



HERMES

AIR TRANSPORT ORGANISATION

THE MAGAZINE

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ALEXANDRE DE JUNIAC

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with IATA's
Director General
and CEO



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EDITORIAL



Dr Kostas Iatrou
Director General
Hermes - Air Transport Organisation

Dear Hermes members,

We would like to welcome you to the second issue of The Magazine.

During the last three months, Hermes secretariat has been sending to the aviation stakeholders an invitation to submit a position paper on the topic of ownership and control in airlines. We have already had a positive response from key organisations.

In June Hermes hosted two receptions, one on the occasion of the 74th IATA AGM in Sydney and the second during the ACI WAGA in Brussels with the active participation of our members.

In this issue we have the honor to host an interview with Alexandre de Juniac, Director General and CEO of IATA. You will also be able to read the reports for the 74th IATA AGM and ACI WAGA.

Finally, starting from this issue and on we have the pleasure and honour to include IATA air passenger analysis in our statistics section.

Wishing you a pleasant summer time.

Dr Kostas Iatrou
Director General



WELCOME



Vijay Poonoosamy
President
Hermes - Air Transport Organisation

Dear Aviation Stakeholders,

Welcome to the Second Edition of the Hermes Magazine.

We have been most gratified by the positive feedback on the First Edition of our Magazine and we look forward to your feedback on this edition as well as your contributions to forthcoming editions.

We are very focused on leveraging the expertise of our Members to better inform debates on relevant aviation-related subjects and to promote positive changes nationally, regionally and globally.

Please share the Hermes Magazine and contribute to the debates.

Safe Travels.

Vijay Poonoosamy

President



TOP NEWS

April - June 2018

5/04/2018

STRONG PASSENGER DEMAND RESUMES; RECORD LOAD FACTOR IN FEBRUARY

The International Air Transport Association (IATA) announced global passenger traffic results for February showing a rebound in traffic growth following the slower demand experienced in January, which was owing to temporary factors including the later timing of the Lunar New Year in 2018.

Total revenue passenger kilometers (RPKs) for the month rose 7.6%, compared to February 2017, up from 4.6% year-over-year growth in January. Monthly capacity (available seat kilometers or ASKs) increased by 6.3%, and load factor rose 0.9 percentage point to 80.4%, surpassing the previous record for the month of 79.5%, which was set in February 2017.



IATA LAUNCHES NEW GLOBAL CERTIFICATION PROGRAM TO IMPROVE SAFETY AND WELFARE OF ANIMALS TRAVELLING BY AIR

The International Air Transport Association (IATA) has launched a new standardized global certification program to improve the safety and welfare of animals travelling by air. The Center of Excellence for Independent Validators for Live Animals Logistics (CEIV Live Animals) provides stakeholders across the air cargo supply chain with the assurance that CEIV Live Animals certified companies are operating to the highest standards in the transport of live animals.

6/04/2018

ACI WORLD LAUNCHES AIRPORT SERVICE QUALITY BAROMETER

Airports Council International (ACI) World today launched the first ever Airport Service Quality (ASQ) barometer, the first global snapshot of airport customer experience satisfaction levels, with overall satisfaction scores from a global and regional level.

ACI World will publish quarterly barometer reports which will enable airports around the world to measure up against their competition and gain invaluable insights to inform their approach to the increasingly competitive and crucial area of customer experience.



6/04/2018

BOEING, AMERICAN AIRLINES SIGN MAJOR ORDER FOR 47 787 DREAMLINERS

Boeing [NYSE:BA] and American Airlines today announced the world's largest airline will more than double its 787 Dreamliner fleet with a new order for 47 of the super-efficient airplane plus 28 options. The 47 787s are valued at more than \$12 billion at list prices and makes American Airlines the largest 787 customer in the Western Hemisphere.

9/04/2018

ACI WORLD RELEASES PRELIMINARY 2017 WORLD AIRPORT TRAFFIC RANKINGS

Demand has continued its robust year-on-year growth across the world's major airports both in terms of passenger numbers and air cargo. Passenger traffic at the world's 20 busiest airports grew by 5.2% in 2017. With almost 1.5 billion passengers passing through their terminals in 2017, this group of 20 represents 17% of global passenger traffic.

- Based on reports from 1,202 airports worldwide, ACI's preliminary passenger traffic results for the most-traveled airports in 2017 reveal that Atlanta-Hartsfield-Jackson (ATL) has secured top spot again. With almost 104 million passengers, the airport is within a two-hour flight of 80% of the United States' population. Beijing (PEK), holds second spot and Dubai (DXB) remained in third position. As a major connection point for long-haul international flights, Dubai International Airport is also the world's busiest in terms of international passengers. Total passenger traffic at DXB grew 5.5% in 2017.
- Delhi (DEL) jumped from 22nd to 16th solidifying its status as one of the fastest growing airports in the world for passenger traffic; Guangzhou (CAN), in China, grew by 10.3% making it the second fastest growing airport among the top 20.



10/04/2018

ACI WORLD'S AIRPORT ECONOMICS REPORT ILLUSTRATES STRENGTH OF GLOBAL INDUSTRY AS AVIATION'S CENTER OF GRAVITY CONTINUES TO SHIFT EASTWARDS

The continued recovery in manufacturing and global trade, alongside a rise in business confidence, has fostered confidence, investment and growth in airports across the world, Airports Council International (ACI) World's Airport Economics Report has revealed.

This stability has reinforced the value of the industry for investment and increased competition continues to shape the industry and its capacity to generate revenues. The report has found aeronautical revenue generated from airport charges per passenger in real terms has remained stable – in the realm of US\$10 per passenger. Using aeronautical revenues as an alternative for airport charges, charges are increasing globally at the same pace as global demand. This is clear demonstration that the calls for tighter and rigid economic regulation for airport charges are unfounded, according to ACI.



10/04/2018

AIRBUS LAUNCHES NEW CABIN-FLEX OPTION FOR A380 WITH QANTAS

As part of the efficiency-boosting A380 cabin enablers, Airbus has developed a new option: "A380 Cabin-Flex". This solution consists in a new cabin door area arrangement on the upper-deck, suitable for premium configuration with lower density seat counts, allowing airlines to gain revenue-earning floor-space for extra seating without compromising on passenger comfort. The enhancement is available either for line-fit and retrofit. Qantas has chosen to be the launch operator of the A380 Cabin-Flex on its current A380 fleet from mid-2019.

23/04/2018**ULTRA LONG RANGE A350 XWB COMPLETES FIRST FLIGHT**

The Ultra Long Range version of the A350 XWB, MSN 216, has successfully completed its first flight. The latest variant of the best-selling A350 XWB Family will be able to fly further than any other commercial airliner and will enter service with launch operator Singapore Airlines in second half 2018.

**23/04/2018****EASA'S MANAGEMENT BOARD RE-ELECTS PATRICK KY AS THE AGENCY'S EXECUTIVE DIRECTOR**

The Management Board of the European Aviation Safety Agency announces the re-election by a unanimous vote of Patrick Ky (50) as the Agency's Executive Director for a second term of 5 years. Patrick Ky declared: *"It is an honour and privilege to have been entrusted with the inspiring role of leading EASA for the next 5 years. Later this year a new scope of activities for the Agency will be adopted by the EU. In parallel, the aviation industry is transforming at a faster pace than ever before. These are among the very exciting challenges that EASA will be faced with and that I am looking forward to take up with the support of the highly professional staff of the Agency"*.

24/04/2018**NORWAY'S WIDEROE COMPLETES FIRST REVENUE FLIGHT OF AN EMBRAER E190-E2**

Wideroe, Scandinavia's largest regional airline, completed the first scheduled passenger flight of an Embraer E190-E2 this morning. The aircraft, registered LN-WEA and operating as flight WF622, departed Bergen Airport at 7:56 AM and arrived at Tromsø Airport at 9:39 AM local time.

25/04/2018**AIRPORTS COUNCIL INTERNATIONAL LAUNCHES NEW LANDSIDE SECURITY HANDBOOK**

As part of its continuing commitment to promote a common-sense approach to security, Airports Council International (ACI) World will today launch the first edition of its new ACI Landside Security Handbook. This guidance is intended to help operators ensure that all aspects of landside security, including prevention, deterrence and incident management, have been considered in their procedures. It updates and brings together the best elements of managing security from the current experience of airports around the world involved in this crucial task. The Handbook also provides many examples and options for different operating environments and may be used as a standalone guide or to complement an APEX in Security review.



Source: ICAO

2/5/2018

ICAO AND UNODC TO STRENGTHEN JOINT SECURITY EFFORTS TARGETING INTERNATIONAL TRAFFICKING AND TERRORIST ACTIVITIES

ICAO Secretary General, Dr. Fang Liu, and the Executive Director of the United Nations Office on Drugs and Crime (UNODC), Mr. Yury Fedotov, took an important step today to bolster global efforts targeting international terrorism and transnational crime.

The two leaders met in London to sign a new Memorandum of Understanding (MoU) which will now greatly enhance their cooperation and information sharing on security priorities relating to border control, law enforcement, and criminal justice.



Source: Airbus

15/5/2018

LAUNCH OPERATOR A330NEO COMPLETES MAIDEN FLIGHT

The first A330neo for launch operator TAP Air Portugal - MSN1819 - completed its 4:32 hours maiden flight. The aircraft now joins the fleet of two A330-900 test aircraft already performing flight tests since 19 October 2017.

MSN1819 is the first aircraft fitted with the Airspace cabin by Airbus. It is equipped with light Flight Test Instrumentation during its test phase to check cabin systems such as air conditioning, crew rest etc.

10/5/2018

ICAO AND NEPAD TO ENHANCE COOPERATION IN AID OF AFRICAN AVIATION DEVELOPMENT, MODERNIZATION OBJECTIVES

The International Civil Aviation Organization (ICAO) and the New Partnership for Africa's Development Planning and Coordinating Agency (NEPAD) have forged a new agreement to enhance the contribution of civil aviation to the social and economic development of the African Continent, and to promote related aviation infrastructure development and capacity-building in aid of sustainable air transport for Africa and Africans.



Source: ICAO



17/5/2018

TIACA UPDATES BRAND IDENTITY WITH FRESH LOGO AND WEBSITE REDESIGNS SUPPORTING NEW VISION

The International Air Cargo Association (TIACA) is rolling out a new look with a fresh logo and redesigned websites to underpin its new vision supporting the development of an efficient, modern, and unified air cargo industry. The Association has adopted a logo, which reflects its global membership, whilst building on a proud 24-year history of representing, supporting, connecting, and informing every element of the air freight supply chain. The new logo includes a globe drawn using a 3D version of the kinetic lines in the original version, and the TIACA acronym, with the final A drawn as the wing of an airplane. Source: TIACA

17/5/2018**ICAO AND UN CTED TO STRENGTHEN COOPERATION ON BORDER CONTROL, AVIATION SECURITY, AND COUNTER-TERRORISM ISSUES**

ICAO Secretary General Dr. Fang Liu and the Assistant Secretary-General and Executive Director of the Counter-Terrorism Executive Directorate (UN CTED), Ms. Michèle Coninsx, took an important step today to address international terrorist threats.

The two leaders met in Montréal to sign a new agreement which will now greatly strengthen and enhance their agencies' cooperation and information sharing relating to border controls, aviation security and counter-terrorism, and which will support key United Nations Security Council resolutions regarding international priorities for aligned counter-terrorism response. [Source: ICAO](#)

**28/5/2018****AIRBALTIC ORDERS UP TO 60 AIRCRAFT FOR SIGNIFICANT BREAKTHROUGH OF DEVELOPMENT**

Today, on May 28, 2018, the Latvian airline airBaltic and Bombardier Commercial Aircraft announced that the parties have executed a firm purchase agreement for the sale and purchase of 30 Bombardier CS300 aircraft with options for an additional 30 aircraft of the same type. This order complements the existing order of 20 CS300 aircraft and forms the backbone of the new airBaltic's business plan Destination 2025 that builds on the successful progress of the current airline's business plan Horizon 2021, which has laid the groundwork for future expansion.

ICAO: PREVENTING HUMAN TRAFFICKING BY EMPOWERING AIRCRAFT CABIN CREW

Aircraft cabin crew will now have better tools to help them prevent human trafficking on commercial flights after the launch today of new ICAO-OHCHR Guidelines for Training Cabin Crew on Identifying and Responding to Trafficking in Persons.

The new guidelines were unveiled at an ICAO-OHCHR Forum taking place in Geneva, and are seen as timely and essential given that 1-in-200 people worldwide are still being forced into work and living conditions resulting from human trafficking, a practice considered akin to modern slavery.

30/5/2018**SINGAPORE AIRLINES TO LAUNCH WORLD'S LONGEST COMMERCIAL FLIGHTS**

Singapore Airlines (SIA) will launch the world's longest commercial flights in October, with non-stop services between Singapore and New York using the new Airbus A350-900ULR (ultra-long-range).

Flights are to be launched on 11 October 2018, to Newark Liberty International Airport. The route will initially be served three times a week, departing Singapore on Monday, Thursday and Saturday. Daily operations will commence from 18 October after an additional A350-900ULR aircraft enters service.

1/06/2018**QANTAS AND AIR NEW ZEALAND ANNOUNCE CODESHARE DEAL TO MAKE TRAVEL EASIER**

Air New Zealand and Qantas have today announced plans for a reciprocal codeshare agreement that leverages the strengths of each carrier's domestic networks, making travel within Australia and New Zealand easier.

- Codeshare agreement on 115 domestic routes in New Zealand and Australia
- Faster connections between flights to reduce total journey time by up to two hours
- Other potential areas of cooperation include ground handling, freight and biofuel

3/06/2018**INTRODUCING ONEWORLD CONNECT**

oneworld is launching a new platform for linking up with the world's premier airline alliance, enabling customers to enjoy more services and benefits across an even more extensive global network.

The first airline to join in the new capacity as a oneworld connect partner will be Fiji Airways.

oneworld connect is the first new membership platform unveiled by oneworld since the alliance was originally announced 20 years ago.

oneworld is in discussion with other carriers interested in participating in the program, from various parts of the world, including the Americas, Asia-Pacific and Europe.

Each oneworld connect partner will need to have a minimum of three oneworld members as its sponsors to be initiated into the program.

3/06/2018**IATA, AFRAA SIGN MoU TO ADVANCE AVIATION IN AFRICA**

The International Air Transport Association (IATA) and The African Airline Association (AFRAA) signed a memorandum of understanding (MoU) to deepen their cooperation.

The MoU was signed by Alexandre de Juniac, IATA's Director General and CEO and AFRAA's Secretary General, Abderahmane Berthé on the sidelines of the 74th IATA Annual General Meeting in Sydney.

Under the MoU, IATA and AFRAA will exchange information, expertise and capabilities and work jointly to:

- Enhance safety by assisting airlines to successfully implement the IATA Operational Safety Audit (IOSA), IATA Safety Audit for Ground Operations (ISAGO) and IATA Ground Handling Manual (IGOM)
- Promote regional air connectivity by working jointly with governments to implement supporting the implementation of the Single African Air Transport Market (SAATM)
- Encourage data exchange among aviation stakeholders to improve the passenger experience
- Enhance security through capacity building
- Liberate airline funds blocked by governments from repatriation by advising governments on best practices to clear backlogs
- Achieve reasonable levels of taxes and charges by helping governments to focus on the social and economic benefits of aviation



4/06/2018**WTTC AND IATA AGREE TO PARTNER FOR SEAMLESS PASSENGER AND BETTER TRAVELLER EXPERIENCE**

The World Travel & Tourism Council (WTTC) and the International Air Transport Association (IATA) have agreed to partner to achieve the benefits of biometrics and deliver traveller digital identity management throughout the Travel & Tourism sector for a seamless passenger experience.

The agreement, which was announced on the sidelines of the IATA AGM in Sydney, Australia, today, will mean that the two organisations will adopt a common approach, exchange information and work together to energise the entire sector to achieve international harmonisation through the use of biometrics standards and interoperability.

SKYTEAM AIRLINE ALLIANCE APPOINTS NEW CHIEF EXECUTIVE OFFICER

SkyTeam, the global airline alliance, has named Kristin Colvile as its new Chief Executive Officer. The appointment was confirmed today at a meeting of the alliance's Governing Board, which is composed of CEOs and Chairmen of the 20 member airlines.

6/06/2018**AIR CHINA AND AIR CANADA SIGN FIRST CHINA-NORTH AMERICA AIRLINE JOINT VENTURE**

Today at a ceremony in Beijing attended by Jianjiang Cai, Chairman of Air China; Zhiyong Song, President of Air China; and Calin Rovinescu, President & Chief Executive Officer of Air Canada, Air China and Air Canada signed the first joint venture agreement between a Chinese and North American airline, deepening the two carriers' longstanding partnership. The joint venture enables the two countries' flag carriers and Star Alliance members to expand their existing codeshare relationship and deepen it by increasing commercial cooperation on flights between Canada and China and on key connecting domestic flights in both countries to provide customers travelling between the two countries with greater and sustainable benefits including an unparalleled range of flights, products and services.



Source: Air Canada

8/06/2018**AIRBUS, BOMBARDIER AND INVESTISSEMENT QUÉBEC AGREE C SERIES PARTNERSHIP CLOSING EFFECTIVE JULY 1, 2018**

Having received all required regulatory approvals, Airbus SE (EPA: AIR), Bombardier Inc. (TSX: BBD.B) and Investissement Québec (IQ) have agreed to close the C Series transaction effective on July 1, 2018. The transaction by which Airbus will acquire a majority stake in the C Series Aircraft Limited Partnership (CSALP) was initially announced in October 2017. The Mirabel-based partnership, which was originally established between Bombardier and IQ, will benefit from Airbus' global reach, scale, procurement organization and expertise in selling, marketing and producing the C Series – a state-of-the-art jet aircraft family in the 100-150 seat market.

14/06/2018**AVIATION SAFETY: COMMISSION REMOVES ALL AIRLINES FROM INDONESIA FROM EU AIR SAFETY LIST**

European Commission updated the EU Air Safety List, the list of airlines that do not meet international safety standards, and are therefore subject to an operating ban or operational restrictions within the European Union. The EU Air Safety List seeks to ensure the highest level of air safety for European citizens, which is a top priority of the Commission's Aviation Strategy. Following today's update, all airlines certified in Indonesia are cleared from the list, following further improvements to the aviation safety situation that was ascertained in the country.

19/06/2018**HONG KONG'S FIRST AIRBUS A350-1000 COMES HOME**

Cathay Pacific welcomed the newest member to its fleet as the first of its 20 Airbus A350-1000 aircraft prepares to fly from Toulouse, France to the airline's home of Hong Kong today on a blend of biofuel. Eight of these aircraft will be delivered this year with the remainder to arrive by 2021. After initial rounds of regional services, starting with its first commercial flight to Taipei on 1 July 2018, the A350-1000 will launch Cathay Pacific's new service to Washington DC on 15 September 2018, which at 8,153 miles makes it the longest on the airline's network.



Source: Cathay Pacific

21/06/2018**SLOT ALLOCATION ACHIEVES UNPRECEDENTED CHOICE AND COMPETITION IN EUROPE**

The International Air Transport Association (IATA) provided evidence that the current system for allocating capacity at Europe's airports is benefiting consumers with greater choice and expanded connectivity.

Consumer benefits

Air passengers in Europe are enjoying an unprecedented level of choice and competition in air travel, despite the constraints imposed by a lack of new airport capacity. Passengers and the EU economy are benefitting from new routes and the growth of low-cost carriers and other new market entrants.

Analysis by IATA reveals that:

- Airports classified at the highest level of congestion in Europe added 2,000 more routes in the 2010-2017 period.
- Over the same period the number of long-haul routes grew by 27%
- 30% of European routes are now operated by two or more carriers, an increase of 5 percentage points since 2010.

26/06/2018**UK HOUSE OF COMMONS UNLOCKS JOBS AND GROWTH IN LANDMARK VOTE TO EXPAND HEATHROW**

UK House of Commons unambiguously backed expanding Heathrow – ending decades of political debate on one of the UK's most pressing infrastructure issues. MPs from across political parties joined forces to support the Government's Airports National Policy Statement. The vote clears the way for Heathrow to submit an application for development consent for the project – unlocking billions of pounds in growth and creating tens of thousands of new skilled jobs across the UK in the early years of Brexit.

27/06/2018**ICAO COUNCIL REACHES LANDMARK DECISION ON AVIATION EMISSIONS OFFSETTING**

Its adoption of the First Edition of Annex 16, Volume IV, to the Convention on International Civil Aviation (Chicago Convention), comes less than two years after ICAO's 192 Member States achieved their historic agreement on CORSIA at the Organization's 39th Assembly, an emissions-offsetting first for any global industry sector. Also approved at the Council's meeting today was the 2018 version of the



Source: ICAO

ICAO CORSIA CO2 Estimation and Reporting Tool (CERT), which provides a simplified tool for small operators to monitor and report their CO2 emissions, and further agreement was achieved around the specifics for a CORSIA Central Registry (CCR).

29/06/2018**THE EUROPEAN AVIATION SAFETY AGENCY (EASA) WELCOMES THE ADOPTION BY THE COUNCIL OF THE EUROPEAN UNION OF UPDATED AVIATION SAFETY RULES FOR EUROPE WHICH INCLUDE A NEW MANDATE FOR EASA.**

This new mandate consolidates EASA's scope to cover the full spectrum of the aviation landscape and reinforces the European aviation system as a whole, with the possibility for EASA and European Member States to work closer together in a flexible way.



74th IATA ANNUAL GENERAL MEETING

WORLD AIR TRANSPORT SUMMIT
SYDNEY > 3 – 5 JUNE 2018

The leaders of the global air transport industry gathered in Sydney, Australia, for the IATA's 74th Annual General Meeting (AGM) and World Air Transport Summit

Welcome by the Governor of General of Australia, Sir Peter Cosgrove

International air transport has revolutionized our world. It has transformed the way we live. Safety, growth and sustainability are the top priorities which is the reason why airline leaders have some big responsibility on their side. Collaboration which serves also as an opportunity, is necessary for things of mutual concern.

ICAO Secretary General Dr. Fang Liu in the keynote address raised a number of points with the attending airline CEOs on the event's main topics, which this year include constantly evolving security threats, the increased use of sustainable alternative fuels, airport privatizations, and sector-wide gender equality.

"Against the backdrop of an unpredictable global security environment, and the significant forecast passenger and cargo growth which is top of mind for all of us, our sector will continue to be faced with serious security risks from terrorist groups, radicalized individuals, and other threat sources," Dr. Liu remarked. "It is ICAO's view that the highest-priority threats requiring our vigilant focus today are improvised explosive devices (IEDs) carried by passengers, landside security in public airports, cyber-attacks on mission-critical air transport systems, and the potential for malicious deployments of Remotely-Piloted or Unmanned Aircraft Systems (RPAS/UAS)."

On the topic of sustainable alternative aviation fuels, Dr. Liu noted that ICAO has been encouraged that many airlines have committed to increase their adoption and deployment of green fuel alternatives, stressing that *"ICAO supports this progress through its Global Framework for Aviation Alternative Fuels, and the platform it provides*



Source: IATA

for related policy, data, best practices and other resources to be shared."

Shifting her focus to airport privatization, Dr. Liu recalled that a change in ownership structure in no way diminishes a government's responsibility to fulfil its related ICAO compliance obligations.

▷ 74th IATA AGM • Sunday 3 June, Sydney ▷ 74th IATA AGM • Sunday 3 June, Sydney

"These include safety, security, and efficiency standards, as well as airport and air navigation service charges, and pertains to both facilities which are entirely privately owned, or which are managed under Public Private Partnerships (PPPs)," she commented, "Airlines can greatly

assist this process by providing advance planning data on the future types, characteristics and numbers of aircraft expected to be in use, as well as the anticipated growth in flight, passenger and cargo volumes."

Annual Report of the Air Transport Industry



Source: IATA

Solid Profits Despite Rising Costs

IATA announced its expectation for airlines to achieve a collective net profit of \$33.8 billion (4.1% net margin) in 2018. This is a solid performance despite rising costs, primarily fuel and labor, but also the upturn in the interest rate cycle. These rising costs are the main driver behind the downward revision from the previous forecast of \$38.4 billion in December 2017.

In 2017 airlines earned a record \$38.0 billion (revised from the previously estimate of \$34.5 billion). Comparisons to this, however, are severely distorted by special accounting items such as one-off tax credits which boosted 2017 profits.

Profits at the operating level, though still high by past standards, have been trending slowly downwards since early 2016, as a result of accelerating costs.

"Solid profitability is holding up in 2018, despite rising costs. The industry's financial foundations are strong with a nine-year run in the black that began in 2010. And the return on invested capital will exceed the cost of capital for a fourth consecutive year. At long last, normal profits are becoming normal for airlines. This enables airlines to fund growth, expand employment, strengthen balance sheets and reward our investors," said Alexandre de Juniac, IATA's Director General and CEO.

In 2018, the return on invested capital is expected to be



Annual Report of the Air Transport Industry

8.5% (down from 9% in 2017). This still exceeds the average cost of capital, which has risen to 7.7% on higher bond yields (7.1% in 2017). This is critical for attracting the substantial capital needed by the industry to expand its fleet and services.

Securing Aviation's Future - Smarter Regulation, Global Standards, Infrastructure

The International Air Transport Association (IATA) called for governments to facilitate the growth of global connectivity by avoiding creeping re-regulation, maintaining the integrity of global standards, and addressing a capacity crisis.

The call came in the IATA Director General's Report on the Air Transport Industry at the 74th IATA Annual General Meeting (AGM) and World Air Transport Summit.

"On aviation's core mission to deliver safe, secure, accessible and sustainable connectivity, the state of our industry is strong and getting stronger. And with "normal" levels of profitability we are spreading aviation's benefits even more widely. But there are challenges. Smarter regulation needs to counter the trend of creeping re-regulation. Global standards must be maintained by the states that agreed them. And we need to find efficient solutions to the looming capacity crisis," said Alexandre de Juniac, IATA's Director General and CEO.

IATA Open Borders Strategy

The International Air Transport Association (IATA) called on governments to intensify efforts to spread the economic and social benefits of aviation by removing onerous barriers to the free movement of people across borders.

"Over the next 20 years, the number of passengers will double. That's excellent news for the global economy, as air connectivity is a catalyst for job creation and GDP growth. But we will not get the maximum social and economic benefits from this growth if barriers to travel are

not addressed and processes streamlined," said Alexandre de Juniac, IATA's Director General and CEO.

There are many barriers to travel, ranging from visa restrictions and government information requirements to the capacity of current facilitation processes to absorb growing numbers of air travelers. IATA has evolved a comprehensive Open Borders Strategy to help governments work with industry to maintain the integrity of national borders while removing inefficiencies that prevent the industry from satisfying travel demand.

Research by the UN World Tourism Organization (UNWTO) and the World Travel and Tourism Council (WTTC) on the impact of visa facilitation indicates that \$89 billion in tourism receipts and 2.6 million jobs would be created in the Asia-Pacific region alone with the reduction of barriers to travel.

Airlines Denounce Human Trafficking and Commit to Action

The International Air Transport Association (IATA) 74th Annual General Meeting (AGM) unanimously approved a resolution denouncing trafficking in persons, and committing to a number of actions related to anti-trafficking initiatives.

An estimated 24.9 million people are illegally trafficked and live in conditions of modern slavery. The extensive reach of the global air transport network means that unfortunately, airlines are used by traffickers to facilitate their activities.

"Aviation is the business of freedom, flying 4 billion people to every corner of the earth last year alone. Some, however, try to use our networks nefariously. Trafficking in people creates misery for millions, and funds criminal gangs and terrorism. As a responsible industry, our members are determined to help authorities stamp out human trafficking," said Alexandre de Juniac, IATA's Director General and CEO.



4*20 min Interviews

THE FUTURE IS ALTERNATIVE BIOFUELS

Speaker: *Matti Lievonen, Neste, CEO*

There are currently no policies and incentives because of the current politics. We have to find out how to make different parties assist the ecosystem. Airports could contribute to the climate change. We need to find the value added to the customer. Airlines should prioritize on sustainability along with demand and transparency which are crucial.

THE BENEFITS AND RISKS OF TRAVEL AND TOURISM

Speaker: *Gloria Guevara, World Travel & Tourism Council (WTTC), President and CEO*

There are three important challenges: security, crisis management and sustainable growth. Security can be handled by the use of biometrics. There is also a need to grow the existing infrastructure in order to be more efficient. The experience of any passenger should become seamless and at the same time secure and efficient also by having government collaborating and exchanging information. There is also a need to talk about the economic and social benefits. It is also essential to spread those benefits from the local source.

DRIVING GENDER EQUALITY IN AVIATION

Speakers:

*Mandi Samson,
Air Namibia, Acting
Managing Director*

In Air Namibia, we really need to ensure that there are women working in the company's administration and more importantly in the technical area. We should certainly support women more. Women do not need



Source: IATA

▷ 74th IATA AGM • Sunday 3 June, Sydney ▷ 74th IATA AGM • Sunday 3 June, Sydney

to be apologetic for having both important “jobs” in their career and in their family. Once women get a higher job position, they are able to work much harder to prove a lot to themselves and to the organization.

Mylene Scholnick, International Aviation Women’s Association (IAWA), Past President and Board Member

We need to accelerate change regarding the issue of gender equality in the aviation industry mainly through leadership commitment. This change needs to come from the top, the airline leaders. The airline sector moves more slowly towards that change compared to the aerospace sector. The difficult fact is that women have literally two jobs, the actual work and their other kind of work at home. The work-life balance is really difficult. There is some lack of confidence from the side of women, not only in a job interview but all the way up to higher positions. Women should take more risk and have more confidence. Through networking and through bringing role models the level of confidence could be increased.

AIRPORT PRIVATIZATION

Speakers:

Alison Roberts, Airlines for Australia and New Zealand, Chief Executive Officer

Airlines work in and with airports every day. There is a shared interest which is the travelling passenger. It is not about being anti-airport. Although the revenue per passenger may rise and airport charge per passenger is also increased. The revenue may be even more if airport charges would stay the same. Airports may monopolize the market in a way. Privatization has worked effectively in most of the airports. There is the threat of the regulations that may keep airport charges in lower levels as also airlines should look at what competition does and not rising the fares because of higher airport charges.

Emmanuel Menanteau, Kansai Airports, Co-CEO

There are several controversial debates regarding airport privatization but some common ground has been found. Privatization is a trend and we cannot go against this. It is a trend because by 2040 we will have 20 billion passengers travelling worldwide and governments will need to invest in airports but private investors could only finance this. That is why we need good business partners. This business comes from the government which will give to investors the chance to finance that traffic increase and invest in air transport. We invest we build we operate and we wish to promise to governments the development of the territory as a destination.

Speaker’s Corner:

WHY IS AVIATION NOT MAKING BETTER USE OF DATA

Speaker: Mario Hardy, PATA, Chief Executive Office

The current global data economy is about 3 trillion dollars. Data is said to be the new gold. However, there are some risk factors such as data privacy, the GDPR and the cybercrime. We should be able to predict the future with accuracy at a low cost. There are several ways such as predicting customers’ preferences and behavior and so personalizing the offer for the customers. These all aim at improving efficiency.

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Panel Discussion:

AVIATION SECURITY: WHAT NEXT?

Speakers:

Henrik Hololei, European Commission, Director General for Mobility and Transport

We live in a globalized world and the threats are global which means that no unilateral step is actually useful and does not give you necessary protection. There is a need for a global approach and a need to work with your partners. Also, there is a need that the industry needs to be consulted, adapt and have the possibility to present ideas. Moreover, the most important fact is not to increase the safety threat by trying to eliminate the security threat. A key thing is to share information and cooperate with different authorities.

David McLean, Australian Federal Police Crime Operations, Manager

Any effective response needs to have the ability to exchange intelligence. We cannot solve the majority of cyber-crimes and we will not prepare the community and the aviation sector unless we talk in forums like these. Bilateral relationships are needed for sure. We should view all of us as partners. It is important to build those communities with the government to support the prevention from cyber-crimes and break down barriers between agencies to surpass any barriers to protect from cyber threats.

Mark Shield, Virgin Australia Airlines, Group Head of Security

Capability is important. There is a need to regulate and minimize certain substances carried on board, in order to ensure security and safety. Cyber security is a hot topic through analyzing big data. Chief information security officers are very important for Virgin Australia and are highly supported. It is getting harder to find people with the right knowledge with the aim to protect your business. There is some equipment to prevent from threats that are somewhat outdated as they are not designed for current threats.



Panel Discussion:**AIRLINE CEO INSIGHT DEBATE****Speakers:**

Calin Rovinescu, Air Canada, President and Chief Executive Officer

There are no economic sanctions regarding trade posed by the US government that have a negative impact on Air Canada. The two largest categories of cost have been labor and fuel costs. However, the industry is significantly strong as also with the building of low cost carriers which help maintain the dynamic of the industry. The strongest airlines may be those that will survive. Regulations is a cause of concern but it is not very easy that they go away so we have to deal with them.

Tim Clark, Emirates Airlines, President

There are fifth freedom rights related to the US which have been ruled out as it depends on the government of the United Arab Emirates. We should make the best use of big data because the scale of that is big. There is a new team of people working for that digital issue in order to adapt processes to the new digitization era. The airline community led information technology a long time ago though the fully automated systems, like reservation systems. Fundamental decisions need to come from the top in order to work. Biometrics are really important for disruptive technologies. The industry needs to be transformed though the digitization era to better for the future so there are no excessive labor costs. Airlines must deal with regulations by the governments in order to be more productive. The industry should be able to accessing in its own way what is income need to be and how to create and bring value on that. We have made intelligent use of what customers want through digitization. This is more important than increasing airport charges.

Rupert Hogg, Cathay Pacific Airways, Chief Executive Officer

We have done a lot of things within the last years to strengthen our position and be more competitive. Restructuring costs should go along with the need of your business. We must have a competitive cost base and be more productive. Fuel consumption is growing slower than units of production with our new fleet. We all trying to improve and adapt based on the advanced technologies. The airline business is very complicated. One challenge is that people should be knowledgeable regarding technology and be operationally proficient. Cathay has just started in redesigning processes and applying disruptive technologies.

Pieter Elbers, KLM Dutch Royal Airlines, President and CEO

If as an airline CEO you are not involved in what is going on, you may not adapt properly. We have to take some steps through social media. Operations have not changed so much through digitization although these operations got into a new level. There is no way not to be involved. The technological developments are so big that airports were so much different dive years ago mainly in terms of automated security or screening systems. The aviation industry as a whole is making progress.

Christopher Luxon, Air New Zealand, Chief Executive Office

The aviation industry is in pretty good shape with no current crisis in the last few years. Get rid of virgin and move in with Qantas Alliance with Virgin Australia have been terminated because our interested were quite different. However, there is a small part of our customers that need to be connected within domestic Australia which is the reason for the latest agreements we had. Through digitization, we have all the data of our customers and this is a challenge. There are some fundamental processes that help our industry be protected from security threats like bag tags.



HERMES
AIR TRANSPORT ORGANISATION

HERMES RECEPTION DURING THE 74th IATA AGM SUNDAY 3 JUNE, SYDNEY

Dr Kostas Iatrou, *Director General of Hermes* welcomed the guests, thanked Paul Steele, *Senior Vice President, Member and External Relations & Corporate Secretary* and IATA for giving the opportunity to Hermes to host the reception and Hahn Air for sponsoring the event. He presented the latest developments for Hermes over the last year emphasizing the launch of the magazine, the call for proposition papers on ownership and control of airlines and the Organisation of the Hermes Leaders Forum.



From left: **Brian Peace**, *Chief Economist, IATA*, **Dr Kostas Iatrou**, *Director General, Hermes* and **Daniel Rudas**, *General Manager & COO, Hahn Air*



From left: **Dr Kostas Iatrou** - *Director General, Hermes - Air Transport Organisation*, **Jeffrey Goh**, *CEO, Star Alliance*, **Jose Guedez Dias**, *VP, TAP Portugal* and **Henrik Hololei**, *Director General, European Commission & Board Member, Hermes - Air Transport Organisation*



From left: **Michael Gill**, *Executive Director, ATAG*, **Angela Gittens**, *Director General, ACI & Board Member, Hermes - Air Transport Organisation*, **Dr Kostas Iatrou** - *Director General, Hermes - Air Transport Organisation*, **Jeff Poole**, *Director General, CANSO & Board Member, Hermes - Air Transport Organisation*



ACI EUROPE • WORLD General Assembly Congress & Exhibition

18-20 June 2018, Square, Brussels, Belgium

Hosted by:



*Brussels became the Global meeting point for the airport industry this week, as the joint **ACI EUROPE & WORLD Annual Congress & General Assemblies** took place, hosted by **Brussels Airport**. ACI EUROPE addressed the immediate and longer-term outlooks for its 500-strong airport membership spanning 45 countries.*



Source: ACI EUROPE - Twitter

Brussels Airport CEO **Arnaud Feist** welcoming the delegates focused on the increase that the airport experienced after its privatisation in 2004 recording an increase of 10 million passengers, with 72 new destinations and 1 billion Euro investment in infrastructure. Milestones of the airport include the entry of Brussels

Airlines in 2009 in Star Alliance. Currently 17 Star carriers serve Brussels. He added that the airport has become a multimodal hub and concluded by saying that Brussels Airport has become business in its own right.

Didier Reynders Deputy Prime Minister referred to the support of the European Union to the aviation sector

and emphasised the importance of the environment for the smooth operation and growth prospects.

Bongani Maseko Chair, ACI World and CEO Airports Company of South Africa, said that this event is an opportunity to share experiences and expertise between the members.

ACI EUROPE & WORLD ANNUAL CONGRESS & GENERAL ASSEMBLIES | 18-20 JUNE 2018

**AIR TRAFFIC DEVELOPMENTS
& AIRPORT EXPERIENCE**

Europe's airports welcomed more than 2.23 billion passengers in 2017 – an absolute record. Over the past 5 years alone, an additional 513 million passengers have passed through their doors. Demand this year remains strong, with passenger volumes having expanded by +6.9% since January.

Olivier Jankovec, Director General ACI EUROPE said *"That kind of growth comes with significant operational challenges and puts a lot of pressure on our staff and facilities. As Eurocontrol's latest data shows, congestion is becoming an issue at an increasing number of airports across Europe - especially at peak times. Yet, it is remarkable that European airports have not just maintained but actually improved quality for passengers. Our customer satisfaction ratings have increased in each of the past 5 years for all aspects of the airport experience."*



Source: ACI EUROPE - Twitter

**MARKET (IM)MATURITY...
BUT FADING MOMENTUM**

Passenger traffic at Europe's airports is set to more than double by 2040 (+108%), driven by new fundamentals. These include changing consumer behaviours on the back of the emergence of ultra-mobile Millennials and affluent & healthy retired baby boomers - as well as rising inbound demand from emerging markets (the new Global middle class) and new aircraft technology enabling direct connectivity developments.

Jankovec commented *"These new fundamentals are challenging the status of Europe as a mature aviation market. They are pointing to significant growth potential in the medium to long-term. The fact that last year EU airports alone were the largest contributors to global aviation growth along with Chinese airports is already reflective of that. However, the short-term is all about downside risks – with rising oil prices, trade wars and a possible economic deceleration. This is testing the resilience of our growth dynamic."*

**FINANCIAL PERFORMANCE
& INCREASING COSTS**

The financial performance of Europe's airports has kept improving, with the industry's return on invested capital (ROIC) standing at +8.5% - up from +5.1% back in 2011. However, EU airports keep underperforming (+7.1%) their peers in other regions, even more so when compared to airports in emerging markets (+10%).

The key improving factors have been efficiencies and cost reduction – not revenue growth. These have pushed

operating costs per passenger down by an impressive -17.8% since 2011, a reflection of increasing competitive and shareholder pressure.

Jankovec said *"Our costs are set to rise in the coming years. First, because if cost cutting is the right thing to do, there is only so much you can squeeze the lemon when traffic keeps growing. Second, because we are facing a sharp increase in security costs – with an estimated €15bn investment between now and 2022 in new screening technology. And finally, because of rising interest rates. Airports are very capital intensive and with the industry's debt standing at €86bn, the financial impact will be significant."*

**CHALLENGES TO AIRPORTS'
BUSINESS MODEL**

Looking at revenues, airports are also facing a new reality. The fact that Low Cost Carriers are driving traffic growth comes with significant pressure on aeronautical revenues (airport charges). The convergence of airlines business models (hybridization) and consolidation will only reinforce these competitive pressures – including for larger airports.

Jankovec said *"We now live in the era of rebates, incentives and 'marketing support' for airlines. 90% of Europe's airports offer discounts to attract, retain and grow air traffic. This is truly emblematic of how the airport-airline relationship has changed."*

But airports' commercial revenues (from retail, food & beverage, real estate, parking, car rental and advertising) are also under threat. The combination of less affluent but more frequent travelers, endless online retail

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& advertising competition, restrictive airline cabin-bag policies and shared urban mobility are all combining to dilute these revenues. Since 2011, airports commercial revenues per passenger have fallen by -4.8%.

Jankovec concluded *"Airports have relied on ever increasing commercial revenues to offer airlines competitive user charges – and fill the €4bn gap left by these charges to cover the full costs of operating and developing their facilities. The headwinds we now face in growing these commercial revenues are clearly challenging our business model. Along with the wider impact of the mega digital platforms, this is something airports and airlines should look at together. Not to share the pie – but to look at how we could grow the pie by sharing data and leveraging its content through joint commercial initiatives."*

Dr Michael Kerkloh, President of ACI EUROPE & CEO of Munich Airport said: *"By facilitating air connectivity for their communities, airports have a clear social mandate. But beyond all the macro-level figures about the economic benefits of aviation, we must provide a satisfactory answer to our citizens when they ask this simple question: "What's in it for me?". For that, we must reinforce, prove and better articulate our wider societal value."*

AIRPORT CLIMATE ACTION & BEYOND

Through the Airport Carbon Accreditation programme, airports have shown the power of collective action and delivered tangible results. Kerkloh announced that 133 European airports are now certified under the

programme – meaning they are all engaged on addressing their own carbon emissions. Over the past 12 months, Europe's airports have reduced their CO₂ emissions by more than 163.000 tons. With 33 of them having achieved carbon neutrality, the airport industry is progressing towards meeting its target of 100 carbon neutral airports in Europe by 2030 – a commitment which was announced by ACI EUROPE in June 2017, following the initial pledge made at COP21 in December 2015 to reach 50 carbon neutral airports.

Building on these achievements, Kerkloh announced a wider sustainability agenda for the airport industry: *"We need to embrace a broader vision of sustainability. This means that we need to go beyond environmental protection and CSR and also put sustainability in its socio-economic dimension - at the core of our business strategy. This is about increasing our outreach and contribution to our local communities, but also leveraging the function of airports as multi-purpose facilities and living spaces. For that, the Board of ACI EUROPE has mandated our organization to develop, within a year, a comprehensive sustainability strategy for the airport industry. This will include looking at establishing a set of sustainability metrics for airports. This is an ambitious goal, and I really look forward to making sure we deliver by June 2019. Sustainability is the next frontier in our business evolution."*

THE PASSENGER AS PRIORITY

Along with putting sustainable connectivity at the top of its agenda, ACI EUROPE also focused on how the pas-

senger has taken central stage in the airport business. With the 2nd edition of its Guidelines on Passenger Services released today, the trade body now provides the most comprehensive guidance on how to conceptualise, plan, deliver and assess the airport passenger experience.

Kerkloh said: *"Some airlines would still like airports to be just a shed - nothing more. That certainly flies in the face of what consumers actually want and expect. In Europe, corporatization and privatization have transformed airports from mere infrastructure providers to multi-facet businesses in their own right - focused on quality, efficiency and the passenger. Technology and digitalization are now opening up exciting opportunities to deliver an integrated and much improved passenger experience. By increasing transparency and breaking operational silos between all partners – airports, airlines, ground handlers, Air Traffic Control, border & customs authorities and even surface access companies – technology and digital will allow us to put the passenger at the very heart of our processes."*

Turning to policy making and regulations, Kerkloh was adamant that moving forward, the same end-user focus, as well as wider societal benefits need to guide the EU and national governments – especially, as regards user charges and airport slots.

On airport charges, Kerkloh said: *"Let's be frank, the equation here is between lower airport costs and higher airlines profits. It is not about consumer benefits. ACI EUROPE recently demonstrated what everybody already knew: that lower airport charges would not result in lower air fares. Indeed, even if airport charges were*

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abolished, a ticket between Brussels and Strasbourg during the sessions of the European Parliament would still cost more than €700. The risks of a downward pressure on airport charges through regulation cannot be ignored: this would compromise our ability to invest in capacity and quality, and would end up limiting airline competition – hurting consumers and the economy”.

Kerkloh very much regretted the fact that airports have been drawn into an acrimonious battle with airlines on this matter, and pointed to missed opportunities for both: “The result is that

while long-term challenges aviation is facing have never been so daunting, airports and airlines are more divided than ever. We can and must work better together. But this requires an acceptance by airlines of our own business model.”

Carsten Spohr, CEO, Lufthansa Group in his keynote address emphasised the close relation that exists between airlines and airports, he likened it a family that you don’t close the relatives and there are also moments of tension. Airlines want investment from the airports but these have to be made reasonably for the interest of all. “We

must move faster and more jointly”. He referred to the case of privatisation of airports by saying that privatisation is successful when there is competition and this is something that is not the case for airports.

Bjorn Kjos, CEO of Norwegian, in the keynote interview responding the the question of the interest of European airline in Norwegian over a possible deal said that it proves that “We are doing something right”. He also said that South America is underserved especially on the short haul. Finally, he concluded by saying that feeding the network is essential.



Airport Leaders’ Symposium focusing on “AIRPORT AS BRANDS AND BUSINESSES”

Joseph Lopano, CEO of Tampam said that contrary to the past the leadership in the airports is commercially focused and stressed the importance of human resources “If we have happy employees we will have happy customers”.

Brussels Airport CEO, **Arnaud Feist**, said that as passengers can choose between airports “We need to get to know the customer”.

Thomas Woldbye, Copenhagen Airport CEO said that the airports have become “sexier and a cool place to work”. He added that airports remain physical places while more and more brands become virtual.

Fred Lam, Hong Kong International Airport CEO, said that “we need to inspire people to work at the airports” and added that the airport is a driver of city economy.

Dr Michael Kerkloh, President of ACI EUROPE and CEO of Munich Airport stressed that inportnace of “defining what airport want to be.”



EUROCONTROL Brief

Eamonn Brennan, Director General of EUROCONTROL, addressed the capacity challenges faced by European aviation in 2018 and in the future.

His keynote address underlined that the first five months of 2018 have seen much higher delays than in recent years. Traffic has increased by 3.4% (compared to the same period in 2017) but en-route Air Traffic Flow Management delays have risen dramatically from 0.46 minutes per flight to 1.05 minutes per flight. 28% of this delay was attributed to disruptive events (such as strikes) and 27% to weather. However, 55% was attributed to staffing/capacity issues, notably in Germany, France and the Low Countries.

At the event, Eamonn Brennan announced the publication of EUROCONTROL's latest Challenges of Growth study, which looks at the issues European aviation will face between now and 2040.

He stated *“Europe is already struggling to cope with the levels of traffic this year. Our most likely scenario predicts a growth of 1.9% a year between now and 2040. That means 16.2 million flights a year. But it could be as much as 19.5 million flights a year under our highest growth scenario. On our most likely scenario, there won't be enough capacity for approximately 1.5 million flights or 160 million passengers in 2040. This kind of report is crucial for policy makers as they prepare for the future. Clearly this is a long-term forecast so we do have time to address the issues it raises but providing more capacity, and especially on this scale, requires long-term planning. Therefore I think we need to address the issue as a matter of urgency.”*

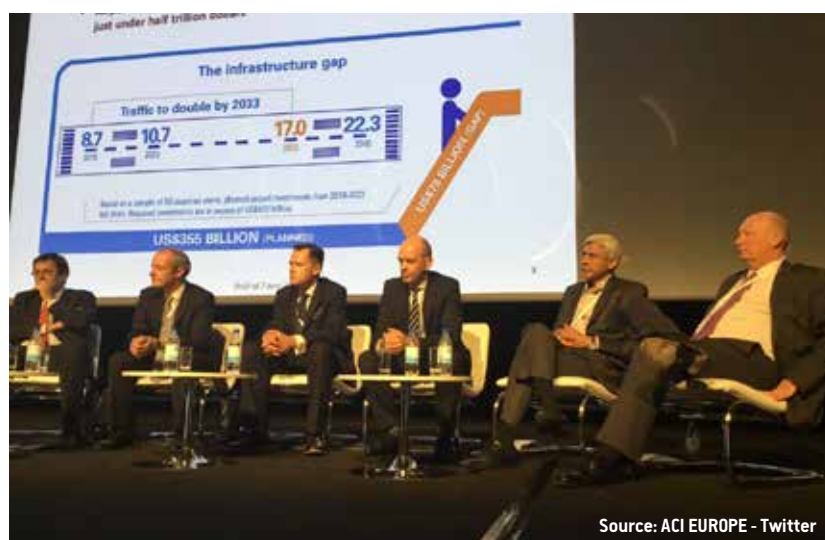
The most likely scenario set out in the report (1.9% growth/year) shows an increase of 53% in flights by 2040 – to 16.2 million a year. However, there are significant upside risks for this forecast and it may well be that the increase is as high as 84%

CREATING FERTILE GROUNDS FOR INVESTMENT

At the “Creating Fertile Grounds for Investment” Forum, **Henrik Hololei**, Director General for Mobility and Transport of the European Commission, said that the main challenges related to the growth of the airports are the costs of the security, the management of the slots, the traffic distribution and stressed that it is important for the airports to be efficient.

Sidharath Kapur, GMR President for Airport Sector, said that privatisation is a viable solution for the airports. *“Airports have to satisfy the customer, to innovate, to create of value for a lot of people”*.

Nicolas Notebaert, Chairman VINCI Airports, said that companies that bought airports have constantly to adapt on security and regulations issues and to invest money. *“All examples of airport privatization were successful in our network. To give some numbers: 30% growth in Cambodia, Chile - we doubled the capacity”*



Source: ACI EUROPE - Twitter

AIRLINE LEADERS' SYMPOSIUM

At the Airline Leaders' Symposium **Tewolde Gebremariam**, the Ethiopian CEO, said that ownership is one factor only of the equation. He added that there must be more improvement to the working together of airlines and airports. **Krešimir Kučko**, CEO of Gulf Air, said that they would like to have lower charges from the airports.



Source: ACI EUROPE - Twitter

SUSTAINABILITY AND CSR VALUES

André Schneider, CEO of Geneva Airport said that the airport is the economic driver for the region. He added that there is a strong involvement with the community activities and that they have an open dialogue with them.

Dr Yiannis Paraschis, CEO of Athens International Airport, stressed that the important points for an airport are resilience, responsiveness and responsibility. He added that the brand of the airport is closely related with the brand of the destination and presented the initiatives that the airport



Source: ACI EUROPE - Twitter

has made over the last years. Sustainability is a balance between creating economic value, social coherence, prosperity for all and environmental protection.

At the closing interview **Angela Gittens**, Director General of ACI said that: "Behind the scenes we actually cooperate a lot with IATA. We're running around 9 projects, e.g. NEXTT, Smart Security, etc."

Alexandre De Juniac, Director General and CEO of IATA added that: "An airport without an airline, same as an airline without an airport doesn't mean anything. We cooperate everyday."

The 28th Airport Council International (ACI) World Annual General Assembly (WAGA) held on 20 June in Brussels, Belgium, approved Resolutions committing ACI to maximizing the contributions of airports to maintaining and developing a safe, secure, environmentally sustainable, and customer-centric aviation system worldwide.



The WAGA unanimously approved the six Resolutions:

- **Resolution No. 1:** An effective approach to cyber security
- **Resolution No. 2:** Upholding United Nations Sustainable Development Goal 9: Build resilient infrastructure
- **Resolution No. 3:** Encouraging airports to take action on resilience and adaptation to climate change
- **Resolution No. 4:** Urging member airports to submit safety data to ACI
- **Resolution No. 5:** Appreciation for the ACI Fund Council founders and Council Members
- **Resolution No. 6:** Appreciation for Host (Brussels Airport).

“Our Assembly Resolutions advance ACI’s initiatives by setting out its aims and objectives on subjects of immediate concern to the world’s airport industry,” said Angela Gittens, Director General, ACI World. *“Our members were proactive in telling us their interests and sharing their concerns. This year’s Resolutions put a particular focus on evolving and emerging threats that could become impediments to the airport industry meeting the ever-increasing air service demand.”*

“As the voice of the world’s airports, ACI World is the only organization that can bring together airports, large and small, from all regions to agree on strong measures to address the issues that affect us all,” said **Bongani Maseko**, Chair, ACI World. *“I would like to thank ACI Member airports for their collective response and commitment to act on these pressing issues and I pledge airports to continue to approach our common industry concerns in the future in a collaborative and transparent manner,”* he added.



HERMES
AIR TRANSPORT ORGANISATION

**HERMES RECEPTION DURING THE
2018 ACI EUROPE AND WORLD
ANNUAL GENERAL ASSEMBLY
18 JUNE, BRUSSELS, BELGIUM**



On the occasion of the 2018 ACI Europe and World Annual General Assembly in Brussels Hermes hosted a reception.



From left: **Vladimir Zubkov**, Secretary General of TIACA, **Angela Gittens**, Director General of ACI & Board Member of Hermes - Air Transport Organisation, **Dr Yiannis Paraschis**, CEO of Athens International Airport and **Dr Kostas Iatrou**, Director General of Hermes - Air Transport Organisation

ALEXANDRE DE JUNIAC

Director General and CEO



Why, to your opinion, are there restrictions in aviation sector, whereas they do not exist in other transport sectors (such as maritime or railway)?

First, ownership restrictions are not unique to the aviation sector, as the question assumes. In the marine sector, for

example, domestic shipping in the U.S. is restricted to vessels owned and operated by U.S. citizens. Similar restrictions on the ownership of vessels can be found in other countries. Foreign investment is frequently restricted in other sectors as well, such as communications and energy.

In international aviation, there are two sources of these restrictions: (i) national law, and (ii) bilateral air services agreements. Historically, national law restrictions are attributable to national security concerns and a desire to ensure the availability of air transportation adequate to



the country's requirements. (Foreign investors may be seen by smaller, developing economies as "fair weather friends" who cannot be relied upon to maintain a country's essential connectivity in times of economic hardship.)

The restrictions were typically incorporated in bilateral air services agreements to prevent "free riding." If Country A makes certain destinations available to the airlines of Country B in an agreement with Country B, it will not want an airline of Country C to enjoy those benefits merely by investing in a Country B airline.

The restrictions are likely maintained today for a number of other reasons linked to trade policy, labor relations, lingering national security concerns and so on. One must also not discount the importance of national pride in some markets.

Some governments have taken a proactive stance on loosening foreign ownership restrictions. A domestic Australian airline can, for example, be 100% owned by non-Australians. This is, however, a very rare exception. And it does not extend to international operations.

Is ownership and control an issue for IATA airlines?

Quite frankly, it's not. There appears to be no dearth of capital available to airlines from domestic sources, which means that the airlines have not found a compelling need to campaign for a change in national law that they know would be controversial in many countries. Moreover, the advent of immunized joint ventures among airlines and global branded alliances is delivering most if not all of the consumer benefits (seamless, global connectivity; robust competition on a global scale) that cross-border mergers, if permitted, would deliver. In short, because the restrictions on foreign investment in airlines do not appear to have impeded the industry's growth or development, the issue is not on IATA's agenda.

Do you consider current restrictions regarding ownership and control in the aviation industry adequate?

If the purpose of the restrictions is to retain national ownership, then they are doing what they were intended to do. Again, within that framework, they have also allowed for the development of alliances and joint ventures which gives airlines the flexibility to join forces where necessary to serve the needs of their customers.

What could be the benefits of fully relaxing foreign investment in airlines?

Access to global capital markets is often cited as a benefit. While that is appealing—indeed taken as normal for most industries—I don't see a crisis in access to capital that would compel governments to seek this policy solution. The fact of the matter is that the global airline industry is doing rather well financially. Consumers have cheaper fares than ever. The global network is denser than it has ever been. And more people are flying—some 4.1 billion passengers are expected to board aircraft this year. So I am not sure that governments will see a compelling rea-



son in that very good news story to seek change.

Do you believe in the creation of truly global airlines?

No airline can serve all its customer needs by itself. The first work-around is the global alliance structure. It allows airlines to work together to ensure smooth journeys for travelers. Immunized joint ventures take that up a notch by allowing airlines to work together to develop specific markets in a very efficient way.

On the cargo side, the integrators are probably the closest that we have to truly global airlines. Cargo is absolutely

vital to national economies, but somehow it does not carry the same national emotional attachments. That has allowed these airlines to go further towards a global airline model with logistics hubs dispersed globally and Seventh Freedom rights allowing them to operate far more efficiently. But even at that, they still face restrictions and rely on partnerships as efficient work-arounds.

Would it be sufficient for a few States to remove ownership and control restrictions between themselves to allow their airlines to fly globally? Does it not require ICAO to work on the topic to ensure that relaxation of ownership and control

between States are fully recognized and accepted by all States?

You are referring again to the restrictions that appear in bilateral agreements. That is essentially what has happened within the EU. The benefits of the European common aviation area are there for all to see. ASEAN is, to a certain extent, replicating that with its open aviation area—but without addressing ownership and control. There are similarly interesting developments taking place in Latin America (e.g., the LATAM and Avianca groups of airlines).

Beyond what has happened to date, nothing prevents a state from deciding not to enforce the nationality requirements in a bilateral agreement where the other state has liberalized its national law to allow foreign ownership and control of its domestic airlines.

If governments want to broadly pursue changes in ownership and control rules, ICAO as a whole, or its regional groupings would certainly need to play a role. But let's remember that ICAO is a membership organization of states, and there does not appear to be anything close to a consensus among states on the question of foreign ownership. And, in the current climate—financial sustainability among airlines at the global level and a general trend of more protectionist policies—I don't see the impetus for governments to move this forward.

Removing the ownership and control rules could result in worldwide consolidation of the airline industry. Do you think this would occur? If so, what do you see as the potential benefits and pitfalls of this potential consolidation?

Experience is the best teacher. The U.S. domestic experience shows us that a fragmented industry in a single very large market benefits from consolidation. And thanks to deregulation consumers continue to enjoy robust competition among large and small carriers. The European experience demonstrates that, given the



opportunity of relaxed ownership and control rules, airlines will pursue consolidation in various forms. And that has not stopped new entrants, particularly LCCs, from intensifying competition. In Latin America, trans-national airline groupings have been the solution reviving aviation in a region that has had more than its fair share of challenges.

Bottom line: I doubt that relaxing the ownership and control restrictions would result in a worldwide consolidation of the industry. And even if it did, the products of that consolidation could look forward to strong challenges from existing new model airlines and new entrants.

Some states argue that there is a public service role for air carriers; for example, serving remote communities and promoting trade and tourism. There is concern that the removal of ownership restrictions would impede this public***service function. How would you respond to this concern?***

Airlines are called on to perform public service functions in many markets. Business always works best when it operates on purely commercial terms. But I don't see this discussion as being either a major blocker or a major proponent to any reconsideration of ownership and control rules.

A recent study of the U.S. market by Flight-Global should be a source of reassurance to anyone concerned about consolidation. The study notes that, despite the consolidation that has taken place there, smaller airports throughout the U.S. have experienced new levels of growth in the past few years due to the advent of LCCs and ULCCs, and that the larger airlines are responding by increasing their own regional services.

Removing the ownership and control restrictions may require the redrafting of hundreds of air services agreements. How would the regulatory structure for the aviation industry change with the removal of the restrictions? Would the current bilateral system be replaced by a multilateral system? What are the advantages and disadvantages of reworking the aviation regulatory structure?

The only provision in a bilateral air service agreement that would be implicated by a removal of ownership and control restrictions is the so-called nationality clause, which enables, but does not require, either party to revoke the permission given to an airline of the other party when that airline is not substantially owned and effectively controlled by nationals of the other party. In other words, it is a "permissive" provision, meaning that each state has the unilateral discretion to waive its enforcement. Bilateral air services agreements therefore are not an impediment to a removal of ownership and control restrictions, nor would the removal of such restrictions necessarily require overhauling the current regulatory structure. ↑



OWNERSHIP & CONTROL

MARIO NEMETH
Director General
at Ministry of Transport
and Construction
of Slovak Republic



Aviation plays an important role in the development of regions and in making the world a much smaller and better connected place. It manages to make the world more globalised, more interdependent and is a crucial pillar for the economies of individual states and helps to promote the economy not only directly (e.g. by the employment of the population directly in the sector) but also indirectly (e.g. by promoting trade and tourism). It is also one area which is prone to many changes - positive but also to negative challenges which need to be tackled in order for the individual states to remain competitive in this environment. Aviation has changed from being something available to only a small part of the population with high ticket prices, relatively weak safety record and a protectionist environment of each country or a block of countries to something accessible to a wider and wider community with a very high standard

of safety and an ever increasing openness of the markets which is of benefit to the consumers with better and more frequent services and lower prices and this in turn helps to grow markets that were previously small and weak. Nevertheless there are still some areas where aviation could be an even stronger force but is hampered by a very slow change – one such issue is airline ownership and control. On one side the aviation community has an ever growing consensus that the rules for the foreign ownership and control are old – the basis for them originates in the Chicago Convention of 1944 – and should be more up-to-date as aviation is fast changing and therefore these rules should also keep up with the global aviation sector changes but on the other the change is a slow process. Many members of the civil aviation community believe that these rules should be relaxed, liberalised or abolished but in practice in many countries foreign na-

tionals are allowed to hold less than half of the total shares of the company (e.g. in the European Union non-EU ownership is limited to 49% and in the United States of America this is only 25% on the foreign ownership of an airline) and cannot have the main voice in the management of the organisation. This in turn can make it hard to generate foreign investments into these companies as the foreign investors often wish to have more control over their investment and could help already established weaker air carriers that could be back on the right track once sufficient investment would be made. If these restrictions would be further liberalised or if they would be removed altogether this could in turn lead to more cross border acquisitions and mergers which on the basis of economies of scale could further lead to not only lower prices but also to the improvement of the economic performance of the aviation industry, taking into account sufficient



blocks and balances so that the big(ger) players could not misuse their position on the market. The European Union has managed to make some concrete steps in the liberalisation of the market as well as with the airline ownership and control where the ownership and control concerns all EU member states and not each one individually. This means that as an example, a company from the Slovak Republic, which is a member of the European Union could own 60% of the shares of an airline registered in Spain, another EU member. In other words any one of the EU 28 member states (still counting the United Kingdom of Great Britain and Northern Ireland) can own any percentage of shares in any EU member state's registered airline and not only the 49% as by non-EU nationals. This has been one important factor in the growth of the aviation sector in the European Union as well as in the newer EU member states where these investments

helped to create new air carriers e.g. the Hungarian low-cost carrier Wizzair and generate new traffic into previously undeserved or even untapped regions.

Ownership and control is a broader term than might at first seem as it does not concern only the air carriers but also traffic rights. This comes from the nationality clauses that are part of bilateral aviation agreements where, in many cases, the traffic rights are awarded only to air carriers from either of the Parties and not to other carriers from other countries i.e. with their place of business and ownership control exercised in a third country and even then to a limited number of destinations by a limited number of frequencies as specified in the Annex to the individual bilateral agreement. Even if the air carrier is registered in one of the Parties and has its primary place of business in that country, it is possible for the other

Party not to designate it as the other Party could argue that the majority of the ownership is not held by the citizens of that particular State. Sounds complicated? In a way it is. The traffic rights actually belong to that particular State (Party) and not to an individual air carrier. The air carrier asks the country for its designation and if it is eligible the State in turn asks the other Party for the confirmation of the designation as per bilateral agreement (in this example) on the routes and the number of frequencies as mentioned in the Annex to the Agreement. The other Party can then accept this designation request and the air carrier can afterwards operate regular scheduled flights between these destinations. This can be achieved only when the air carrier (or air carriers if the bilateral agreement makes it possible to designate one or more air carriers to operate these services) benefiting from these rights is substantially owned and effec-

tively controlled by nationals of that particular State in question. Ownership of the air carrier is quite easily traceable but the effective control is a bigger and more problematic issue e.g. when there are more investors both from the member state as well as from a third country or third countries, it can be difficult to determine who has how much control and whether the effective control is indeed in the hands of the member state or whether not, even though the foreign ownership would be only 49%. The ownership control therefore led to a lowering of restrictions in some countries where the principal place of business and not the ownership control is now the main requirement for gaining the traffic rights and confirmation of the designation of an air carrier. In the European Union and the European Common Aviation Area, ownership and control rules have been abolished entirely for air carrier operations within the European single market which in turn generated more services and new competition as well as more ownership of airline groups (e.g. Lufthansa owns not only Lufthansa, Lufthansa Cargo, Lufthansa Regional, Germanwings, Eurowings in Germany, alongside some investments in SunExpress Germany and SunExpress, but also Austrian Airlines, Brussels Airlines, Air Dolomiti, SWISS and Edelweiss, Air France and KLM have merged into Air France-KLM, where the group also owns the low-cost air carriers Transavia and Transavia France, JON and HOP! etc.). In Latin America two big airline groups – Brazilian TAM and Chilean LAN have merged along with their respective smaller airlines in Costa Rica and Salvador) and have created LATAM and managed to generate more revenues due to the economies of scale and better planning whereby there was no need to compete against one another in a highly competitive but volatile environment but rather to concentrate on better services and more options for the consumers on the routes where relevant demand exists. Based on the aviation agreements the possibility of more services was made available when the “ownership control”

was replaced by the “principal place of business” where more air carriers could operate scheduled air services between the destinations of both Contracting Parties. This is also the case in European Union where it is negotiating with many countries either comprehensive agreements or horizontal agreements with “EU standard clauses” enclosed which make it possible for air carriers from each of the member states to operate between any EU airport and that country (depending on what is specified in the Annex but simplifying it slightly). Each EU member state when negotiating a bilateral air services agreement with a third country aims to include the standard clauses in the agreement so as to create more opportunities for direct air services that could be operated by any EU air carrier.

As can be seen by the examples above the liberalization of ownership and control is important in order for the aviation sector to grow and improve its performance. The European Union is one such example where many important and undoubtedly positive steps have been taken nevertheless it should not stop there and the EU should make further necessities in making the aviation sector even more liberalized. One of the major challenges that the EU aviation sector will face is the exit of the United Kingdom of Great Britain and Northern Ireland from the EU - Brexit where new agreements and new traffic rights would need to be applied and some obstacles such as changes in the ownership and control of some air carriers such as Ryanair which has its principal place of business in the Republic of Ireland but a large part of its owners are nationals from the United Kingdom of Great Britain and Northern Ireland need to be overcome. If the 49% rule would not exist the situation would have been easier for all concerned. Nevertheless where can the European Union make more positive steps in further liberalizing the aviation sector? First would be to lift the limitation of the ownership of EU air carriers by non-EU nationals but this

could be problematic not only because of the anxiety over the loss of national sovereignty over the carriers but could actually create obstacles in gaining traffic rights from third countries. Another step could be in giving 5th freedom rights to foreign air carriers in the comprehensive and horizontal air services agreements. 5th freedom means the right to fly between two foreign countries on a flight originating or ending in one’s own country. The Slovak Republic had an air carrier Air Slovakia which flew between Bratislava and Kuwait with a stop in Larnaca, Cyprus. The carrier could sell tickets to clients on all segments i.e. between Bratislava and Larnaca, Bratislava and Kuwait but also between Larnaca and Kuwait which was the 5th freedom. 5th freedom is important for many regions in the European Union e.g. Greece awarded these rights to Emirates to operate a flight Dubai-Athens-Newark as they do not have a year-round long-haul flight to the United States of America and the demand for the flight exists but makes more economical sense when combined with the demand from Dubai to the US. By this everything was made to archive better connectivity of the region. In other words in countries where the aviation sector is still not as highly developed and stable as in some other countries e.g. Germany or France but where these air services are an important asset and help to generate the traffic and have positive consequences 5th freedom air services are crucial. In liberalizing the market further and in order to generate more competition and better services with lower prices the European Union should aim to include 5th freedom rights in the comprehensive and horizontal agreements and should encourage the member states to include them in their bilateral agreements. This solution is of course not “tailor-made” for all European regions, because it must deliver under current conditions sufficient connectivity but for sure it is the way how to proceed in regions which need to increase the connectivity in order to achieve the benefits which aviation delivers. ↑



A LIBERATED AIRLINE SECTOR IS KEY TO HARNESS THE BENEFITS OF A GROWING TOURISM SECTOR

By Prof MARTIN BARTH

President & CEO

and Aradhana Khowala,

Advisory Board Member,

World Tourism Forum Lucerne

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Aviation is a success story, as is tourism. The astounding growth of the airline industry has made the world flatter with unprecedented levels of travel, mobility and access. Aviation plays a central role in supporting tourism and a liberated airline sector is critical to unleash the true power of tourism. Any control and ownership complexities which airlines grapple with has a tremendous knock-on impact on tourism.

Aviation supports over 58 million jobs worldwide and is a critical driver of the global economy, contributing USD 2.4 trillion to global GDP. According to IATA, air passenger traffic will likely double in the coming 15 years and increase to nearly 8 billion in 2036. This is a compounded annual growth rate of 3.6% and a reflection both of the ability of an increasing number of travellers to afford a flight, as well as an increasing need for global connectivity. Air transport builds connectivity, promotes

freedom of movement and brings people closer together. It is what facilitates and spurs the fastest growing service sector in the world – tourism.

Aviation facilitates Tourism

Today more than half (54%) of international tourists travel by air. Increased air links allow tourists to more readily access a destination and air transport is a key factor in tourism development, with an impact on the overall economy.

Each new flight adds to a country's economic development by expanding businesses for local companies, supporting jobs and income for residents and contributing incremental tax revenues. As travellers benefit from better connectivity, better value for money, higher convenience and wider choice of service, tourism growth is propelled boosting economic development and providing positive externalities to all stakeholders.

Tourism is especially key to development in new markets

The benefits for liberalization of airline ownership and control are clear but nowhere is this better manifested than in developing and frontier markets where tourism is particularly important and a key part of economic development. These are some of the poorest countries, states and destinations where Tourism when implemented correctly can uplift millions out of poverty. Often it is the case that in those destinations airlines are undercapitalized, require financial restructuring and significant investment. Removing restrictions on ownership together with effective control would facilitate investment and create a base for the much needed development of the industry and the nation.

Multiplier effect of Tourism means there is benefits across the value chain

Tourism growth needs airline growth. A more liberal air services regime when combined with the trickle down and multiplier effect of tourism means universal growth across the value chain and tourism ecosystem. As more people travel everyone stands to benefit - airlines, airports, infrastructure, tourism and business services. This in turn could generate many more jobs and perhaps even makes a good election manifesto for

governments which want to be elected or re-elected to power. Demand by tourists to arrive at a destination needs enhanced air service and limitations upon air transport (regulatory or otherwise) often creates a negative externality and a limitation on tourism growth.

There are no winners in a world of restrictions

We live in a world where global value chains, connectivity and digitalisation have made us



more inter-dependent than ever before. When there was fears of a political face-off between US and China both American aircraft manufactures and Chinese tourists were equally susceptible. The airliner demand in China over the next 20 years is worth over \$1 trillion, and Chinese tourism contributes \$30 billion annually to the U.S. economy which is slated to grow to \$175 billion over the next five years. Global linkages and interdependence is the norm today. And it is the only way forward because a world of separate and rival blocs, spheres of influence, insular silos and protectionism is a zero sum game and not an option any more. At World Tourism Forum Lucerne we foster this dialogue between the different sectors in travel, tourism and hospitality sectors to support these co-operations and bridge the silos.

Investment decisions are not made on nationalist sentiments

As promising as the future looks, airlines need the best business environment and access to capital for growth and tourism needs airlines to fulfil its potential. Whilst many governments spend a lot of money promoting their countries as destinations, not engaging in 'joined-up thinking' about airline ownership is making them miss out on tourists. The national pride and desire of States to retain control of their national carriers is probably at the heart of the reluctance to relax ownership and control restrictions. But the fact is that investors will evaluate their decisions based on commercial and business returns, not on nationalist sentiments.

Conclusion

As we explore the development of Aviation and Tourism, it is glaringly obvious that it is an inextricably linked and irreversibly interdependent relationship. The success and growth of one inspires growth and progress of the other and one simply cannot survive without the other. World Tourism Forum Lucerne believes that freedom in skies should be promoted and applied. This is not to say we are propagating to open doors to fly flags of convenience. Quite the contrary. At all times we should be thinking about security, safety and socio-political, cultural and environmental sustainability. It is not merely a "good to have" but an imperative. What we need is an active dialogue between the different sectors in the interest of a healthy and sustainable travel, tourism and hospitality industry not least to the direct advantage of consumers. ↑

A truly global phenomenon such as Aviation deserves a global mindshare of decision makers.



OPEN THE SKIES

By *ADEL AL ALI,*
Group Chief Executive Officer,
Air Arabia

The first decade of this century saw open skies agreements across North America, Asia and Europe which helped expand the overall market for aviation and produced benefits for local economies and millions of passengers in the form of better quality, lower-priced and more competitive services through a liberalised aviation market. Internationally, Open Skies not only relaxed pricing and capacity controls, but also made it possible to serve many more points behind the previously restricted number of international gateways. In doing so, the world became smaller and more mobile and as a result, over 3.5 billion passengers fly by air every year.

The Arab world's aviation sector is growing rapidly because of the suc-

cess achieved by recent liberalized policies, huge investments in infrastructure and a breed of successful airlines. The region has managed to increase the number of open skies agreements and improve the status of existing Air Services Agreements (ASA), thereby advancing the overall connectivity of countries. Just as in previous years, there is consistent growth in the number of foreign carriers operating into the region. Nonetheless, the potential remain huge for the economy should a full adoption of sky liberalization take place.

The UAE for example has always recognised the benefits of liberalisation in air transportation thanks to an open approach to competition. Aviation has become a core sector of the UAE's economy, driving development, diversification and aviation-related activities which are contributors to the country's non-oil GDP. The sector has become a catalytic element of the economic supply chain and a vehicle for achieving economic and social development.

Speaking from my experience, a full adoption of open skies, which

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I firmly believe is a must in order to successfully further develop the sector in the region, aviation in the MENA region could reach its full potential and positively impact the economies of participating countries. I personally feel that the Middle East and North African markets like the UAE, Lebanon, Kuwait and Morocco over the years have become good examples of open skies. In light of increasing airport charges in the region, it could be only a matter of time before increased ticket charges negatively affect regional travel demand.


The impact of aviation on economy, in the case of Air Arabia, has also been considerably significant. When Air Arabia commenced operations on October 2003 with the first flight from Sharjah, the first operational

year itself saw the airline break-even and became profitable every year since then. Being the first and the largest low-cost carrier operator in the Middle East and North Africa region serving over 150 routes, we share the responsibility of advocating and constantly highlighting the economic benefits of liberal and open skies.

I still believe that the region needs to fully implement an open skies approach as growth steadily continues upward. As regulatory barriers to entry go down, passengers have been the beneficiary with an increasing number of carriers resulting in a more competitive market, with lower fares and increased focus on customer satisfaction. The tangible benefits of a liberalised market also

include double digit growth in visitors and a higher rate of job creation. Across the aviation sector, more employment opportunities arise from the servicing, management and maintenance of additional air services. Given the wide-ranging benefits, one would expect markets across the MENA region to embrace the concept enthusiastically. However, fear of competition has hampered the pace of progress.

One only remains hopeful that the region will soon fully liberalise its aviation skies and that open skies become a reality across all Arab nations?

This is an interesting space to watch in the coming months and years for Arab aviation. I do hope that the sky is the limit! 



MARCH 2018: Air Passenger Market Analysis

Air passenger growth completes a strong first quarter of 2018

Chart 1 – Air passenger volume growth and global composite business confidence measure

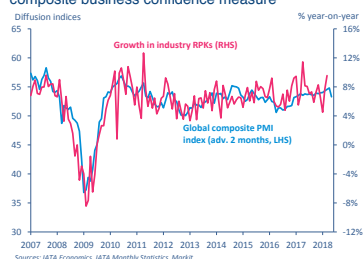
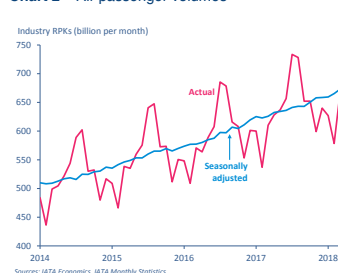


Chart 2 – Air passenger volumes



Air passenger market overview - March 2018

	World share ¹	March 2018 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	9.5%	6.4%	2.3%	82.4%	7.2%	6.0%	1.0%	80.9%
International	63.8%	10.6%	6.6%	2.9%	81.5%	7.4%	5.9%	1.1%	80.2%
Domestic	36.2%	7.8%	6.2%	1.3%	84.0%	6.9%	6.0%	0.7%	82.1%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level

Chart 3 – Economic conditions (monthly data from composite PMIs, selected regions and countries)



Chart 4 – International passenger traffic growth by airline region of registration

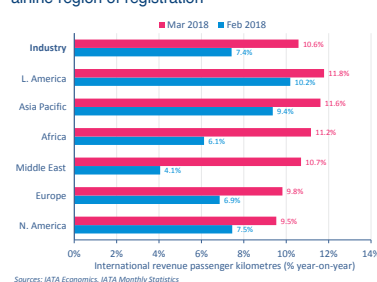
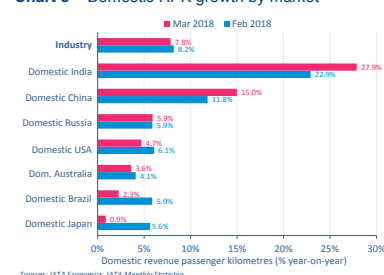


Chart 5 – Domestic RPK growth by market



Air passenger market detail - March 2018

	World share ¹	March 2018 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	9.5%	6.4%	2.3%	82.4%	7.2%	6.0%	1.0%	80.9%
Africa	2.2%	6.1%	2.7%	2.3%	71.6%	3.6%	1.8%	1.2%	70.2%
Asia Pacific	33.7%	12.0%	9.1%	2.1%	82.3%	9.0%	8.1%	0.6%	81.7%
Europe	26.5%	9.5%	6.1%	2.6%	83.9%	7.7%	5.4%	1.7%	81.9%
Latin America	5.2%	8.5%	6.8%	1.3%	81.3%	7.3%	6.0%	1.0%	82.3%
Middle East	9.5%	10.6%	4.2%	4.4%	76.6%	5.2%	4.3%	0.6%	75.9%
North America	23.0%	6.3%	4.1%	1.7%	85.3%	5.3%	4.4%	0.8%	81.8%
International	63.8%	10.6%	6.6%	2.9%	81.5%	7.4%	5.9%	1.1%	80.2%
Africa	1.9%	11.2%	6.7%	2.9%	71.0%	7.4%	4.7%	1.7%	69.8%
Asia Pacific	18.5%	11.6%	8.2%	2.5%	80.9%	8.3%	7.4%	0.6%	80.6%
Europe	23.7%	9.8%	6.4%	2.6%	84.6%	7.7%	5.5%	1.7%	82.6%
Latin America	2.8%	11.8%	10.0%	1.3%	81.8%	9.9%	8.9%	0.8%	82.4%
Middle East	9.1%	10.7%	4.3%	4.4%	76.7%	5.0%	4.4%	0.4%	76.0%
North America	7.8%	9.5%	4.9%	3.5%	83.5%	6.9%	4.6%	1.7%	80.6%
Domestic	36.2%	7.8%	6.2%	1.3%	84.0%	6.9%	6.0%	0.7%	82.1%
Dom. Australia ⁴	0.9%	3.6%	0.0%	2.7%	78.9%	3.1%	0.2%	2.3%	78.5%
Domestic Brazil ⁴	1.2%	2.3%	0.8%	1.2%	80.2%	3.6%	2.4%	0.9%	82.0%
Dom. China P.R. ⁴	9.1%	15.0%	13.8%	0.9%	85.2%	10.9%	11.6%	-0.5%	84.1%
Domestic India ⁴	1.4%	27.9%	18.1%	6.7%	87.8%	22.8%	17.5%	3.8%	89.2%
Domestic Japan ⁴	1.1%	0.9%	1.2%	-0.2%	74.7%	2.9%	1.6%	0.9%	70.7%
Dom. Russian Fed. ⁴	1.4%	5.9%	3.1%	2.1%	78.1%	6.6%	2.3%	3.1%	77.0%
Domestic US ⁴	14.5%	4.7%	3.7%	0.8%	86.5%	4.6%	4.3%	0.3%	82.6%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level
⁴Note: the seven domestic passenger markets for which broken-down data are available account for 30% of global total RPKs and approximately 82% of total domestic RPKs

Note: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic.



APRIL 2018: Air Passenger Market Analysis

Solid growth in RPKs in April, with another record high load factor

Chart 1 – Air passenger volumes

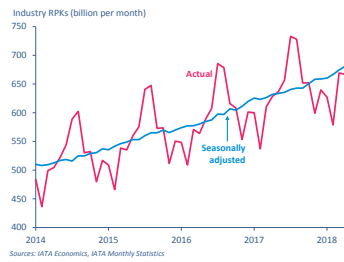
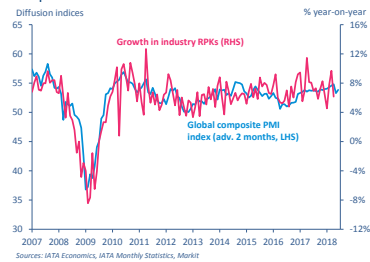


Chart 2 – Air passenger volume growth and global composite business confidence measure



Air passenger market overview - April 2018

	World share ¹	April 2018 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	6.2%	5.9%	0.2%	82.3%	7.0%	6.0%	0.8%	81.3%
International	63.8%	4.8%	4.9%	-0.1%	81.4%	6.7%	5.6%	0.8%	80.5%
Domestic	36.2%	8.5%	7.6%	0.7%	84.0%	7.5%	6.6%	0.7%	82.6%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level

Chart 3 – Economic conditions (monthly data from composite PMIs, selected regions and countries)



Chart 4 – International passenger traffic growth by airline region of registration

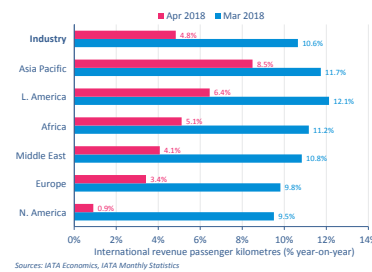
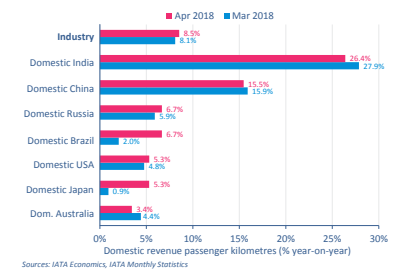


Chart 5 – Domestic RPK growth by market



Air passenger market detail - April 2018

	World share ¹	April 2018 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	6.2%	5.9%	0.2%	82.3%	7.0%	6.0%	0.8%	81.3%
Africa	2.2%	0.9%	0.9%	0.0%	73.1%	2.9%	1.6%	0.9%	71.0%
Asia Pacific	33.7%	10.9%	9.2%	1.3%	82.8%	9.5%	8.5%	0.8%	81.9%
Europe	26.5%	3.7%	4.1%	-0.3%	84.1%	6.6%	5.1%	1.2%	82.5%
Latin America	5.2%	5.5%	5.8%	-0.3%	81.1%	7.0%	6.1%	0.7%	82.1%
Middle East	9.5%	3.9%	2.8%	0.8%	77.1%	4.9%	3.9%	0.7%	76.2%
North America	23.0%	3.7%	4.8%	-0.9%	83.3%	4.9%	4.5%	0.3%	82.2%
International	63.8%	4.8%	4.9%	-0.1%	81.4%	6.7%	5.6%	0.8%	80.5%
Africa	1.9%	5.1%	4.6%	0.4%	72.8%	6.8%	4.7%	1.4%	70.6%
Asia Pacific	18.5%	8.5%	7.6%	0.6%	81.0%	8.2%	7.4%	0.6%	80.7%
Europe	23.7%	3.4%	4.0%	-0.5%	84.6%	6.5%	5.1%	1.1%	83.2%
Latin America	2.8%	6.4%	7.5%	-0.8%	81.4%	9.0%	8.5%	0.4%	82.1%
Middle East	9.1%	4.1%	3.2%	0.7%	77.2%	4.8%	4.1%	0.5%	76.3%
North America	7.8%	0.9%	2.4%	-1.2%	80.7%	5.2%	4.0%	1.0%	80.6%
Domestic	36.2%	8.5%	7.6%	0.7%	84.0%	7.5%	6.6%	0.7%	82.6%
Dom. Australia ⁴	0.9%	3.4%	2.0%	1.1%	80.2%	3.7%	1.0%	2.1%	79.1%
Dom. Brazil ⁴	1.2%	6.7%	5.9%	0.5%	80.7%	5.1%	4.0%	0.8%	81.7%
Dom. China P.R. ⁴	9.1%	15.5%	13.7%	1.3%	86.1%	12.6%	12.6%	0.0%	84.6%
Domestic India ⁴	1.4%	26.4%	18.4%	5.8%	90.9%	23.7%	17.7%	4.3%	89.6%
Domestic Japan ⁴	1.1%	5.3%	1.7%	2.3%	67.5%	3.5%	1.6%	1.3%	69.9%
Dom. Russian Fed. ⁴	1.4%	6.7%	4.7%	1.5%	80.7%	6.6%	2.9%	2.7%	78.0%
Domestic US ⁴	14.5%	5.3%	6.3%	-0.8%	84.8%	4.8%	4.8%	0.0%	83.2%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level

⁴Note: the seven domestic passenger markets for which broken-down data are available account for 30% of global total RPKs and approximately 82% of total domestic RPKs

Note: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic.



MAY 2018: Air Passenger Market Analysis

Air passenger growth completes a strong first quarter of 2018

Chart 1 – Air passenger volumes

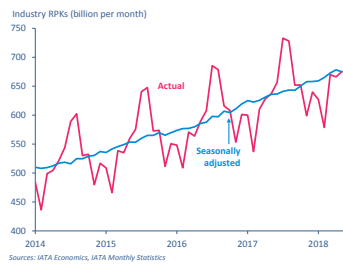
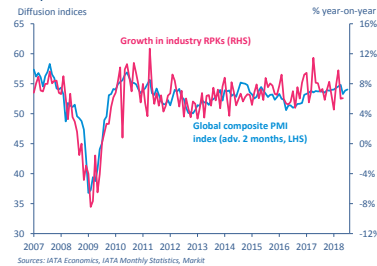


Chart 2 – Air passenger volume growth and global composite business confidence measure



Air passenger market overview - May 2018

	World share ¹	May 2018 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	6.1%	5.9%	0.1%	80.1%	6.8%	6.0%	0.6%	81.0%
International	63.8%	5.8%	5.4%	0.3%	78.7%	6.5%	5.6%	0.7%	80.1%
Domestic	36.2%	6.6%	6.7%	-0.1%	82.6%	7.4%	6.7%	0.5%	82.5%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level

Chart 3 – Economic conditions (monthly data from composite PMIs, selected regions and countries)



Chart 4 – International passenger traffic growth by airline region of registration

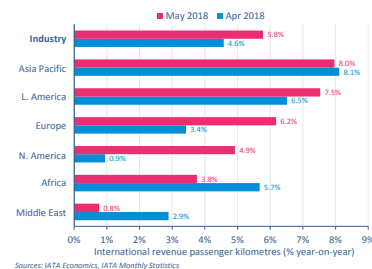
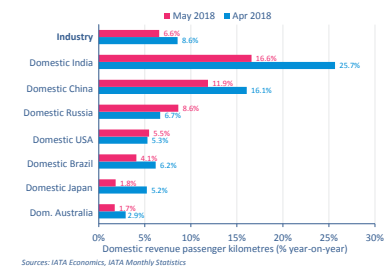


Chart 5 – Domestic RPK growth by market



Air passenger market detail - May 2018

	World share ¹	May 2018 (% year-on-year)				% year-to-date			
		RPK	ASK	PLF (%-pt) ²	PLF (level) ³	RPK	ASK	PLF (%-pt) ²	PLF (level) ³
TOTAL MARKET	100.0%	6.1%	5.9%	0.1%	80.1%	6.8%	6.0%	0.6%	81.0%
Africa	2.2%	-0.8%	-0.9%	0.0%	66.8%	2.3%	1.2%	0.7%	70.1%
Asia Pacific	33.7%	8.7%	8.6%	0.1%	79.6%	9.4%	8.6%	0.6%	81.4%
Europe	26.5%	6.0%	5.0%	0.8%	83.0%	6.5%	5.1%	1.1%	82.6%
Latin America	5.2%	6.1%	6.2%	-0.1%	79.8%	6.9%	6.1%	0.6%	81.6%
Middle East	9.5%	0.5%	3.3%	-1.9%	67.5%	3.8%	3.8%	0.0%	74.2%
North America	23.0%	5.2%	4.9%	0.3%	84.4%	5.0%	4.6%	0.3%	82.7%
International	63.8%	5.8%	5.4%	0.3%	78.7%	6.5%	5.6%	0.7%	80.1%
Africa	1.9%	3.8%	3.2%	0.4%	66.4%	6.3%	4.5%	1.2%	69.7%
Asia Pacific	18.5%	8.0%	7.6%	0.3%	77.9%	8.1%	7.5%	0.5%	80.1%
Europe	23.7%	6.2%	5.1%	0.8%	83.5%	6.4%	5.1%	1.0%	83.2%
Latin America	2.8%	7.5%	7.0%	0.4%	81.6%	8.7%	8.2%	0.4%	82.0%
Middle East	9.1%	0.8%	3.7%	-1.9%	67.5%	3.8%	4.0%	-0.2%	74.3%
North America	7.8%	4.9%	3.4%	1.2%	82.0%	5.3%	3.9%	1.0%	81.0%
Domestic	36.2%	6.6%	6.7%	-0.1%	82.6%	7.4%	6.7%	0.5%	82.5%
Dom. Australia ⁴	0.9%	1.7%	2.5%	-0.6%	75.2%	3.4%	1.6%	1.4%	78.1%
Domestic Brazil ⁴	1.2%	4.1%	5.4%	-1.0%	76.9%	4.8%	4.2%	0.4%	80.7%
Dom. China P.R. ⁴	9.1%	11.9%	12.5%	-0.5%	83.4%	12.7%	12.8%	-0.1%	84.4%
Domestic India ⁴	1.4%	16.6%	18.0%	-1.1%	87.5%	22.0%	18.0%	2.9%	88.8%
Domestic Japan ⁴	1.1%	1.8%	1.4%	0.3%	69.4%	3.1%	1.5%	1.1%	69.8%
Dom. Russian Fed. ⁴	1.4%	8.6%	7.5%	0.8%	78.5%	7.1%	4.0%	2.3%	78.1%
Domestic US ⁴	14.5%	5.5%	5.8%	-0.3%	85.9%	5.0%	5.1%	-0.1%	83.7%

¹% of industry RPKs in 2017 ²Year-on-year change in load factor ³Load factor level
⁴Note: the seven domestic passenger markets for which broken-down data are available account for 30% of global total RPKs and approximately 82% of total domestic RPKs

Note: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic.

FEBRUARY 2018: Worldwide Traffic Results

Passenger traffic / Freight volumes
(Summary)

	February 2018 over February 2017	Year to date 2018	12-month rolling year
PaxFlash			
International passenger	7.5	6.6	8.4
Domestic passenger	6.0	5.1	5.1
Total passenger	6.6	5.7	6.6
FreightFlash			
International freight	6.4	6.8	9.4
Domestic freight	5.9	7.7	4.3
Total freight	6.3	7.1	7.9

Regions	February 2018 % YOY	YTD February 2018 % YOY	YE thru February 2018 % YOY
International passengers			
Africa	11.8	12.6	10.5
Asia-Pacific	9.7	7.3	8.2
Europe	7.2	7.3	9.6
Latin America-Caribbean	8.6	7.7	7.7
Middle East	(0.9)	(0.7)	3.3
North America	8.0	5.6	6.0
World	7.5	6.6	8.4
Domestic passengers			
Africa	5.3	6.3	3.0
Asia-Pacific	7.6	5.8	7.1
Europe	5.2	6.9	6.2
Latin America-Caribbean	5.5	3.9	3.8
Middle East	...	...	...
North America	5.1	4.0	3.4
World	6.0	5.1	5.1
Total passengers			
Africa	9.3	10.3	8.0
Asia-Pacific	8.2	6.3	7.5
Europe	6.6	7.1	8.7
Latin America-Caribbean	6.5	5.1	4.9
Middle East	(1.0)	(0.7)	3.2
North America	5.5	4.3	3.8
World	6.6	5.7	6.6

Traffic table definitions:

PASSENGER TRAFFIC: departing + arriving passengers

INTERNATIONAL: traffic performed between the designated airport and an airport in another country/territory

DOMESTIC: traffic performed between two airports located in the same country/territory

TOTAL: international + domestic passengers + direct transit passengers counted once (when breakdown is available)

Year-over-year percentage changes (% YOY) are calculated from a representative sample.

YOY Year-over-year same month comparison

YTD Year to date, starting Jan 2018, compared to same period in previous year

YE Year end, based on a rolling 12-month period, compared to the same prior 12-month period

► CONTINUED FROM PAGE 45



FEBRUARY 2018: Worldwide Traffic Results

Passenger traffic / Freight volumes
(Summary)

Regions	February 2018 % YOY	YTD February 2018 % YOY	YE thru February 2018 % YOY
International freight			
Africa	...	...	...
Asia-Pacific	5.6	7.3	10.7
Europe	6.3	7.3	9.1
Latin America-Caribbean	11.1	11.4	9.5
Middle East	3.1	1.9	5.5
North America	8.2	5.7	8.7
World	6.4	6.8	9.4
Domestic freight			
Africa	...	...	...
Asia-Pacific	2.3	5.3	1.6
Europe	1.7	4.7	5.7
Latin America-Caribbean	13.6	14.0	4.9
Middle East	...	...	...
North America	7.5	8.8	5.9
World	5.9	7.7	4.3
Total freight			
Africa	11.1	12.5	14.5
Asia-Pacific	4.7	6.7	8.2
Europe	6.0	7.1	8.9
Latin America-Caribbean	11.8	12.3	8.0
Middle East	3.1	1.9	5.5
North America	8.2	7.8	7.1
World	6.3	7.1	7.9

Traffic table definitions:

FREIGHT TRAFFIC: loaded and unloaded freight; data in metric tonnes

INTERNATIONAL: traffic performed between the designated airport and an airport in another country/territory

DOMESTIC: traffic performed between two airports located in the same country/territory

TOTAL: international + domestic freight (when breakdown is available)

Note: No domestic freight traffic is reported by airports in the Middle East and Africa regions. Year-over-year percentage changes (% YOY) are calculated from a representative sample.

YOY Year-over-year same month comparison

YTD Year to date, starting Jan 2018, compared to same period in previous year

YE Year end, based on a rolling 12-month period, compared to same prior 12-month period

MARCH 2018: Worldwide Traffic Results

Passenger traffic / Freight volumes (Summary)

TABLE 1: SUMMARY WORLDWIDE TRAFFIC RESULTS, MARCH 2018 (% CHANGE)

	March 2018 over March 2017	Year to date 2018	12-month rolling year
PaxFlash			
International passenger	10.5	8.0	8.7
Domestic passenger	6.3	5.8	5.2
Total passenger	8.1	6.7	6.8
FreightFlash			
International freight	1.9	5.1	8.3
Domestic freight	3.6	6.4	4.3
Total freight	2.4	5.5	7.1

TABLE 2: PaxFlash summary – March 2018

Regions	March 2018 % YOY	YTD March 2018 % YOY	YE thru March 2018 % YOY
International passengers			
Africa	18.8	14.7	11.9
Asia-Pacific	13.0	9.2	8.9
Europe	10.1	8.3	9.8
Latin America-Caribbean	9.0	7.9	7.7
Middle East	4.1	1.2	3.3
North America	9.4	6.9	6.3
World	10.5	8.0	8.7
Domestic passengers			
Africa	14.4	8.8	4.6
Asia-Pacific	9.4	7.6	7.2
Europe	4.6	6.1	6.1
Latin America-Caribbean	4.9	4.1	4.2
Middle East	5.6	3.8	3.7
North America	4.4	4.4	3.5
World	6.3	5.8	5.2
Total passengers			
Africa	17.4	12.7	9.5
Asia-Pacific	10.7	8.2	7.8
Europe	8.6	7.7	8.8
Latin America-Caribbean	6.2	5.4	5.0
Middle East	4.0	1.2	3.2
North America	5.2	4.8	4.0
World	8.1	6.7	6.8

Traffic table definitions:

PASSENGER TRAFFIC: departing + arriving passengers

INTERNATIONAL: traffic performed between the designated airport and an airport in another country/territory

DOMESTIC: traffic performed between two airports located in the same country/territory

TOTAL: international + domestic passengers + direct transit passengers counted once (when breakdown is available)

Year-over-year percentage changes (% YOY) are calculated from a representative sample.

YOY Year-over-year same month comparison

YTD Year to date, starting Jan 2018, compared to same period in previous year

YE Year end, based on a rolling 12-month period, compared to the same prior 12-month period

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MARCH 2018: Worldwide Traffic Results

Passenger traffic / Freight volumes
(Summary)

TABLE 3: FreightFlash summary – March 2018

Regions	March 2018 % YOY	YTD March 2018 % YOY	YE thru March 2018 % YOY
International freight			
Africa	...	...	...
Asia-Pacific	0.2	4.9	9.2
Europe	1.3	5.0	8.0
Latin America-Caribbean	12.4	11.4	9.6
Middle East	-2.1	0.4	4.3
North America	5.9	6.1	8.5
World	1.9	5.1	8.3
Domestic freight			
Africa	...	...	...
Asia-Pacific	3.4	4.7	1.7
Europe	-5.1	1.1	3.8
Latin America-Caribbean	7.4	11.7	5.2
Middle East	...	...	...
North America	3.9	7.3	5.9
World	3.6	6.4	4.3
Total freight			
Africa	8.5	11.1	12.7
Asia-Pacific	1.0	4.8	7.1
Europe	0.9	4.7	7.8
Latin America-Caribbean	10.8	11.5	8.2
Middle East	-2.1	0.3	4.3
North America	4.9	7.1	7.0
World	2.4	5.5	7.1

Traffic table definitions:

FREIGHT TRAFFIC: loaded and unloaded freight; data in metric tonnes

INTERNATIONAL: traffic performed between the designated airport and an airport in another country/territory

DOMESTIC: traffic performed between two airports located in the same country/territory

TOTAL: international + domestic freight (when breakdown is available)

Note: No domestic freight traffic is reported by airports in the Middle East and Africa regions.

Year-over-year percentage changes (% YOY) are calculated from a representative sample.

YOY Year-over-year same month comparison

YTD Year to date, starting Jan 2018, compared to same period in previous year

YE Year end, based on a rolling 12-month period, compared to same prior 12-month period



ICAO

ECONOMIC DEVELOPMENT

APR 2018: Air Transport Monthly Monitor

World Results and Analyses for FEB 2018. Total scheduled services
(Domestic and international)

Air Transport Bureau
E-mail: ecd@icao.int

<http://www.icao.int/sustainability/Pages/Air-Traffic-Monitor.aspx>

GLOBAL KEY FIGURES

FEB 2018
(versus FEB 2017)

RPK ▲ +7.6% ASK ▲ +6.3% FTK ▲ +6.8% LF: 80.4% ▲ +0.9 pt

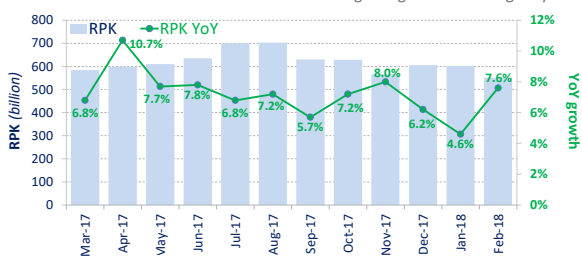
OUTLOOK* - MAR 2018
(versus MAR 2017)

ASK ▲ +6.8% * Source OAG

PASSENGER TRAFFIC

Revenue Passenger-Kilometres - RPK

World passenger traffic grew by +7.6% YoY in February 2018, +3.0 percentage points higher from the growth in the previous month. The traffic rebound observed in this month was partly owing to the effect of later timing of the Chinese New Year compared to 2017. All regions posted acceleration in traffic growth, with the exception of Africa which experienced the slowest growth. Asia/Pacific was the fastest growing region and was the only region recording double-digit growth. Domestic traffic demand in India and China continued to be strong and grew double-digitally.



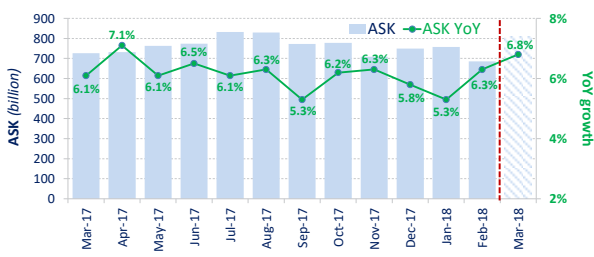
(Source: ICAO, IATA, OAG)

CAPACITY

Available Seat-Kilometres - ASK

Capacity worldwide increased by +6.3% YoY in February 2018, +1.0 percentage points higher than the growth in the previous month (+5.3%).

In response to the passenger traffic demand, the expansion of capacity is expected to be at +6.8% in March 2018.

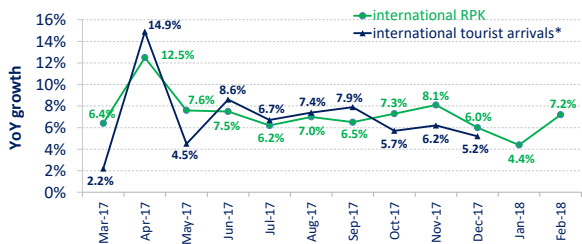


(Source: ICAO, IATA, OAG)

International Traffic vs. Tourist Arrivals

International passenger traffic grew by +7.2% YoY in February 2018, +2.8 percentage points higher from the growth in the previous month. All regions accelerated in growth with Latin America/Caribbean posting the fastest growth for the second consecutive month, followed by Asia/Pacific.

The growth of international tourist arrivals* followed a similar monthly trend.



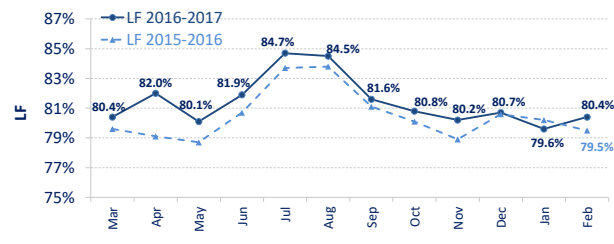
*UNWTO Definition

(Source: IATA, UNWTO)

Load Factor - LF

The passenger Load Factor reached 80.4% in February 2018, +0.8 percentage points higher than the LF recorded in the previous month.

As traffic growth outpaced the capacity expansion, the February LF was +0.9 percentage points higher than the rate in the same period in 2017.



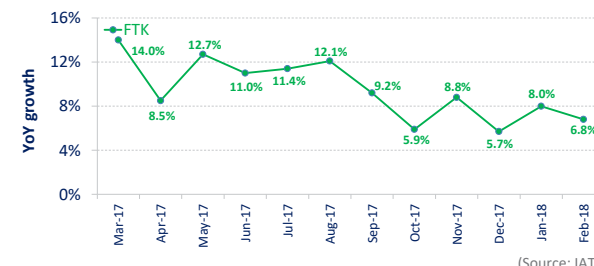
(Source: IATA)

FREIGHT TRAFFIC

Freight Tonne-Kilometres - FTK

World freight traffic grew by +6.8% YoY in February 2018, -1.2 percentage points lower than the growth in the previous month. Freight traffic growth remained solid, albeit at a moderated pace compared to last year. Three regions, Africa, Latin America/Caribbean and the Middle East, posted acceleration in growth. Africa continued to record the fastest growth, supported by the strengthening in trade between Africa and Asia/Pacific. Europe, however, experienced the most significant deceleration in growth, and became the slowest growing region.

Freight traffic growth outpaced the freight capacity expansion. As a result, the freight load factor exceeded its YTD rate by over +0.5 percentage points.



(Source: IATA)

ACRONYMS: ACI: Airports Council International; ASK: Available Seat-Kilometres; IATA: International Air Transport Association; FTK: Freight Tonne-Kilometres; LF: Passenger Load Factor; OAG: Official Airline Guide; RPK: Revenue Passenger-Kilometres; UNWTO: World Tourism Organization; YoY: Year-on-year; YTD: Year-to-date.

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ICAO

ECONOMIC DEVELOPMENT

APR 2018: Air Transport Monthly Monitor

World Results and Analyses for FEB 2018. Total scheduled services
(Domestic and international)

TOP 15 AIRPORTS (Ranked by aircraft departures, passengers and volume of freight)

FEB 2018: +3.4%, +4.4%, and +4.1% YoY in terms of aircraft departures, passengers and freight for the Top 15

FEB 18

Airports (ranking by number of departures)	Departures	YoY	Airports (ranking by number of passengers)	Passengers*	YoY	Airports (ranking by tonnes of freight)	Freight**	YoY
Atlanta GA, US (ATL)	32,603	↑ 0.0%	Beijing, CN (PEK)	3,894,256	↑ 1.7%	Memphis TN, US (MEM)	341,575	↑ 3.1%
Chicago IL, US (ORD)	30,782	↑ 2.0%	Atlanta GA, US (ATL)	3,763,147	↑ 1.4%	Hong Kong, CN (HKG)	315,000	↑ 7.1%
Los Angeles CA, US (LAX)	26,034	↑ 0.6%	Dubai, AE (DXB)	3,464,274	↓ -0.3%	Shanghai, CN (PVG)	232,979	↑ 2.1%
Dallas/Fort Worth TX, US (DFW)	24,195	↓ -1.1%	Tokyo, JP (HND)	3,127,911	↓ -1.1%	Incheon, KR (ICN)	197,789	↓ -0.8%
Beijing, CN (PEK)	23,460	↓ -0.7%	Los Angeles CA, US (LAX)	3,021,640	↑ 7.8%	Dubai, AE (DXB)	191,575	↓ -0.6%
Charlotte NC, US (CLT)	21,112	↑ 2.6%	Shanghai, CN (PVG)	2,913,120	↑ 6.9%	Anchorage AK, US (ANC)	179,728	↑ 9.5%
Denver CO, US (DEN)	20,832	↑ 0.2%	Hong Kong, CN (HKG)	2,903,500	↑ 5.5%	Louisville KY, US (SDF)	178,195	↑ 9.1%
Newark NJ, US (EWR)	19,544	↑ 24.8%	Guangzhou, CN (CAN)	2,835,902	↑ 8.7%	Tokyo, JP (NRT)	169,009	↑ 4.7%
Shanghai, CN (PVG)	19,441	↑ 3.5%	New Delhi, IN (DEL)	2,771,487	↑ 15.1%	Miami FL, US (MIA)	168,583	↑ 2.1%
Guangzhou, CN (CAN)	18,979	↑ 5.2%	Incheon, KR (ICN)	2,745,138	↑ 6.1%	Doha, QA (DOH)	160,776	↑ 14.7%
New Delhi, IN (DEL)	18,454	↑ 11.1%	Bangkok, TH (BKK)	2,719,823	↑ 4.4%	Frankfurt, DE (FRA)	156,424	↑ 1.7%
Amsterdam, NL (AMS)	18,214	↑ 5.0%	London, GB (LHR)	2,697,041	↑ 2.4%	Los Angeles CA, US (LAX)	149,758	↑ 5.5%
London, GB (LHR)	17,638	↑ 0.6%	Chicago IL, US (ORD)	2,666,377	↑ 4.3%	Singapore, SG (SIN)	148,900	↑ 1.4%
Houston TX, US (IAH)	17,597	↑ 1.2%	Singapore, SG (SIN)	2,466,500	↑ 5.6%	Taipei, CN (TPE)	147,809	↑ 2.6%
Frankfurt, DE (FRA)	17,597	↑ 7.6%	Dallas/Fort Worth TX, US (DFW)	2,463,642	↑ 4.1%	Paris, FR (CDG)	147,000	↑ 1.1%

Note: Total scheduled and non-scheduled services

(Source: ACI)

In terms of aircraft departures, the Top 15 airports reported an increase of +3.4% YoY. Twelve out of the Top 15 airports posted increases in operations. The strongest growth was recorded by Newark, followed by New Delhi, and both grew double-digitally at +24.8% and +11.1%, respectively. Atlanta remained at 1st albeit with the same traffic level as a year ago.

In terms of passengers, the Top 15 airports reported a growth of +4.4% YoY. Beijing retained the 1st place with a growth of +1.7%. Atlanta started to improve with a moderate increase of +1.4%. New Delhi continued to grow double-digitally, and recorded the strongest growth within the Top 15 by +15.1%. Two airports, Dubai and Tokyo, posted slight declines.

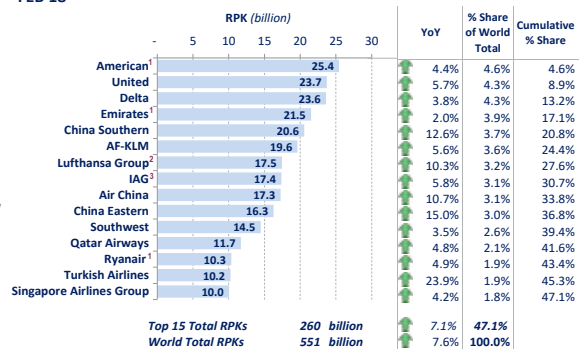
In terms of freight, the Top 15 airports reported a growth of +4.1% YoY. Memphis ranked over Hong Kong in 1st position. Doha continued to post double-digit growth, and recorded the strongest growth within the Top 15 by +14.7%. Two airports, Incheon and Dubai, posted declines, by -0.8% and -0.6%, respectively.

TOP 15 AIRLINE GROUPS (Ranked by RPK)

FEB 2018: +7.1% YoY in terms of RPK for the Top 15

FEB 18

In terms of RPK, the Top 15 airline groups accounted for 47.1% of world total RPK in February 2018, and grew by +7.1% YoY. This growth was -0.5 percentage points lower than the world average on scheduled services. All the Top 15 airline groups posted YoY increases.



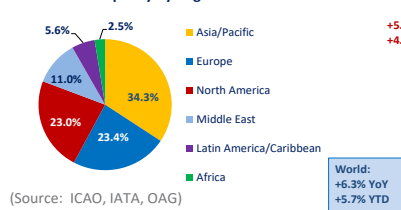
(Source: ICAO, airlines' websites)

Note: Total scheduled and non-scheduled services

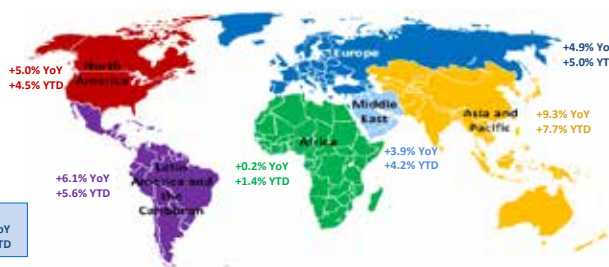
CAPACITY BY REGION (ICAO Statistical Regions)

FEB 2018: +6.3% YoY in terms of World ASK

% Share of Capacity by Region



(Source: ICAO, IATA, OAG)
Note: Total scheduled services



All regions, posted an expansion in capacity in February 2018 with a +6.3% YoY increase in capacity worldwide. Three regions, Asia/Pacific, Latin America/Caribbean, and North America, accelerated in capacity growth. Asia/Pacific continued to record the fastest capacity expansion, and was the only region growing faster than the world average. Africa experienced the biggest slowdown in capacity growth.

* Embarked Passengers ** Loaded and Unloaded Freight in Tonnes 1. ICAO estimates 2. Lufthansa Airlines, Eurowings, SWISS, Austrian Airlines, Brussels Airlines, Sun Express, and Lufthansa Cargo 3. British Airways, Iberia, and Vueling

ACRONYMS: ACI: Airports Council International; ASK: Available Seat-Kilometres; IATA: International Air Transport Association; FTK: Freight Tonne-Kilometres; LF: Passenger Load Factor; OAG: Official Airline Guide; RPK: Revenue Passenger-Kilometres; UNWTO: World Tourism Organization; YoY: Year-on-year; YTD: Year-to-date.



ICAO

ECONOMIC DEVELOPMENT

MAY 2018: Air Transport Monthly Monitor

World Results and Analyses for MAR 2018. Total scheduled services (Domestic and international)

Air Transport Bureau
E-mail: ecd@icao.int

<http://www.icao.int/sustainability/Pages/Air-Traffic-Monitor.aspx>

GLOBAL KEY FIGURES

MAR 2018

(versus MAR 2017)

RPK ▲ +9.5% ASK ▲ +6.4% FTK ▲ +1.7% LF: 82.4% ▲ +2.0 pt

OUTLOOK* - APR 2018

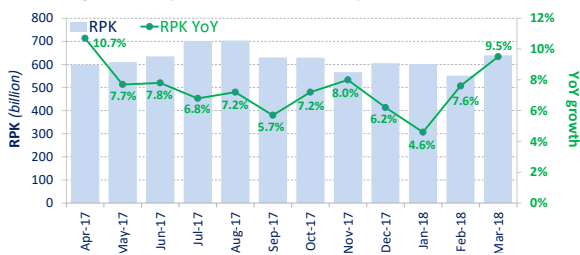
(versus APR 2017)

ASK ▲ +6.4% * Source OAG

PASSENGER TRAFFIC

Revenue Passenger-Kilometres - RPK

World passenger traffic grew by +9.5% YoY in March 2018, +1.9 percentage points higher from the growth in the previous month. This growth was the highest in the last eleven months. All regions accelerated in traffic growth, except for North America with a slight moderation. Asia/Pacific continued to be the fastest growing region with double-digit growth. The most significant spike was recorded by the Middle East which became the second fastest growing region. Domestic traffic demand in India continued to be strong and rose by over +20.0%, followed by China.



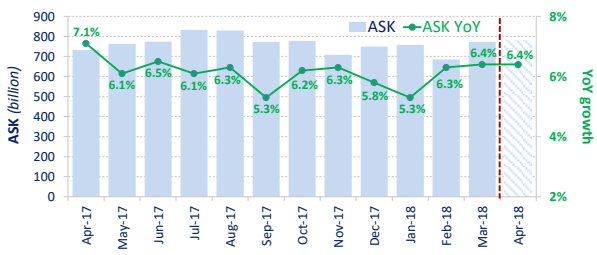
(Source: ICAO, IATA, OAG)

CAPACITY

Available Seat-Kilometres - ASK

Capacity worldwide increased by +6.4% YoY in March 2018, +0.1 percentage points higher than the growth in the previous month (+6.3%).

In response to the passenger traffic demand, the expansion of capacity is expected to be at the same level in April 2018.

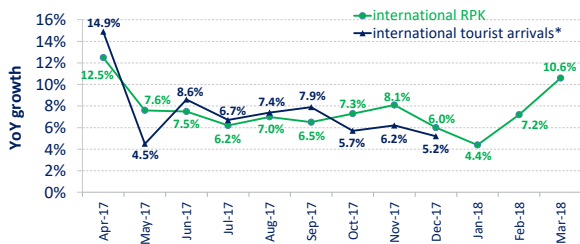


(Source: ICAO, IATA, OAG)

International Traffic vs. Tourist Arrivals

International passenger traffic grew by +10.6% YoY in March 2018, +3.4 percentage points higher from the growth in the previous month. All regions posted acceleration in growth with four regions growing double-digitally. Latin America/Caribbean remained as the fastest growth for the third consecutive month, followed by Asia/Pacific.

The growth of international tourist arrivals* followed a similar monthly trend.



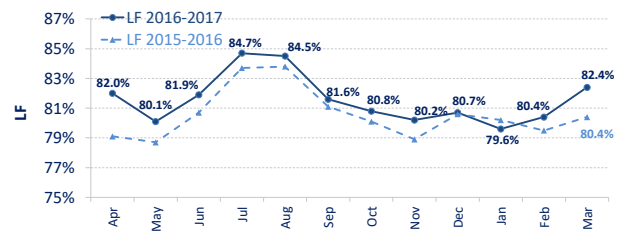
*UNWTO Definition

(Source: IATA, UNWTO)

Load Factor - LF

The passenger Load Factor reached 82.4% in March 2018, +2.0 percentage points higher than the LF recorded in the previous month.

As traffic growth outpaced the capacity expansion, the March LF was +2.0 percentage points higher than the rate in the same period in 2017.

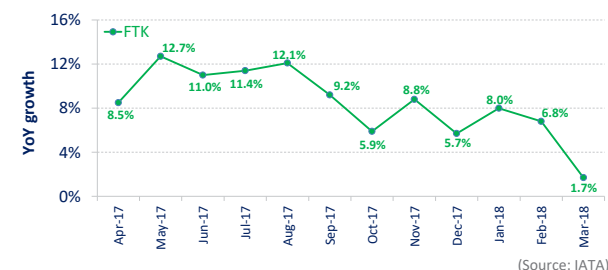


(Source: IATA)

FREIGHT TRAFFIC

Freight Tonne-Kilometres - FTK

World freight traffic grew by +1.7% YoY in March 2018, -5.1 percentage points lower than the growth in the previous month. Freight traffic growth reached its slowest pace in the last one year, partially due to the comparison with the surge in traffic in the same period last year. All regions posted a slowdown in growth, with the exception of Latin America/Caribbean which continued to demonstrate recovery in freight demand reflecting the improving economy in the region. North America recorded the second highest growth albeit with a slight moderation. Africa experienced the most significant deceleration and was the only region posting negative trend. The other three regions, Asia Pacific, Europe and the Middle East also underwent sluggish growth at less than +1.0%.



(Source: IATA)

ACRONYMS: ACI: Airports Council International; ASK: Available Seat-Kilometres; IATA: International Air Transport Association; FTK: Freight Tonne-Kilometres; LF: Passenger Load Factor; OAG: Official Airline Guide; RPK: Revenue Passenger-Kilometres; UNWTO: World Tourism Organization; YoY: Year-on-year; YTD: Year-to-date.

▶ CONTINUED FROM PAGE 51



ICAO

ECONOMIC DEVELOPMENT

MAY 2018: Air Transport Monthly Monitor

World Results and Analyses for MAR 2018. Total scheduled services (Domestic and international)

TOP 15 AIRPORTS (Ranked by aircraft departures, passengers and volume of freight)

MAR 2018: +2.1%, +6.3%, and +0.0% YoY in terms of aircraft departures, passengers and freight for the Top 15

MAR 18

Airports (ranking by number of departures)	Departures	YoY
Atlanta GA, US (ATL)	38,594	↑ 1.1%
Chicago IL, US (ORD)	36,918	↑ 4.5%
Los Angeles CA, US (LAX)	29,474	↓ -1.4%
Dallas/Fort Worth TX, US (DFW)	27,899	↓ -0.3%
Beijing, CN (PEK)	26,152	↑ 0.4%
Denver CO, US (DEN)	24,275	↓ -1.5%
Charlotte NC, US (CLT)	24,148	↑ 2.8%
Shanghai, CN (PVG)	21,357	↑ 1.6%
Amsterdam, NL (AMS)	20,838	↑ 1.6%
Frankfurt, DE (FRA)	20,602	↑ 8.7%
New Delhi, IN (DEL)	20,479	↑ 9.1%
Toronto ON, CA (YYZ)	20,307	↑ 5.2%
Guangzhou, CN (CAN)	20,219	↑ 2.8%
Phoenix AZ, US (PHX)	20,175	↑ 0.4%
Houston TX, US (IAH)	20,130	↑ 0.7%

Airports (ranking by number of passengers)	Passengers*	YoY
Atlanta GA, US (ATL)	4,654,033	↑ 2.7%
Beijing, CN (PEK)	4,296,586	↑ 5.7%
Dubai, AE (DXB)	3,926,251	↑ 4.5%
Tokyo, JP (HND)	3,641,459	↓ -3.0%
Los Angeles CA, US (LAX)	3,615,044	↑ 6.7%
Chicago IL, US (ORD)	3,372,639	↑ 4.2%
London, GB (LHR)	3,247,580	↑ 5.5%
Hong Kong, CN (HKG)	3,187,500	↑ 8.6%
Shanghai, CN (PVG)	3,146,207	↑ 9.6%
New Delhi, IN (DEL)	3,024,162	↑ 16.6%
Guangzhou, CN (CAN)	3,022,979	↑ 9.9%
Dallas/Fort Worth TX, US (DFW)	2,906,766	↑ 3.1%
Incheon, KR (ICN)	2,834,626	↑ 16.0%
Bangkok, TH (BKK)	2,832,731	↑ 6.1%
Paris, FR (CDG)	2,813,013	↑ 6.1%

Airports (ranking by tonnes of freight)	Freight**	YoY
Hong Kong, CN (HKG)	422,000	↓ -2.5%
Memphis TN, US (MEM)	397,878	↑ 1.5%
Shanghai, CN (PVG)	317,596	↓ -2.3%
Incheon, KR (ICN)	251,164	↑ 0.3%
Anchorage AK, US (ANC)	237,456	↑ 5.4%
Dubai, AE (DXB)	222,045	↓ -5.7%
Louisville KY, US (SDF)	208,638	↑ 0.9%
Tokyo, JP (NRT)	206,984	↓ -0.6%
Taipei, CN (TPE)	198,773	↑ 2.6%
Frankfurt, DE (FRA)	189,462	↓ -3.1%
Singapore, SG (SIN)	187,500	↓ -0.6%
Doha, QA (DOH)	185,367	↑ 4.5%
Miami FL, US (MIA)	178,554	↑ 8.6%
Los Angeles CA, US (LAX)	178,361	↓ -0.4%
Paris, FR (CDG)	171,000	↓ -3.4%

(Source: ACI)

Note: Total scheduled and non-scheduled services

The number of aircraft departures increased with the start of the 2018 summer schedule. The Top 15 airports reported an increase of +2.1% YoY. The strongest growth in operations was recorded by New Delhi (+9.1%), Frankfurt (+8.7%) and Toronto (+5.2%) while three North American airports posted slight declines.

In terms of passengers, the Top 15 airports reported a growth of +6.3% YoY. All the Top 15 airports posted YoY increases, except for Tokyo which experienced a -3.0% decline mainly due to the drop in domestic traffic. With the continued improvements, Atlanta ranked over Beijing and became the 1st. New Delhi continued to record the strongest growth within the Top 15 by +16.6%.

In terms of freight, the Top 15 airports reported the same traffic level as one year ago. The growth of freight traffic was the weakest in the last twelve months, with over half of the Top 15 airports posting YoY declines. The most significant decline was posted by Dubai (-5.7%), followed by Paris (-3.4%). On the positive side, Miami recorded a growth of +8.6%.

TOP 15 AIRLINE GROUPS (Ranked by RPK)

MAR 2018: +8.3% YoY in terms of RPK for the Top 15

MAR 18

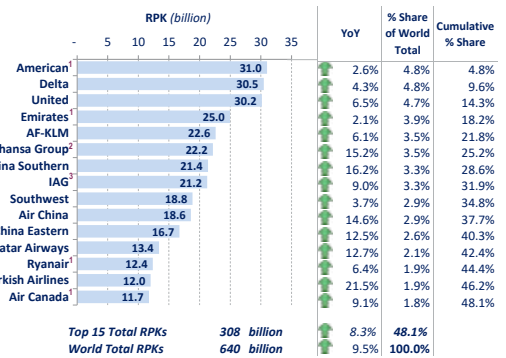
In terms of RPK, the Top 15 airline groups accounted for 48.1% of world total RPK in March 2018, and grew by +8.3% YoY. This growth was -1.2 percentage points lower than the world average on scheduled services. All the Top 15 airline groups posted YoY increases, with six airlines posting double-digit growth.

American ranked 1st and grew by +2.6%. Delta improved one position and ranked over United became 2nd with a growth of +4.3%. United ranked 3rd, and recorded the highest growth among the Top 3 airlines by +6.5%. Southwest ranked 2 positions up to 9th with a growth of +3.7%.

Emirates remained at 4th with a moderate YoY growth of +2.1%. Qatar Airways remained at 12th while demonstrating continued traffic expansion with a strong growth of +12.7%.

Both AF-KLM and Lufthansa improved 1 position to 5th and 6th, respectively, and the latter recorded the 3rd highest growth within the Top 15 by +15.2%. IAG remained at 8th with a strong growth of +9.0%. Turkish Airlines continued to record the highest growth among the Top 15 by +21.5%, and ranked 14th.

Major airlines in Asia/Pacific posted strong growth, with the three Chinese airlines growing double-digitally. China Southern ranked at 7th with the 2nd highest growth of +16.2%, followed by Air China and China Eastern at 10th and 11th, respectively.



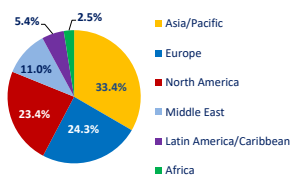
(Source: ICAO, airlines' websites)

Note: Total scheduled and non-scheduled services

CAPACITY BY REGION (ICAO Statistical Regions)

MAR 2018: +6.4% YoY in terms of World ASK

% Share of Capacity by Region



(Source: ICAO, IATA, OAG)

Note: Total scheduled services



All regions, posted an expansion in capacity in March 2018 with a +6.4% YoY increase in capacity worldwide. Two regions, Asia/Pacific and North America, decelerated in capacity growth. Asia/Pacific continued to record the fastest capacity expansion, followed by Latin America/Caribbean, and both grew faster than the world average pace.

Africa and North America experienced the slowest capacity expansion.

* Embarked Passengers ** Loaded and Unloaded Freight in Tonnes 1. ICAO estimates 2. Lufthansa Airlines, Eurowings, SWISS, Austrian Airlines, Brussels Airlines, Sun Express, and Lufthansa Cargo 3. British Airways, Iberia, and Vueling

ACRONYMS: ACI: Airports Council International; ASK: Available Seat-Kilometres; IATA: International Air Transport Association; FTK: Freight Tonne-Kilometres; LF: Passenger Load Factor; OAG: Official Airline Guide; RPK: Revenue Passenger-Kilometres; UNWTO: World Tourism Organization; YoY: Year-on-year; YTD: Year-to-date.



ICAO

ECONOMIC DEVELOPMENT

JUN 2018: Air Transport Monthly Monitor

World Results and Analyses for APR 2018. Total scheduled services
(Domestic and international)

Air Transport Bureau
E-mail: ecd@icao.int

<http://www.icao.int/sustainability/Pages/Air-Traffic-Monitor.aspx>

GLOBAL KEY FIGURES

APR 2018

(versus APR 2017)

RPK ▲ +6.2% ASK ▲ +5.9% FTK ▲ +4.1% LF: 82.3% ▲ +0.3 pt

OUTLOOK* - MAY 2018

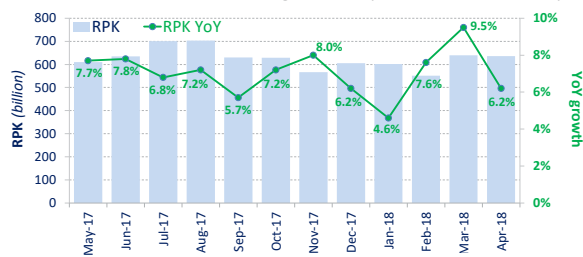
(versus MAY 2017)

ASK ▲ +6.2% * Source OAG

PASSENGER TRAFFIC

Revenue Passenger-Kilometres - RPK

World passenger traffic grew by +6.2% YoY in April 2018, -3.3 percentage points lower from the growth in the previous month. This moderation was partly due to the timing of Easter which took place in mid-April in 2017. All regions slowed down in growth with the most significant decline observed in the Middle East. Asia/Pacific continued to be the fastest growing region with double-digit growth. This was followed by Latin America/Caribbean, however, grew at half the pace. Domestic traffic demand in India continued to be strong and rose by over +20.0%, followed by China.



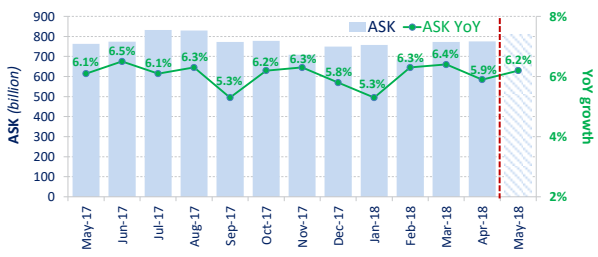
(Source: ICAO, IATA, OAG)

CAPACITY

Available Seat-Kilometres - ASK

Capacity worldwide increased by +5.9% YoY in April 2018, -0.5 percentage points lower than the growth in the previous month (+6.4%).

In response to the passenger traffic demand, the expansion of capacity is expected to be at +6.2% in May 2018.

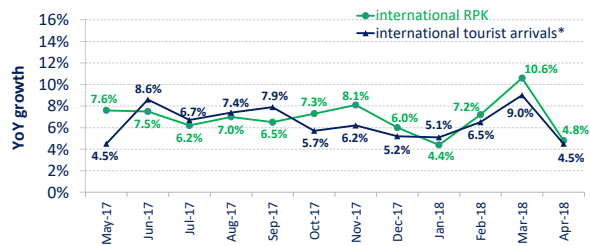


(Source: ICAO, IATA, OAG)

International Traffic vs. Tourist Arrivals

International passenger traffic grew by +4.8% YoY in April 2018, -5.8 percentage points lower from the growth in the previous month. All regions posted deceleration in growth with North America experiencing the weakest performance. Asia/Pacific became the fastest growth for the first time of the year, followed by Latin America/Caribbean.

The growth of international tourist arrivals* followed a similar monthly trend.



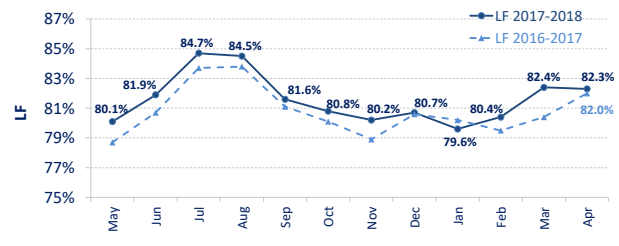
*UNWTO Definition

(Source: IATA, UNWTO)

Load Factor - LF

The passenger Load Factor reached 82.3% in April 2018, -0.1 percentage points lower than the LF recorded in the previous month.

As traffic growth outpaced the capacity expansion, the April LF was +0.3 percentage points higher than the rate in the same period in 2017.

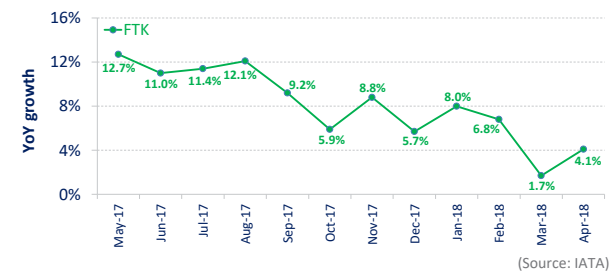


(Source: IATA)

FREIGHT TRAFFIC

Freight Tonne-Kilometres - FTK

World freight traffic grew by +4.1% YoY in April 2018, +2.4 percentage points higher than the growth in the previous month. Freight traffic growth picked up slightly in comparison to the distorted growth in March. All regions posted an improvement, with the exception of Latin America/Caribbean and North America. Latin America/Caribbean, however, continued to be the fastest growing region and was the only region posting double-digit increase. The two major regions with freight traffic, Asia Pacific and Europe, continued to experience moderated growth with the later growing at the slowest pace among all regions. Freight traffic of Africa and the Middle East recovered and both grew at above the world average pace.



(Source: IATA)

ACRONYMS: ACI: Airports Council International; ASK: Available Seat-Kilometres; IATA: International Air Transport Association; FTK: Freight Tonne-Kilometres; LF: Passenger Load Factor; OAG: Official Airline Guide; RPK: Revenue Passenger-Kilometres; UNWTO: World Tourism Organization; YoY: Year-on-year; YTD: Year-to-date.

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ICAO

ECONOMIC DEVELOPMENT

JUN 2018: Air Transport Monthly Monitor

World Results and Analyses for APR 2018. Total scheduled services (Domestic and international)

TOP 15 AIRPORTS (Ranked by aircraft departures, passengers and volume of freight)

APR 2018: +5.1%, +6.1%, and +3.1% YoY in terms of aircraft departures, passengers and freight for the Top 15

APR 18

Airports (ranking by number of departures)	Departures	YoY	Airports (ranking by number of passengers)	Passengers*	YoY	Airports (ranking by tonnes of freight)	Freight**	YoY
Atlanta GA, US (ATL)	37,597	↑ 5.0%	Atlanta GA, US (ATL)	4,506,265	↑ 8.0%	Hong Kong, CN (HKG)	418,000	↑ 5.0%
Chicago IL, US (ORD)	36,758	↑ 6.5%	Beijing, CN (PEK)	4,245,949	↑ 18.0%	Memphis TN, US (MEM)	351,357	↓ -0.1%
Los Angeles CA, US (LAX)	29,204	↑ 1.5%	Dubai, AE (DXB)	3,806,578	↓ -0.1%	Shanghai, CN (PVG)	317,476	↑ 2.8%
Dallas/Fort Worth TX, US (DFW)	27,106	↑ 4.9%	Los Angeles CA, US (LAX)	3,580,184	↑ 4.1%	Anchorage AK, US (ANC)	239,306	↑ 8.7%
Beijing, CN (PEK)	25,309	↑ 18.5%	Tokyo, JP (HND)	3,404,049	↑ 6.1%	Incheon, KR (ICN)	238,661	↑ 0.1%
Denver CO, US (DEN)	23,863	↑ 4.0%	Chicago IL, US (ORD)	3,313,666	↑ 5.1%	Dubai, AE (DXB)	216,333	↓ -0.7%
Charlotte NC, US (CLT)	23,858	↑ 1.3%	London, GB (LHR)	3,291,759	↓ -2.2%	Tokyo, JP (NRT)	201,200	↑ 4.8%
Amsterdam, NL (AMS)	21,675	↓ -0.2%	Shanghai, CN (PVG)	3,178,891	↑ 11.6%	Taipei, CN (TPE)	189,209	↑ 3.6%
Frankfurt, DE (FRA)	21,461	↑ 8.4%	Hong Kong, CN (HKG)	3,153,500	↑ 0.9%	Louisville KY, US (SDF)	183,866	↓ 0.0%
Shanghai, CN (PVG)	21,192	↑ 3.6%	Amsterdam, NL (AMS)	3,011,968	↑ 3.1%	Miami FL, US (MIA)	180,096	↑ 2.8%
New Delhi, IN (DEL)	20,102	↑ 10.9%	Istanbul, TR (IST)	2,981,791	↑ 10.7%	Singapore, SG (SIN)	179,400	↑ 4.5%
London, GB (LHR)	19,997	↑ 0.8%	New Delhi, IN (DEL)	2,931,932	↑ 16.8%	Frankfurt, DE (FRA)	179,012	↑ 1.5%
Istanbul, TR (IST)	19,684	↑ 2.2%	Guangzhou, CN (CAN)	2,902,566	↑ 9.9%	Doha, QA (DOH)	177,592	↑ 9.3%
Jakarta, ID (CGK)	19,534	↑ 8.6%	Paris, FR (CDG)	2,877,159	↓ -3.5%	Beijing, CN (PEK)	172,418	↑ 5.5%
Guangzhou, CN (CAN)	19,321	↑ 3.1%	Frankfurt, DE (FRA)	2,871,877	↑ 5.8%	Los Angeles CA, US (LAX)	169,635	↑ 1.6%

Note: Total scheduled and non-scheduled services

(Source: ACI)

In terms of aircraft departures, the Top 15 airports reported a growth of +5.1% YoY. All the Top 15 airports posted YoY increases, except for Amsterdam with a slight decline of -0.2%. The strongest growth in operations was recorded by Beijing (+18.5%), owing to the comparison with the low traffic in the same period of the previous year.

In terms of passengers, the Top 15 airports reported a growth of +6.1% YoY. The majority of the Top 15 airports reported YoY increases with four airports posting double-digit growth. Atlanta retained the 1st position with a growth of +8.0%. Beijing recorded the strongest growth within the Top 15 by +18.0%, followed by New Delhi (+16.8%). Paris posted the biggest decline by -3.5%.

In terms of freight, the Top 15 airports reported a growth of +3.1% YoY. After experiencing a sluggish growth in March, freight traffic showed improvements with twelve airports posting YoY increases. The most significant increase was recorded by Doha (+9.3%), followed by Anchorage (+8.7%). Minor decline was posted by Dubai (-0.7%) and Memphis (-0.1%).

TOP 15 AIRLINE GROUPS (Ranked by RPK)

APR 2018: +5.4% YoY in terms of RPK for the Top 15

APR 18

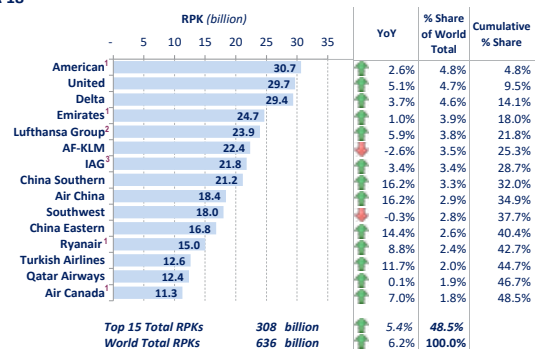
In terms of RPK, the Top 15 airline groups accounted for 48.5% of world total RPK in April 2018, and grew by +5.4% YoY. This growth was -0.8 percentage points lower than the world average on scheduled services. All the Top 15 airline groups posted YoY increases, except for AF-KLM and Southwest.

American ranked 1st and grew by +2.6%. United continued to record the strongest growth among the Top 3 airlines at +5.1%, and ranked over Delta becoming 2nd. For the first time of the year, Southwest experienced a YoY decline of -0.3% in traffic, and dropped 1 position down to 10th.

Emirates remained at 4th with a moderate YoY growth of +1.0%. Qatar Airways ranked 2 positions down to 14th with a minor increase of +0.1% compared to the previous year.

AF-KLM posted a -2.6% decline and went down 1 position to 6th due to strikes while Lufthansa improved 1 position to 5th with a growth of +5.9%. IAG improved 1 position to 7th albeit with a moderate growth of +3.4%. Turkish Airlines continued to grow double-digitally by +11.7%, and ranked 1 position up to 13th.

Major airlines in Asia/Pacific posted strong growth, with the three Chinese airlines recording the strongest growth among the Top 15. China Southern and Air China recorded the fastest growth by +16.2%, and ranked 8th and 9th, respectively. China Eastern grew by +14.4% and ranked at 11th.



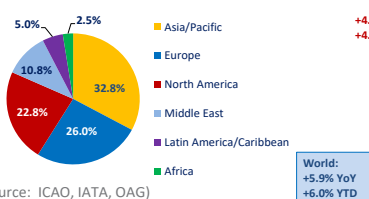
(Source: ICAO, airlines' websites)

Note: Total scheduled and non-scheduled services

CAPACITY BY REGION (ICAO Statistical Regions)

APR 2018: +5.9% YoY in terms of World ASK

% Share of Capacity by Region



(Source: ICAO, IATA, OAG)
Note: Total scheduled services



All regions, posted an expansion in capacity in April 2018 with a +5.9% YoY increase in capacity worldwide. All regions, except for Asia/Pacific and North America, decelerated in capacity growth. Asia/Pacific continued to record the fastest capacity expansion, followed by Latin America/Caribbean.

Africa and the Middle East experienced the slowest capacity expansion.

* Embarked Passengers ** Loaded and Unloaded Freight in Tonnes 1. ICAO estimates 2. Lufthansa Airlines, Euroings, SWISS, Austrian Airlines, Brussels Airlines, Sun Express, and Lufthansa Cargo 3. British Airways, Iberia, and Vueling

ACRONYMS: ACI: Airports Council International; ASK: Available Seat-Kilometres; IATA: International Air Transport Association; FTK: Freight Tonne-Kilometres; LF: Passenger Load Factor; OAG: Official Airline Guide; RPK: Revenue Passenger-Kilometres; UNWTO: World Tourism Organization; YoY: Year-on-year; YTD: Year-to-date.