

附錄

ACI Economic and Finance Conference and Exhibition

簡報資料

AIRPORT ECONOMICS AND FINANCE CONFERENCE

26 FEBRUARY 2015

LONDON, ENGLAND

ANGELA GITTENS

DIRECTOR GENERAL

ACI WORLD

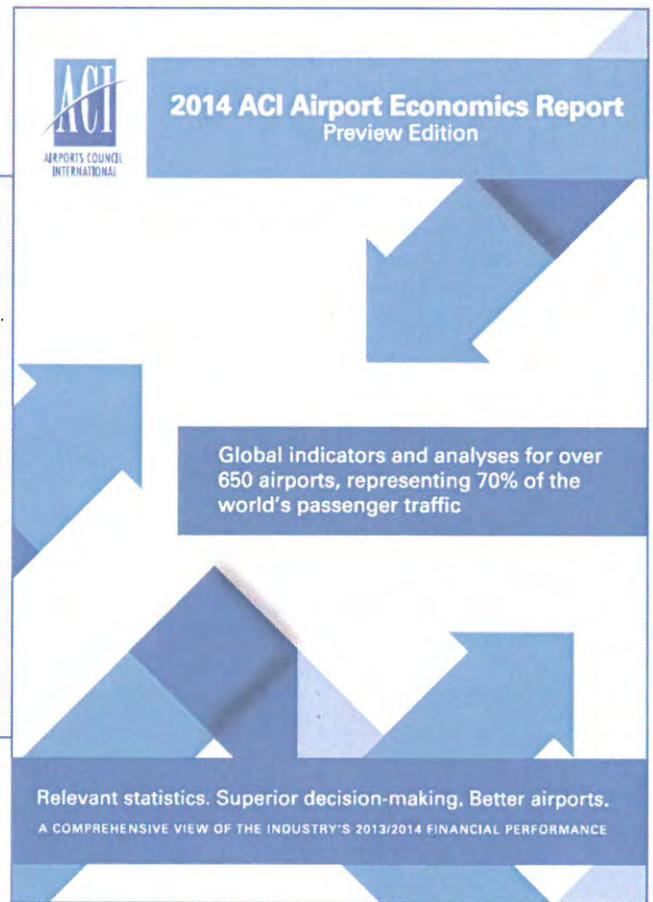


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650 AIRPORTS

70% OF
WORLDWIDE
PASSENGER
TRAFFIC



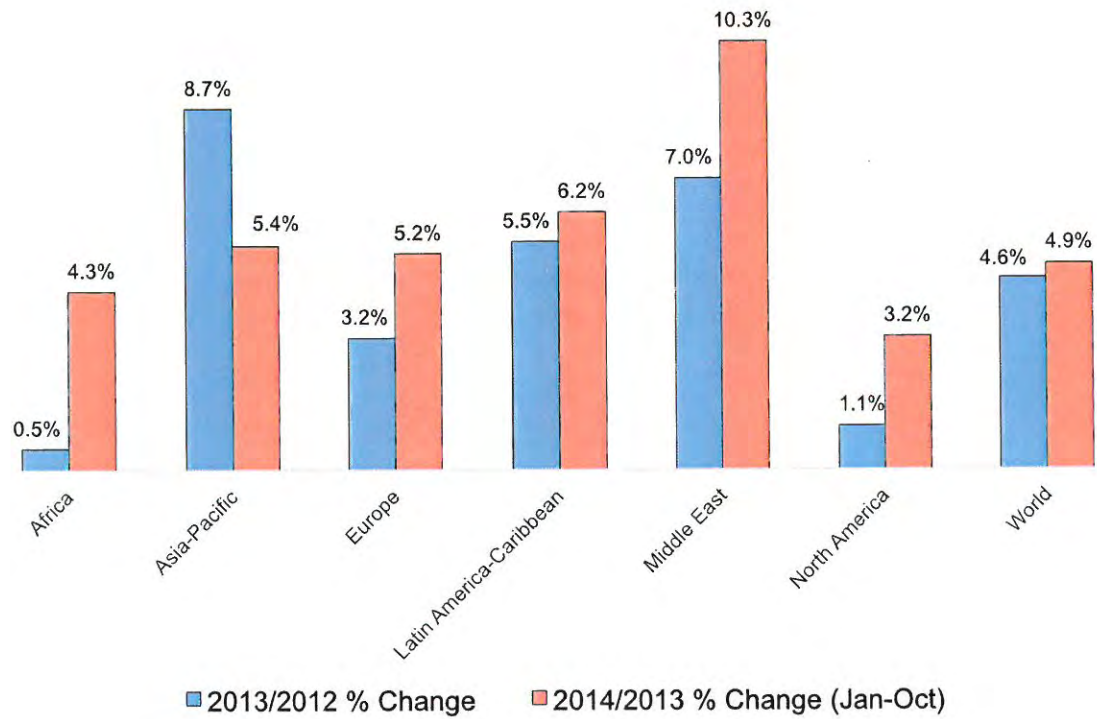
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TRAFFIC

DEMAND RESILIENT TO
ECONOMIC, GEOPOLITICAL AND
HEALTH RISKS
ECONOMICS

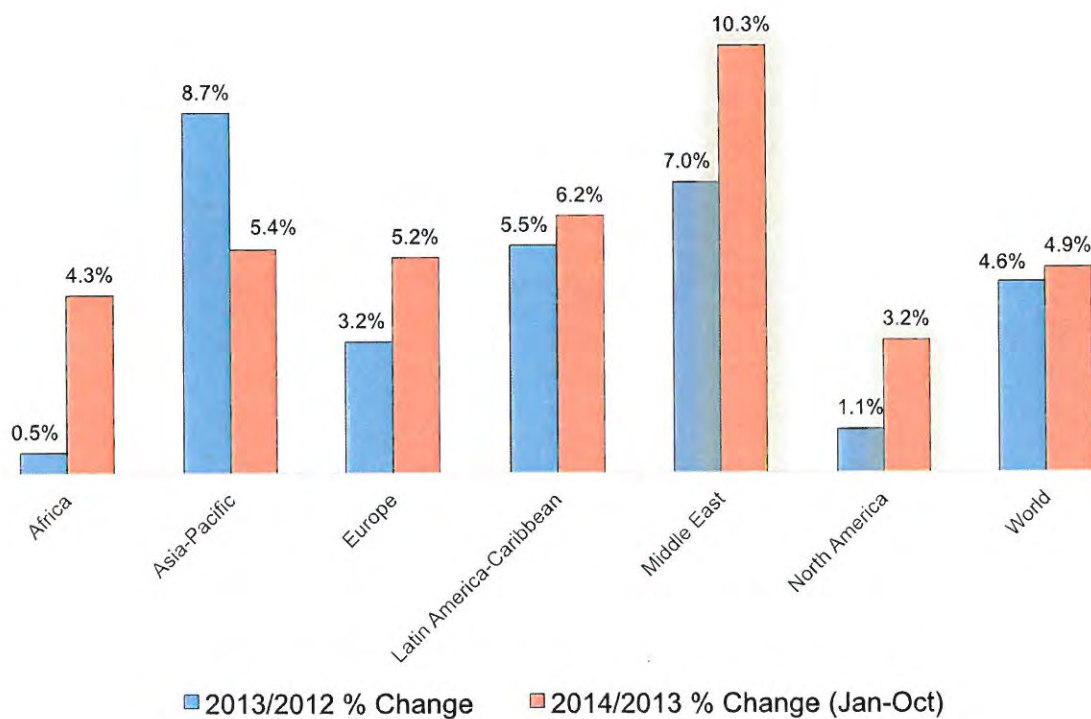
INDUSTRY PROFITABLE, BUT MOST
AIRPORTS LOSE MONEY

GROWTH IN PASSENGER TRAFFIC



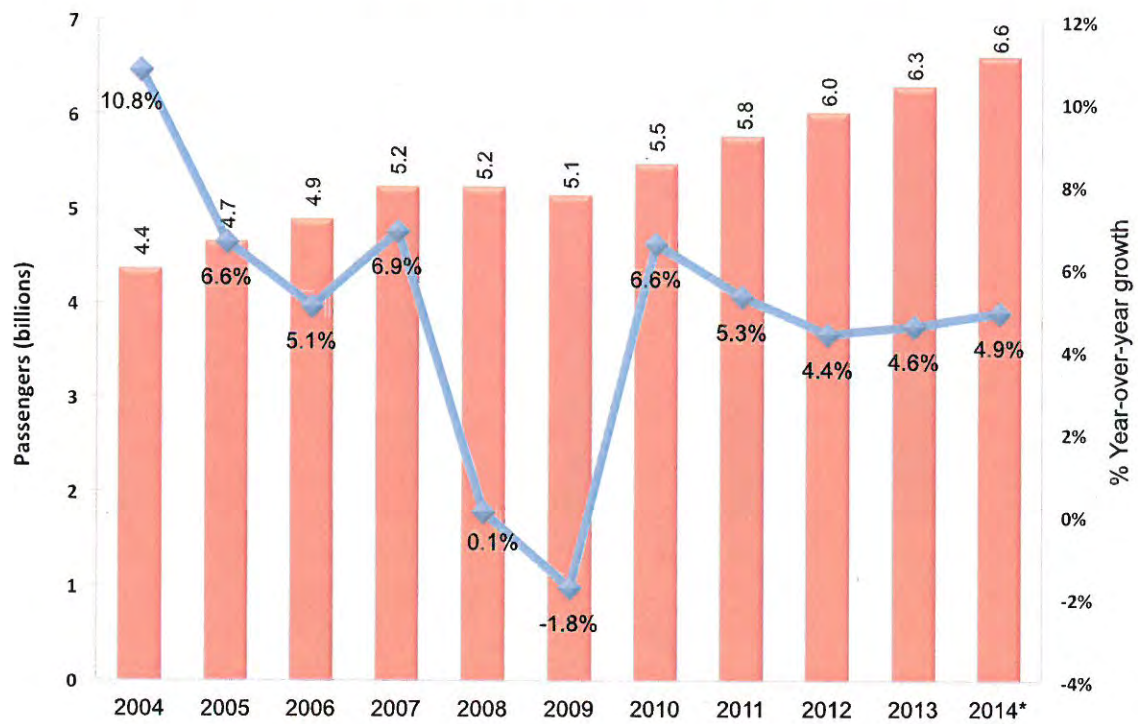
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GROWTH IN PASSENGER TRAFFIC



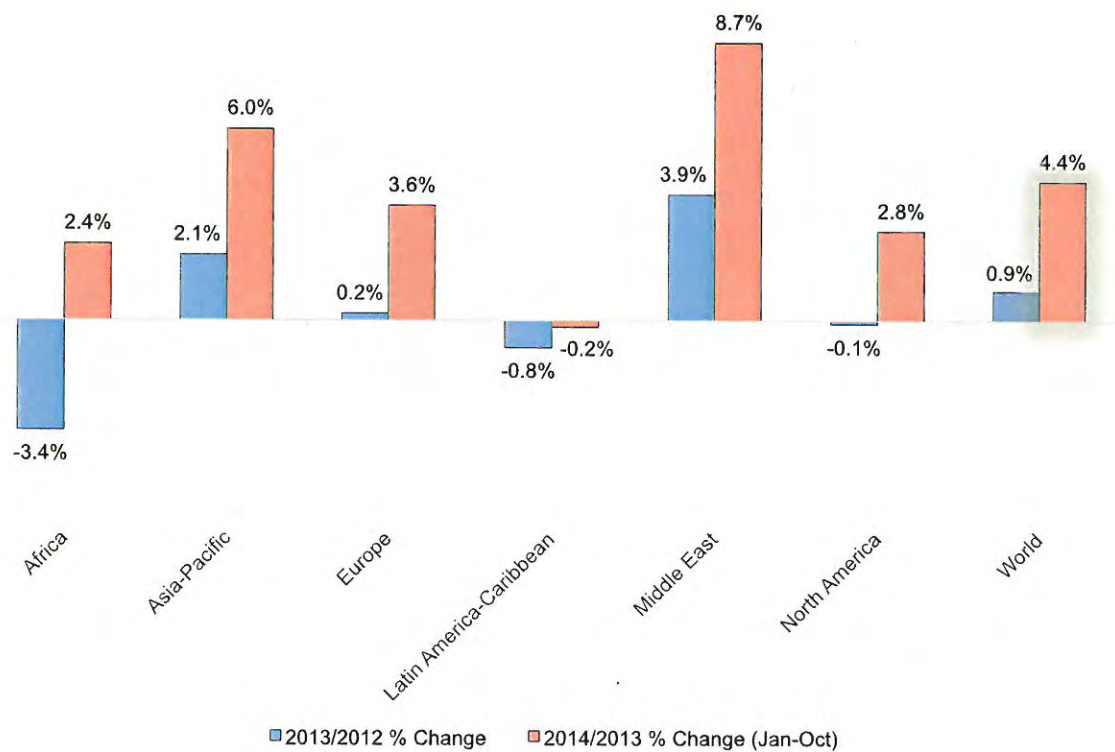
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TOTAL WORLDWIDE PASSENGERS (2004–2014)



7

GROWTH IN AIR CARGO TRAFFIC

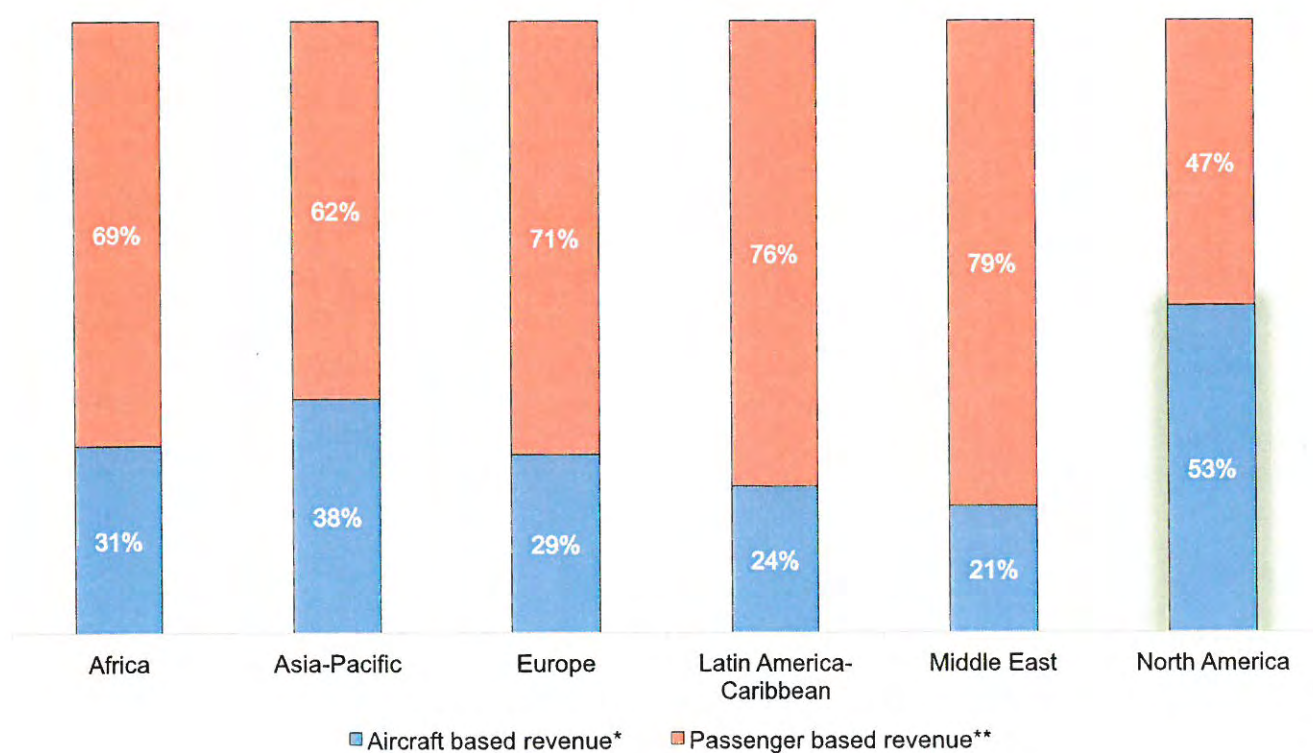


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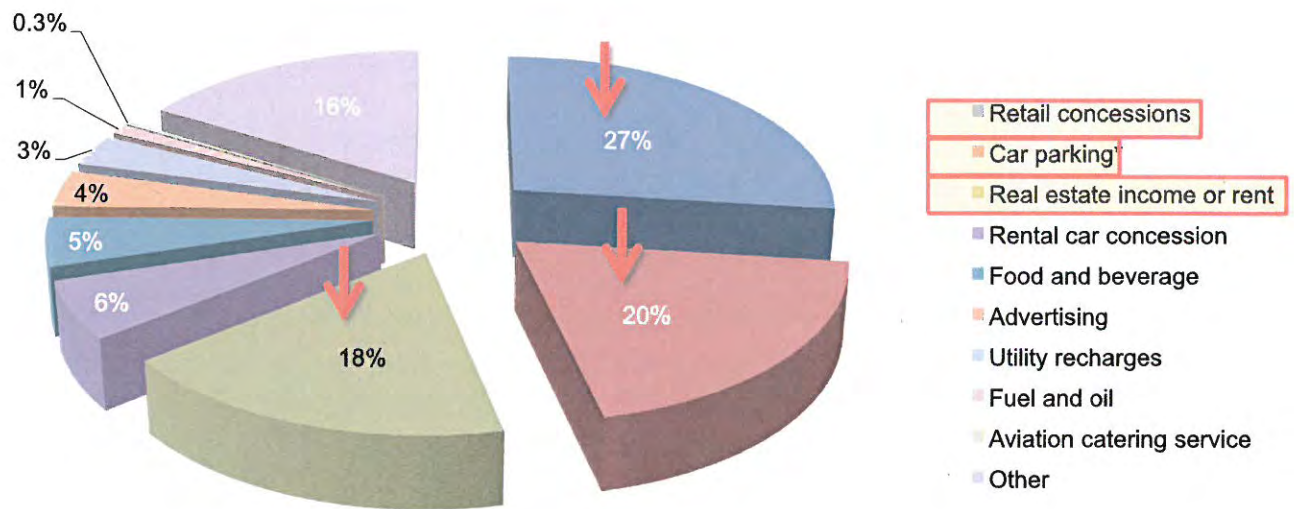
ESTIMATED INDUSTRY REVENUES (MILLIONS US\$)

	Total revenue	2013/2012 % change	Aeronautical revenue*	2013/2012 % change	Non-aeronautical revenue**	2013/2012 % change
Africa	2,900	3.9%	2,100	11.3%	800	-6.8%
Asia-Pacific	37,000	11.8%	18,800	12.9%	18,200	10.7%
Europe	49,800	2.3%	30,100	6.1%	19,700	-3.2%
Latin America-Caribbean	7,000	6.8%	4,400	5.5%	2,600	9.3%
Middle East	8,700	11.6%	4,400	5.7%	4,300	18.4%
North America	25,500	4.4%	13,900	0.6%	11,600	9.6%
World	130,900	5.4%	73,700	5.9%	57,200	4.9%

RATIO OF AIRCRAFT-BASED TO PASSENGER-BASED REVENUES BY REGION (2013)

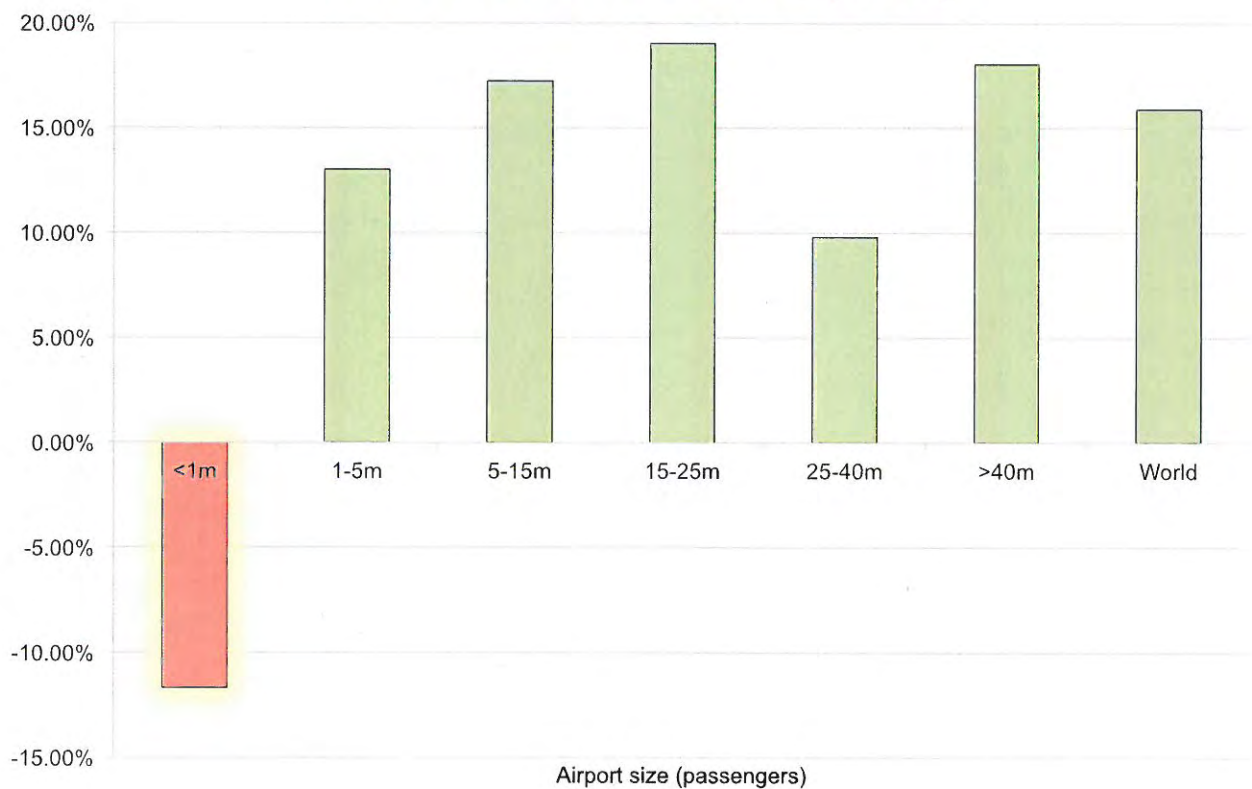


DISTRIBUTION OF NON-AERONAUTICAL INCOME (2013)



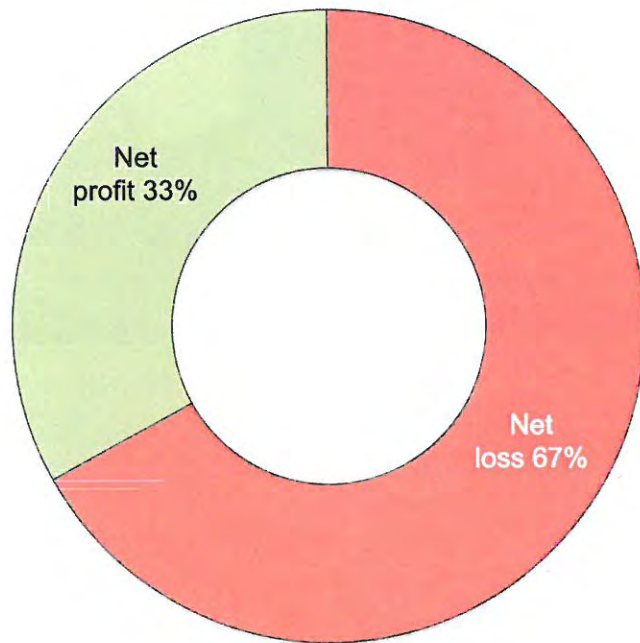
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NET PROFIT MARGINS (2013)



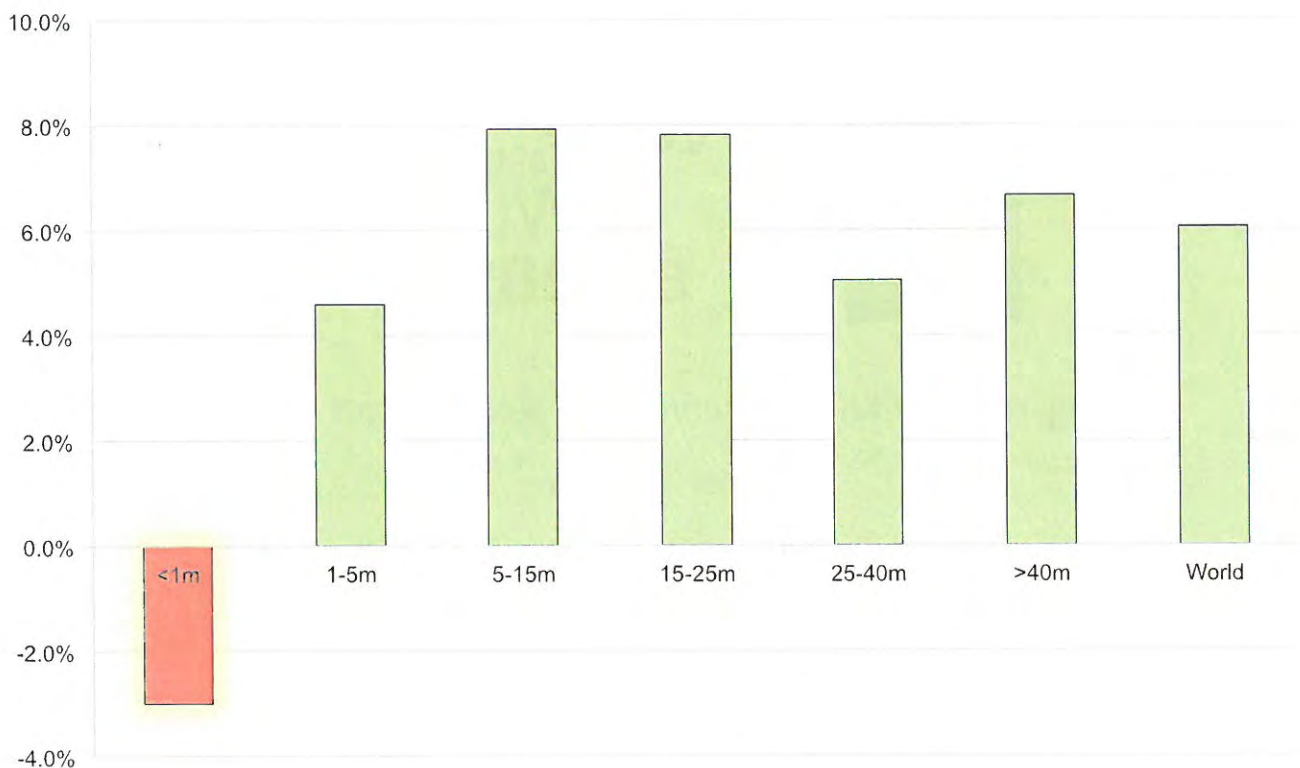
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PROPORTION OF AIRPORTS THAT OPERATE AT A NET LOSS



13

RETURN ON INVESTED CAPITAL BY AIRPORT SIZE (2013)



14



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world's
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www.aci.aero



Future of aviation: debunking three common myths

26 February 2015, London

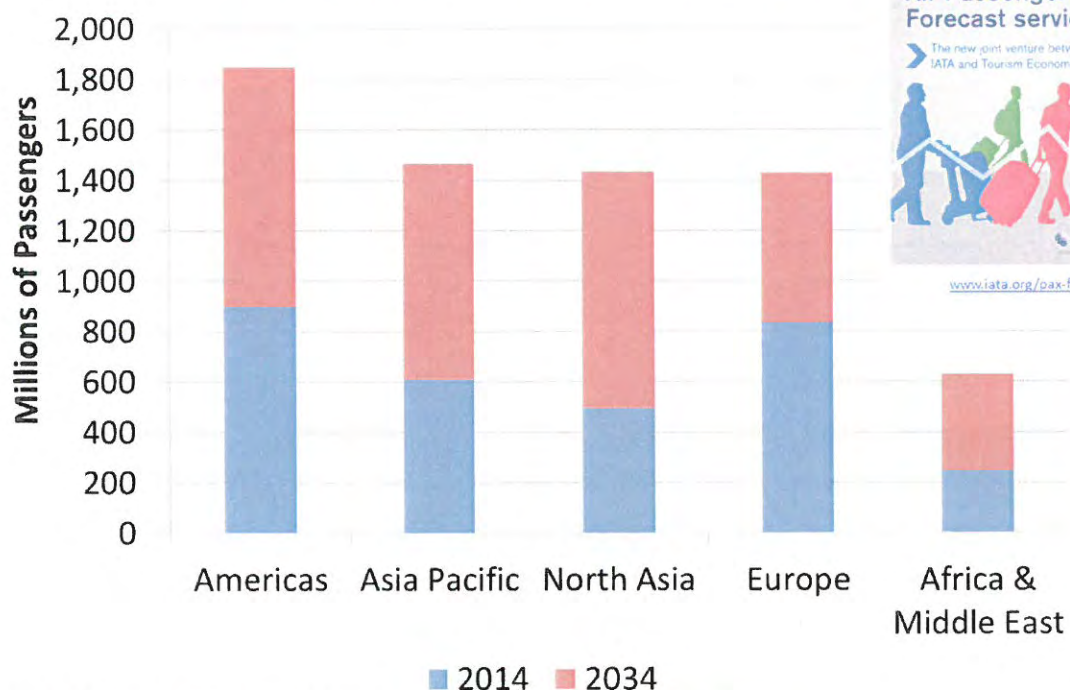
George Anjaparidze, Senior Economist
www.iata.org/economics

To represent, lead and serve the airline industry



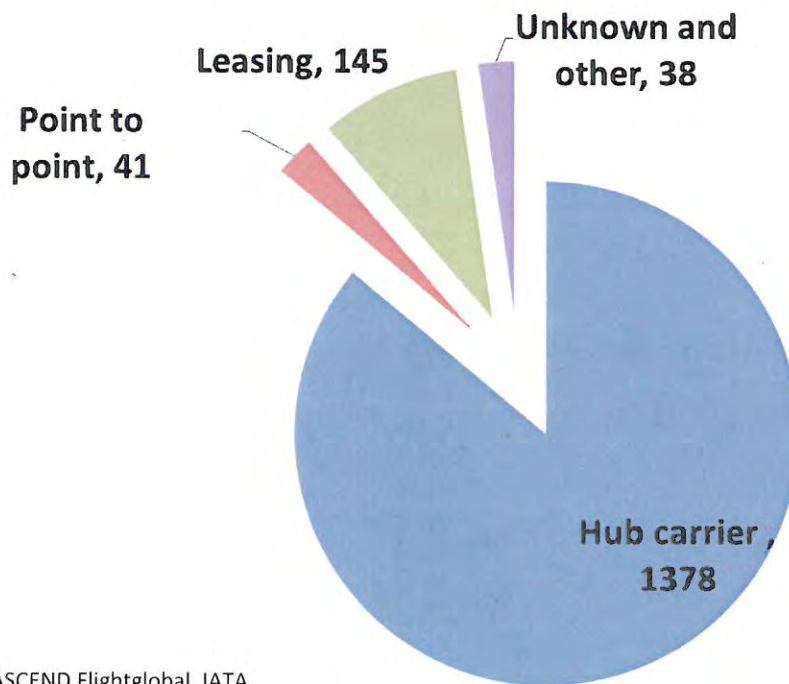
Myth 1 – Aviation's future is in emerging markets

www.iata.org/pax-forecast



Source: IATA/Tourism Economics 'Air Passenger Forecasts' www.iata.org/pax-forecast

Myth 2 – ‘Hub busters’ 787s and A350s will make hub airports less important in the future

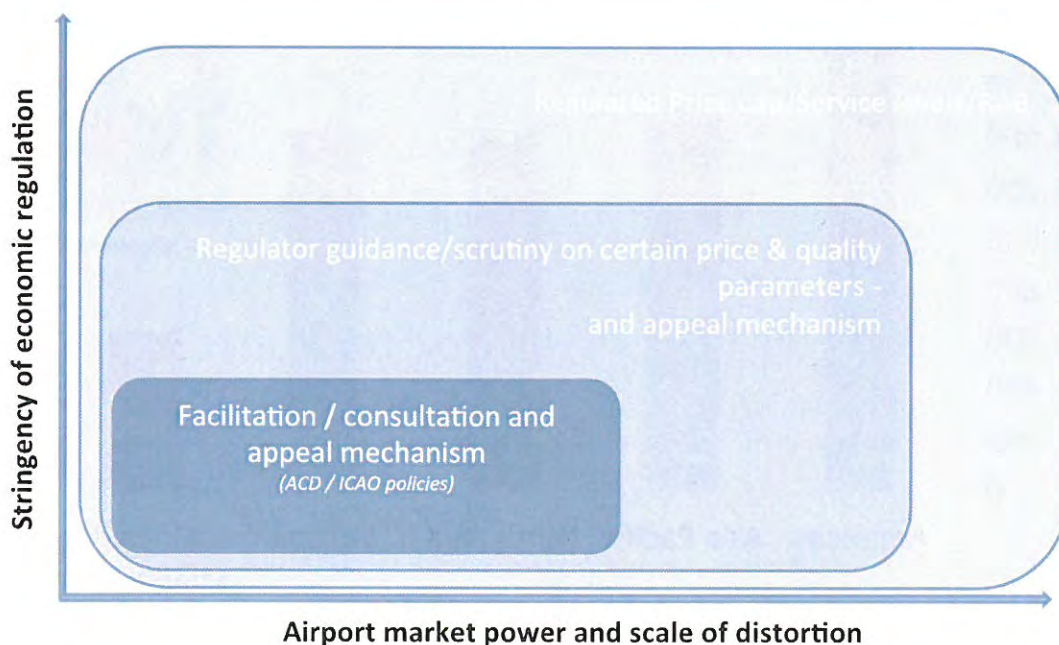


Source: ASCEND Flightglobal, IATA

IATA Economics www.iata.org/economics

3

Myth 3 – Airlines want the most stringent form of economic regulation over airports



IATA Economics www.iata.org/economics

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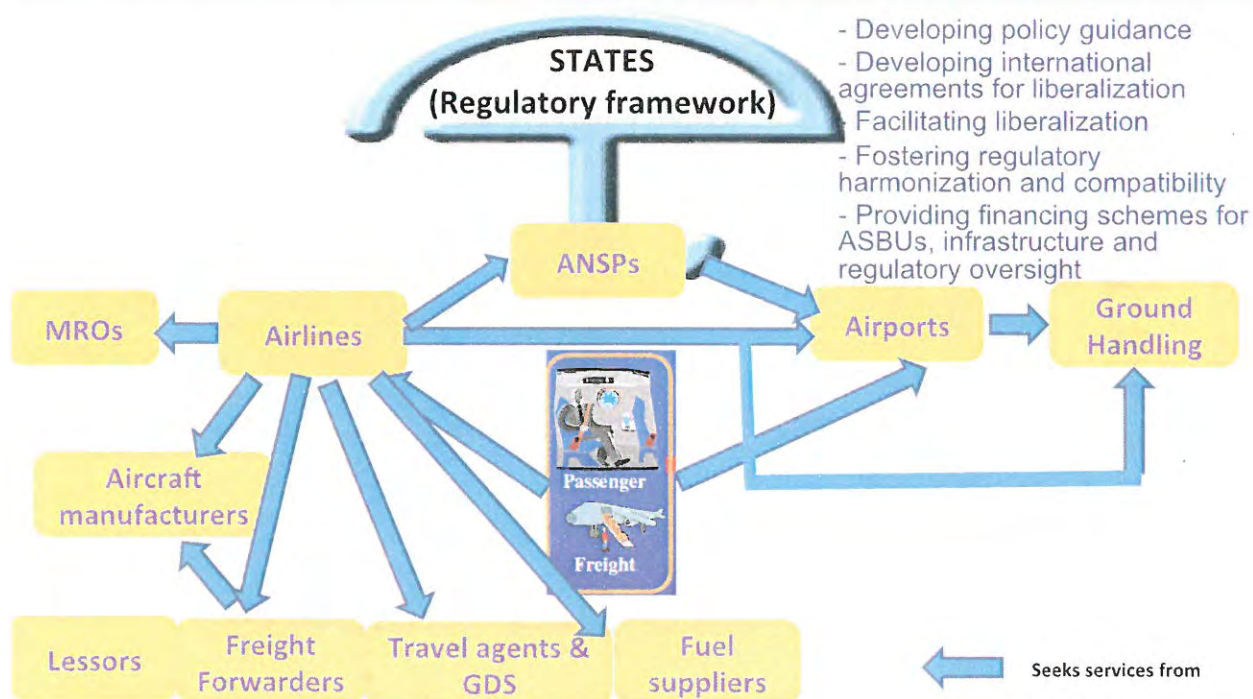
STATE OF THE INDUSTRY

VALUE OF CONNECTIVITY FOR THE ECONOMIC DEVELOPMENT OF AIR TRANSPORT

Narjess ABDENNEBI,
Chief Economic Analysis and Policy Section, ICAO
London, 26 March 2015



ICAO leadership role in the regulatory framework

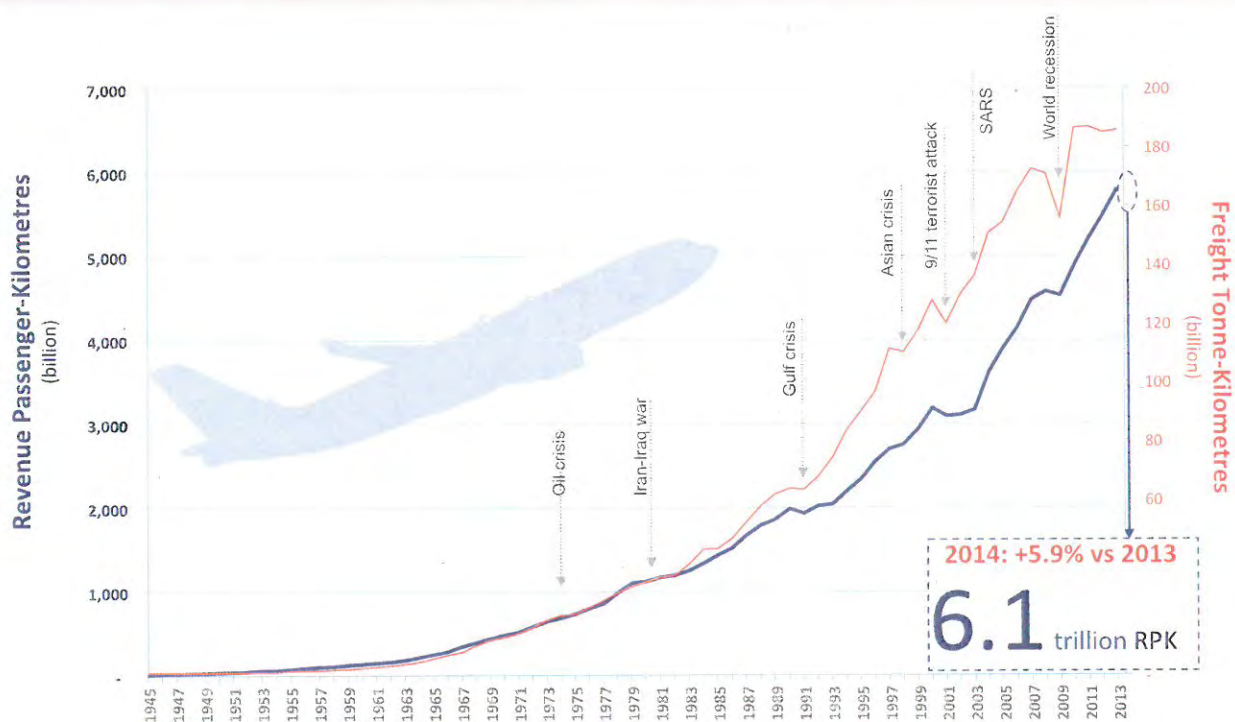




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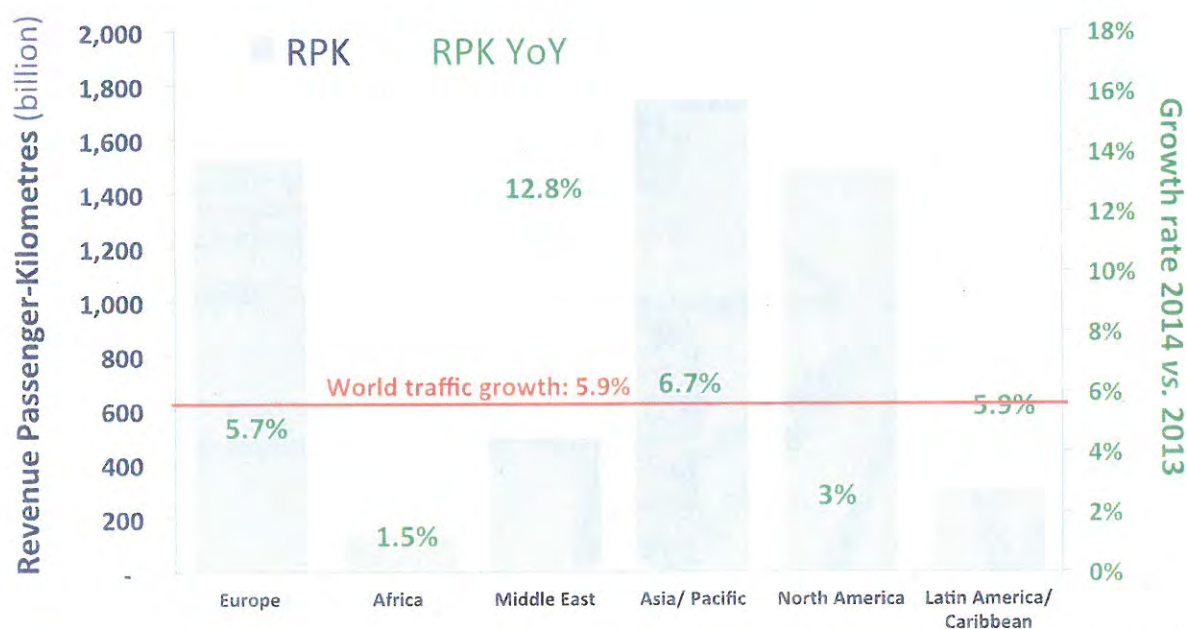
Air Transport Development



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Passenger traffic 2014 Regional distribution



Note: total scheduled services

Preliminary figures



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Impact of infrastructure constraints on connectivity development

2013: More than 60 major airports have slot constraints



Source: IATA WSG database, Airbus GMF

-  IATA WSG level 1: airport infrastructure is adequate
-  IATA WSG level 2: airports with potential for congestion
-  IATA WSG level 3: airports where conditions make it impossible to meet demand



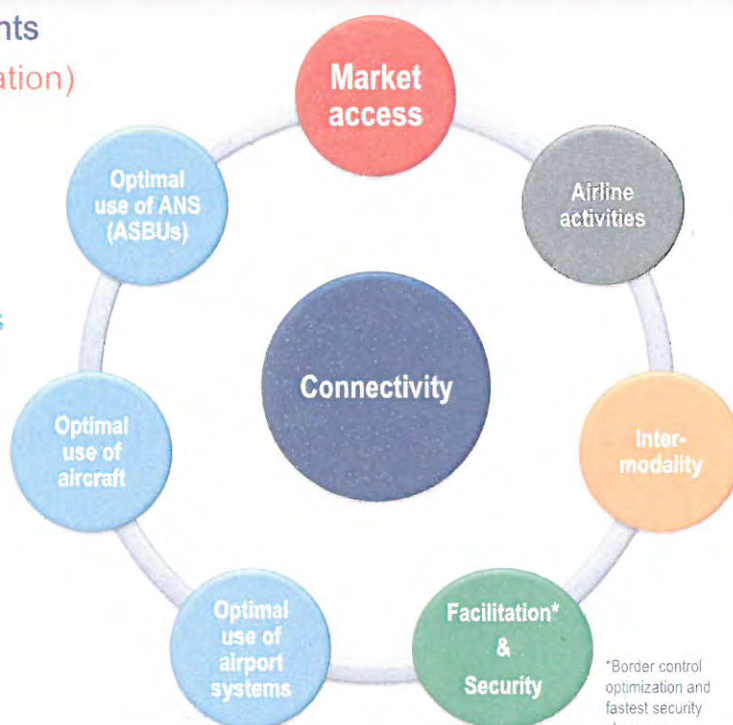
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ICAO role in the enhancement of air transport connectivity

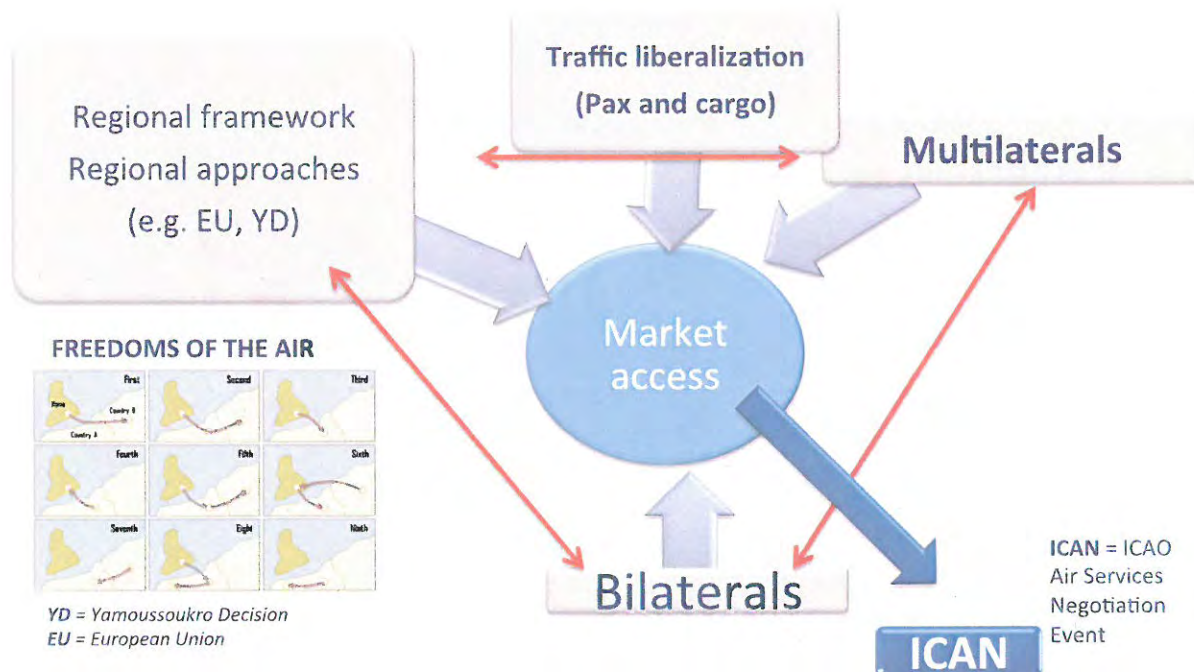
Connectivity major components

- Market access (e.g. liberalization)
- Facilitation (border control optimization)
- Security (fastest clearance)
- Optimal use of:
 - air navigations services (incl. ASBUs)
 - Aircraft
 - Airport systems
- Intermodality
- Airline activities





Market access: the pillar of connectivity



Benefits of air transport liberalization

- Important economic value, direct, indirect and induced of air transport for all the stakeholders of the travel and tourism sectors
- Connectivity brings significant benefit on both economic and social sides
- Key element in the tourism growth of any Country
- Liberalization of international traffic is also benefitting domestic traffic of national carrier
- Air transport connectivity leads to lower fares, stimulates traffic, GDP and jobs
- Tourism and air transport synergies encourage Win-Win policies.

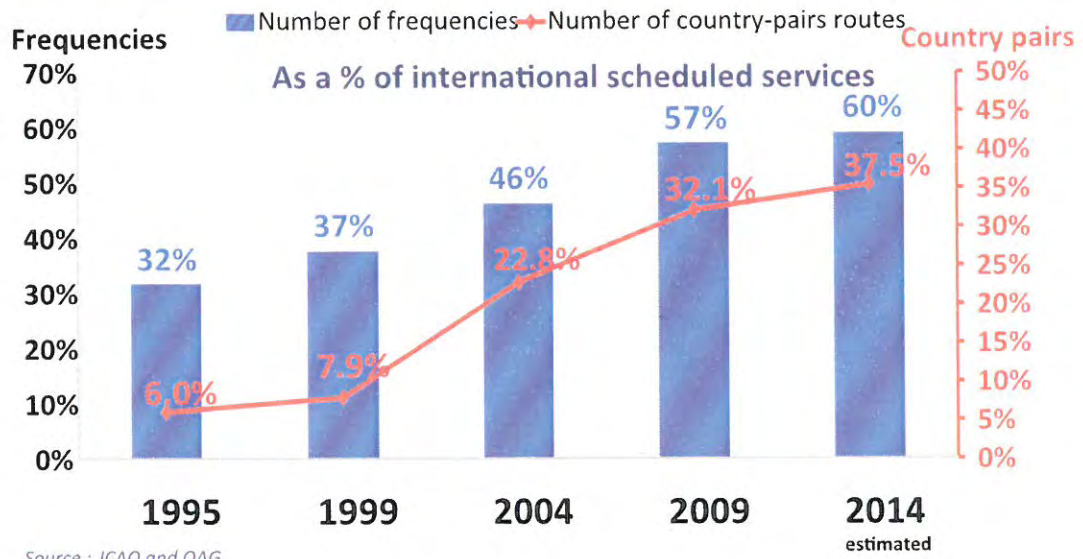


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The Pace of Liberalization

Air transport services conducted under liberalized agreements



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Building the ICAO Connectivity Index

Development of an index of air transport connectivity (ATCI)

Connectivity Index: 5 components

- **ASA component:** Number of States which signed at least one ASA with the State
- **Connections component:** Number of States connected by scheduled flights with the State
- **Competition component:** Average number of air carriers on a State pair
- **Departure component:** Number of scheduled departures from the State
- **Capacity component:** Number of seats offered on scheduled flights from the State

ATCI is based on a weighted average of offer, supply, regulatory background, traffic and structure of flights.

Building a Connectivity Index at a State level (SLCI), a Regional level (RRCI) and at the World level (WLCI)

Example of calculation of the Connectivity Index for USA in 2004

- $C\downarrow ASA, USA, 2004 = 100 * 117 \text{ ASAs signed before 2004} / \max_{\text{State } s} (\text{ASA signed before 2004}) = 100 * 117 / 131 = \mathbf{89}$
- $C\downarrow Connections, USA, 2004 = 100 * 98 \text{ States connected in 2004} / \max_{\text{State } s} (\text{States connected in 2004}) = 100 * 98 / 131 = \mathbf{75}$
- $C\downarrow Competition, USA, 2004 = 100 * 8 \text{ competitor on average by State-pair in 2004} / \max_{\text{State } s} (\text{competitor on average by State-pair in 2004}) = 100 * 8 / 8 = \mathbf{100}$



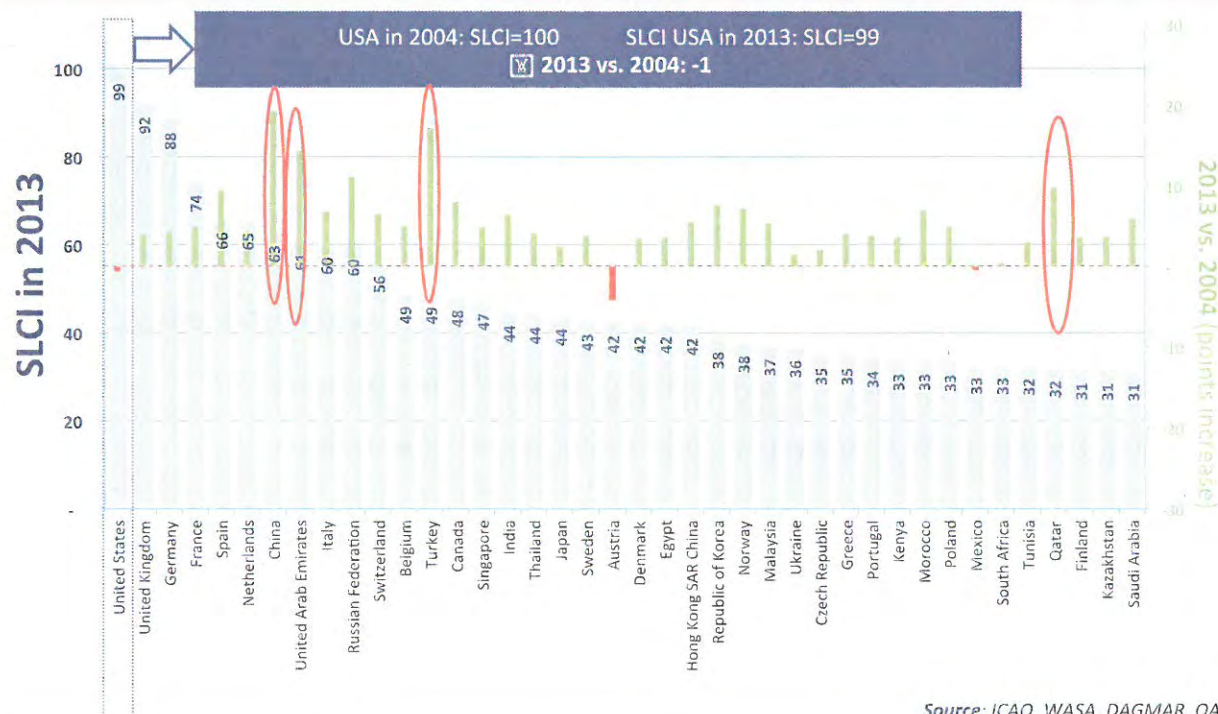
SLCI for USA in 2004: $100 * 0.2 * (89 + 75 + 100 + 100 + 100) / 5 = 100 * 0.2 * 464 / 5 = 100 * 0.2 * 92.8 = 100 * 0.1856 = 18.56$

$2004) = 100 * 8 / 8 = 100$

11



Connectivity Index in 2013: Ranking by State (Top 40)



Source: ICAO, WASA, DAGMAR, OAG



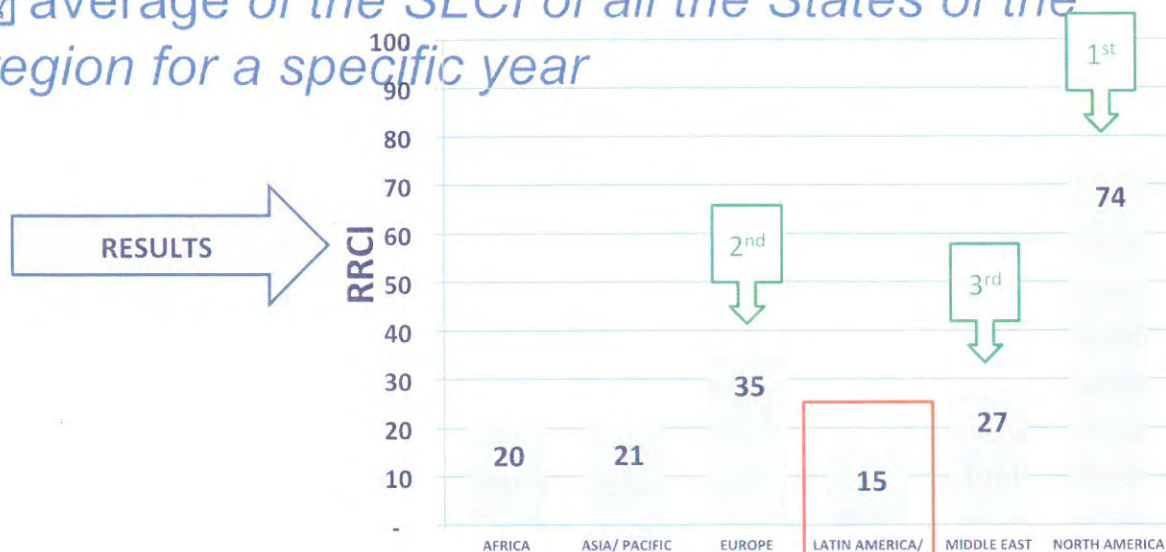
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Connectivity Index at the Regional Level – Ranking : RRCI

For each region, RRCI in year n:

☑ average of the SLCI of all the States of the region for a specific year



Lowest RRCI in 2013 across all regions

Source: ICAO, OAG

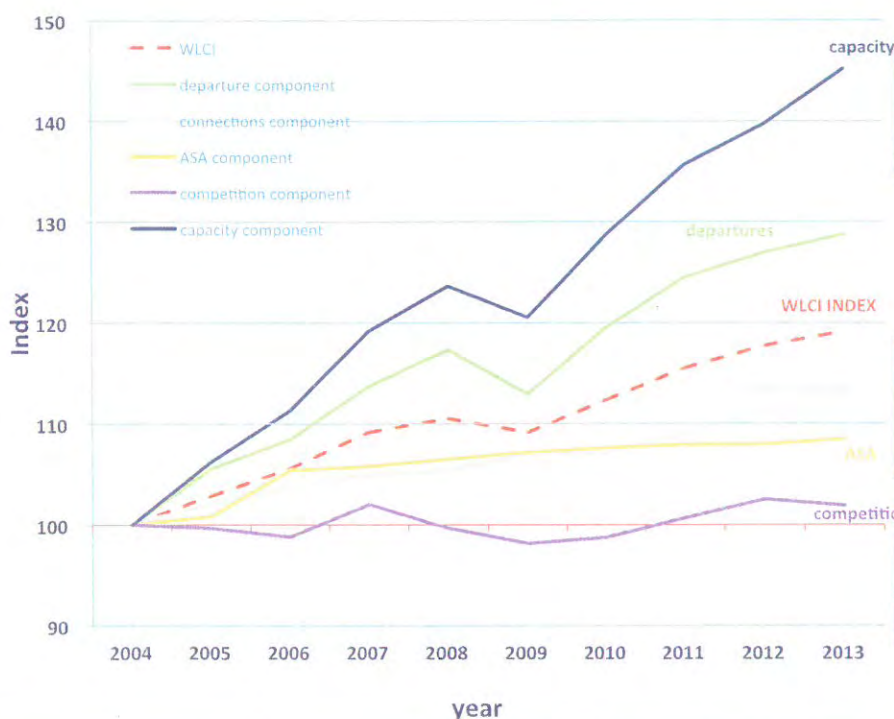
13



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Evolution of the World Connectivity Index between 2004 and 2013



Traffic components:
Fastest increase

Connections and ASA
follow the same trend

Competition component:
Slowest increase

Source: ICAO, WASA, DAGMAR, OAG

14



Market access ☒ Connectivity ☒ Economic development

Connectivity brings concrete value ☒ main purpose of air transport

If conditions are met:

- good end-user experience
- more travel
- more economic development
- and hence more traffic growth

Connectivity is in line with Chicago Convention

Preamble

civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically;

Art. 44

d) Meet the needs of the peoples of the world for safe, regular, efficient and economical air transport;



Major obstacles towards more air transport connectivity

- Unfair competition: need to define what is a level playing field
- Administrative burdens: bureaucratic inertia (always done that way...).
- Lack of adequate infrastructure capacity is leading to an increased airport competition and is limiting the benefits of liberalization on air traffic growth
- Stakeholders including States do not always view the benefits in the same way.
- Protectionism towards flag carrier notably when discussing traffic rights
- Restrictions on Air Carrier Ownership and Control is limiting air carrier growth and hence airport development
- Trade off to be made between air transport connectivity and commercial interests at a State level
- Restrictive national policy on Market access is a key impediment for social economic growth and jobs creation
- Challenges linked to the financing of the air transport system:
 - Infrastructure
 - Oversight function
 - Implementation of the Aviation System Block Upgrades (ASBUs)
 - Etc..



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Oversight function: a State responsibility

- When considering the commercialization or privatization of airports, States should bear in mind that they **are ultimately responsible for safety, security and economic oversight** of these entities (ICAO's policies in Doc 9082)
- States can choose **government funds or charges** for funding of oversight functions at the airport level
 - proposal for a passenger-based charge to fund safety and security oversight activities is not in line with ICAO's policies on charges

Four Key charging principles: Non-discrimination, Cost relatedness, Transparency and Consultation with users

ICAO's policies on the issue are quite flexible (From light-handed to more robust approaches) **for the application by States/Regulators according to local circumstances, in particular the degree of competition.**

ICAO's Doc 9082 – ICAO's Policies on Charges for Airports and Air Navigation Services



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Conclusions of the report of the MDWG-ASBU/2

A SECOND MEETING OF THE MULTI-DISCIPLINARY WORKING GROUP ON THE ECONOMIC CHALLENGES LINKED TO THE IMPLEMENTATION OF THE AVIATION SYSTEM BLOCK UPGRADES (MDWG-ASBU/2) WAS HELD AT ICAO: 8-9 FEBRUARY 2015.

– THE EXISTING POLICIES ON CHARGES FOR AIRPORTS AND AIR NAVIGATION SERVICES (DOC 9082) ARE SUFFICIENT TO ADDRESS THE USE OF FINANCIAL INCENTIVES DESIGNED TO IMPLEMENT THE ASBUS.

– NEW POLICY MATERIAL SHOULD BE DEVELOPED TO ADDRESS OPERATIONAL INCENTIVES.

• THE NEW POLICY MATERIAL SHOULD DRAW ON THE MODEL ESTABLISHED IN DOC 9082, IN PARTICULAR THE NEED TO ENSURE THAT:

– SUCH INCENTIVES DO NOT INADVERTENTLY ENCOURAGE UNSAFE BEHAVIOUR;

– THEY DO NOT DISCRIMINATE BETWEEN DOMESTIC AND FOREIGN USERS;

– THEY ARE CLEAR AND TRANSPARENT WITH OBVIOUS CRITERIA FOR APPLICATION; AND,

– THEY ARE DIRECTLY LINKED TO THE OUTCOME TO BE ACHIEVED.

– ELEMENTS FROM THE REPORT COULD BE INCLUDED IN THE MANUAL ON AIR NAVIGATION SERVICES ECONOMICS (DOC 9161), IN A MANNER SUITABLE FOR GENERAL APPLICATION

• EQUIVALENT ADDITIONS COULD ALSO BE MADE TO THE AIRPORT ECONOMICS MANUAL (DOC 9562) WITH CHANGES AS APPROPRIATE TO ADDRESS THE AIRPORT CONTEXT.

–THE AIRPORT AND AIR NAVIGATION SERVICES ECONOMICS PANELS WILL CONSIDER WHETHER THE REPORT'S FINDINGS SHOULD BE ISSUED AS STAND-ALONE GUIDANCE MATERIAL.



How ICAO can help improving air transport connectivity?

Public policies and regulation have a major role to play

- Facilitate air transport liberalization
- Promote ICAO policies on taxation in order to avoid proliferation which is detrimental to the increase of air transport connectivity
- Coordinate efforts among stakeholders to enhance connectivity, including by enhancing market access liberalization, adoption MC99, conducting quantitative analysis, etc..
- Cooperate with all stakeholders to refine criteria for smarter regulatory tools and to better demonstrate benefits of connectivity at the regional level
- Enhance air transport connectivity notably through liberalization of air traffic rights (ICAO international agreement, ICAN) & improved travel facilitation process (TRIP)
- Foster dialogue on competition for both airports and airlines
- Expand the compendium on competition best practices and provide a new facility (along model of ICAN) for discussing competition matters
- Need to cooperate and work as a community
- Ensure a fair share between the stakeholders regarding the bearing of the costs of financing the air transport system

ICAO's leadership role:

Uniting Aviation to create a better environment for sustainable development of air transport

19

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The statements made herein are based on the mentioned assumptions and are expressed in good faith. Where the supporting grounds for these statements are not shown, ICAO will be pleased to explain the basis thereof.

THE ECONOMIC IMPACT OF AVIATION

7th Annual Airport Economics & Finance Conference



WORLD BANK GROUP

Pierre Guislain

27 February 2015

TRENDS IN AIR TRAVEL

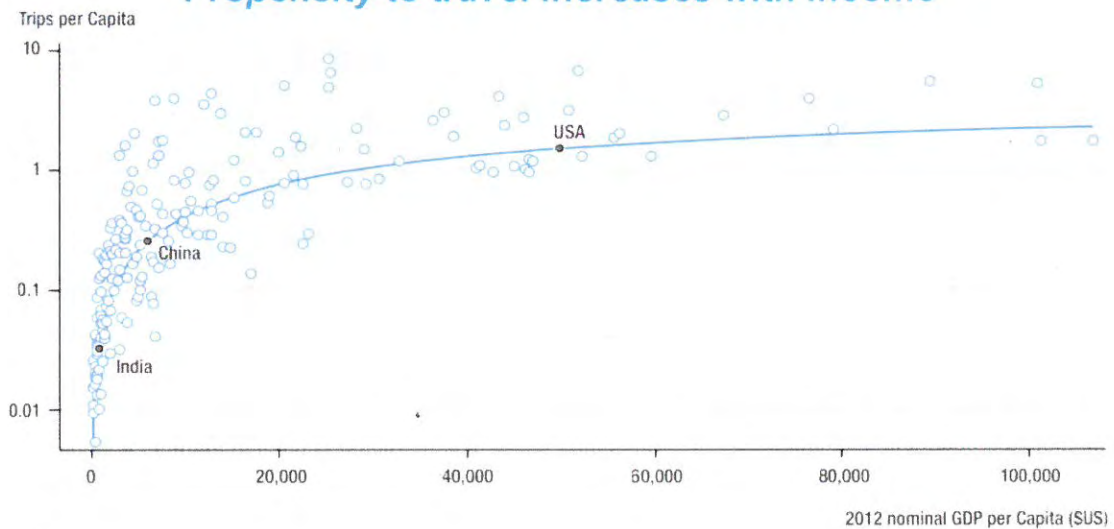
Growth in worldwide air travel and business confidence



SOURCE: IATA, 2014

AIR TRAVEL AND INCOME

Propensity to travel increases with income



SOURCE: BOEING, 2014



TOURISM

FAST FACTS



Travel & tourism's total economic contribution in 2012



TOURISM

CASE STUDY: The Arrival of Virgin Samoa



The entry of Virgin Samoa has increased seat capacity and competition among airlines. It has also reduced costs and increased travel choices for travelers.



TRADE

FAST FACTS

35%

AIR TRANSPORT
CARRIES AROUND
35% OF WORLD
TRADE BY VALUE
AND ONLY 0.5% BY
VOLUME

49.2

MILLION TONNES
IF FREIGHT
HANDLED BY AIR IN
2012, IN 2013 49.8
MILLION TONNES

\$6.5

TRILLION
VALUE OF CARGO
HANDLED BY AIR IN
2012

HIGH VALUE, TIME
SENSITIVE
PROPORTION OF GLOBAL
TRADE TRANSPORTED BY
AIR



TRADE

CASE STUDY: The Export of Processed Fish from Tanzania

- The center for Tanzanian fishing operations and processing is the city of Mwanza.
- The key logistics element for the timely export of the processed fish is air transportation.
- Mwanza Airport allows the use of medium-sized cargo aircraft that can transport the fish directly to destinations in Europe and the Far East (Japan, Australia) for distribution.



CATALYTIC IMPACT

The ripple effects of air transport in emerging regions





ACI Airport Economics Conference

Jonas Degerth, Marketing Director, Commercial Airplanes

February 26, 2015

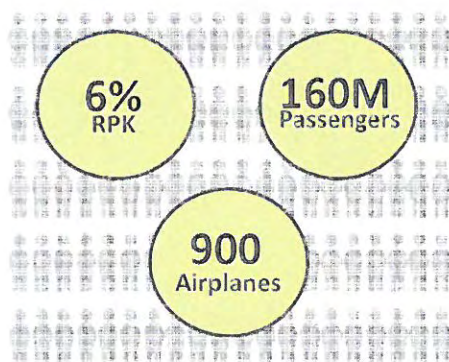
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Boeing Commercial Airplanes | Market Analysis

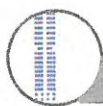
What happened last year, in 2014?

2014 Market Growth



Annual market dynamics

Demand	
Industry Growth: 58%	Replacement: 42%
Supply	
New Deliveries: 1,400	Efficiency:



Load factors: 80% globally



Parked fleet: Post-recession low



Utilization: +15% vs. 2003



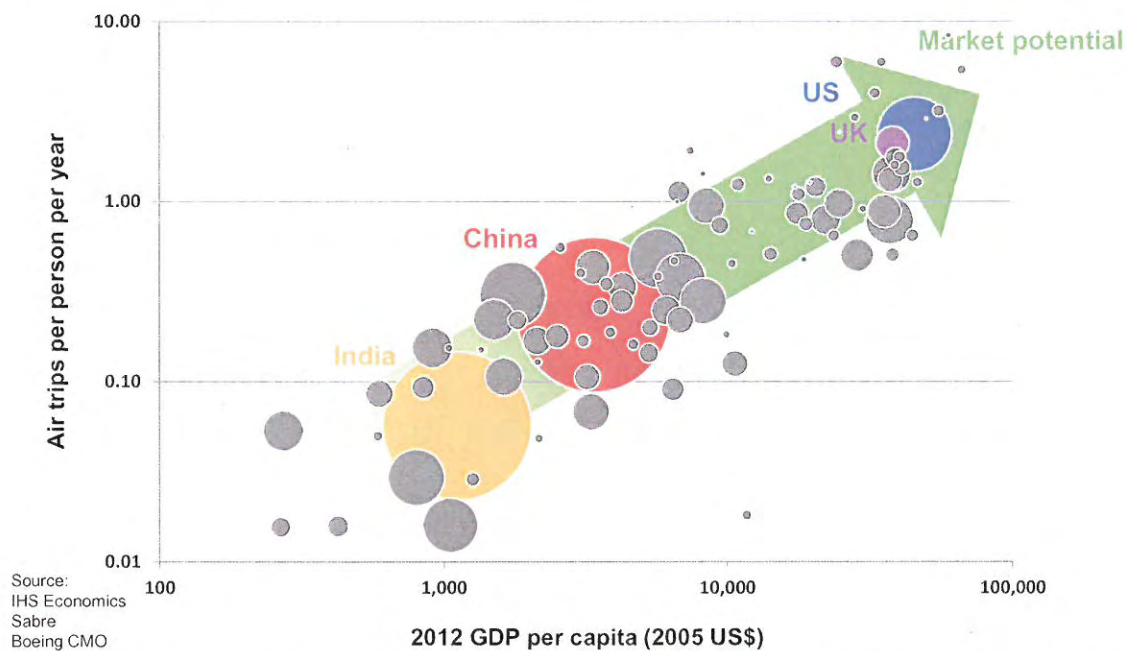
Profits: \$20 billion

Airline productivity measures at or near peaks

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How many air trips, flights, year-to-date?

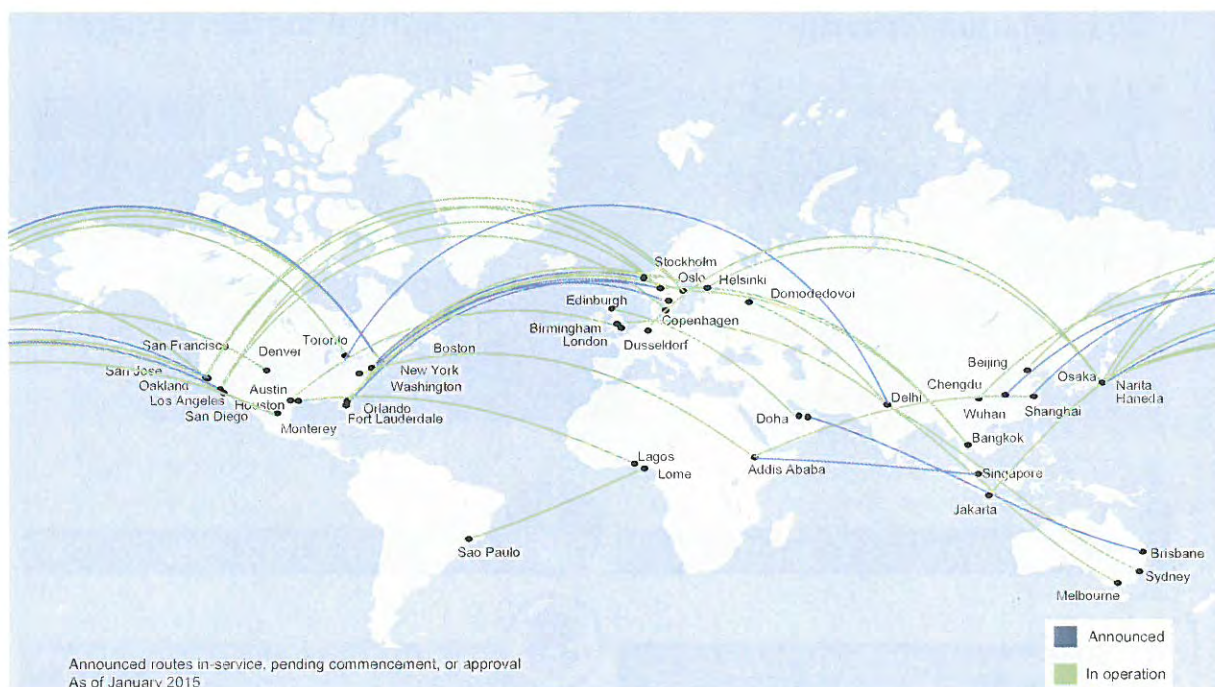
Propensity to travel increases with income



China: forecasting 6.9% annually growth, 6,020 airplanes next 20 years

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Where do you want to travel?



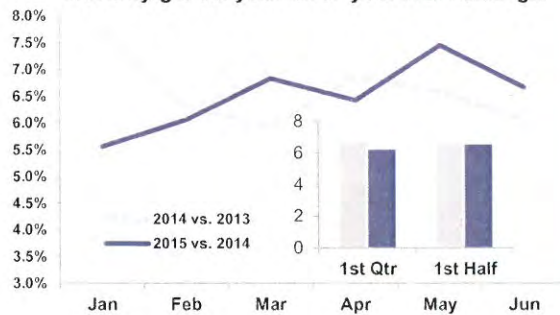
Over 42 new nonstop markets now connected with the 787

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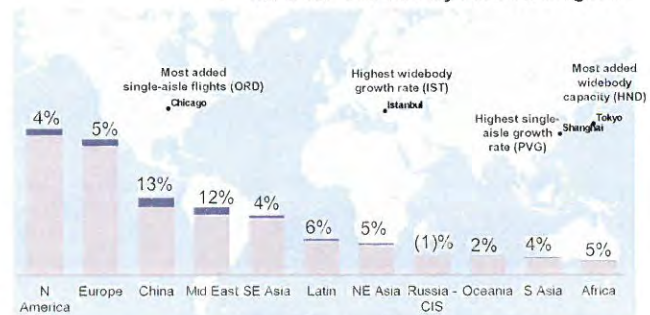
What about the first quarter, 2015?

Growth continues above 6%

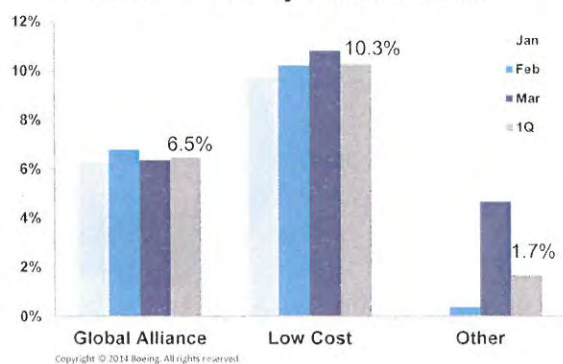
Monthly global year-over-year ASK change



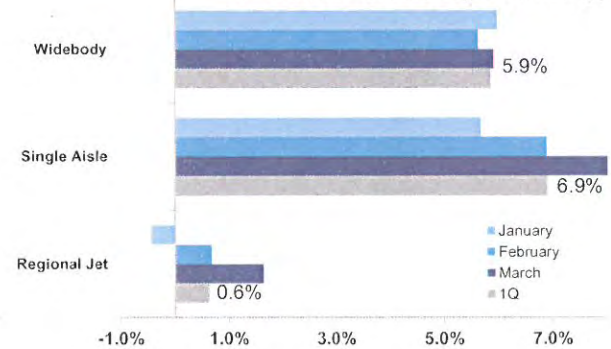
1st Quarter Growth by Airline Region



1st Quarter Growth by Business Model



1st Quarter Growth by Aircraft Type



Current Market Outlook

2014 to 2033



World economy (GDP) 3.2%

Number of airline passengers 4.2%

Airline traffic (RPK) 5.0%

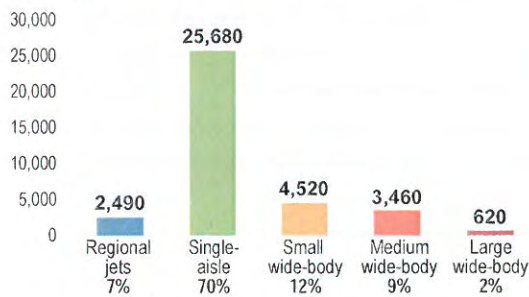
Cargo traffic (RTK) 4.7%

Airlines will need nearly 36,800 new airplanes



Airplane deliveries: 36,770

2014 - 2033



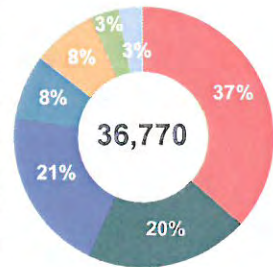
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New airplane deliveries by region

2014-2033

Region Airplanes

Asia Pacific	13,460
Europe	7,450
North America	7,550
Middle East	2,950
Latin America	2,950
C.I.S.	1,330
Africa	1,080
World Total	36,770



U.S. Department of Transportation and Federal Aviation Administration (FAA) Update

Prepared for: Airports Council International
7th Annual Airports Economics & Finance Conference
London, England

Presented by: Benito De Leon
Deputy Associate Administrator for Airports
Federal Aviation Administration

Date: February 25-27, 2015



Federal Aviation Administration



The U.S. system of airports

as of September 30, 2014

- **19,360** airports overall
- **14,212** airports designated as private-use
- **5,148** airports open to the public
- **3,331** existing airports in the National Plan of Integrated Airport Systems ("NPIAS")
- **541** airports certificated under Part 139 (commercial service by aircraft with 9 or more seats)
- **389** primary airports (scheduled commercial service with at least 10,000 annual enplanements)



FAA STRATEGIC INITIATIVES

- **Make Aviation Safer and Smarter**
 - Risk based Decision Making
 - Build on SMS principles
 - Data informed approaches to make smarter, system-level, risk based decisions
 - Redefine oversight model for industry
- **Deliver Benefits Through Technology and Infrastructure**
 - Achieve prioritized NextGen benefits
 - Integrate new users (UAS, spaceports)
- **Enhance Global Leadership**
 - Improve safety, air traffic efficiency, and environmental sustainability across the globe
- **Empower and Innovate with the FAA's People**
 - Prepare human capital for the future
 - Leadership development
 - Attracting talent
 - Skills development



U.S. economic and regulatory model for airports

- **Airport rates and charges**
 - Broad statutory framework with governing principles
 - Fair and reasonable
 - Non-discriminatory
 - Public access
 - Economic self-sustainability
 - Cannot remove net revenue from airport (for non-airport purposes)
- **Beyond that... in the realm of rates and charges, airports have broad latitude as long as it isn't illegal.**
- **Federal expectations of airports and airlines**
 - Work collaboratively at the local level
 - Preserve flexibility to accommodate evolving needs
 - Promote competitive access
 - Avoid long-term, exclusive-use provisions
- **Formal and informal processes for dealing with disputes**



A Balanced, Proactive Approach

- New initiatives involving airport safety, efficiency and environmental sustainability are generally voluntary, at least initially.
- FAA supports innovation by funding research projects, pilot programs and demonstration projects, as well as publishing technical guidance.
- As benefits are proven, FAA works informally with industry (individual airports and associations) to encourage further implementation.
- When possible, FAA can provide financial assistance to incentivize voluntary implementation.
- Regulations only when necessary, and often to codify what has already become widespread practice.
- Consistency is crucial in the application of safety standards as well as in revenue use.



Benefits of the U.S. approach

- Broad geographic distribution of safe, efficient airport facilities
- Stability during difficult economic cycles
- Financial viability and broad diversity of funding sources
- Financial discipline from multiple stakeholders
 - Airlines
 - Rating agencies
 - Bond underwriters
 - Institutional investors
 - Bond insurers
- Room for innovative approaches to economic and financial issues
- Federal involvement provides opportunities to influence and enhance safety



Challenges

- Changes in policy require substantial effort
- Privatization of ownership has not progressed significantly
- Congestion management
- Preserving competitive access in spite of airline industry consolidation
 - Many airports now have more gates and leasable space available but with fewer carriers
 - Some exceptions – airports with hubbing operations and certain gate-restrained airports
- Uncertainty of airline mergers, reduced schedules, and up-gauging of aircraft fleet, and high load factors on airport facilities make planning efforts difficult
- Continued efforts to inspire improvements in both noise and air quality impacts (carbon and greenhouse gas emissions)
- Overcoming inertia as new concepts and technologies offer new opportunities
- Overcoming concerns about implementation of Safety Management Systems (SMS)



Challenges without long-term funding bill

- Financial and Economic Impacts of Repeated Short-Term Funding Programs
 - Difficulty in planning for short and long-term financing
 - Uncertainty about year end funding totals and timing of funding distribution to recipients
 - Increased project phasing and prolonged construction
 - Problems with mobilization, availability of materials and supplier logistics ex. Cold weather climates
 - Phased projects can drive increased construction cost
 - Increased cost results in less infrastructure built
 - Creates additional grants to administer and oversee
 - Impacts state aeronautical agencies, airport sponsors/owners, consulting and construction communities, FAA, and external stakeholders



Overview of Airport Capital Development in the U.S.

- Over the last 35 years, airport capital development has fluctuated
- There have been periods of major development and initiatives:
 - Passenger delays in the 1990s resulted in a decade of airfield expansion
 - An initiative to improve Runway Safety Areas began in 2000
 - Entitlements to general aviation airports created in 2001
- Recent estimates indicate a decrease in capital development
- Airports are deferring projects until activity rebounds or there is sufficient justification or local funding
- Airports are focusing on:
 - Preserving and rehabilitating existing infrastructure
 - Revenue-generating facilities
 - Capacity enhancement efforts at a few major airports
 - Small and nonhub airports looking at terminal replacements



Accomplishments Since FY 2000

- New Runways
 - 16 new runways opened allowing up to 2 million more annual operations. Total cost = \$8.9 billion. Awarded AIP funding = \$3.4 billion. PFC funding = \$513 million.
- Runway Safety Areas (RSAs)
 - 96% of nonstandard RSAs have been improved
 - Awarded \$3.4 billion in AIP to construct or improve RSAs
- Wildlife Hazard Analysis and Mitigation (Need AAS input?)
 - Awarded \$29.3 million in AIP funding for Wildlife Hazard Assessments
 - Awarded \$23.4 million in AIP funding for Projects Resulting from Wildlife Hazard Assessments
- Terminal Projects
 - Awarded \$2.4 billion in AIP funding to rehabilitate and improve terminal buildings



U.S. Rates and Charges Policy

- In July 2013, FAA/DOT launched a comprehensive review of our rates & charges policy.
 - Existing policy dates to 1996
- Listening sessions held in September 2013 with airports, airlines and advisors to generate ideas on how changes in industry practice over past 20 years need to be addressed in the policy.
 - Session generated multiple ideas, summary available at http://www.faa.gov/airports/airport_compliance/media/Airports-Rates-Charges-Listening-Sessions-2014.pdf
- FAA/DOT reviewing recommendations
 - If any changes are proposed, proposal policy will be published for public comment.



Status of U.S. Pilot Privatization Program

- Completed privatizations under Airport Privatization Program:

San Juan (Puerto Rico)

- Aerostar Airport Holdings, LLC
- 40-year lease term
- \$615 million upfront payment
- \$2.5 million (years 1-5), 5% gross (years 6-25), 10% (years 26-40) to PRPA

- Actively under consideration:

Hendry County Airglades Airport (Hendry County, Florida)

- Airglades International Airport, LLC – private operator
- Purchase Agreement
- Airfield improvements and a facility for perishable air cargo
- Environmental review process

- New Focus of U.S. airports and private investment
 - public-private partnerships without full privatizations
 - LaGuardia Central Terminal
 - others



Modernized Compliance Philosophy

- FAA will stress an engaged, cooperative approach with a focus on the airport taking quick action to return to compliance.
- Under SMS philosophy, airport should identify risks and mitigate them and not wait for FAA inspector to find issues.
- Establishes risk-based decision making and encourages inspectors to work in a collaborative manner with airports to return to compliance.
- Enforcement reserved for repeated non-compliance, intentional and reckless non-compliance, egregious safety violations, and illegal activities.



Thank you!

Questions?

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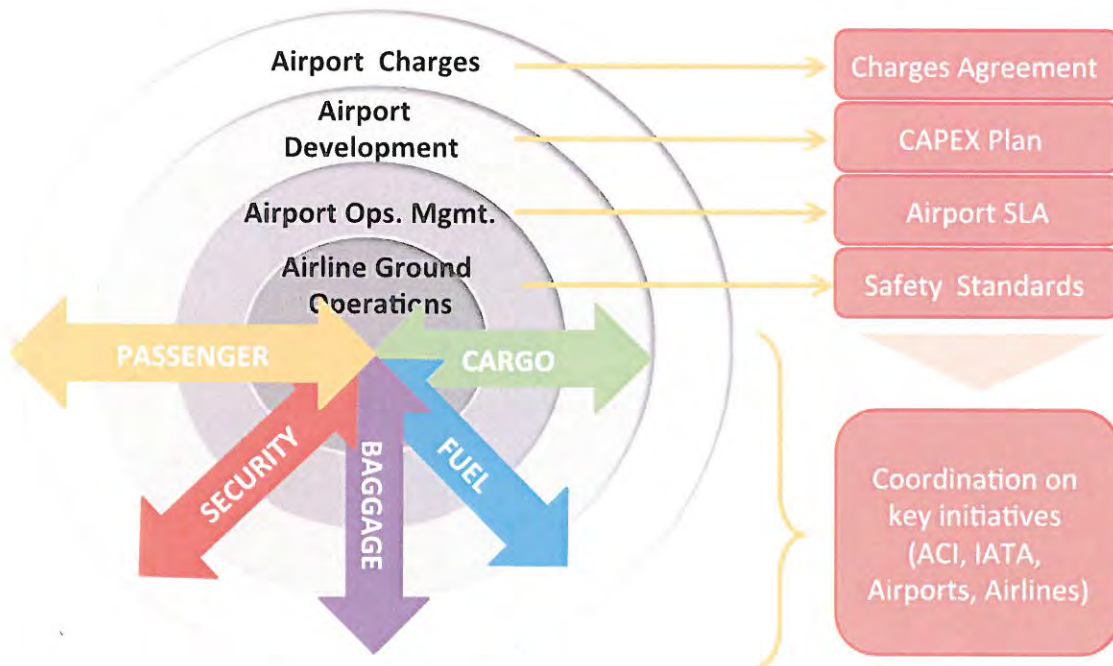
Federal Aviation
Administration



Effective Regulation and Stronger Partnerships

Hemant Mistry
Director, Airports and Fuel

A more integrated approach to airport–airline engagement



CAPEX should be focused to address determined bottlenecks

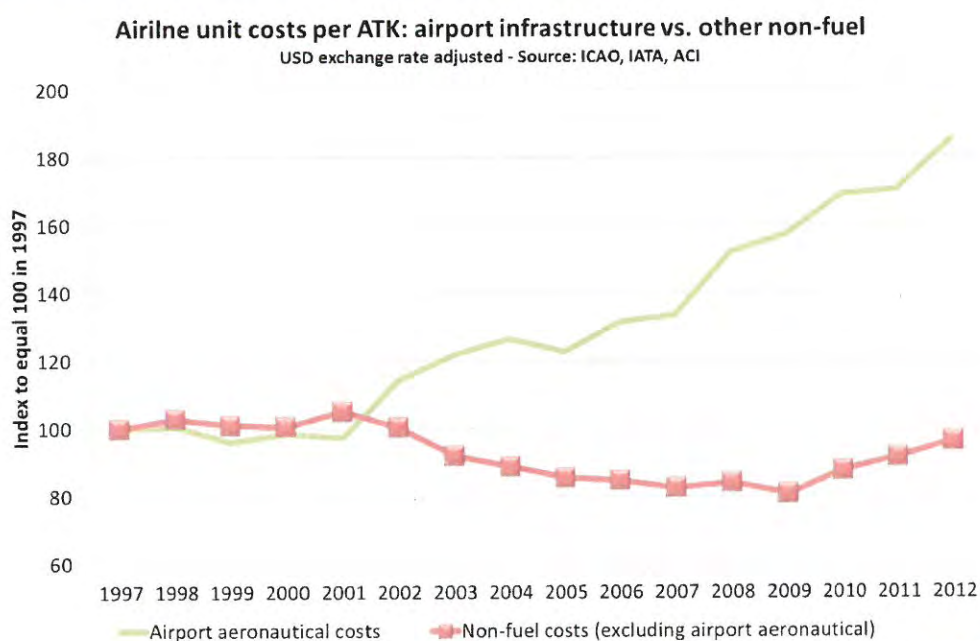
Region	IATA Code	Name	RUNWAYS			TERMINAL		
			Aircraft Movements	Growth Rate	Capacity limit reached	Passengers in Millions	Growth Rate	Capacity limit reached
Asia Pacific	CGK	Jakarta	398,985	4.9%	2021	60.1	4.1%	FULL
	HND	Tokyo Haneda	403,242	3.1%	2018	68.9	3.2%	2035
	BKK	Bangkok	301,747	-4.8%	2023	51.4	-3.1%	FULL
North Asia	PEK	Beijing	567,759	1.9%	2019	83.7	2.2%	FULL
	SHA	Shanghai	243,916	3.8%	2021	35.6	5.2%	2016
	HKG	Hong Kong	382,782	5.7%	2016	59.6	6.3%	FULL
Europe	AMS	Amsterdam	440,057	0.5%	2021	52.6	3.0%	2018
	IST	Istanbul	406,317	11.5%	2017	51.3	13.7%	2017
	LHR	London Heathrow	471,938	-0.7%	FULL	72.4	3.3%	2026
Latin America	BOG	Bogota	322,546	1.0%	2020	25.0	14.2%	FULL
	GRU	Sao Paulo	284,191	3.8%	2020	36.2	11.4%	2018
	MEX	Mexico	396,567	5.0%	2022	31.5	6.9%	2015
Middle East	DOH	Doha	205,744	7.7%	2026	23.4	9.8%	2018
	AUH	Abu Dhabi	135,213	11.2%	2023	16.5	12.4%	FULL
	DXB	Dubai	369,953	7.5%	2019	66.4	15.2%	2016
North America	YYZ	Toronto	431,323	-0.6%	2031	36.1	3.4%	2019
	EWK	Newark	419,850	1.4%	2018	35.0	2.9%	2031
	LGA	La Guardia	371,565	0.4%	2017	26.7	3.9%	2020

Infrastructure planning faces regional challenges

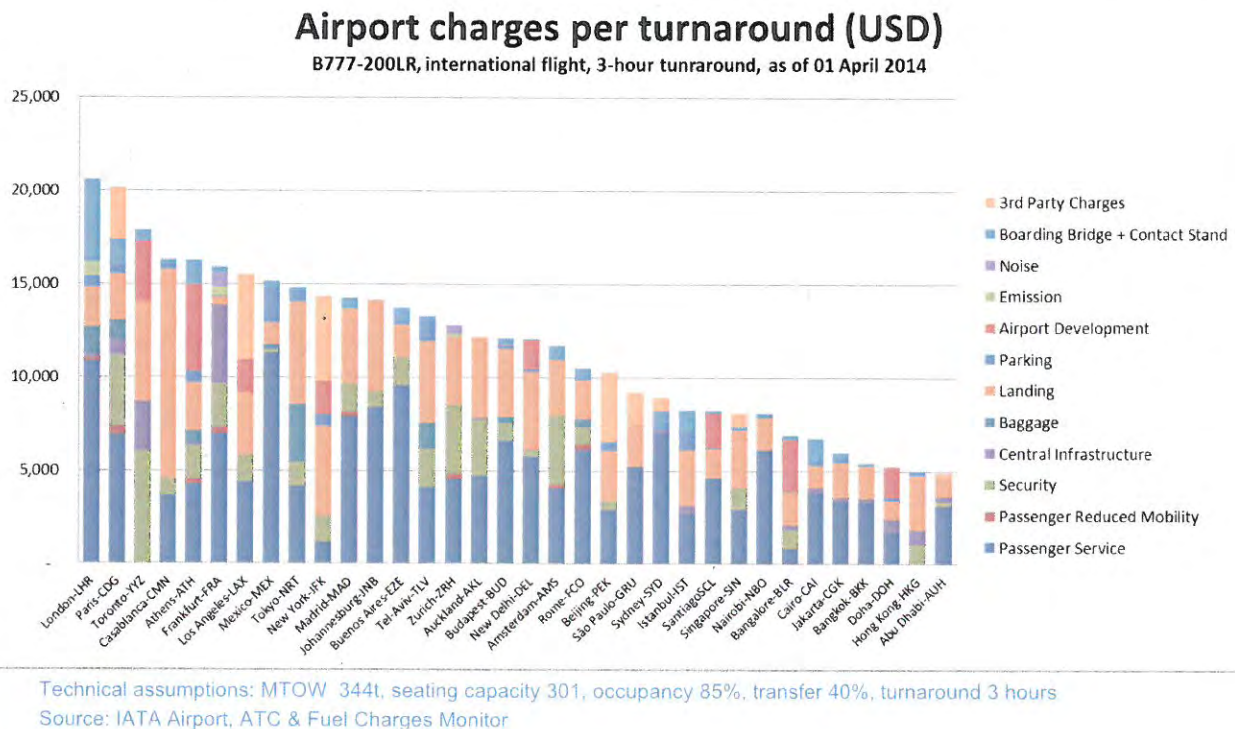
ISSUES	Americas	Europe	Middle East	Africa	North Asia	Asia
Existing Capacity	⚠️	❌	✅	✅	⚠️	⚠️
Balanced Capacity Development	❌	❌	⚠️	⚠️	✅	⚠️
Unwarranted CAPEX	✅	✅	❌	❌	⚠️	✅
Forecast Capacity	❌	❌	✅	✅	✅	⚠️
Constructive Engagement	⚠️	⚠️	❌	❌	⚠️	⚠️



Asymmetrical efficiencies demonstrate the need for effective regulation



Complex charges schemes require understanding of airport cost base / drivers



Who's competing for the market...

➤ Passenger decisions

- Prefer to travel from their local airport.
- Most choices on origin and destination are fixed.
- Driven by factors including airline routes, schedules, airline loyalty, distance to the airport and available fares.

➤ Airline decisions

- Switching costs include reallocation of resources, lack of appropriate infrastructure, sunk costs, legal impediments and marketing.
- Must be able to identify routes where they can attract sufficient revenue/yield in order to make switching an attractive proposition.

Lack of competitive market means effective regulation is needed

- Protect interests of users (airlines and passengers) from excessive charges
- Airports incentivized to make efficiency gains which are also passed on to consumers
- Airports provide services and investments that airlines and passengers require / create a level playing field for airlines
- A true constructive engagement process between airports and the airline community



Effective regulation is necessary to ...

- Align customer needs and expectations for investments and service levels
- Allow transparency of costs in that particular airport
- Ensure costs are efficient and aligned to basic international principles
- Understand how costs drive charges
- Ensure true meaningful consultation with users



➤ Have an effective appeal process



Light touch regulation / commercial agreements do not provide the solution

Light Touch Regulation Risks

- § inefficient charges
- § misdirected investments
- § misaligned incentives
- § costly appeals
- § does not protect consumer interests

Commercial Agreements Risks

- § lack of transparency
- § divide & conquer approach
- § relative to airline bargaining power
- § charges not reflective of costs
- § does not protect abuse of airport market power



Government Concession Fees / Agreements need to be carefully considered

High concessions fees or unjustified revenue sharing agreements



Unreasonable airline charges (regulated or non-regulated)



Lower traffic / traffic growth



Less benefits for investors



Constructive Engagement is fundamental for any complex development program

- Ongoing positive collaboration between “Business Partners” – airlines and airports
- Capital spend directed effectively where needed
- Transparency / cost impact
- Effective regulation is essential

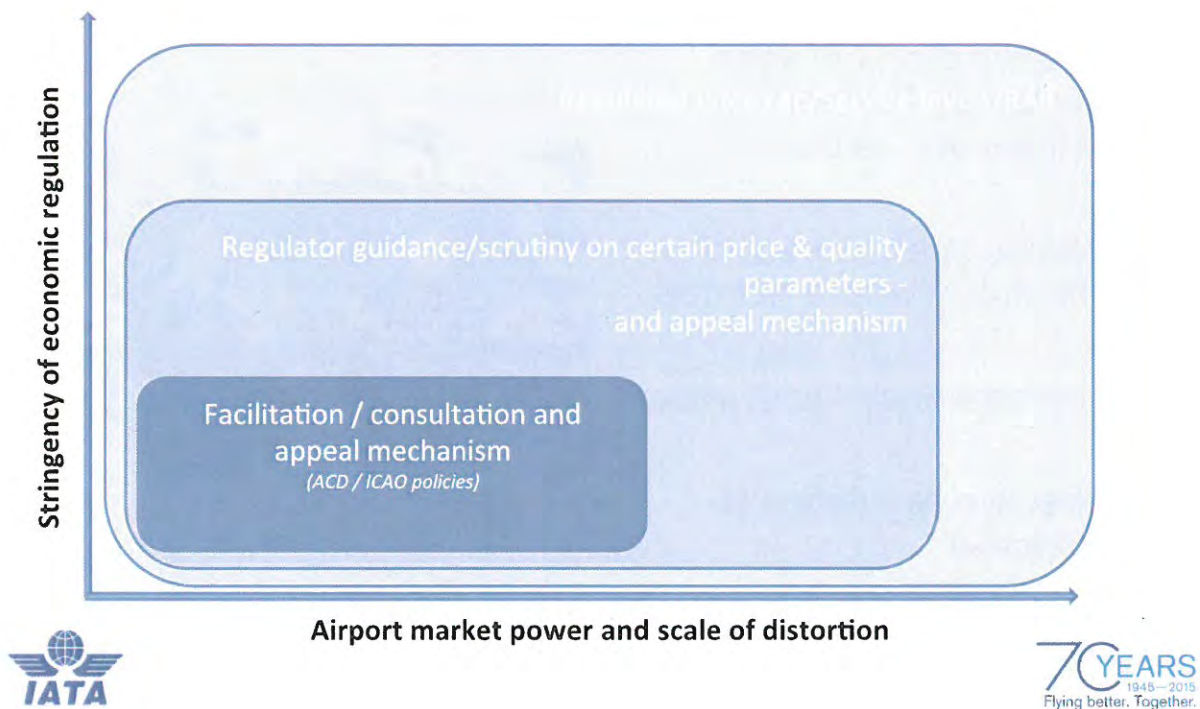


Looking forward - Stronger Partnerships

- Service level agreements
- Agreed CBA for major investments
- Sustainable return on investment for airports and airlines



Building blocks for effective airport economic regulation



We can either do this...



Or build on benefits of working together



70 YEARS
1945–2015
Flying better. Together.



Questions?

