



Economic Sustainability: A Challenging Decade Ahead

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Link between Economic Sustainability & Profitability

Historically very low net return on capital employed by airlines



Obstacles for industry to improve performance include:

- Chronic overcapacity
- Acute vulnerability to shocks
- High costs for labour and for infrastructure
- And several others ...





A Clear Contributor to Improvement: Consolidation

- Examples in Europe
 - » Importance of Community designation
- Global examples
 - » Global airline alliances as second best
- 'Normalisation' needed
 - » Global access to Global Capital
 - » Necessitates relaxing O & C





Key Pre-requisite for Sustainability Consolidation: Level playing field for competition

- Effective competition and state and rules with independent enforcement
- Transparency and non-discrimination





**But nothing is more difficult to predict
than the future...**

Thank you

