Securing the Future of Asia-Pacific aviation

How can Asia Pacific guarantee a sustainable growth?
Every day…

9.8 MILLION PASSENGERS

104,000 FLIGHTS

$18.6 BILLION WORTH OF GOODS CARRIED

Source: IATA
Average price of air travel (real terms)

Source: IATA
Pax and freight volumes are showing robust growth...

Source: IATA
...and load factors have risen for pax and freight

Source: IATA
Oil prices are expected to ease somewhat

Source: EIA
But low oil prices aren’t all good news…

Revenue impact of a $50 fall in oil prices

Source: Blackrock, EIA, IMF
20-year air passenger growth is shifting East & South

Source: IATA/Tourism Economics
A pivotal moment approaches…

% of global O-D passengers

Within advanced markets
Within developing markets
Between advanced and developing markets

Source: IATA/Tourism Economics
Demand for air travel to double over the next 20 years

Global passengers (billion, O-D basis)

- Constant policies scenario
- Policy stimulus and market liberalization
- A Pick-up in Protectionism

Source: IATA/Tourism Economics
## Top 10 air passenger markets 2016-36

The 10 largest air passenger markets over time (ranked by passenger numbers, to/from and within each country)

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Source: IATA/Tourism Economics
The markets of tomorrow

Source: IATA/Tourism Economics
Rise of Asian domestic markets

Top domestic passenger markets, ranked by passenger numbers

- US: 1
- China: 2
- Japan: 3
- Indonesia: 4
- Brazil: 5
- India: 6
- Australia: 7
- Russia: 8
- Turkey: 9
- Canada: 10
- Philippines: 11
- Mexico: 12
- Canada: 13

Source: IATA using data from TE/IATA Air Passenger Forecasts, September 2016
20-year passenger growth outlook (2016-36)

North America
- 452m
- 2.3%

Europe
- 550m
- 2.3%

Middle East
- 322m
- 5.0%

Asia Pacific
- 2,066m
- 4.6%

Latin America
- 421m
- 4.2%

Africa
- 274m
- 5.9%

Source: IATA/Tourism Economics
20-year passenger growth outlook (2016-36)

Note: China = 537, 1427
Jet aircraft deliveries made & scheduled

Aircraft deliveries to the Asia Pacific (1Q18 data)

Source: Ascend
Runway and passenger terminal capacity assessment for airports with more than 20 million passengers per year

100 Biggest Airports: many need to expand
Infrastructure investment already critical in Asia

52% already need terminal capacity,
69% will need more runways by 2030
$1.2 – 1.4 trillion new capital needed till 2030

- **Europe**: USD bn, 217
- **Asia**: USD bn, 610
- **Americas**: USD Bn, 455
- **Africa**: USD bn, 36

Sources: IATA Economics using data from GIH
Tourism visa openness index 2016

Source: UNWTO
Regulatory Harmonization across Asia

- Diverse regulatory maturity
- Lack of unified pan-Asia political structure
- Conservative government controls

Seamless ATM Pilot Licensing Visa policies Operating standards Audits
Asia-Pacific Regional Priorities

- Safety and Security
- Environment
- Capacity
- Cost-Efficiency
- Regulatory Harmonization
### Addressing the capacity and experience challenge

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<td>Border Control – visa and immigration</td>
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<td>Smart Security</td>
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<td>Airline-Airport-Government collaboration</td>
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If we get it right……

GDP

705
BILLION US$
2014

1.34
TRILLION US$
2035

Jobs

33.7
MILLION
2014

72.3
MILLION
2035

Asia Pacific: aviation’s economic impact set to double by 2035