

Presentation by:

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HEAD OF MARKET RESEARCH AND FORECASTS

GLOBAL MARKET FORECAST

Global Market Forecast 2013: Highlights

GMF 2013 key numbers and 20-year change

World Fleet Forecast	2012	2032	% Change
RPK (trillions)	5.5	13.9	151%
Passenger aircraft fleet	16,094	33,651	109%
New passenger aircraft deliveries		28,355	
Dedicated freighters	1,645	2,905	77%
New freighter aircraft deliveries		871	
Total New Aircraft Deliveries		29,226	

Market value of \$4.4 trillion

Passenger aircraft ≥100 seats, Freight aircraft ≥10t

Source: Airbus GMF

Airbus Global Market Forecast

A 20 year aircraft demand and passenger traffic forecast

Market Research

Trends Analysis

- Consumer & Travel Surveys
- Tourism
- Migration
- Traffic flows
- Passenger demands

Airlines

- Business Models
- Operations
- Competition
- Geopolitics

Governments & Regulators

- Liberalization/ deregulation
- Investments and constraints
- Geopolitics

Forecast

Traffic

- Economics and Econometrics
- Fuel costs
- Yields
- Load Factors
- Trade and Value of Goods

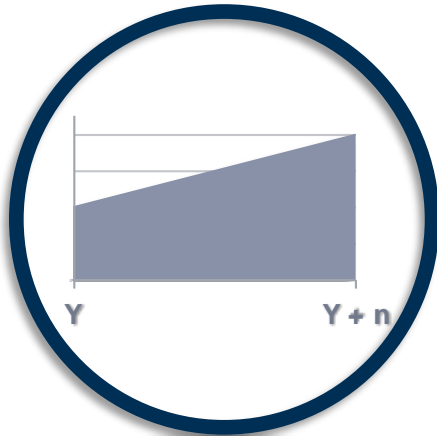
Network Development

- Route planning
- Origin and destination demand
- Population centers

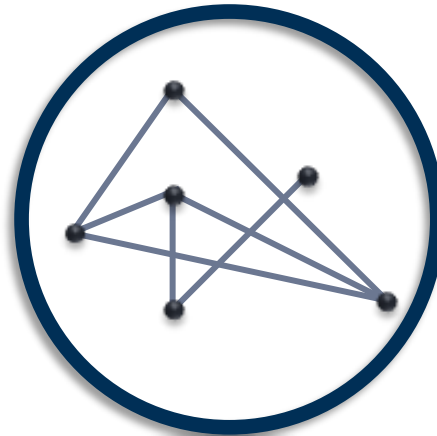
Fleet trends

- Aircraft economics
- Utilization
- Fleet age and retirements





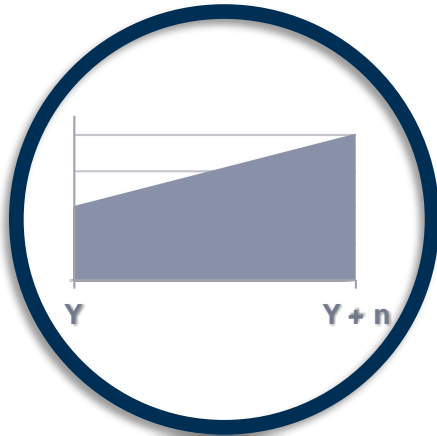
**How many
passengers
will fly?**



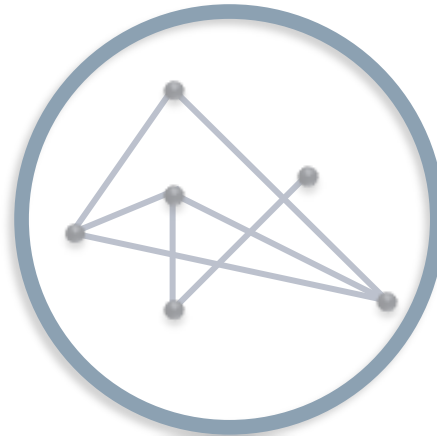
**Where will
passengers
fly?**



**How will
passengers
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**How many
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will fly?**



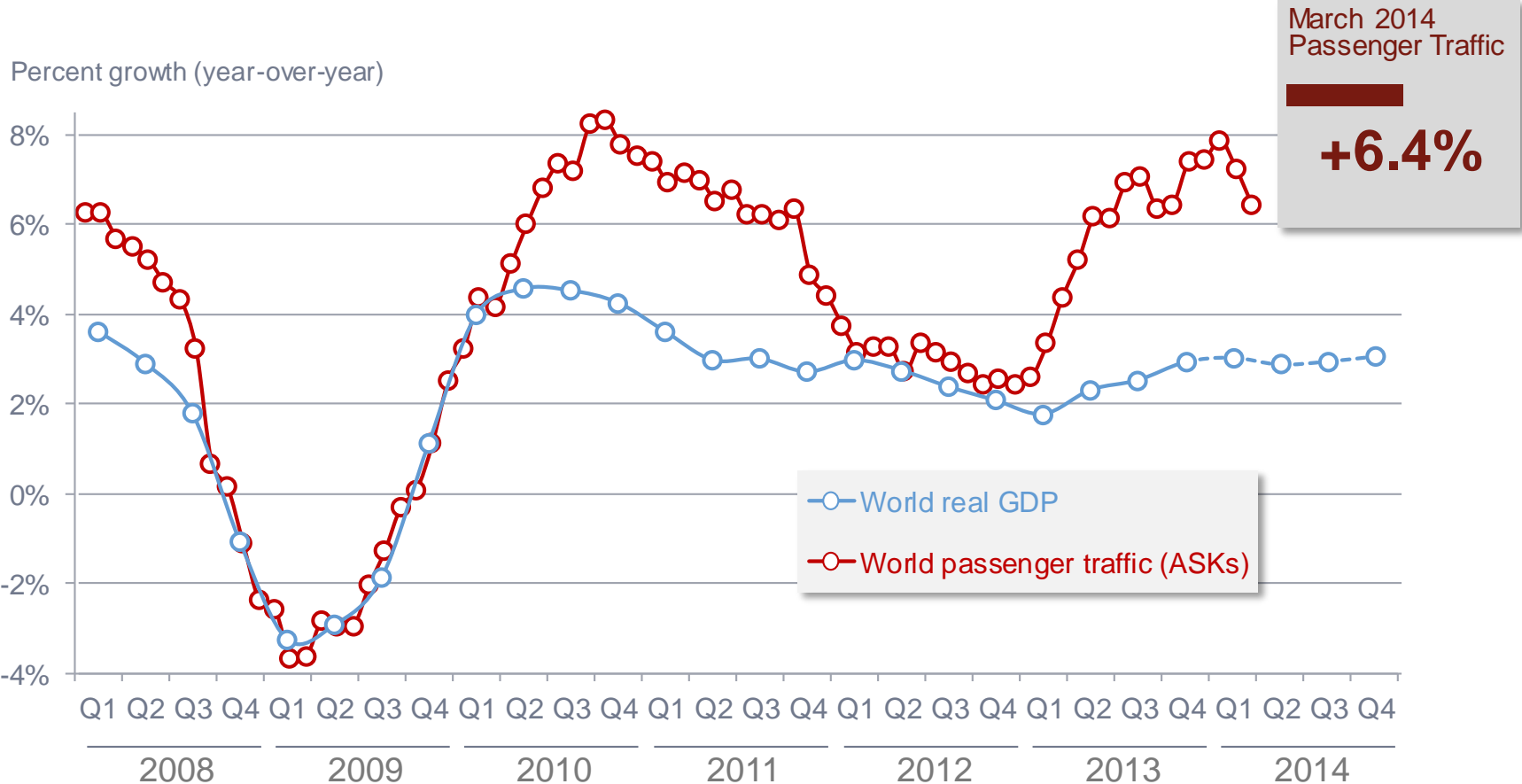
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Passenger traffic is outperforming GDP growth

World real GDP and passenger traffic

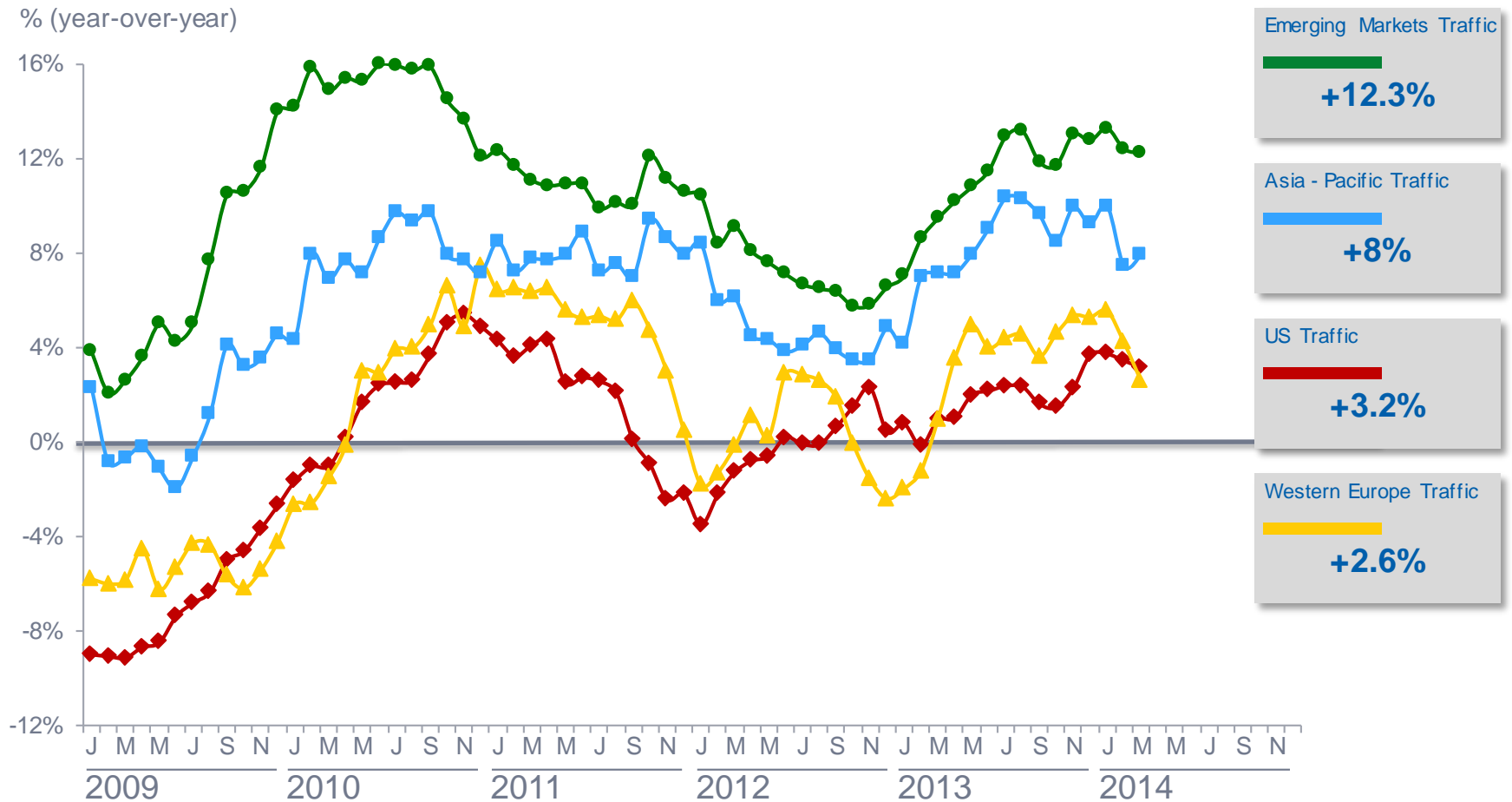


Source: IHS Global Insight, OAG, Airbus



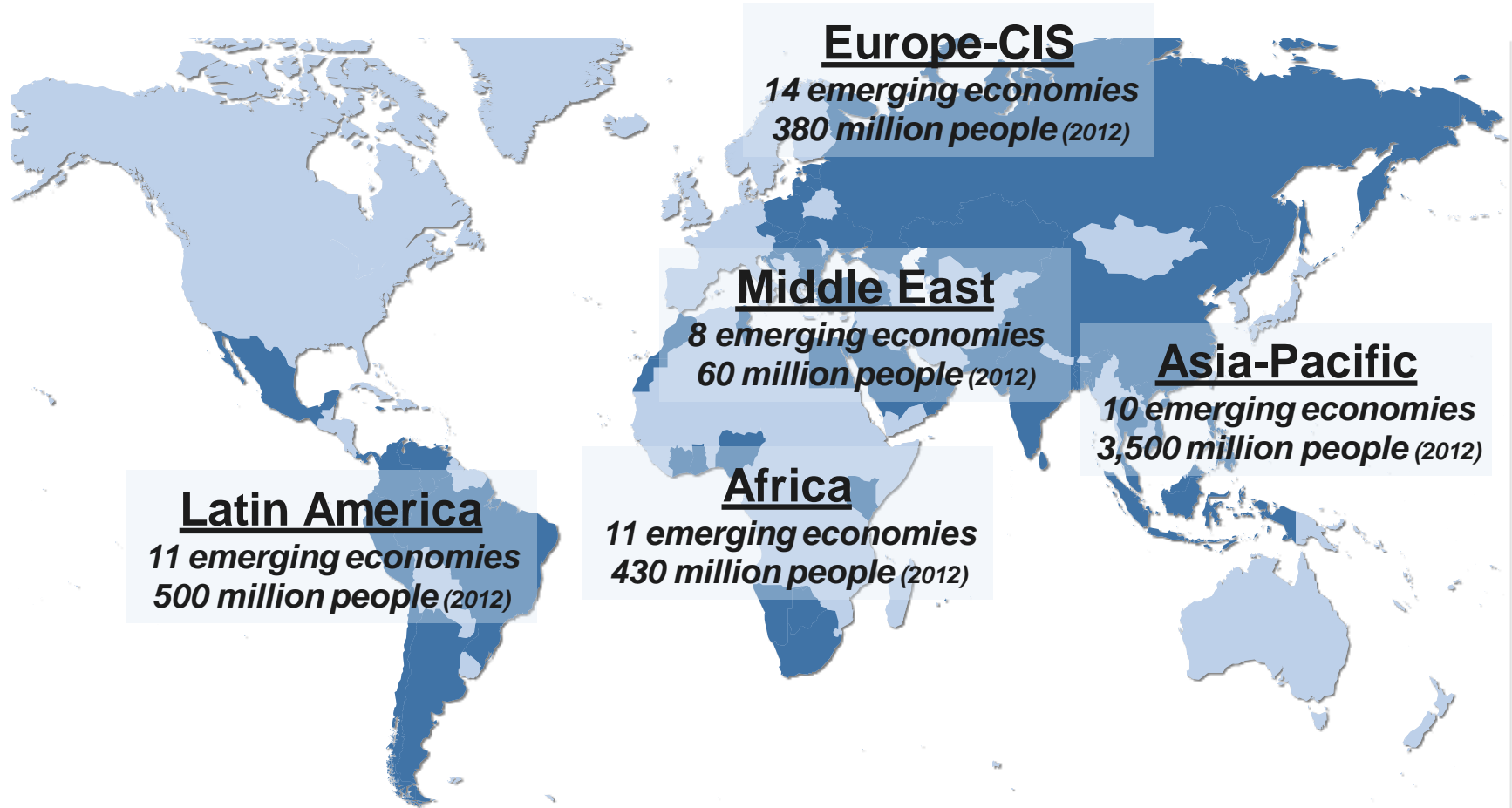
Asia-Pacific and other emerging markets are leading traffic growth

ASKs year-over-year monthly evolution



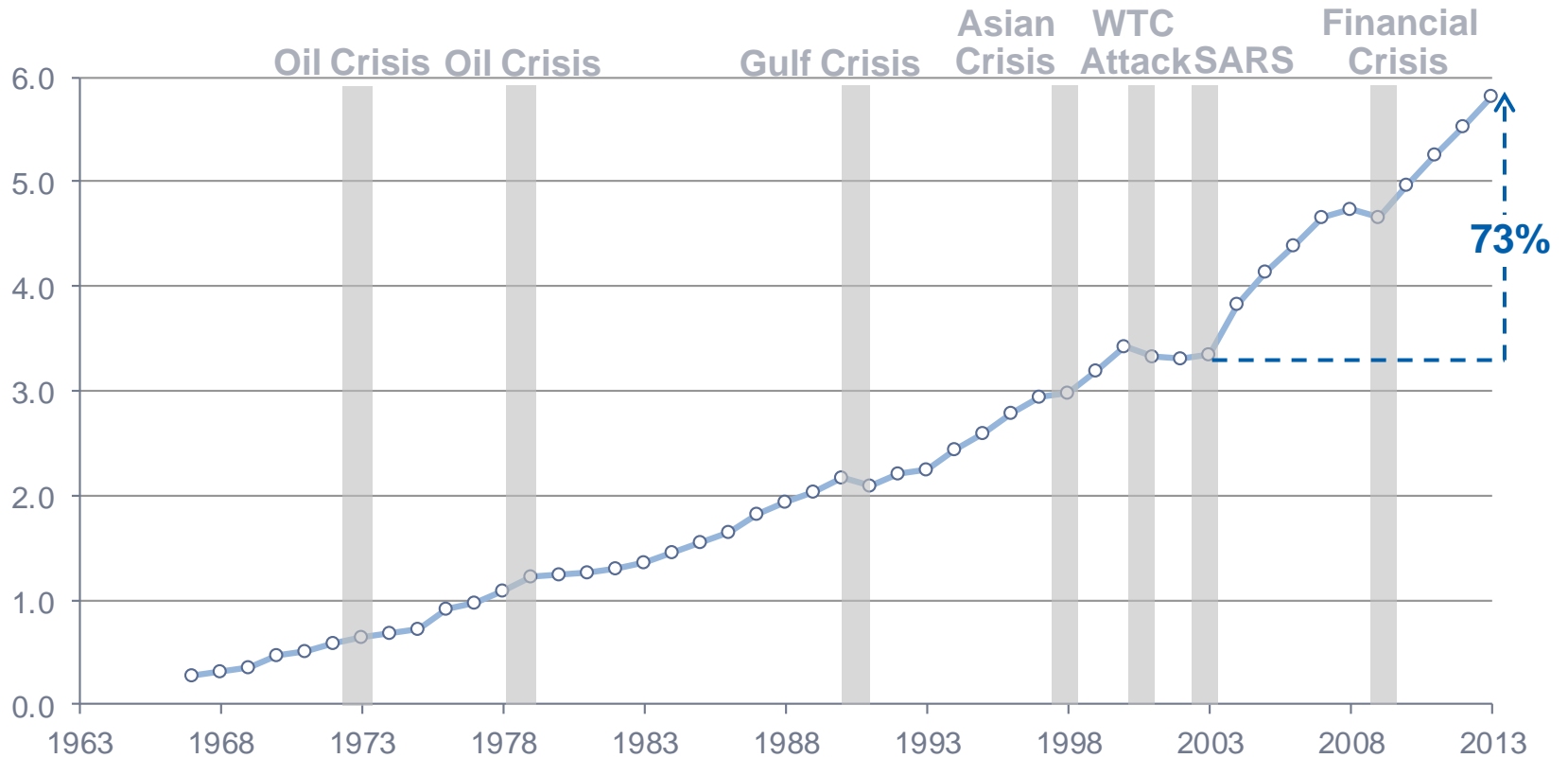
Source: OAG, Airbus

Diverse emerging economies globally distributed



Air travel has proved to be resilient to external shocks

World annual traffic (RPKs - trillions)

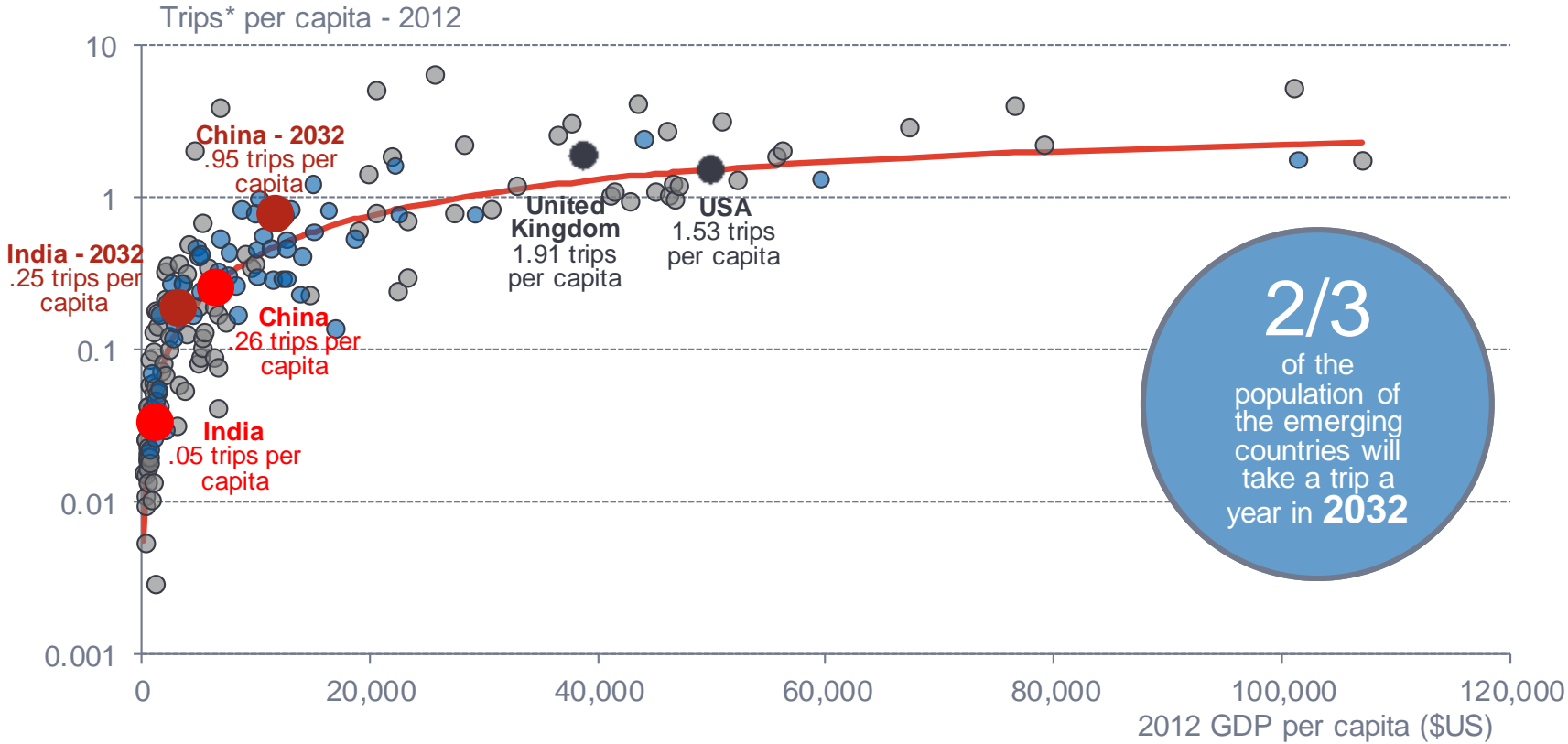


73% growth through multiple crises over the last ten years

Source: ICAO, Airbus

More wealth translates into more air travel

Trips* per capita over GDP per capita



2/3
of the population of the emerging countries will take a trip a year in **2032**

Source: Sabre (annualized September 2012 data), IHS Global Insight, Airbus

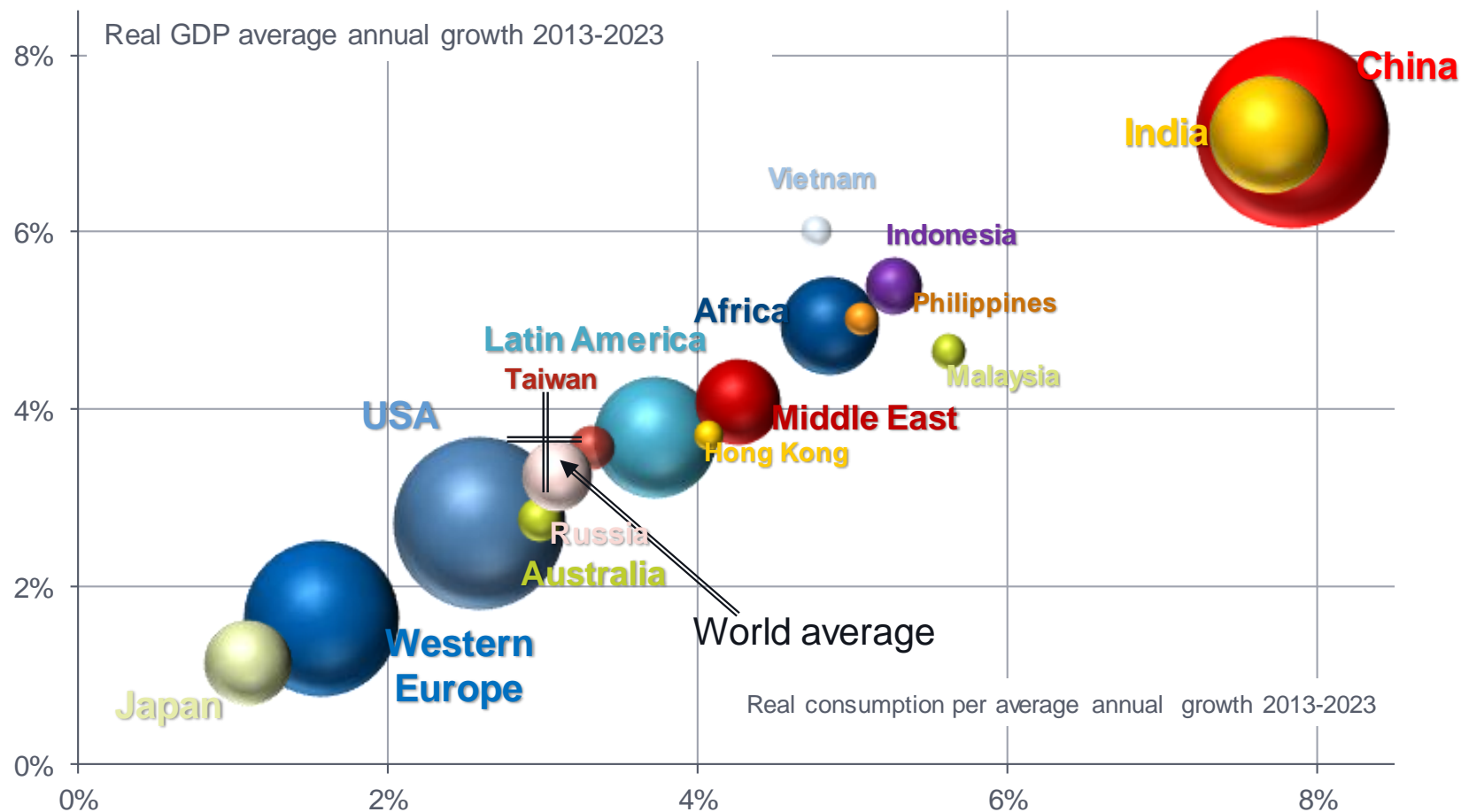
* Passengers originating from respective country

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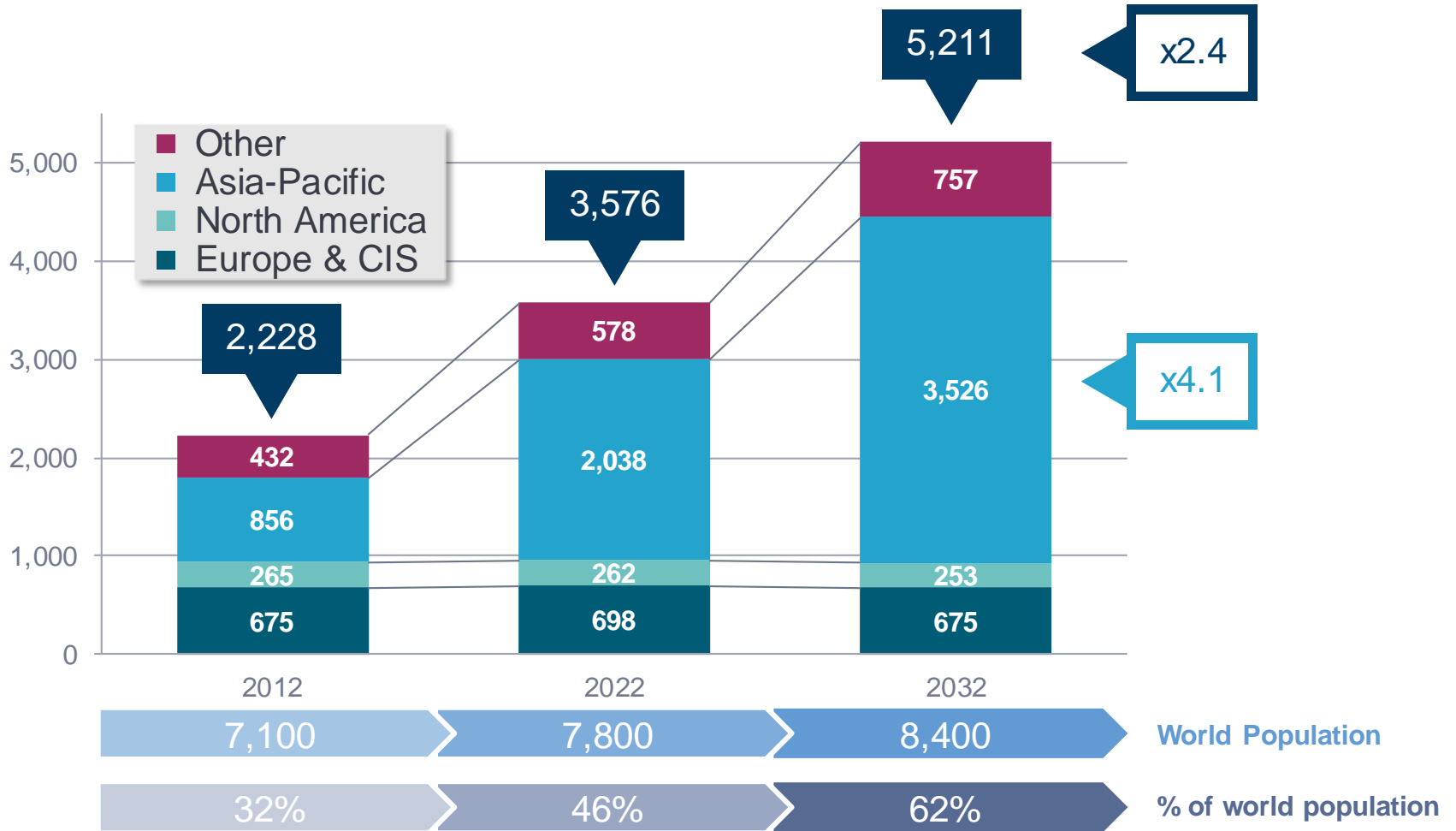
China, leading the pack

Evolution of real GDP and consumer spending 2013-2023 per global region



Bubble diameter proportional to *nominal GDP at PPP (Purchasing Power Parity)* in US\$ in 2023

Global Middle Class to more than double



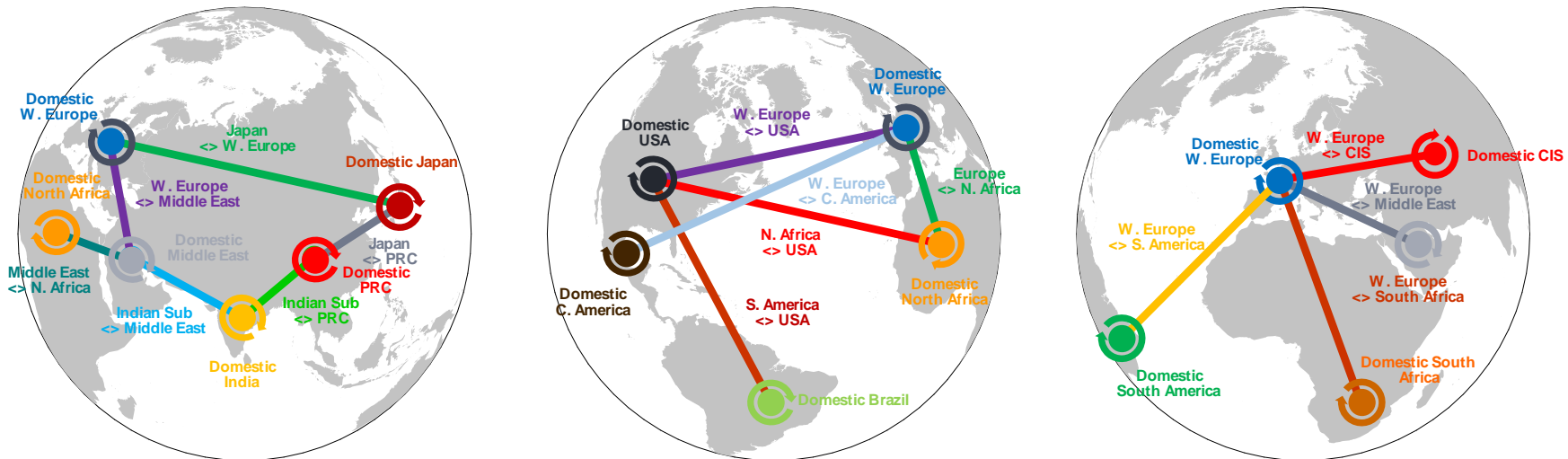
Global Middle Class*(millions of people)

Source: Kharas and Gertz, Airbus

*Households with daily expenditures between \$10 and \$100 per person (at PPP)

Traffic forecasting process: Dividing global air traffic into regional traffic flows

Selection of GMF traffic flows (200 in total)



Σ200 global traffic flows*

**Accuracy vs. validity:
As many aggregations as possible, as many exceptions as necessary**

Processing historic traffic data and forecasted socio-economic data to obtain future traffic volumes

GMF traffic forecast methodology

Air traffic
Historical data

Economy
Forecast data



Air traffic forecast = function (selected socio-economic variables)

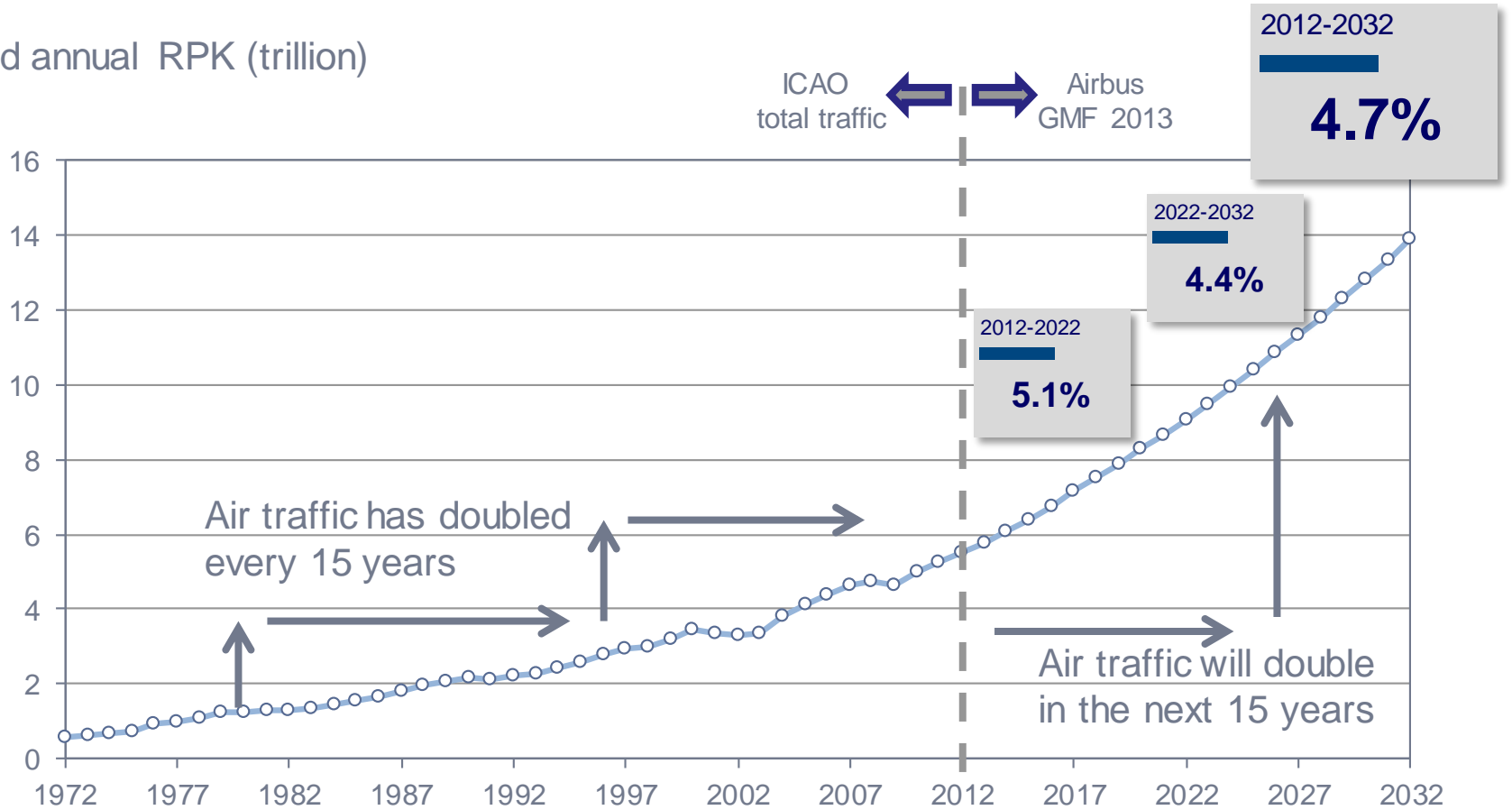
Sample of socio economic variables



- Consumer price index
- Industrial production index
- Urban population
- Gross domestic product price deflator
- Yield (if available)
- Gross domestic product (real/nominal)
- Private consumption
- Household disposable income
- Gross domestic product at PPP (real/nominal)
- Rural population**
- Number of rooms (total hotel capacity)
- Exports (real/nominal)
- Imports (real/nominal)
- GDP per capita (real/nominal)
- Oil price
- Total population
- Unemployment rate
- Exchange rate

Traffic will double in the next 15 years

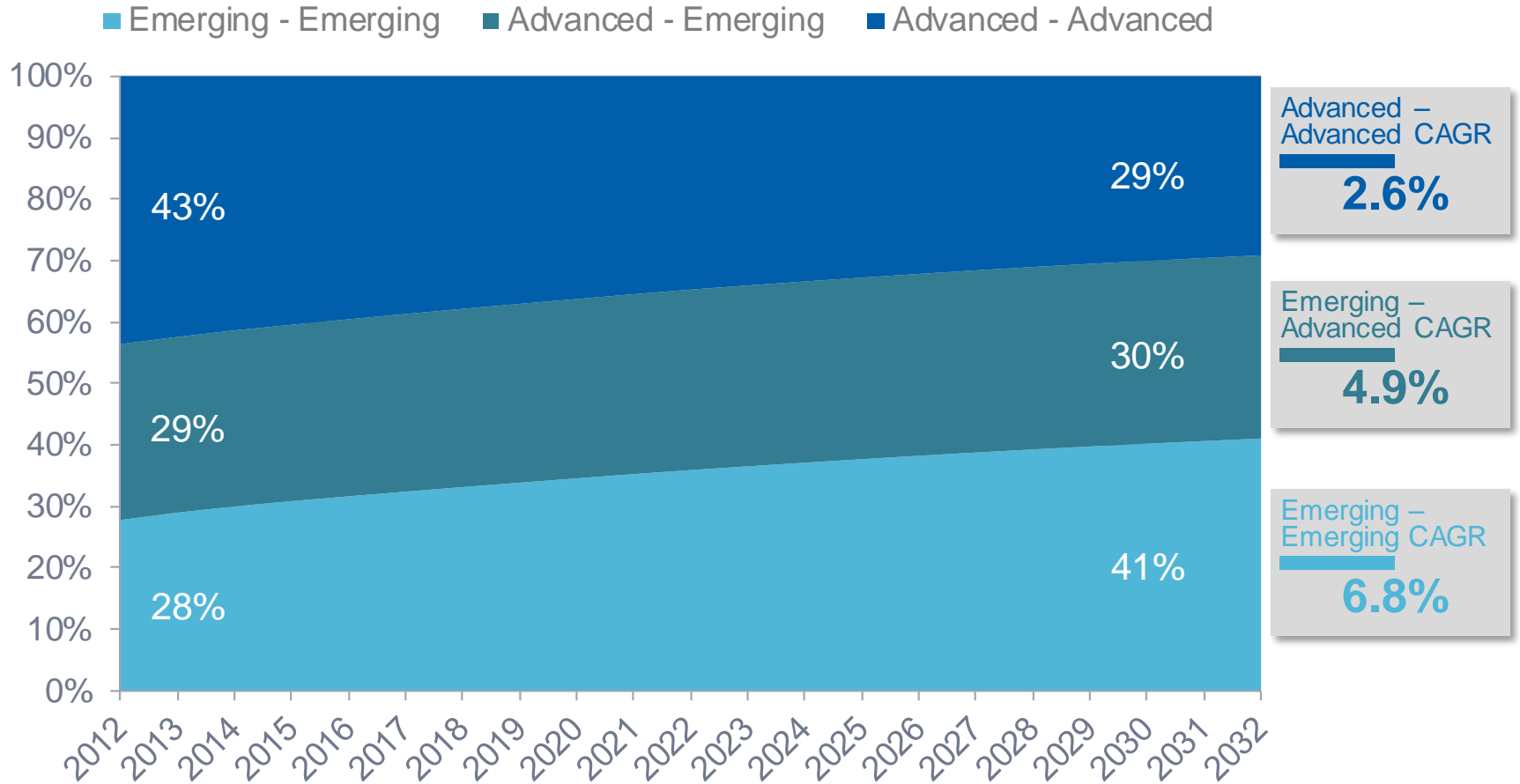
World annual RPK (trillion)



Source: ICAO, Airbus

Emerging markets will drive traffic growth

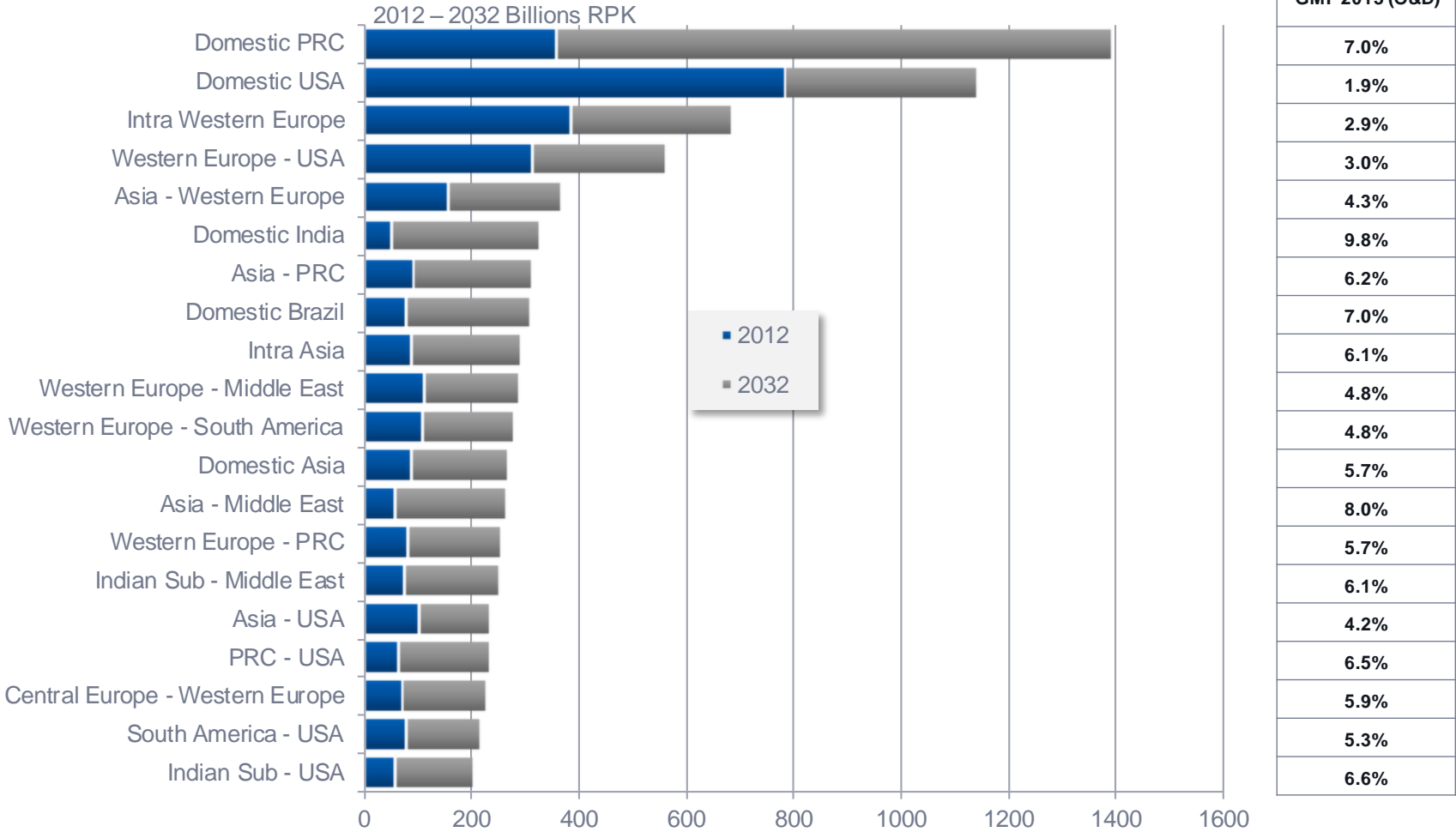
Share of world RPK, by type of flow



Source: Airbus

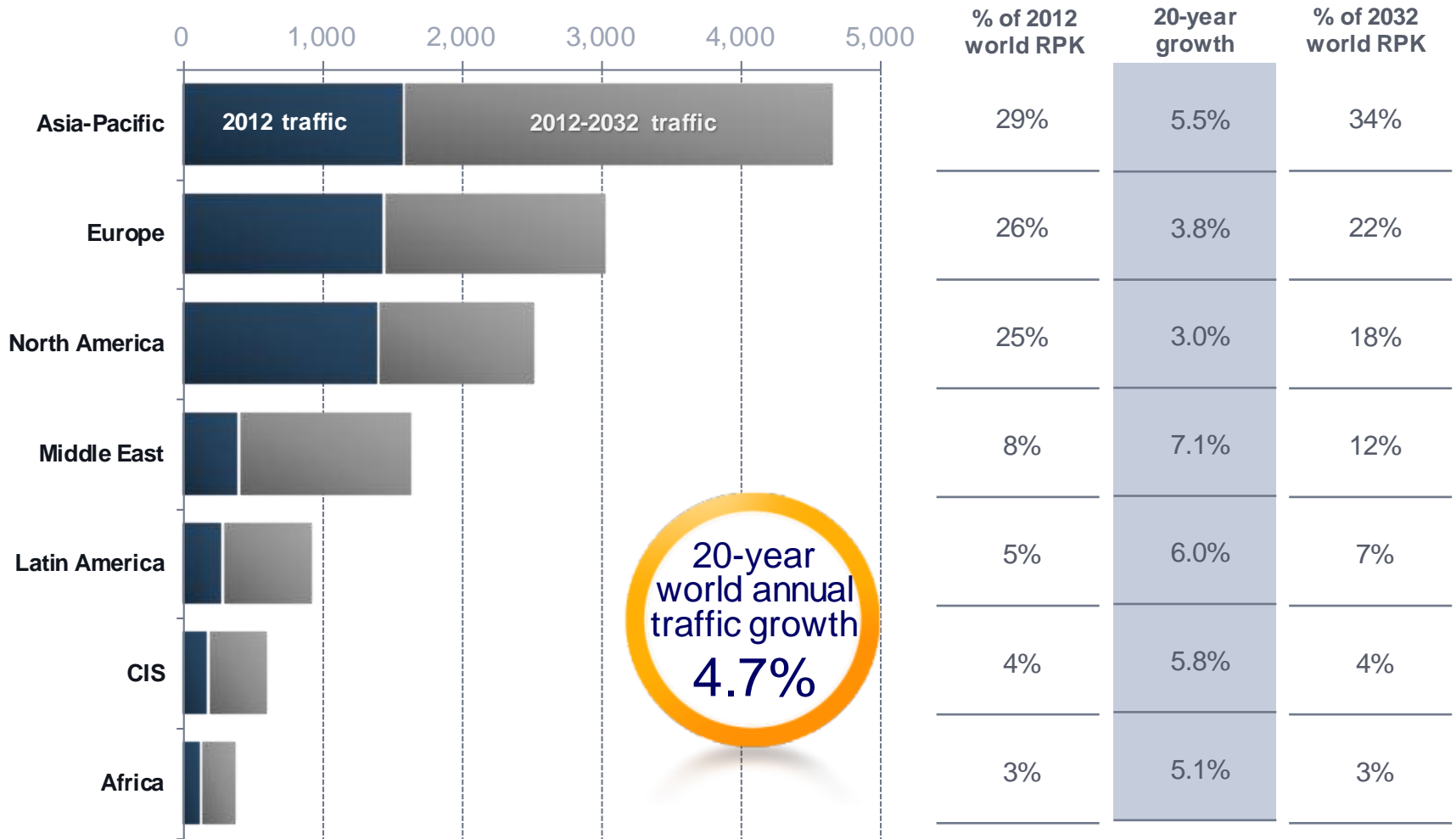
Domestic PRC will be the largest flow in 2032

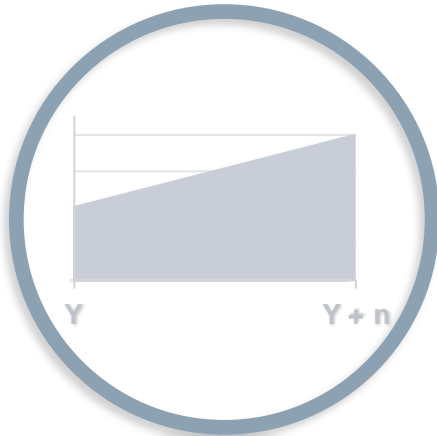
Largest O&D flows in 2032



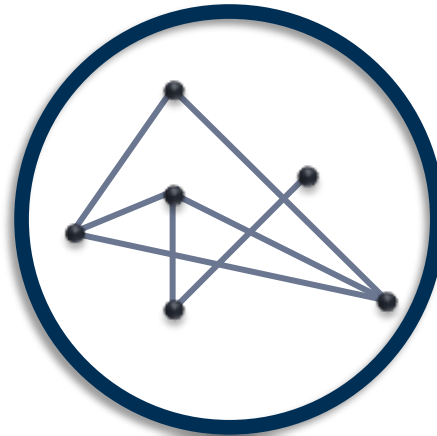
Asia-Pacific to lead in world traffic by 2032

RPK traffic by airline domicile (billions)





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**Where will
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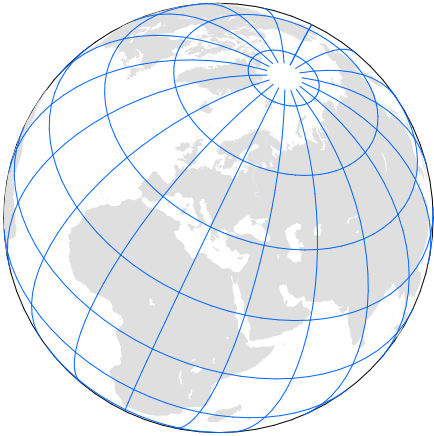


**How will
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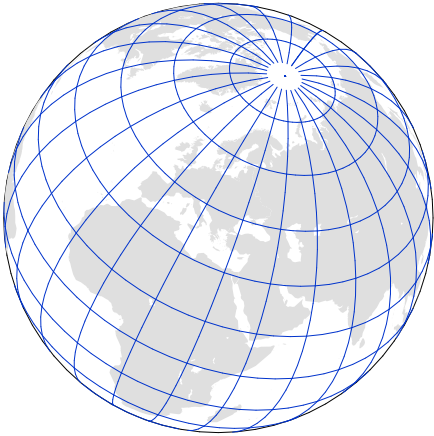
Stepwise global traffic breakdown



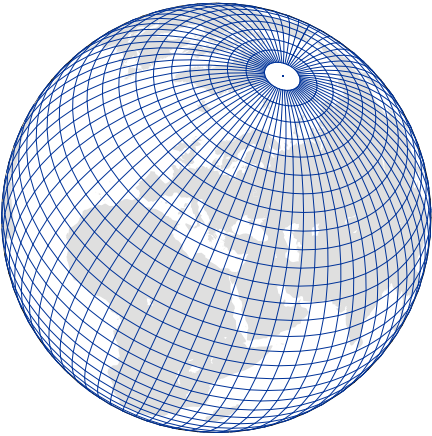
200 global traffic flows



>10.000 country pairs



>200.000 O&D city pairs



>2.500.000
O&D city pair routings

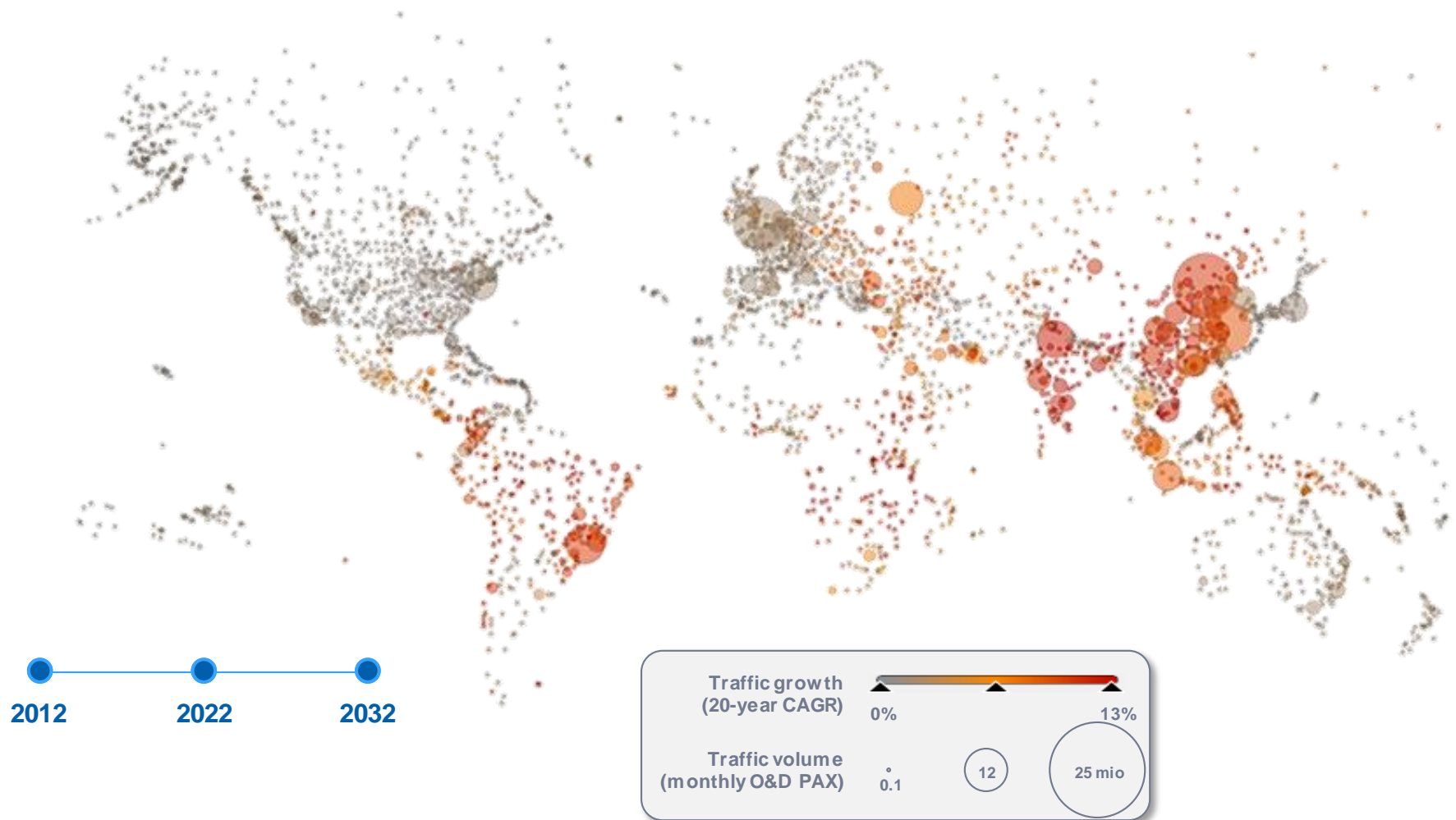


Macro traffic forecast

Micro network forecast

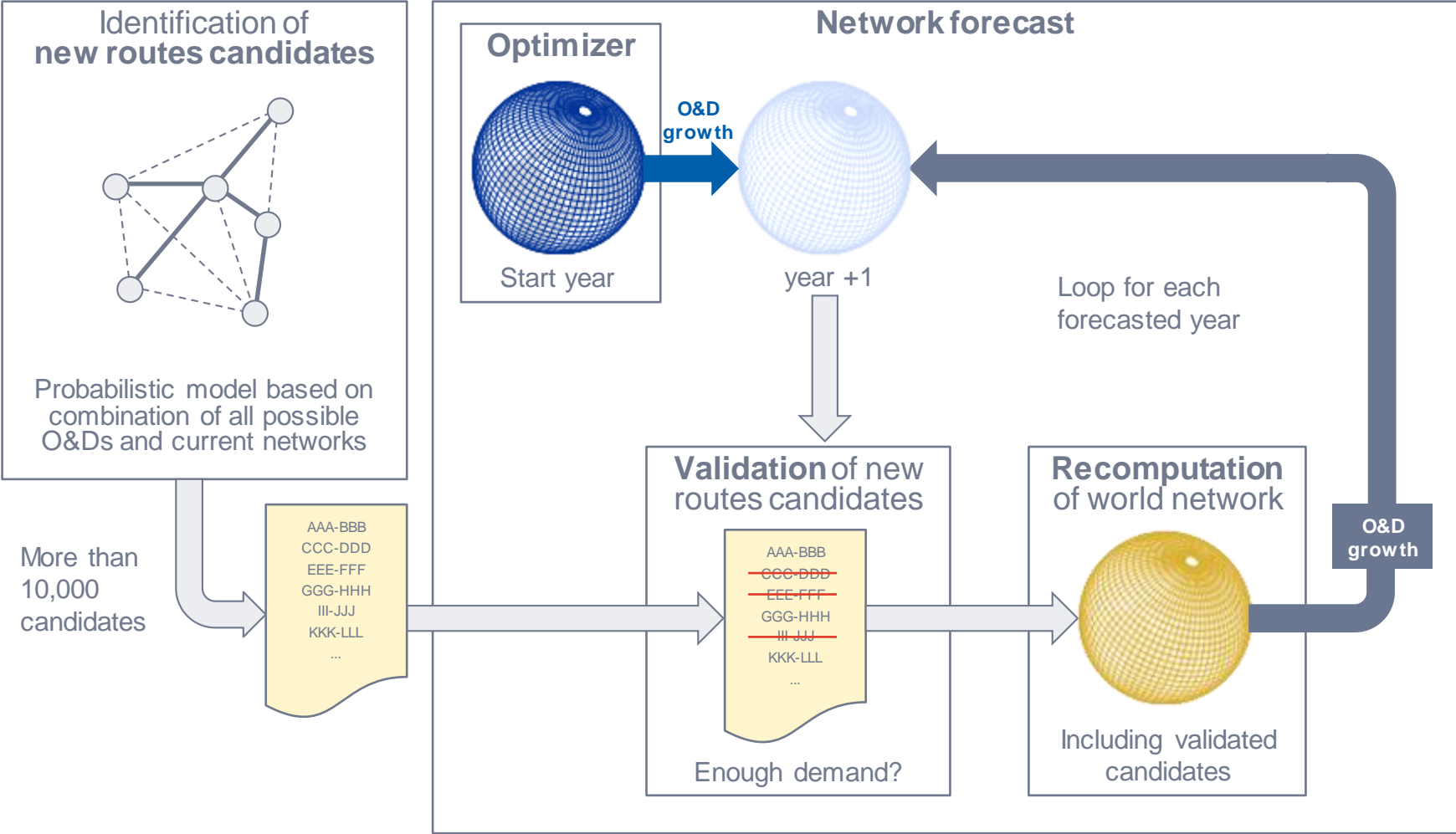
Aviation shapes the world

Origin-destination passenger traffic per city, 2013 – 2032 growth and 2032 volume



Source: Sabre, Airbus

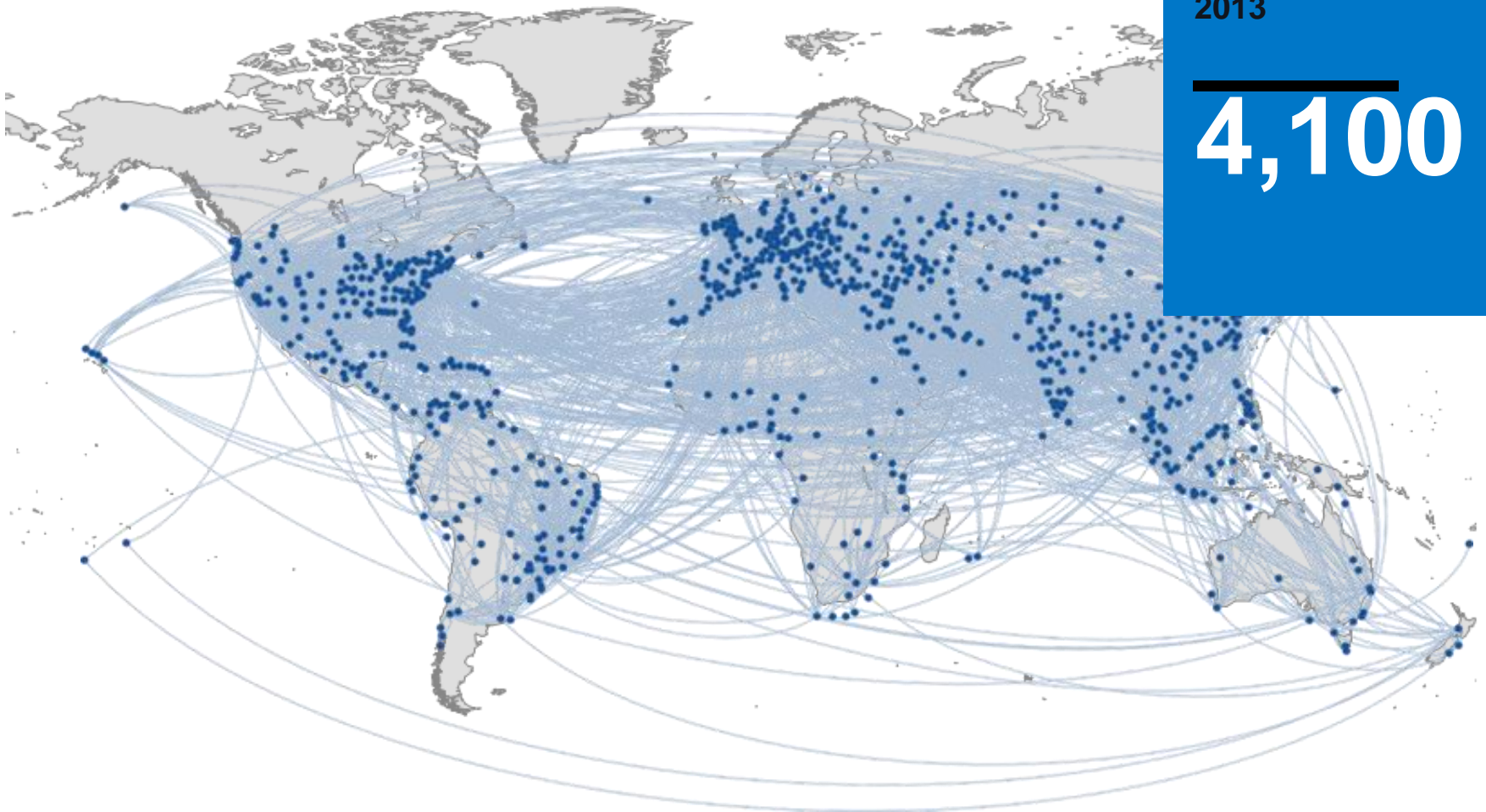
Network development



Airbus does not only focus on consolidation

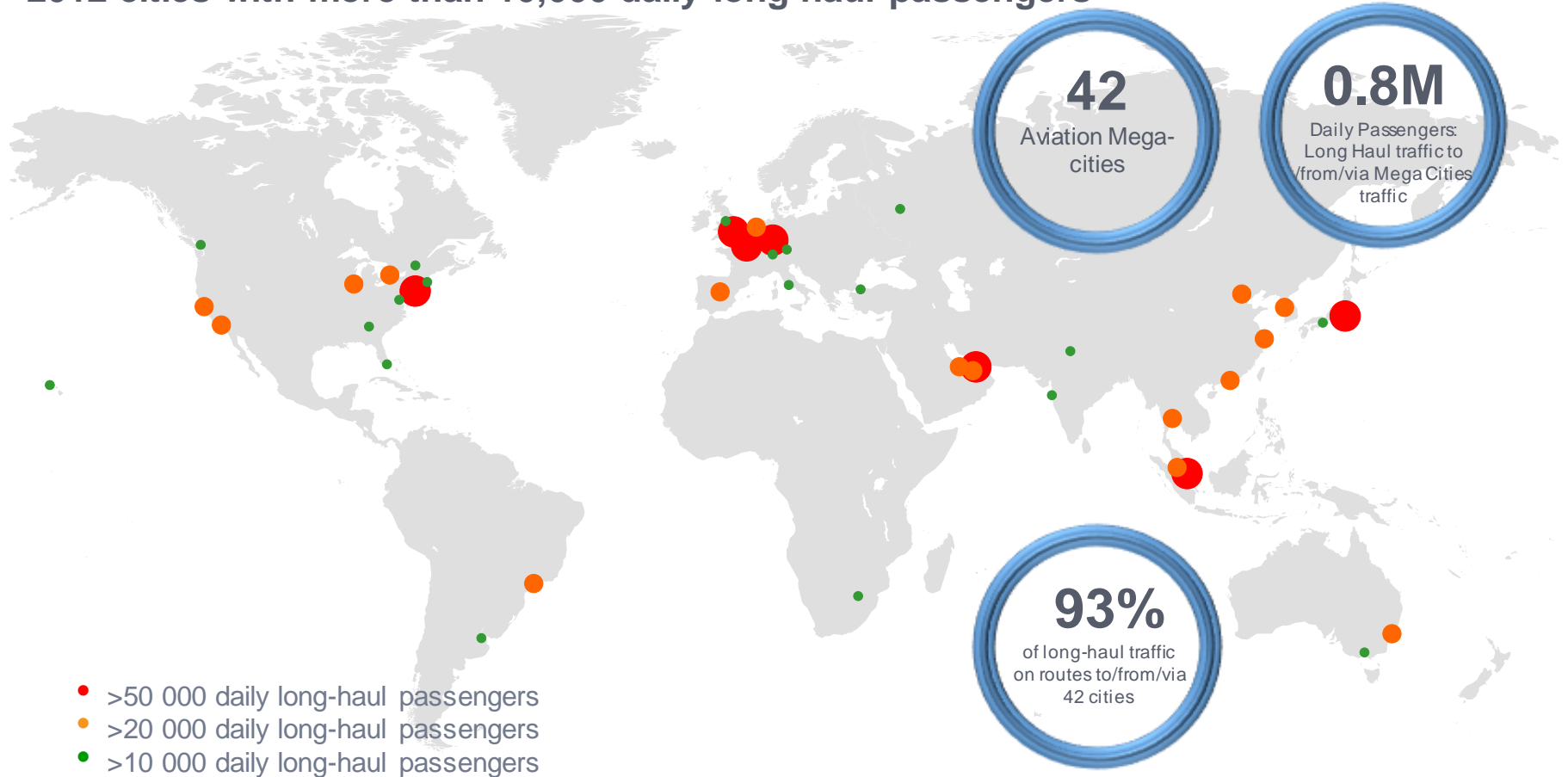
New airline/
airport-pairs, GMF
2013

4,100



42 cities in the world handle more than 10,000 long haul passengers per day ...

2012 cities with more than 10,000 daily long-haul passengers



Long-haul traffic is concentrated on a few main aviation centres

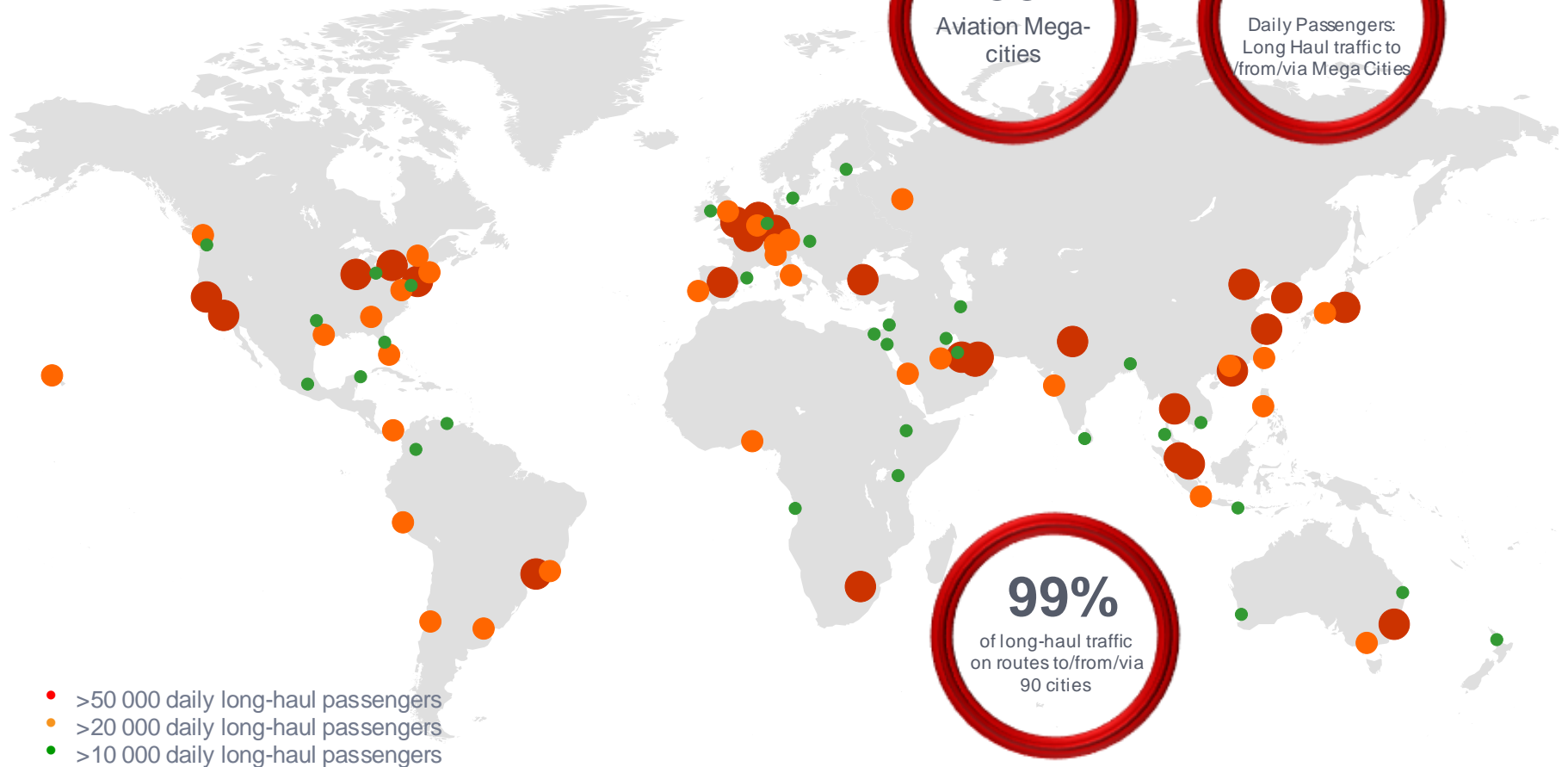
Traffic as of month of September; Source: GMF 2013

Long haul traffic: flight distance >2,000nm, excl. domestic traffic;

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... and by 2032 there will be 90 Mega-cities

2032 cities with more than 10,000 daily long-haul passengers

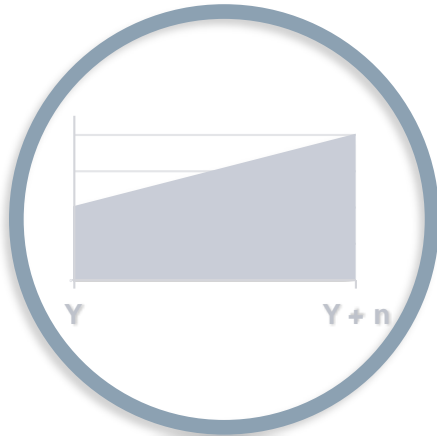


Long-haul traffic is more and more concentrated on main aviation centres

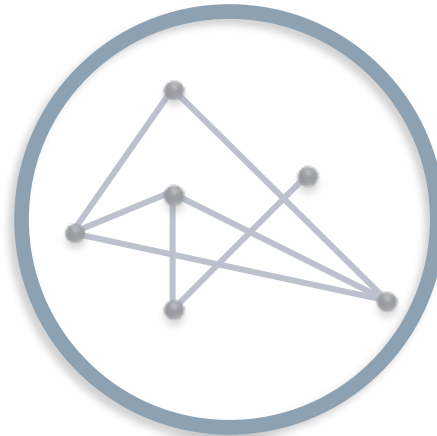
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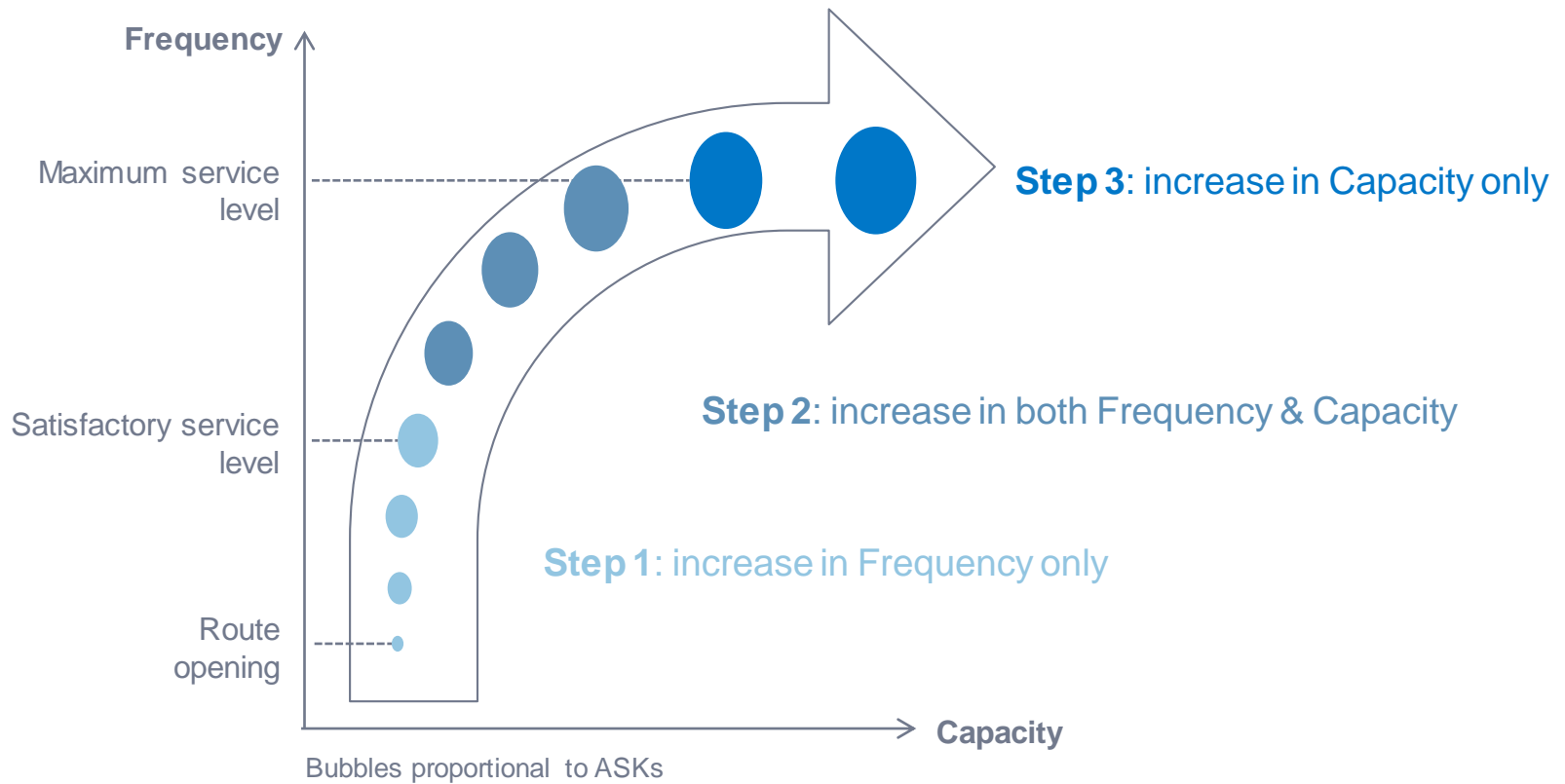
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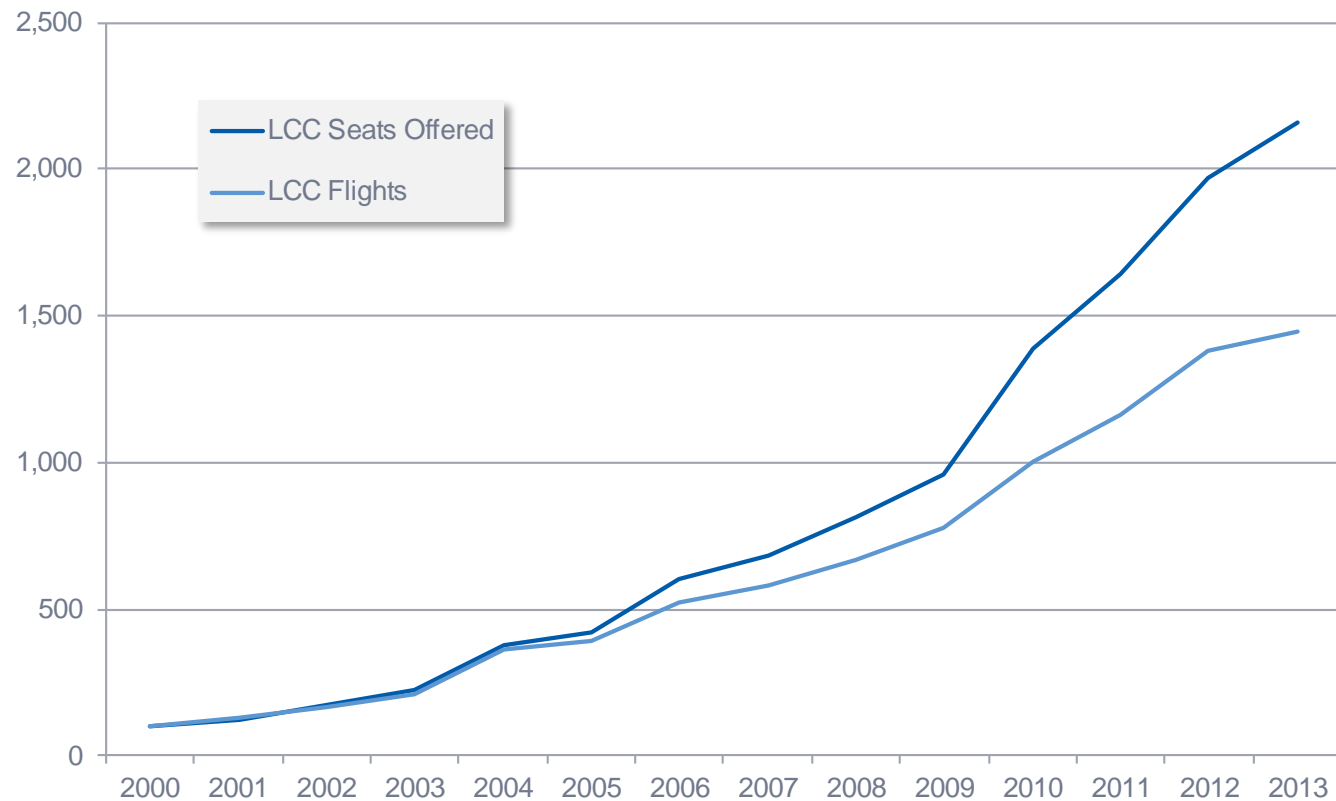
**How will
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Growth can be accommodated by growth in frequency, capacity or both simultaneously

Growth accommodation in Airbus forecasts



LCCs in Asia-Pacific continue to boom



Average aircraft capacity growth since 2000

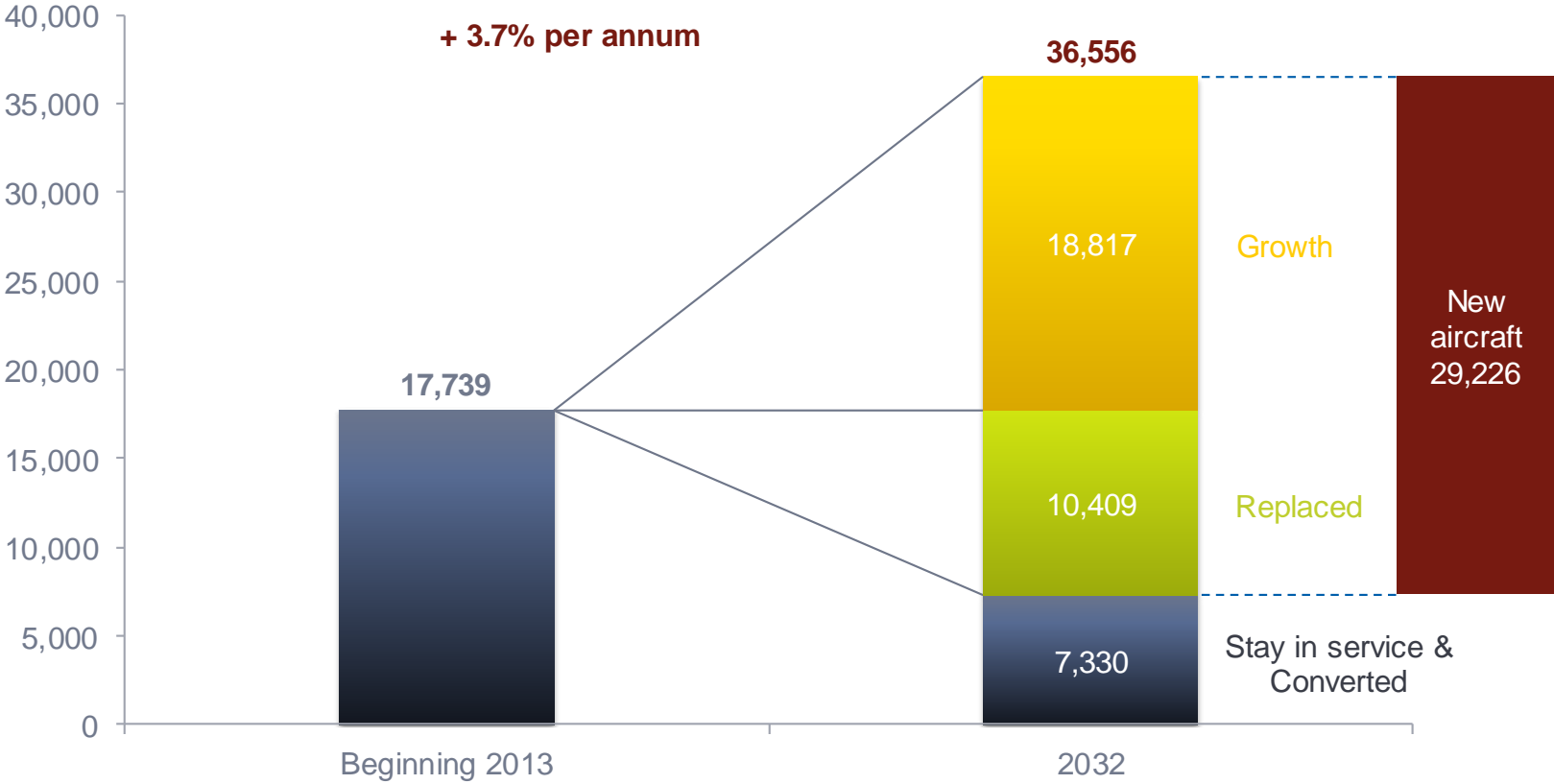
49%

LCC Seats Offered and Flights, base year 2000 = 100

Source: OAG, Airbus Market Research and Forecasts| Note: Includes all intra-regional and domestic traffic

Demand for over 29,200 new aircraft

Fleet in service evolution; 2013-2032



Source: Airbus

Note: Passenger aircraft ≥100 seats, Freighter aircraft ≥10 tonnes



Single-aisle: 69% of units; Wide-bodies: 59% of value

20-year new deliveries of passenger and freighter aircraft



% units	69%	17%	8%	6%
% value	41%	26%	17%	16%

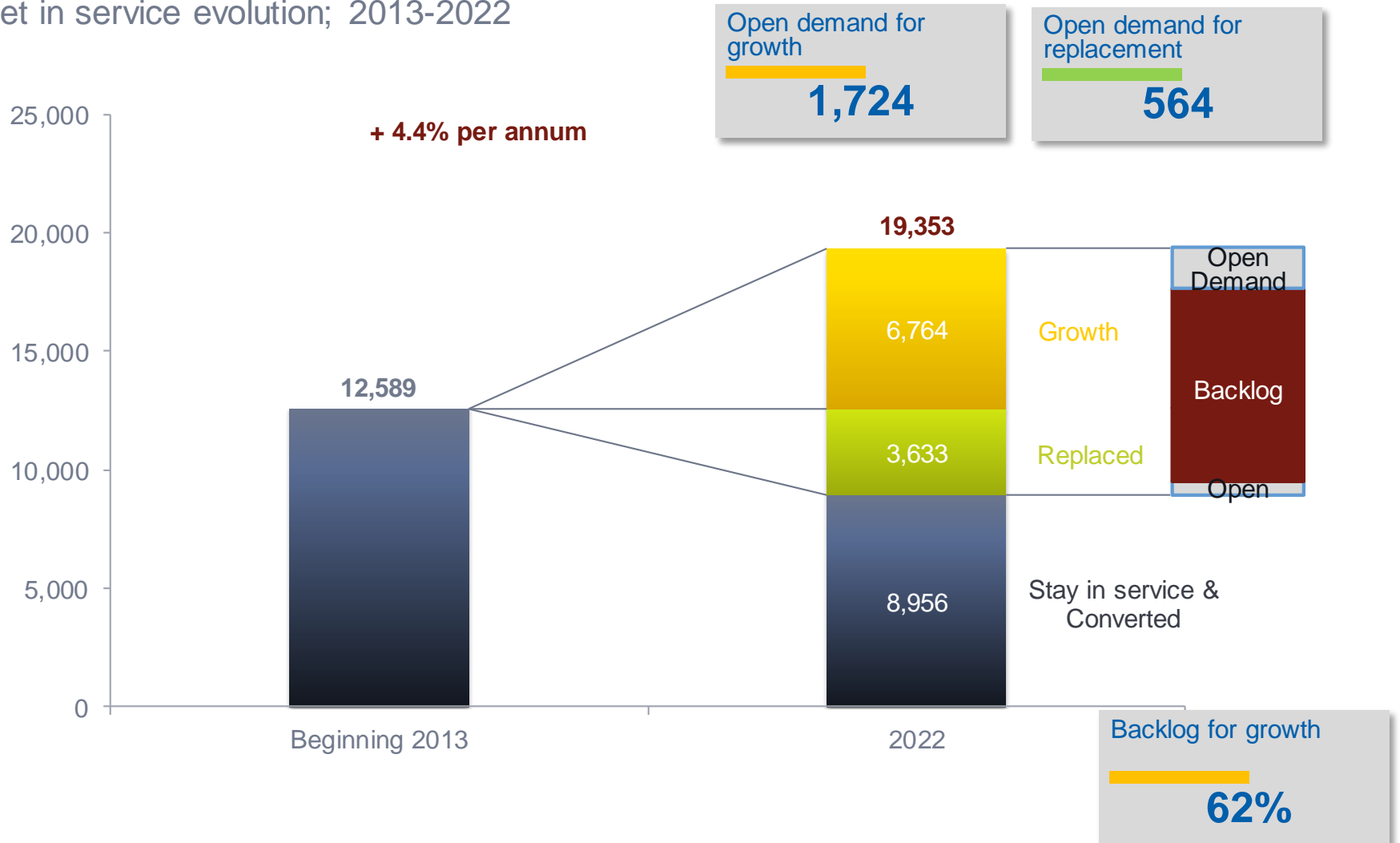
Passenger aircraft (≥ 100 seats) and jet freighter aircraft (>10 tons)

Source: Airbus



Open demand for 2,300 Single-Aisle aircraft before 2022

Fleet in service evolution; 2013-2022



Source: Airbus

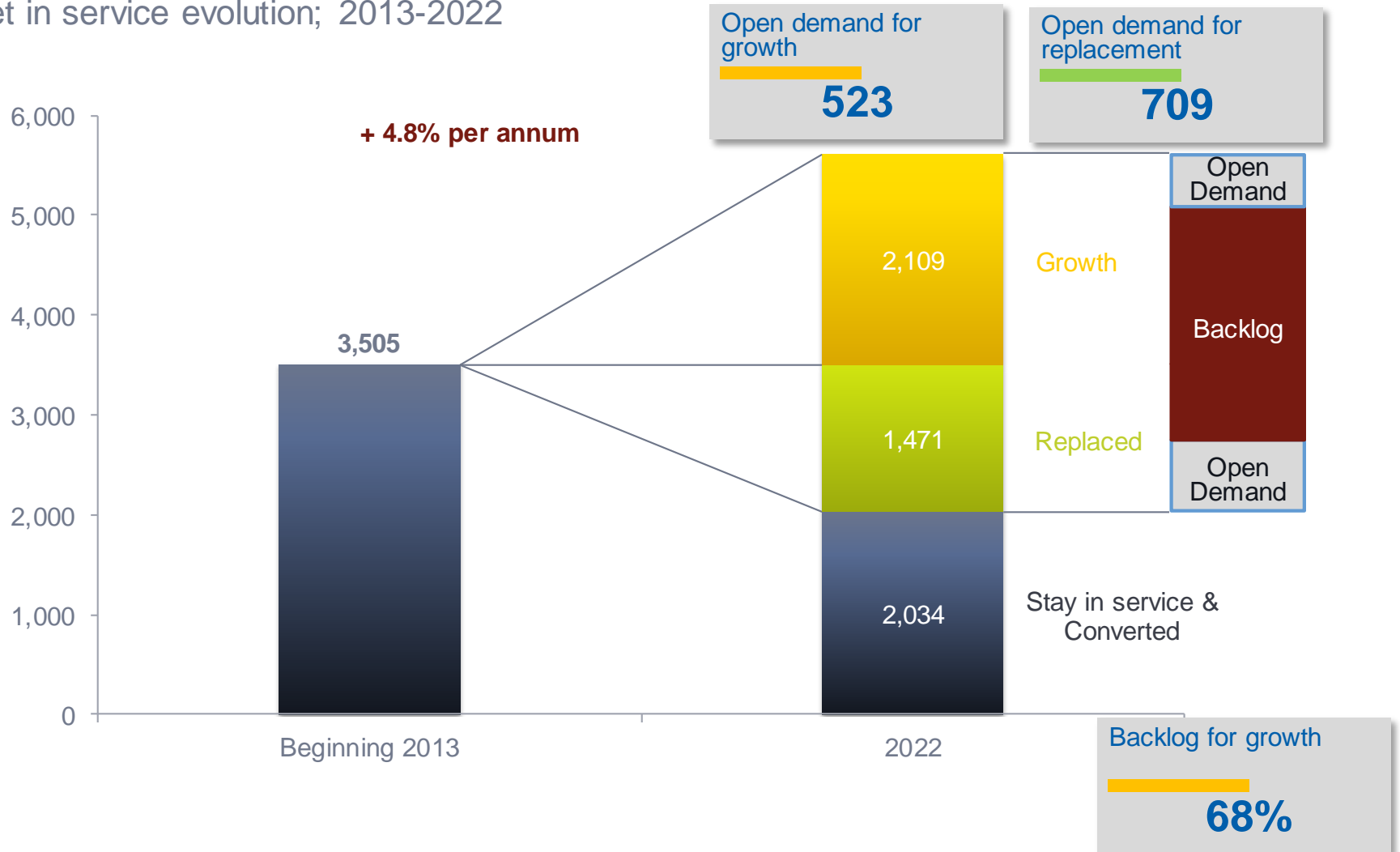
Note: Passenger aircraft ≥100 seats

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Open demand for 1,200 Twin-Aisle aircraft before 2022

Fleet in service evolution; 2013-2022



Source: Airbus

Note: Passenger aircraft ≥100 seats

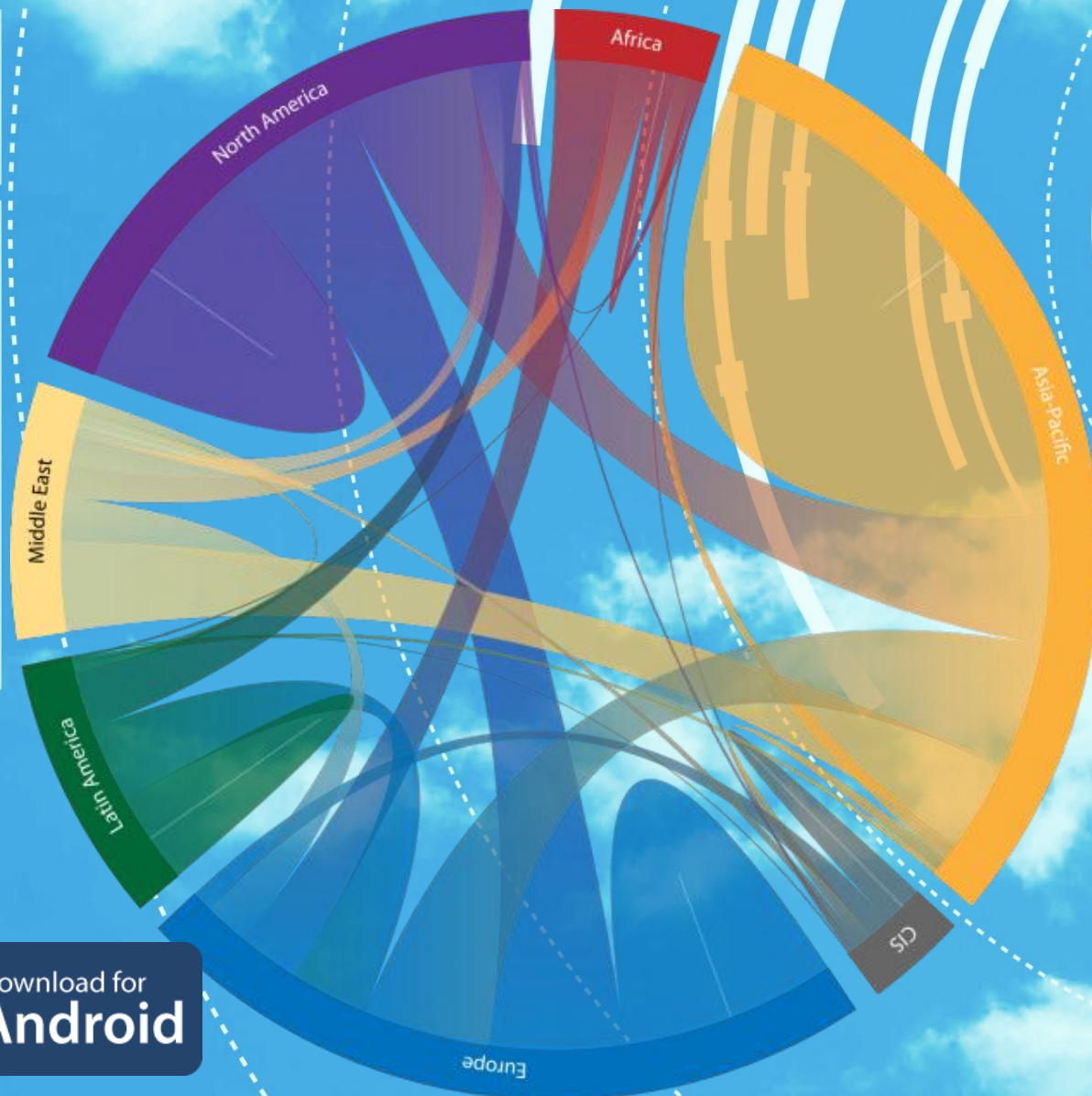


Summary

- **Strong growth in passenger traffic** – resilient growth through a difficult, but improving economic period
- **Demand for over 29,000 new aircraft by 2032** – ~28,300 passenger aircraft and nearly 900 freighter aircraft
- **Replacement of ageing fleets** – 20 year demand for nearly 11,000 passenger aircraft for replacement, largely in the single-aisle segment
- **Single-aisle aircraft represent 70% of demand in units, but wide-body aircraft represent 60% of value**
- **VLA demand driven by aviation mega-cities** – more than 99% of all long-haul passengers will fly to, from or through these cities by 2032

Global Market Forecast

Future Journeys



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