</li></ul>	Recommended for adoption to be included

	a risk-based approach due to capacity challenges with the Regulator.	
2.	<p><b>Security</b></p> <ul style="list-style-type: none"> <li>The policy should detail measurements and procedures against new emerging threats such as cyber-attacks or biological threats such as re-emergence of Covid-19.</li> </ul>	Need to capture emerging threats such as cyber threats or biological threats like the Covid-19.
3.	<p><b>Environment &amp; Sustainability</b></p> <ul style="list-style-type: none"> <li>Development of the full framework of the draft Civil Aviation (Carbon offsetting &amp; reduction scheme for International Aviation) Regs, 2022 to include the legislative and regulatory provisions, policies, adequate financial resource allocation, qualified personnel, and procedures (roadmap, timelines).</li> <li>The policy statement on the use of the next generation of aircraft, SAF, and engines should be explicit around the need for an incentive regime for transition.</li> </ul>	Need for the Carbon offsetting & reduction scheme for International Aviation Regulations, 2024 to be promulgated.
4.	<p><b>Economic Regulations</b></p> <ul style="list-style-type: none"> <li>No clarity on criteria of private operators, balloon operations, helicopter operators Rules and regulations</li> <li>The Policy statement should include stakeholder consultation in the review of aviation charges (in line with International best practices).</li> </ul>	<p>Recommended for adoption</p> <p>Need to be included in Policy statement</p>

5.	<p><b>Governance</b></p> <ul style="list-style-type: none"> <li>The Policy lists Kenya as having only 11 other AOC holders other than Kenya Airways. Kenya has 80 AOC holders and several designated national carriers.</li> <li>Modern institutional frameworks should assure complete independence of the accident and incidents investigation body (AAID), by placing it on an independent board reporting directly to either the president or the parliament, bypassing any other ministry or public body. This is the only effective way to guarantee the impartial opinion of the investigators, independent from any decision that could affect another body within the government apparatus.</li> <li>The policy does not detail the governance of ground handlers</li> </ul>	<p>Amend to capture accurate data should be adopted</p> <p>Ground handlers are regulated entities and the policy should include their governance structures</p>
6.	<p><b>Air Transport Market</b></p> <p>The Policy statement should detail Government's focus on regional (EAC) aviation integration first as we move towards implementation of SAATM.</p>	<p>To be included in the Policy statement.</p>
9.	<p><b>Regional and General Aviation</b></p> <ul style="list-style-type: none"> <li>There is a need for a proper definition of this category in the policy.</li> <li>Government should ensure that there is equitable access around regulations, taxes and incentives to encourage the growth of general aviation.</li> </ul>	<p>To be included in the Policy statement.</p>
11.	<p><b>Taxation</b></p> <ul style="list-style-type: none"> <li>The matters under critical issues at 4.5.2 were partly addressed in the Finance Bill 2023. There is a need however, to embed a tax policy statement for the sector in line with ICAO recommendations on taxes and charges on aviation.</li> </ul>	<p>Policy statement should include tax policy statement.</p>

#### 4.5 Submission Mr. Mwenda Mabura, a Pilot

77. Mr. Mwendwa Mabura is a pilot and made his submissions on the Sessional paper on 4<sup>th</sup> December, 2024. He submitted as follows:

78. Kenya Airways has reported successive losses in the past ten years. He noted that the challenges faced by the National Carrier include leadership challenges, conflict of interest, operational inefficiencies, and inadequate customer service.

79. Mr. Mabura proposed the following measures to enable KQ in its recovery plan:

- i) **Revamped Leadership**- a new leadership team at the Board and Senior management level. The Company Board of Aviation professionals, other than investors only;
- ii) **Operational Efficiency**- there is a need to review cost drivers at the Airline. Further, the procurement processes should be based on objective decision-making criteria while balancing competition, transparency and integrity;
- iii) **Re-organization of the Airline's fleet to one manufacturer** will reduce lease rates, cost of spare parts and ease of maintenance; and
- iv) **Financial bailouts to provide a financial cushion**- he proposed the use of a Diaspora Dollar infrastructure bond, also a local currency one, as a financing option to revamp KQ's operations. These can be issued to the Kenyan diaspora, pension funds and local funds to fund the proposed expansion of JKIA and revamp KQ.

## CHAPTER FIVE

### 5.0 COMMITTEE OBSERVATIONS

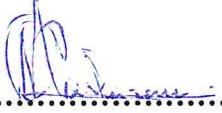
- v) The **Committee**, having had engagements with stakeholders and considered submissions received, made the following observations;
- vi) The Integrated National Transport Policy (INTP) was adopted by the Government in 2012. The Policy covers the country's integrated transport system, including the six transport sub-sectors: road, rail, port and maritime, aviation, pipeline, and inland water. However, the Policy only provides a broad vision for the aviation transport sub-sector with limited policy objectives. Following a review of the Policy, the National Aviation Policy was developed to address the gap and to provide a comprehensive framework to guide the development and regulation of the country's aviation sector.
  - (1) The Cabinet on 11<sup>th</sup> June 2024, considered and approved the 'JKIA Medium Term Investment Plan' that includes the upgrade of the passenger terminal, runway, taxiway, apron, and airside facilities in keeping with the global aviation trends. The Plan, seeks to enhance the capacity of Kenya's international airports to meet existing and projected demand, which is estimated to rise to 42.1 million passengers a year by 2050.
  - (2) The National Carrier (KQ) has experienced declining market share and increased competition. KQ has been losing market share to its competitors over the last few years. Ethiopian Airlines (ET), which was slightly larger in size than KQ in 2010, has grown exponentially in recent years and outpaced KQ three times since then. From 2015 to 2018 all competing carriers in the region increased their market share: *Ethiopian Airlines* by 20%, *Qatar* by 12%, and *RwandAir* by 22%, all while KQ lost 4%. Kenya aspires to be one of Africa's leading aviation economies. This will only be achieved if the Policy environment meets its goals and provides the right incentives to attract the necessary capital.
  - (3) Policy and regulatory shortcomings due to the absence of an enabling and synchronised national aviation policy have hindered sector growth and competitiveness. In addition, the slow implementation of supportive policies like the *Fly Kenya Policy* has limited the national carrier's ability to secure government travel business.
  - (4) Kenya's aviation sector holds significant untapped potential, underpinned by strategic location, a growing middle class, and a rapidly expanding economy. The sector contributes 4.6% to GDP and supports about 410,000 jobs, with tourism earnings rising substantially; and
  - (5) Despite being the 7<sup>th</sup> busiest airport in Africa, Jomo Kenyatta International Airport (JKIA) faces infrastructure limitations. Key projects under Vision 2030 are either incomplete or delayed. The Airport therefore needs modern, world-class airport facilities, along with better integration with other transport modes.

## CHAPTER SIX

### 6.0 COMMITTEE RECOMMENDATIONS

80. The Committee, having had engagements with stakeholders and having considered submissions received, makes the following recommendations: THAT-

- (1) The House **adopts** this report and **approves** Sessional Paper No. 6 of 2024 on the National Aviation Policy;
- (2) Following the adoption of this Policy, all proposed legislation on aviation-related matters should be guided by the provisions of this Policy.

SIGNED.......... DATE..... 14<sup>th</sup> Feb. 2024

HON. GK GEORGE KARIUKI, CBS, M.P.

CHAIRPERSON, DEPARTMENTAL COMMITTEE ON TRANSPORT AND  
INFRASTRUCTURE