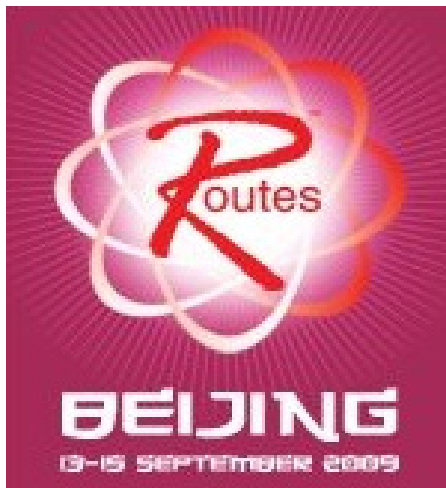


# **Commercial Aviation Today**

## ***Asia Pacific Perspectives***

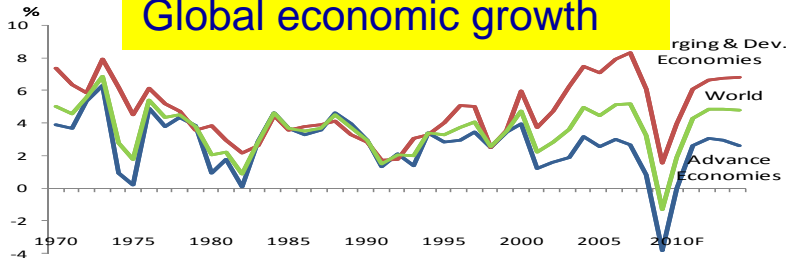


**Andrew Herdman**  
**Director General**  
**Association of Asia Pacific Airlines**  
**14 September 2009**  
**Beijing**

# Global recession: airlines focused on survival

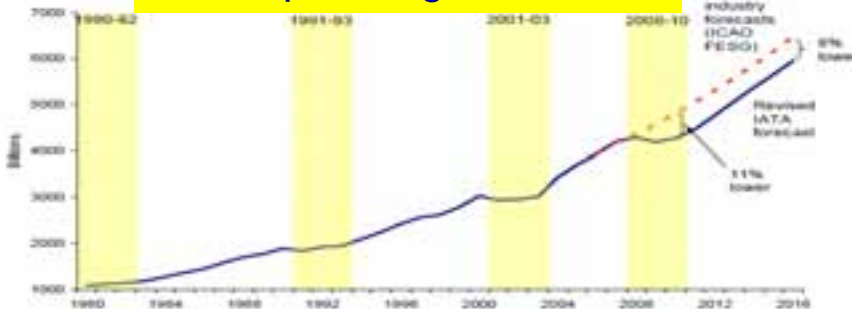


Global economic growth



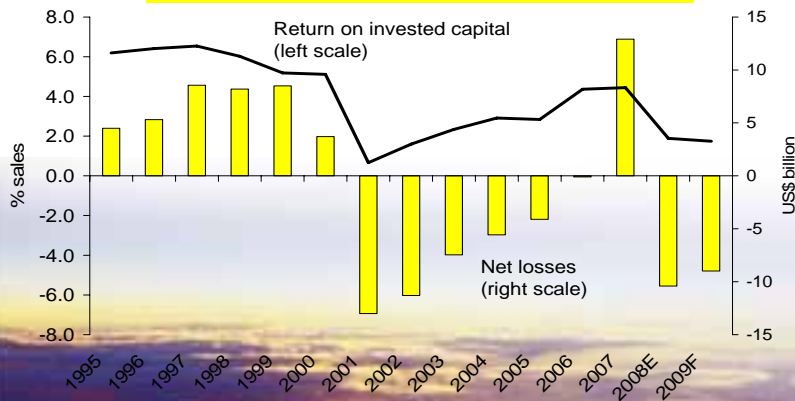
- Sharp economic slowdown
- Slump in passenger and cargo traffic
- Oil and currency volatility

Airline passenger demand



- Future growth postponed
- Managing excess capacity

Airline profitability



- Industry in financial distress
- Airline losses: \$10 billion a year

***Tough times indeed***

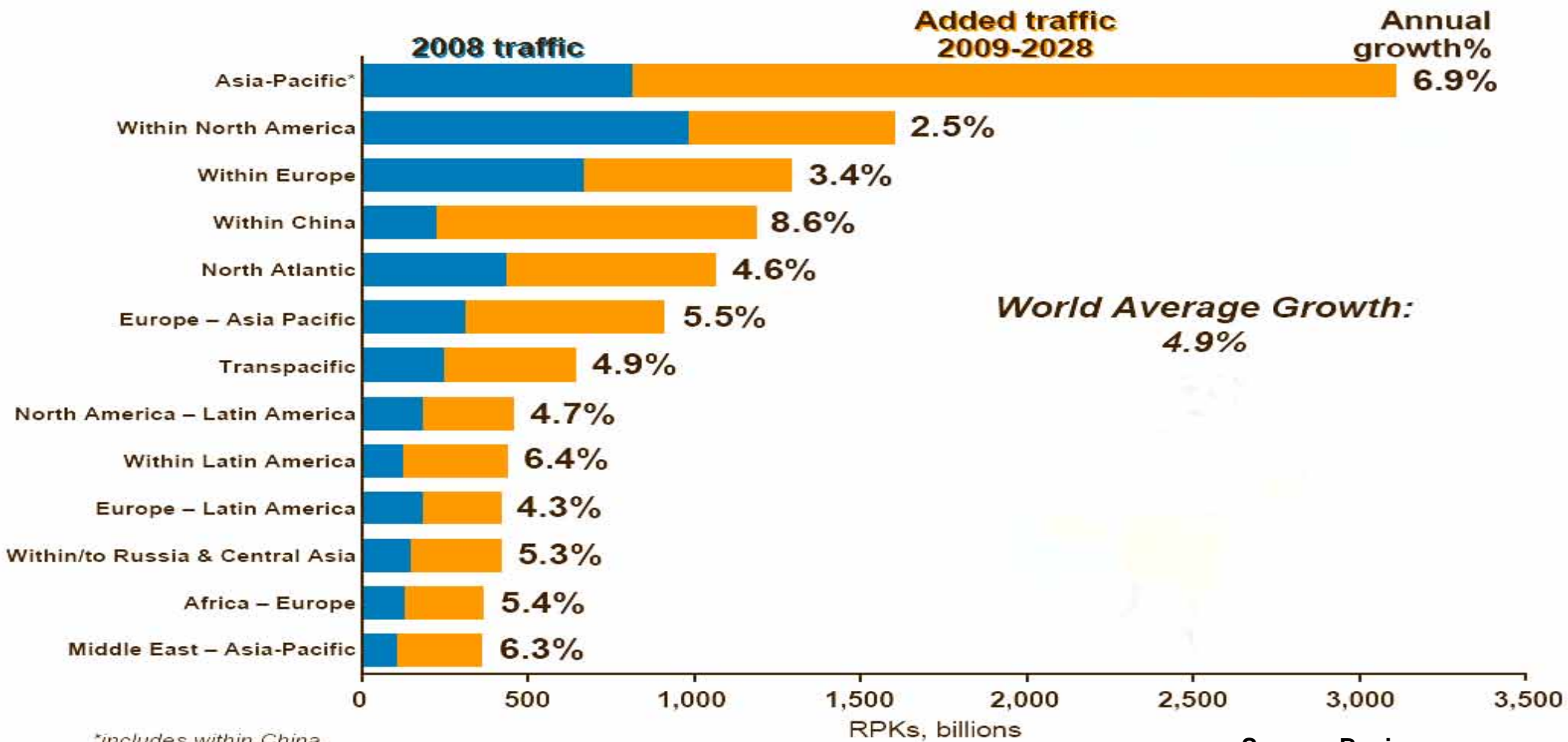
# Regulatory reform



- Airlines are still constrained by an archaic regulatory framework
- Scope for further progressive liberalisation within the bilateral framework
- National ownership and control rules prevent industry consolidation and distort competition
- Continued proliferation of new regulatory initiatives
- Burdensome taxes and charges

***Airlines need more freedom to compete globally,  
just like other industries***

# Long term growth prospects still bright



\*includes within China

Source: Boeing

**Asia Pacific's share of world traffic will keep on growing**

