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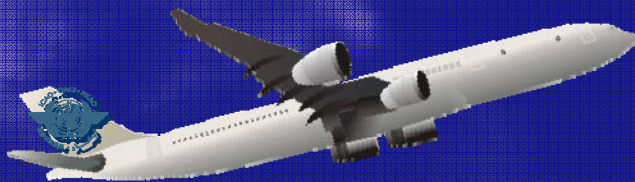


**20-21 September 2010, Vancouver, Canada**



**The Gathering of the World's Air Transport Leaders**

# ICAO's view of the industry today



Folasade Odutola  
ICAO  
Director Air Transport Bureau

Vancouver 20 September 2010



# Regional traffic overview for 2009

## North America

Traffic: -3.9%  
Capacity: -4.7%  
Load Factor: +0.7 Pt

## Europe

Traffic: -3.9%  
Capacity: -4.3%  
Load Factor: +0.3 Pt

## Asia Pacific

Traffic: -0.2%  
Capacity: -0.9%  
Load Factor: +0.6 Pt

## Latin America

Traffic: 0.9%  
Capacity: 2.2%  
Load Factor: -0.9 Pt

## Middle East

Traffic: 9.1%  
Capacity: 11.9%  
Load Factor: -1.9 Pt

## Africa

Traffic: -3.9%  
Capacity: -4.3%  
Load Factor: -0.7 Pt

## World

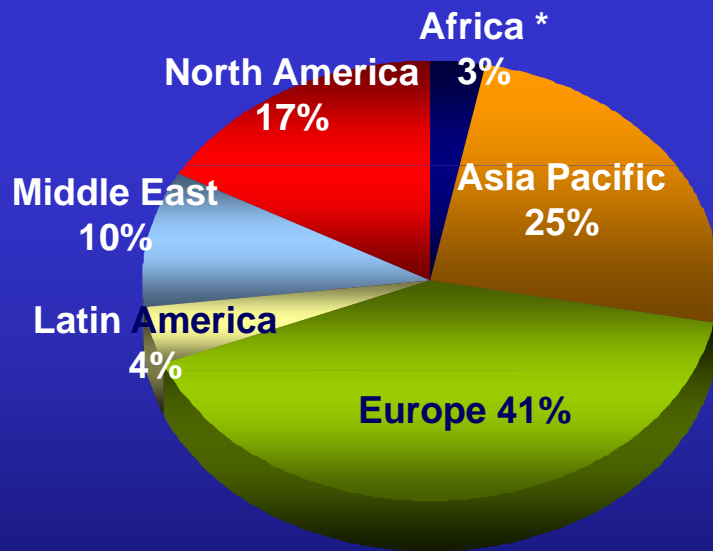
Traffic: -2.0%  
Capacity: -2.2%  
Load Factor: +0.2 Pt



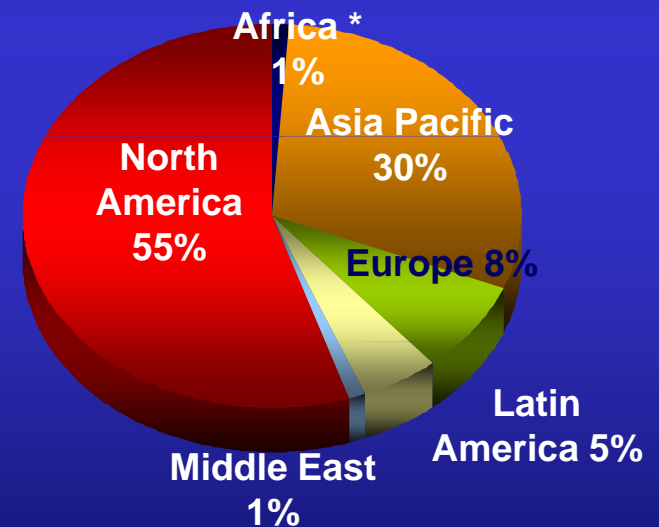
# Market shares\* achieved

**International traffic represents 60% of the total passenger traffic**

**International passenger traffic\*\***



**Domestic passenger traffic\*\***

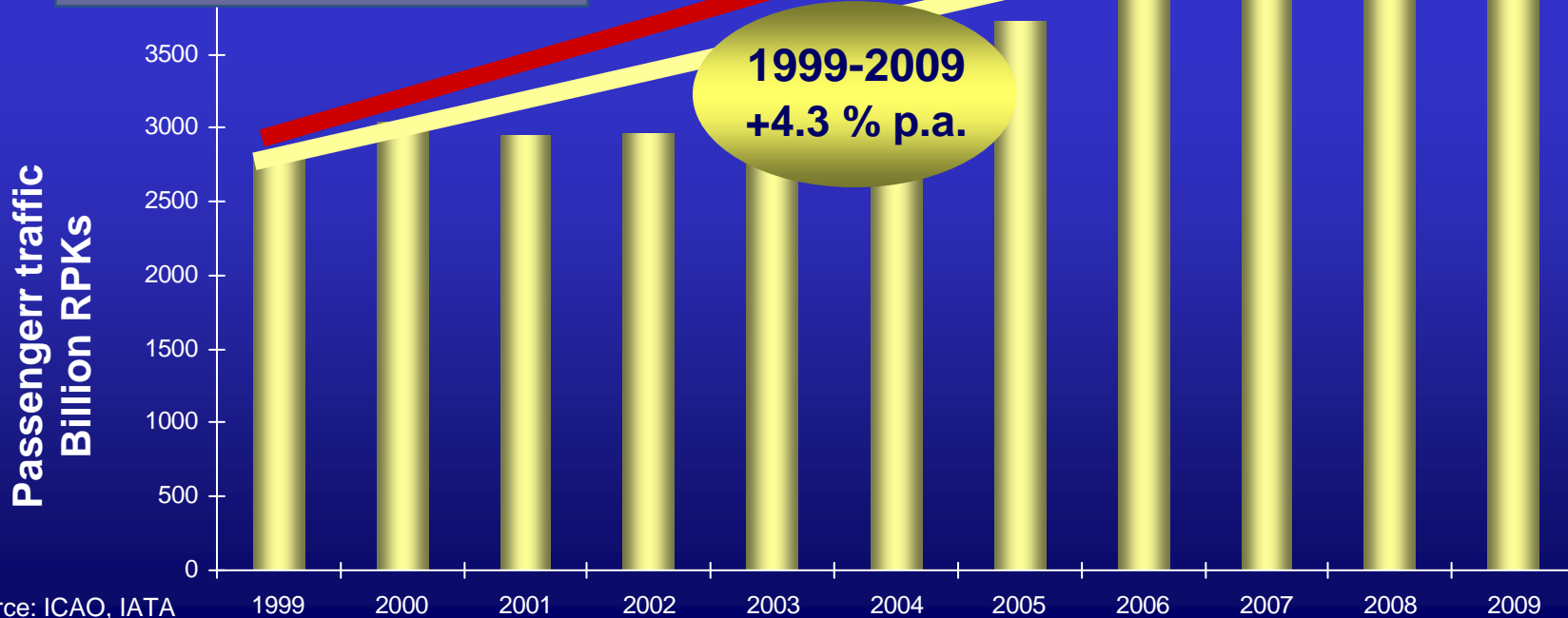
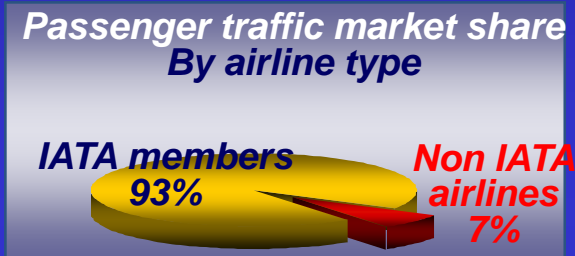


\* Market share of the scheduled traffic of the airlines domiciled in the region

\*\*Expressed in Revenue Passenger Kilometre



# Low Cost Carriers progression

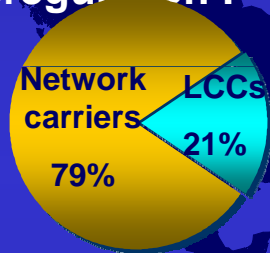


Source: ICAO, IATA

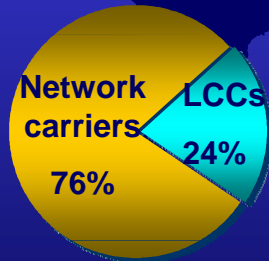


# Liberalization: a necessary frame for Low Cost Carriers development

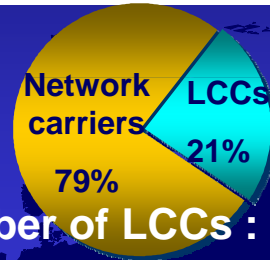
Number of LCCs : 13  
Deregulation : 1978



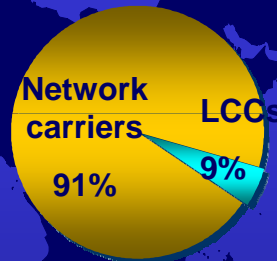
Number of LCCs : 10  
Deregulation : in progress



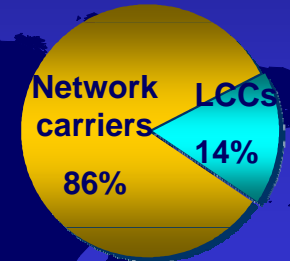
Number of LCCs : 48  
Deregulation : 1987- 1997



Number of LCCs (Africa and Middle East) : 10  
Deregulation : uneven



Number of LCCs : 33  
Deregulation : accelerating



LCCs development by region



# Traffic recovery started in 2010, despite the volcanic ash impact

## Regional traffic\* growth forecasts

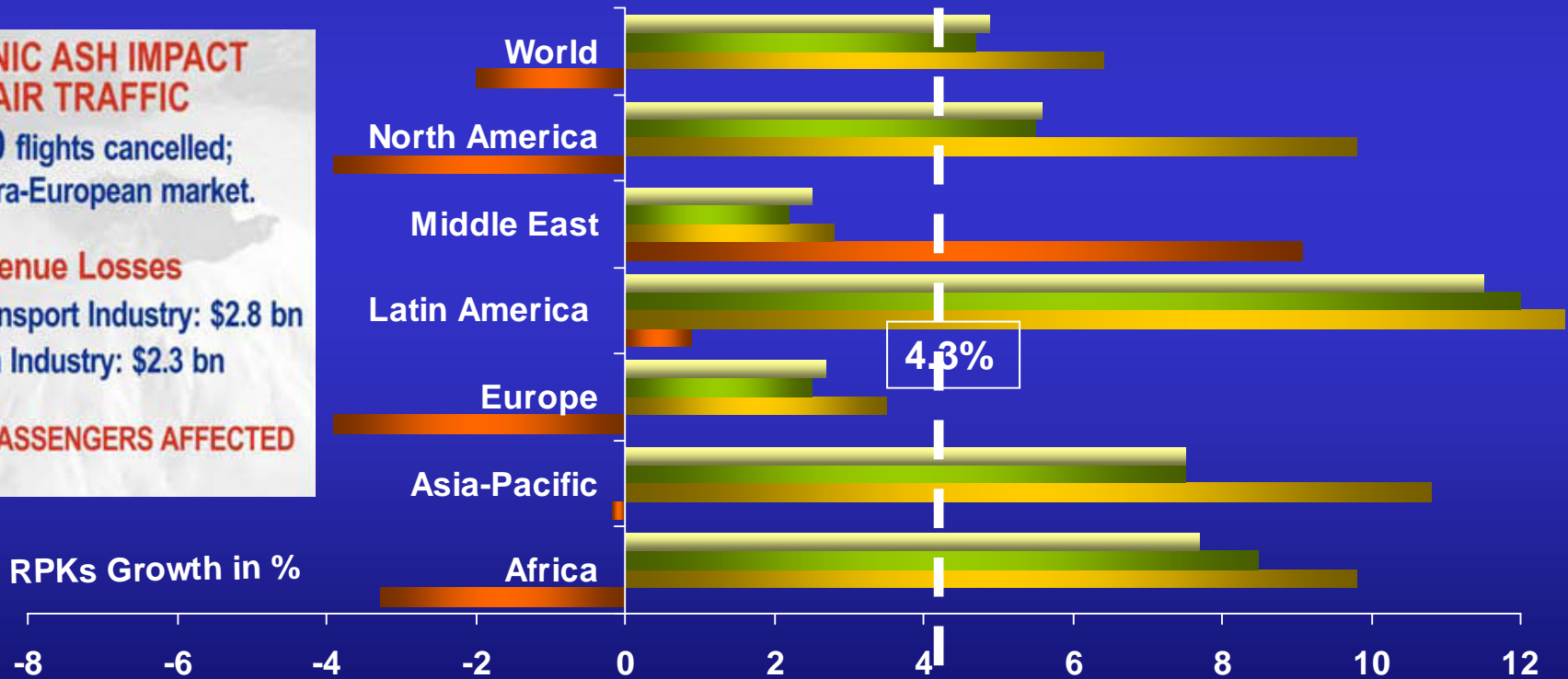
■ Actual 2009    
 ■ Forecast 2010    
 ■ Forecast 2011    
 ■ Forecast 2012

**VOLCANIC ASH IMPACT ON AIR TRAFFIC**

101,600 flights cancelled;  
80% in Intra-European market.

**Revenue Losses**  
Global Air Transport Industry: \$2.8 bn  
Tourism Industry: \$2.3 bn

**9 MILLION PASSENGERS AFFECTED**

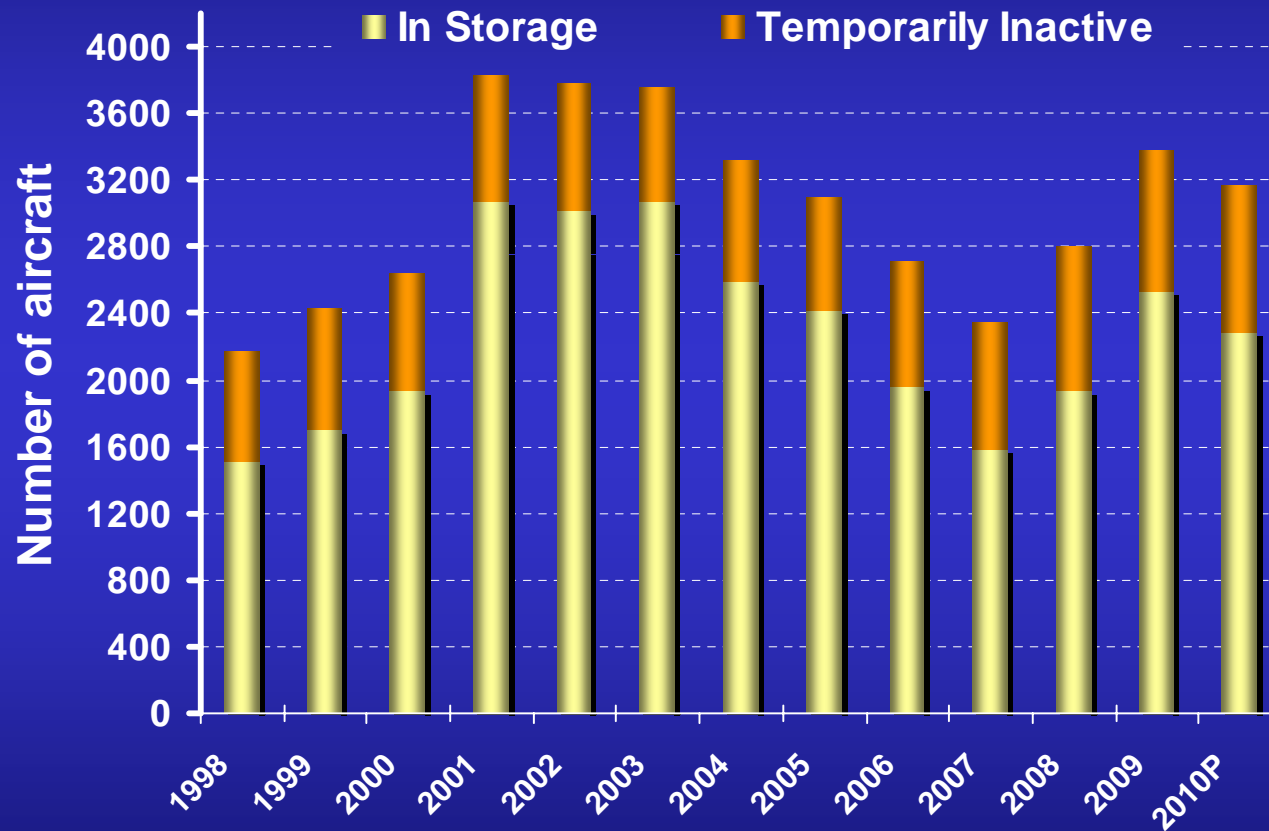


\*Traffic of airlines registered in each region expressed in RPKs

Source: ICAO



# Decrease in number of stored aircraft



**Airbus and Boeing deliveries for 2010 expected to be above 900**

Source: Back Aviation Solutions Worldwide Long term & temporary aircraft storage



# Air travel demand : new behaviors since 2009

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- Corporate policy travel: cutting travel budgets and tightening rules
- Boom in video conferencing business
- Business travel shift toward cheaper airlines either discounting business fares or Low Cost Carriers
- Air travel leisure trips : distance shortened
- Impact on both the number of passengers and on premium yields
- Airlines are looking for ancillary revenues to compensate the shortfall due to weak yields



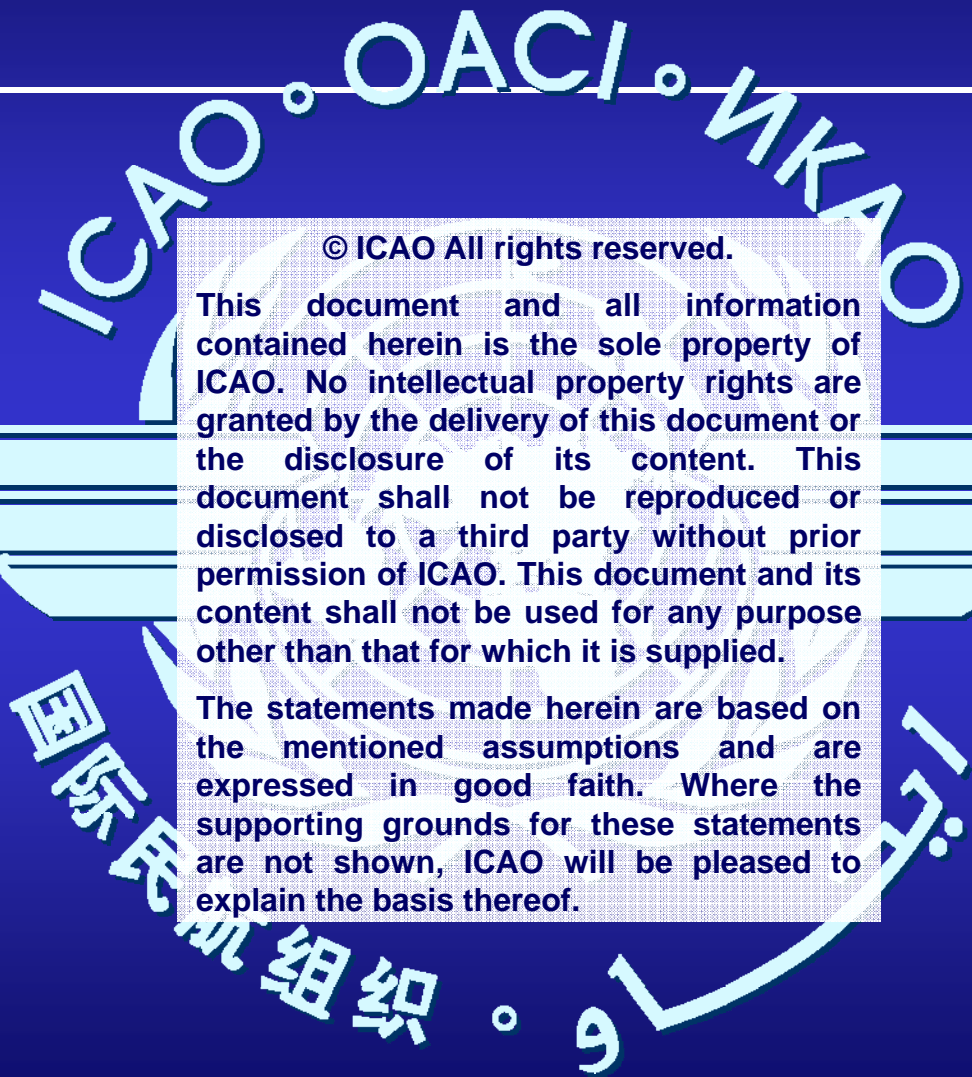


# €1,000 cash prize for best suggestion of ancillary revenue

## MOST CREATIVE ONES

- *Charging for toilet paper – with O’Leary’s face on it,*
- *Charging €2.50 to read the safety cards,*
- *Charging €1 to use oxygen masks,*
- *Charging €25 to use the emergency exit,*
- *Charging €50 for bikini clad Cabin Crew.*





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