



WORKING PAPER

**CONFERENCE ON THE ECONOMICS OF AIRPORTS AND
AIR NAVIGATION SERVICES**

Montréal, 15 to 20 September 2008

**Agenda Item 1: Issues involving interaction between States, providers and users
1.1: Economic oversight**

ACI GLOBAL TRAFFIC FORECAST REPORT 2008 - 2027

(Presented by Airports Council International (ACI))

SUMMARY

Global passenger volumes are predicted to surpass the 5 billion mark by 2009, reaching 11 billion – or 30 million passengers per day – by 2027. While over the next two years, passenger growth may slow worldwide, reflecting the current uncertainties in the world market, it is likely to pick up again in 2010. Medium and long-term confidence in growth remains strong within the airport industry.

INFORMATION PAPER

1. INTRODUCTION

1.1 Airports Council International (ACI) has released in September 2008 the ACI Global Traffic Forecast report covering the years 2008 to 2027. The forecast is based on the traffic forecasts from over 250 airports worldwide and on the latest traffic statistics submitted by ACI members. The latest edition of the Global Traffic Forecast Report includes individual forecasts for 140 countries split between domestic and international flows as well as between individual countries the main world regions.

2. PASSENGER FORECAST 2008 – 2027

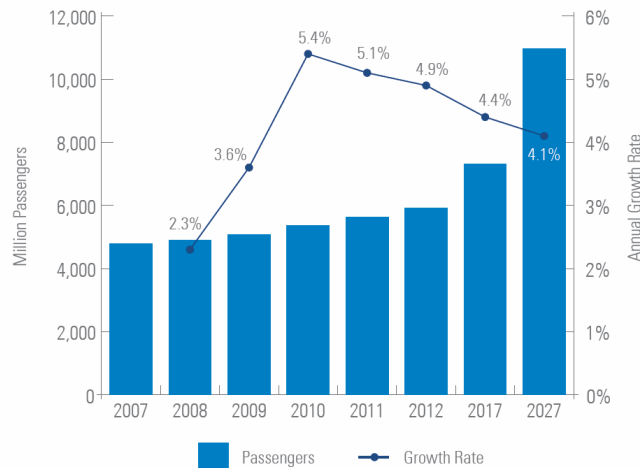
2.1 After several years of strong growth, global passenger traffic is expected to increase at a slower pace in 2008 and 2009 as a number of external factors such as the credit crunch, slowing economies and rising fuel prices have a negative impact on consumer spending and consequently on air

travel. While the crisis is expected to impact growth in all world regions, its impact is likely to be felt most strongly in North America.

2.2 Although passenger traffic will rebound in 2010, growth rates are expected to decrease again towards the end of the forecast period as markets mature in many countries. Global passenger volumes will surpass the 5 billion mark by 2009 and reach 11 billion – or 30 million passengers per day – by 2027.

2.3 Over the next 20 years, world passenger volumes will rise by 4.2 per cent annually, mainly driven by international traffic growth (4.5 per cent pa). In spite of the important domestic growth forecast for India and China, domestic markets will only grow by 4.1 per cent pa. With a volume of 6.2 billion passengers in 2027 domestic markets will remain larger than international which will account for 4.7 billion travelers.

Global passenger traffic will reach 11 billion in 2027



2.4 With the exception of Asia/Pacific and Latin America/Caribbean, international growth will outpace domestic growth between 2008 and 2027. Several factors contribute to this, particularly the relative maturity of the domestic markets, lower potential for growth due to the geography of a country or the existence of efficient alternative modes of transport.

2.5 The potential for domestic traffic growth is very high in Asia/Pacific since several economies in the region are now emerging as powerhouses and are expected to develop their domestic markets before growing the international ones.

Total passenger growth by region									
	2008	2009	2010	2011	2012	2017	2027	2007-2012	2007-2027
Africa	5.8%	6.7%	6.8%	6.4%	6.1%	5.5%	5.0%	6.3%	5.5%
Asia/Pacific	4.3%	6.9%	8.2%	7.7%	7.2%	6.5%	6.0%	6.9%	6.3%
Europe	3.0%	4.5%	4.9%	4.5%	4.2%	3.4%	3.0%	4.2%	3.4%
Lat America/Caribbean	3.3%	5.3%	6.0%	5.7%	5.5%	5.1%	4.9%	5.1%	5.0%
Middle East	5.5%	7.0%	6.5%	5.9%	5.4%	4.5%	3.9%	6.0%	4.6%
North America	-0.8%	-0.8%	3.3%	3.1%	3.1%	2.9%	2.7%	1.5%	2.5%
World	2.3%	3.6%	5.4%	5.1%	4.9%	4.4%	4.1%	4.3%	4.2%

2.6 Between 2008 and 2009, the Middle East will be the fastest growing region in the world, driven by the aggressive development of some of its carriers. In the longer term however, Asia/Pacific is expected to become the world's fastest growing region, boosted by the rapid development of India and China. North America is forecast to experience a decline in traffic over the next two years, due to the ongoing economic slowdown and rising fuel prices which have forced most major US carriers to significantly cut back capacity and restructure.

2.7 Although North America is currently the largest air transport market in the world, it will lose this position due to the fast growing travel demand anticipated in other regions (in particular Asia/Pacific, the Middle East and Africa). Asia/Pacific will become the largest region in terms of volume. This represents a challenge for several emerging Asian countries which will need to quickly add capacity. All industry players, airports, carriers or ATC, will face the same challenges.

Total passenger volume by region (million passengers)											
	2007	2008	2009	2010	2011	2012	2017	2027	2007	2017	2027
Africa	137.8	145.8	155.5	166.0	176.6	187.3	244.9	400.6	2.9%	3.3%	3.6%
Asia/Pacific	1,150.1	1,199.7	1,282.3	1,388.1	1,495.6	1,602.9	2,193.5	3,916.3	24.0%	30.0%	35.7%
Europe	1,472.3	1,517.2	1,585.1	1,662.6	1,738.1	1,810.8	2,142.8	2,867.6	30.7%	29.3%	26.1%
Lat America/Caribbean	327.7	338.5	356.6	377.8	399.3	421.1	539.1	868.7	6.8%	7.4%	7.9%
Middle East	158.2	166.8	178.4	189.9	201.2	212.1	264.4	386.8	3.3%	3.6%	3.5%
North America	1,551.6	1,538.9	1,526.0	1,576.3	1,625.2	1,675.5	1,935.5	2,536.2	32.3%	26.4%	23.1%
World	4,797.8	4,906.9	5,083.9	5,360.5	5,636.1	5,909.7	7,320.2	10,976.2	100.0%	100.0%	100.0%

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