



# Rebound of Opportunities in the Air Transport Sector

Marc H. Juhel  
Acting Director  
Energy, Transport, Water  
The World Bank

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# 2010 Key events – let's not forget...



**December 2009:**  
UN Climate Change Summit failure - Who's fault? Developed (USA?) or developing countries (China, India... ?)

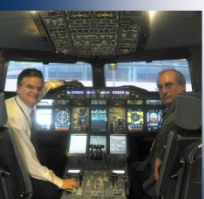
**CAUSE:**  
**INTERGOVERNMENTAL**

**March-April 2010**  
Eyjafjallajökull eruption → air traffic paralysis

**CAUSE:**  
**NATURAL**

**April 2010-** BP oil spill → environmental impacts of oil exploitation = pressure on scarce natural resources

**CAUSE :**  
**INDUSTRIAL**

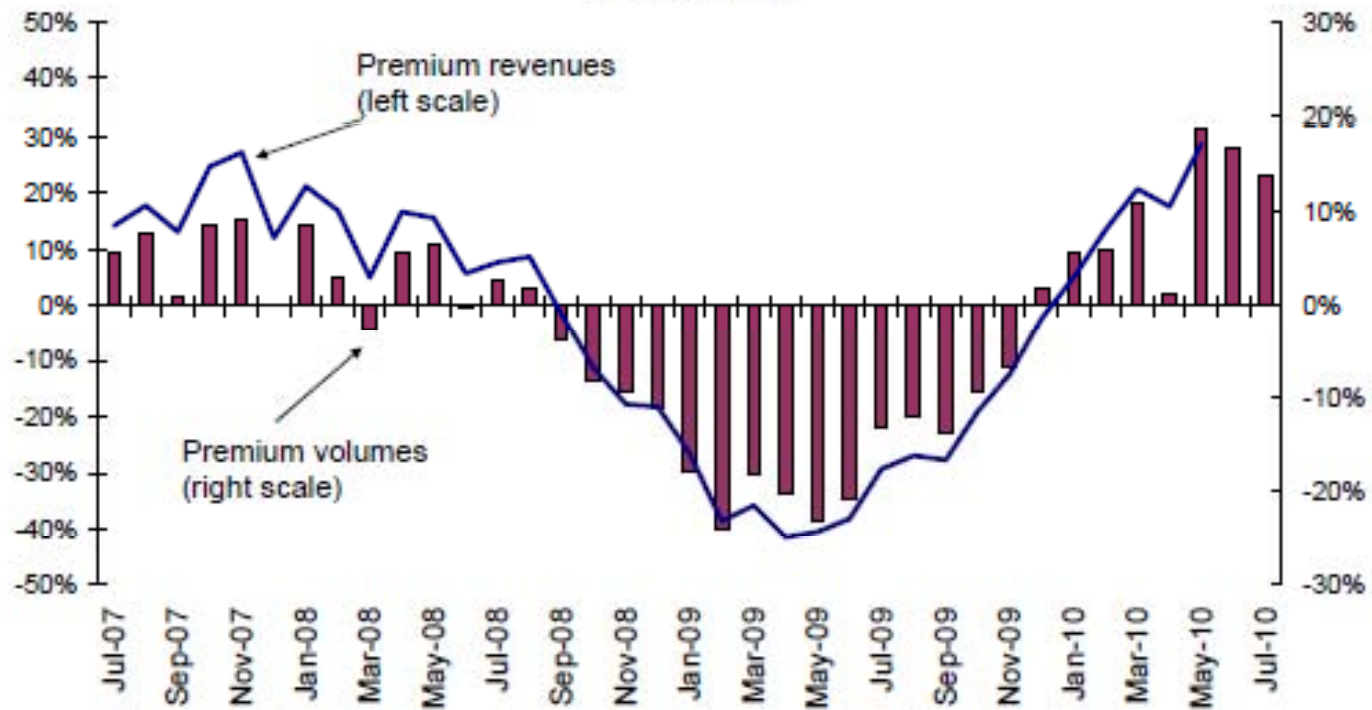


# The Airline industry is recovering

## Airline revenue have rebound

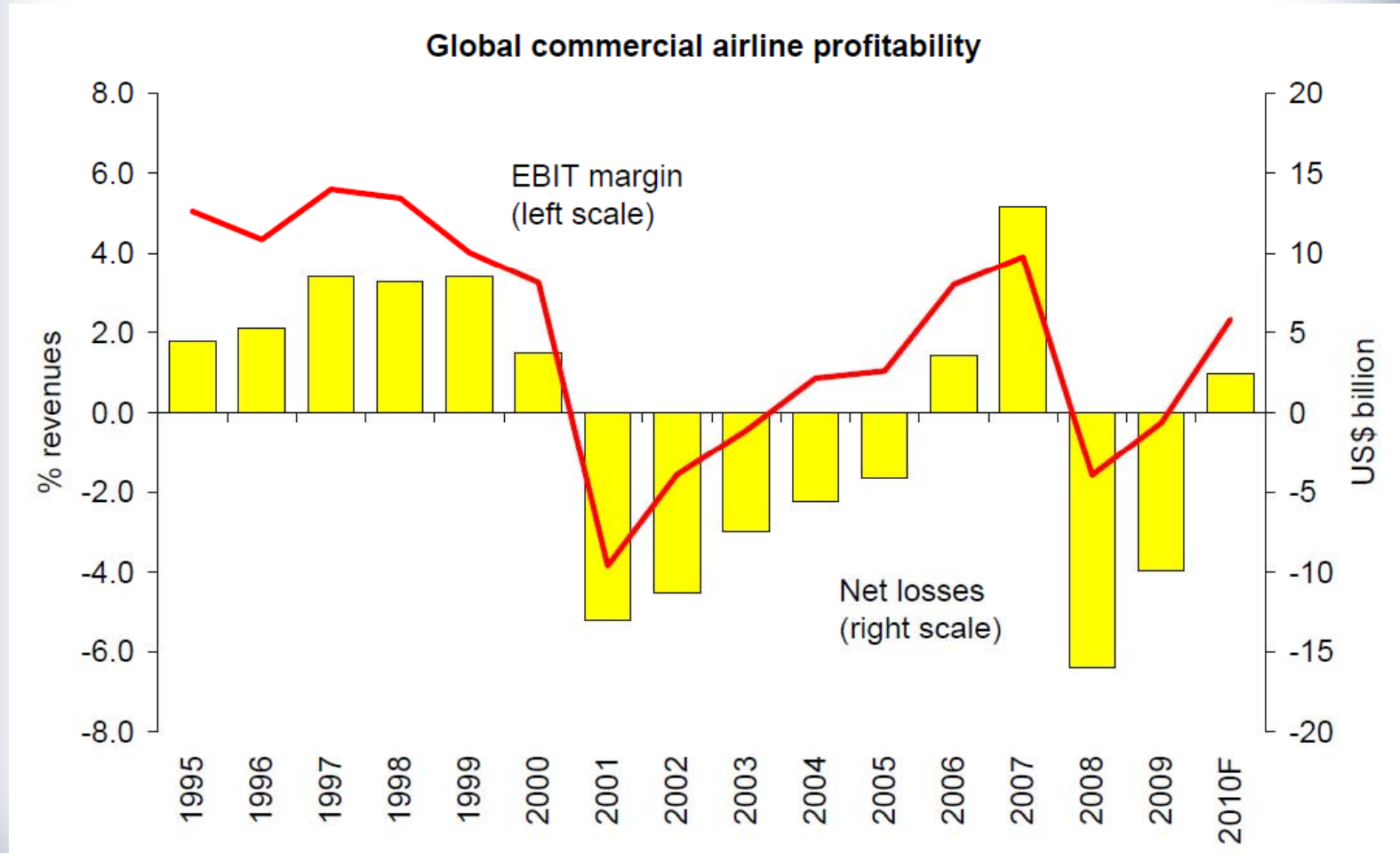
Premium ticket volume and revenue growth

Source: IATA



# The Airline industry is recovering

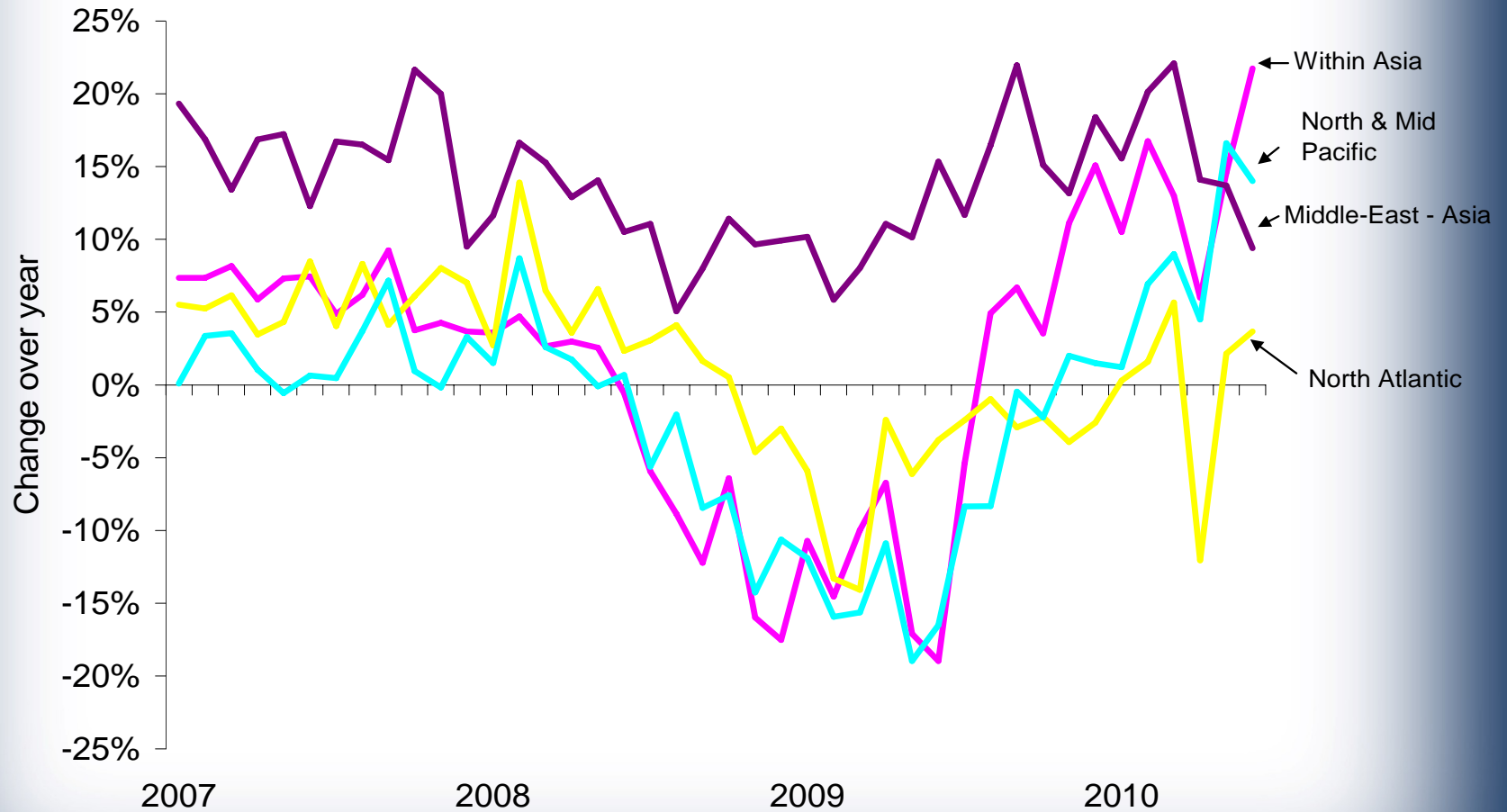
## Airline profitability is back, but still weak



# Where are the markets?

## Large Geographical Differences

Growth in passenger numbers by flight segment



Source: IATA Premium Traffic Monitor

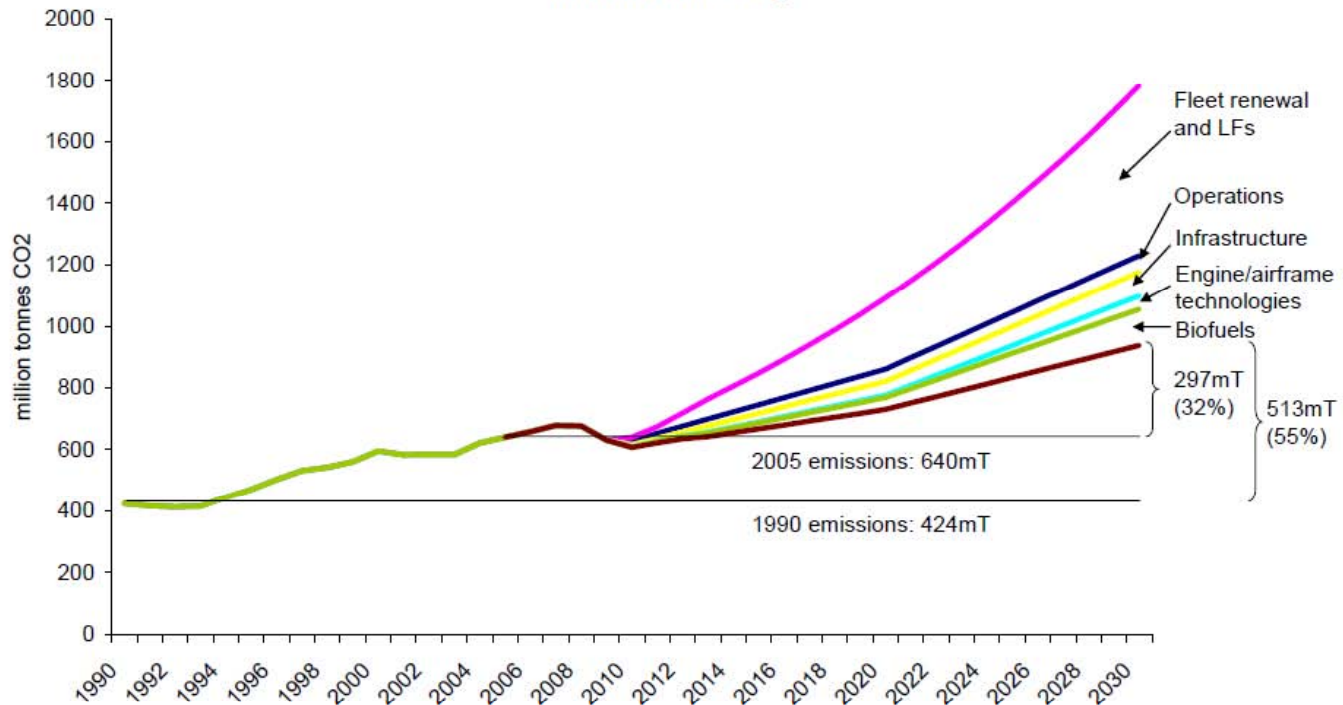


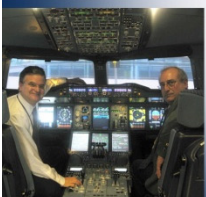


# Challenge: Climate Change

## Can Carbon Neutral Growth be achieved in 10 years?

CO<sub>2</sub> emissions and reduction potential from commercial airline global fuel burn, million tonnes CO<sub>2</sub>





# Opportunities: Consolidation and Liberalization

Are governments willing to further open-up?

## ■ Open Skies

- Great progress in Europe and between USA and Europe
- Slow implementation in Africa or Asia
- Many governments continue to maintain non viable flag carriers

## ■ Ownership liberalization

- Consolidation of smaller national carriers require ownership liberalization
- Regional organizations play a significant role (e.g. EU), but in many emerging markets they do little progress (e.g. Africa Union, ASEAN)



# World Bank Air Transport Focus

## Air Transport Portfolio in Fiscal Year 2010

- 30 projects or project components in all six regions of the IBRD/IDA, as well as 28 active IFC investments and several advisory mandate.
- IBRD and IDA active projects commitments decreased due to completion of several major projects in Africa in FY09. But has an increase in approved lending of US\$ 368 million compared to US\$ 58 million in FY09.
- IFC's air transport investment portfolio increased to US\$ 774.7 million from FY09's US\$ 649.7 million.





## World Bank Air Transport Focus Projects and Research

The WGB Air Transport Projects include:

- Air Transport Policy advice
- Sector Analysis and Master Planning
- Capacity Building for Regulatory Oversight
- Infrastructure Investments (airports, ATC), and
- Air Carrier Restructuring or Privatization



# Thank you!

[www.worldbank.org/airtransport](http://www.worldbank.org/airtransport)