



Value of **Aviation**

A Strategic Approach

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Objective

- To raise awareness of key economic, political, revenue and cost trends in today's industry environment
- To identify the key challenges and opportunities facing the industry



IATA and its Role in the **Airline Business**

IATA represents, leads and serves the airline industry.

- **Represents:** IATA advocates for the interest of airlines, making governments aware of their contribution to economic growth and supporting sensible regulations.
- **Leads:** IATA establishes protocols to ensure a safer, more efficient and more environmentally friendly industry. Safety is IATA's number one priority. Example: IOSA, a safety audit program standardizing safety procedures to help all airlines follow leading safety practices.
- **Serves:** IATA helps airlines efficiently interact with each other.



The Airlines Industry: the **global view**



- **65.5 million jobs** supported by aviation worldwide
- **3.6% of global GDP** is supported by aviation
- Airlines facilitate global migration and the mix of people from different cultural backgrounds

IATA Economics







20-year passenger growth outlook (2017-37)

North America
544m
2.5%

Latin America
373m
3.6%

Europe
492m
1.9%

Africa
197m
4.6%

Middle
East
276m
4.3%

Asia
Pacific
2,216m
4.4%

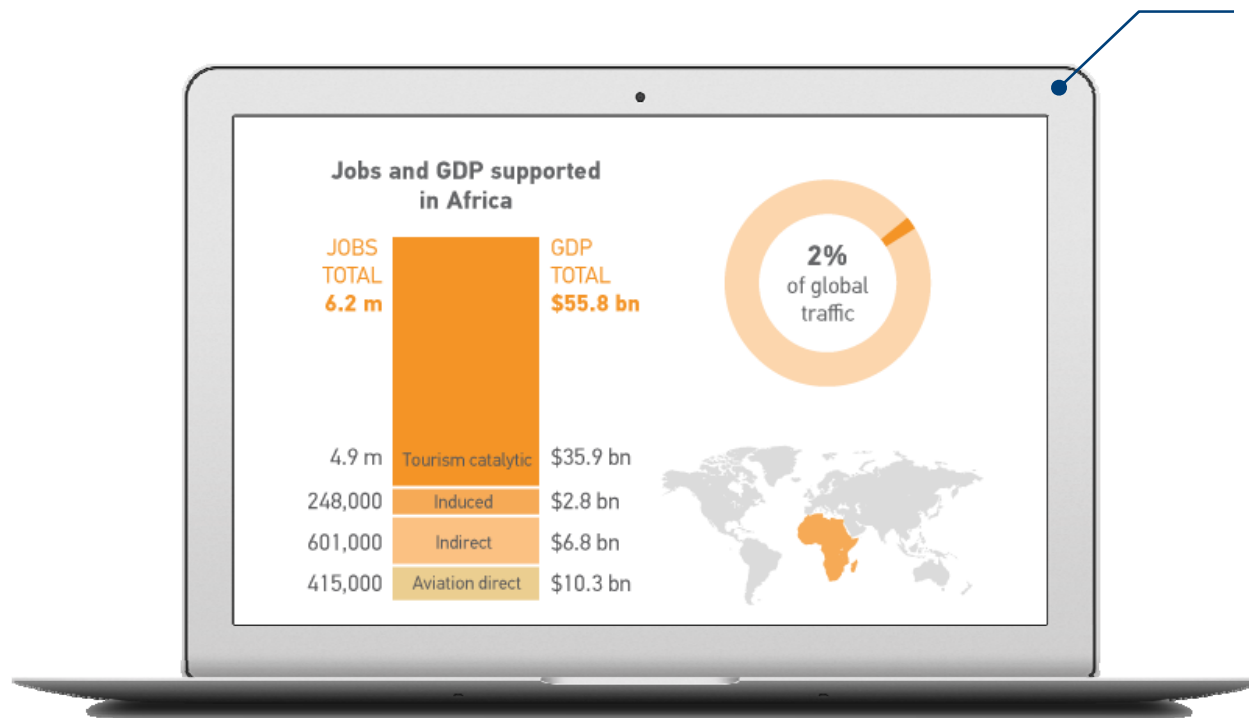
IATA Tourism & Economics



Joint ACAO/IATA/ICAO Airports and Air Navigation Charges Workshop (Rabat, Morocco, 27/28 November 2018)



The Airlines Industry: the **African** view



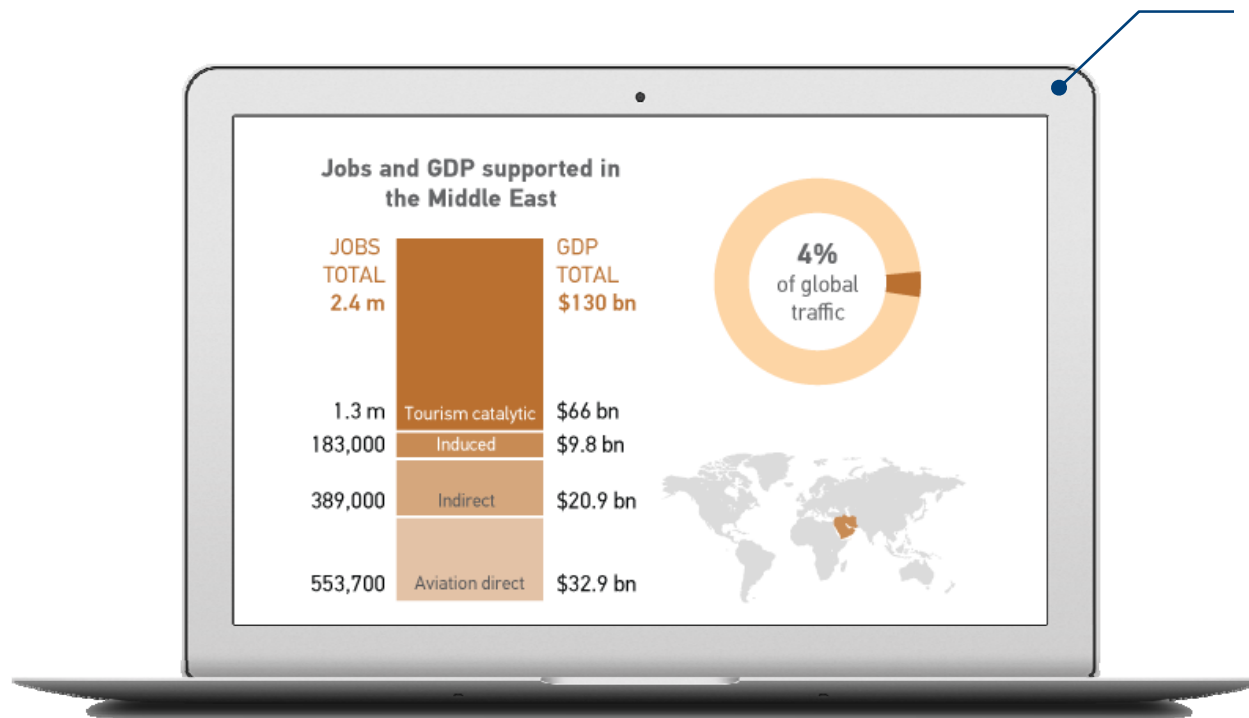
- Air transport supports **6.2 million jobs**
- **\$55.8 billion in GDP** in Africa is supported by aviation
- In addition, travel and tourism supported 4.9 million people in employment and contributed \$35.9 billion to GDP in Africa's economies

IATA Economics





The Airlines Industry: the Middle East view



- Air transport supports **2.4 million jobs**
- **\$157.2 billion in GDP** in the Middle East is supported by aviation
- In addition, travel and tourism supported 1.3 million people in employment and contributed \$66 billion to GDP in the Middle East's economies

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How can we be sustainable?





Factors that stimulate air traffic (out of our hands)



- The income of travelers (disposable income) and level of economic activity (including consumer and business confidence)
- The distribution of wealth and the type of economic activity
- Other factors related to the quality and availability of air services (safety, frequency, comfort)
- Ethnic, cultural and trade links
- Attraction of the destination for leisure
- Maturity effects (number of days available for holiday)
- Advantageous geographic location
- Freedom to travel easily & a desire to travel
- Population size influences market size



Factors that facilitate air traffic demand (in our hands)



Air transport is **fundamental** for any country's **connectivity** and **development**

No longer a luxury within the reach of a few

Aviation is a **system of systems**

But there are **urgent issues** that need to be resolved to keep the industry viable and efficient

Partner for **mutual benefits**



The Ideal World:

ALL stakeholders **working together**

- Governments
- ICAO
- Airports
- IATA Airlines
- Trade Unions





Thank you

It was great talking to you



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