



Look Before We Leap

--An Airline's Perspective

Zhang Lan
General Manager
Marketing & Sales
Air China Limited

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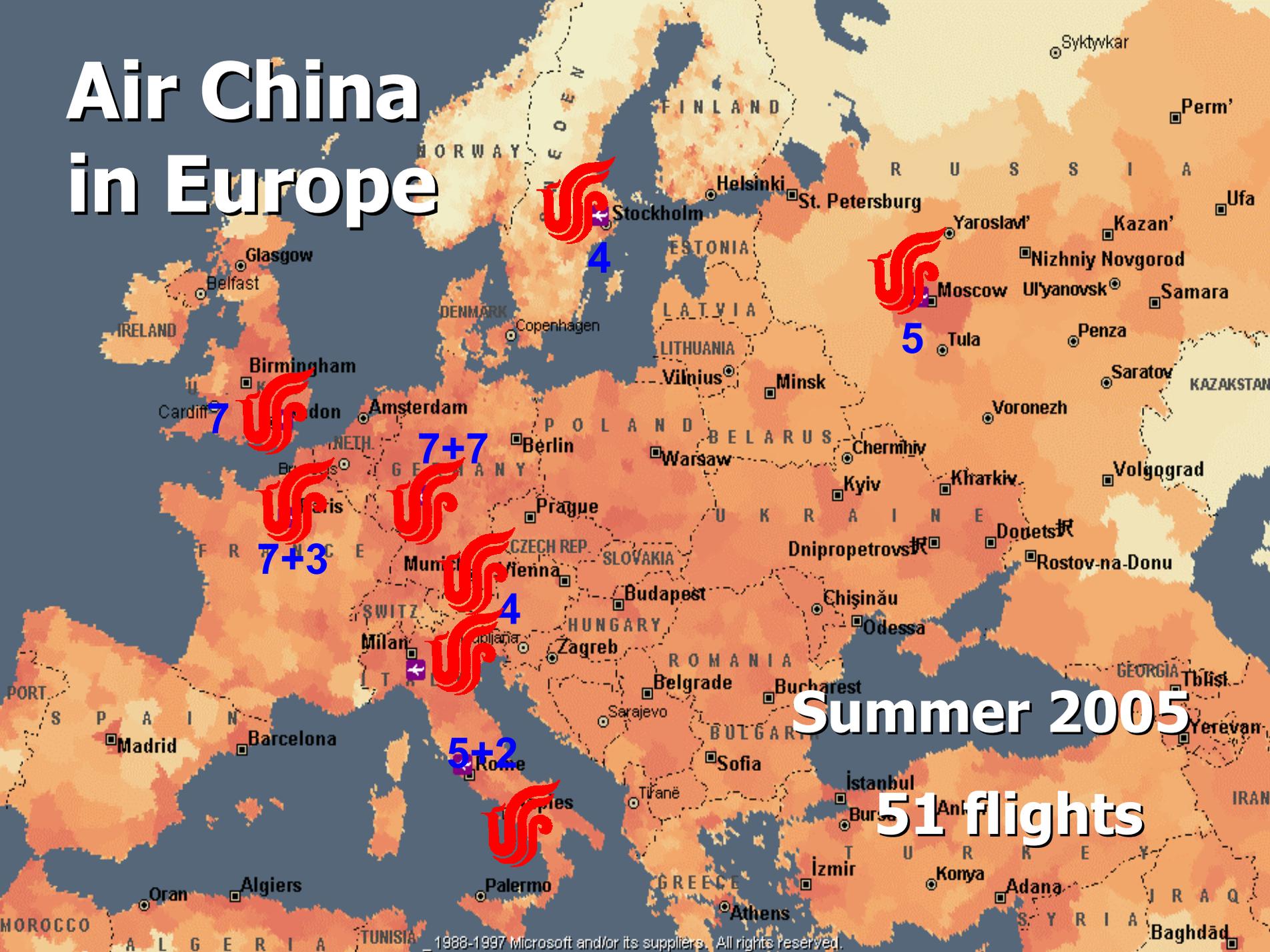
- 10 trillion \$ GDP
- 35% of World Trade



- High and Stable growth
- More open

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Air China in Europe



Summer 2005

51 flights

CA, The Biggest Airline Between China and Europe



Weekly Flights

$$51+72=123$$

Daily Flights

$$123/7=17$$



Air China supports any liberalization provided this process is achieved in a rational and gradual approach.



● Gaps(1)

-status quo

CN



VS.

EU





Gaps(2)

-Bilateral regime

VS.

Multinational regime

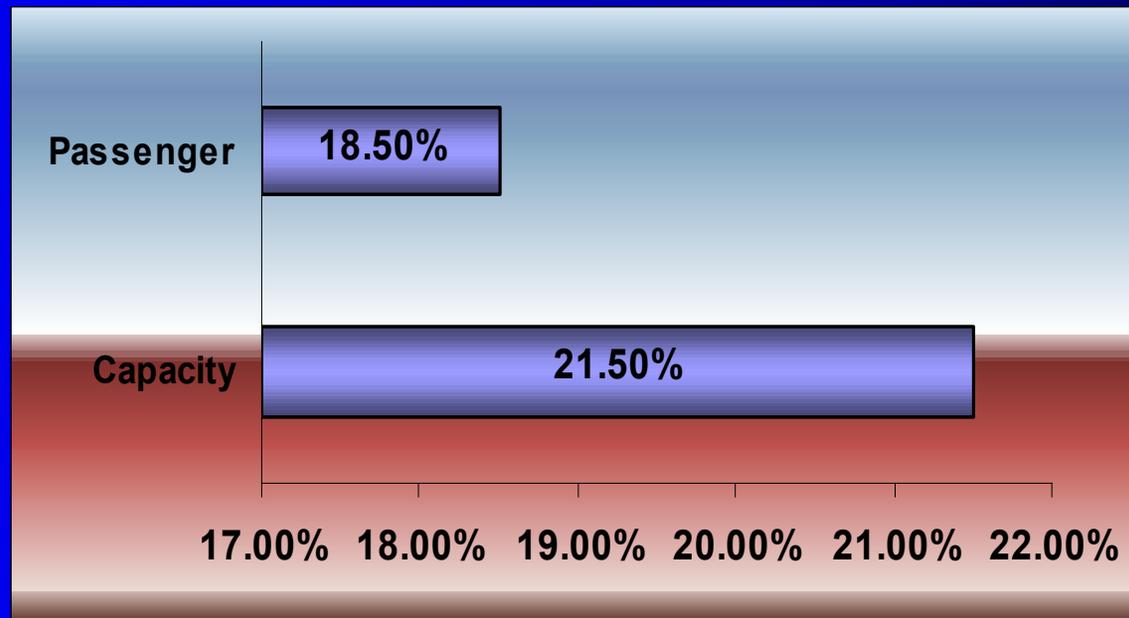


- Airlines must serve customers' needs.
- Airlines must stay balanced to serve customers' need.
- Airlines need a relatively stable environment to keep balance.



Realistic and Gradual change
that balances all parties' interests
is the most desirable approach.
At least let us look before we
leap.

The ever-growing gap between capacities supply and market demand



Air Transportation between EU and CN

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Many traffic rights are
yet to be fully utilized.



- Regime change:

EU versus individual European countries

Can EU really represent them?

Is there even a need for unified EU representation?



- Regime change:

What about the rights that China negotiated with individual European countries?

Will any change of current rights in the name of European unionization be fair to China?



● Risks & Costs of Liberalization

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Air China suggests:

“Incremental” →

Step by Step →

Interests of Carriers

Interests of Consumers




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