

ABOUT IATA

Creating value for the air transport industry



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Founded in 1945

As the prime vehicle for inter-airline cooperation in promoting safe, reliable, secure and economical air services - for the benefit of the world's consumers.

Our mission

To represent, lead, and serve the airline industry.

Our vision

To be the force for value creation and innovation driving a safe, secure and profitable air transport industry that sustainably connects and enriches our world.

IATA in numbers

250+

member airlines

84%

of total air traffic

\$387B

processed by IATA
financial systems

1,400+

employees

66

offices in 62 countries



Tony Tyler

Director General & CEO, IATA

Our objective is to help our clients

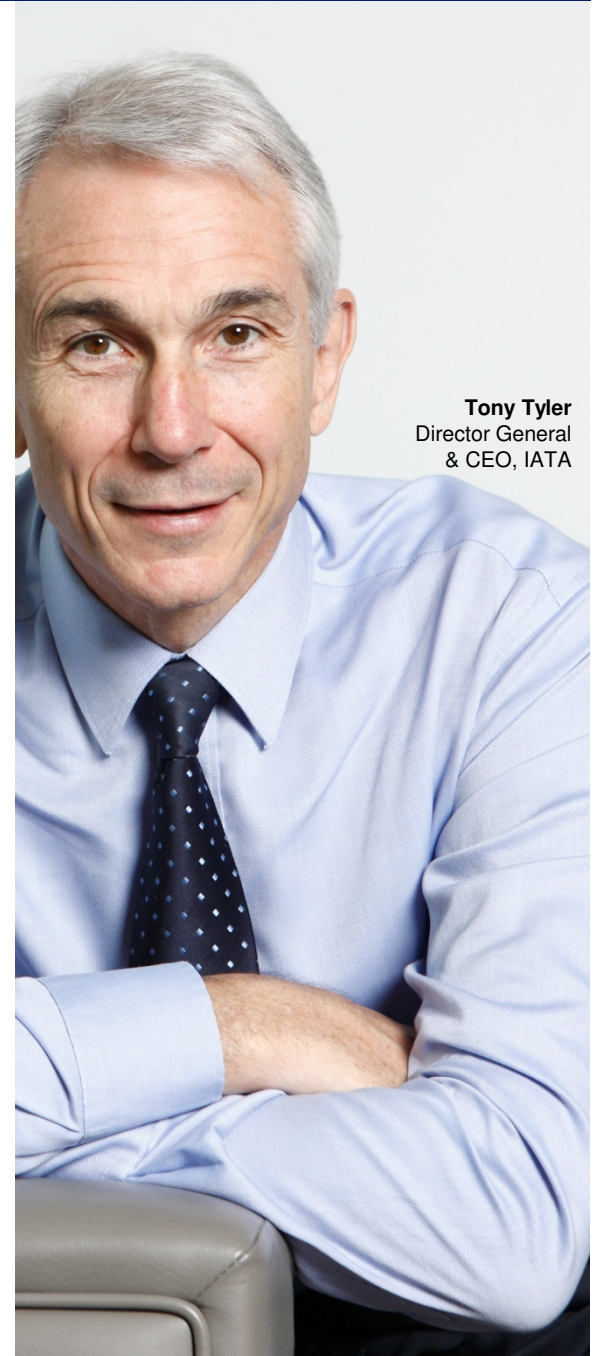
- Compete successfully in an increasingly volatile business climate
- Achieve sustainable performance standards and profitability through effective planning, development and implementation
- Operate in a safe and secure environment

We are committed to improving the air transport industry

- Simplify processes
- Increase passenger convenience
- Reduce costs
- Improve efficiency
- Meet environmental targets
- Sustain growth and profitability

IATA's strategic activities include

- Contribute to airline financial health
- Encourage partnerships to increase the value of aviation
- Protect the interests of the air transport industry



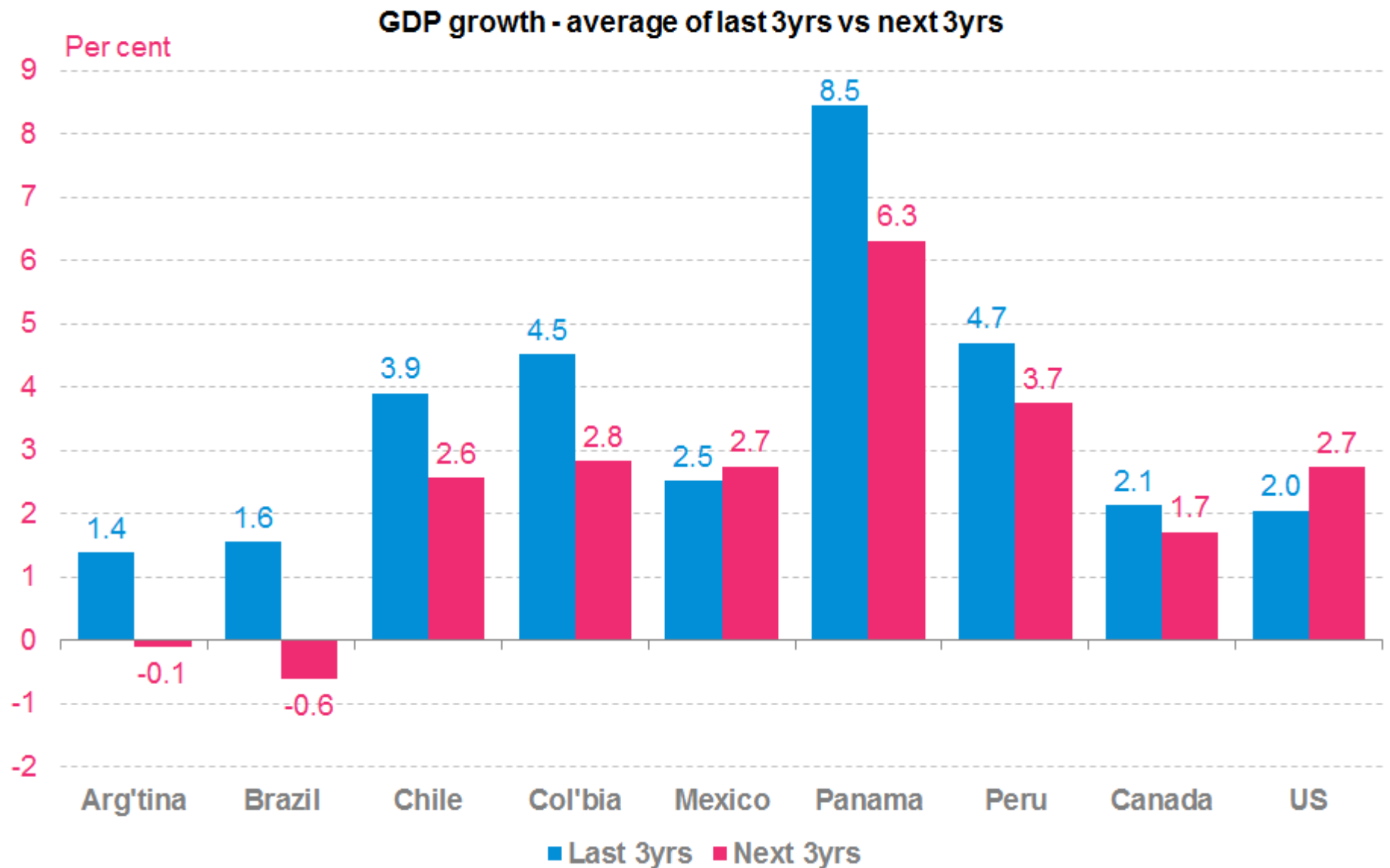
Tony Tyler
Director General
& CEO, IATA



REGIONAL ECONOMIC SNAPSHOT THE AMERICAS

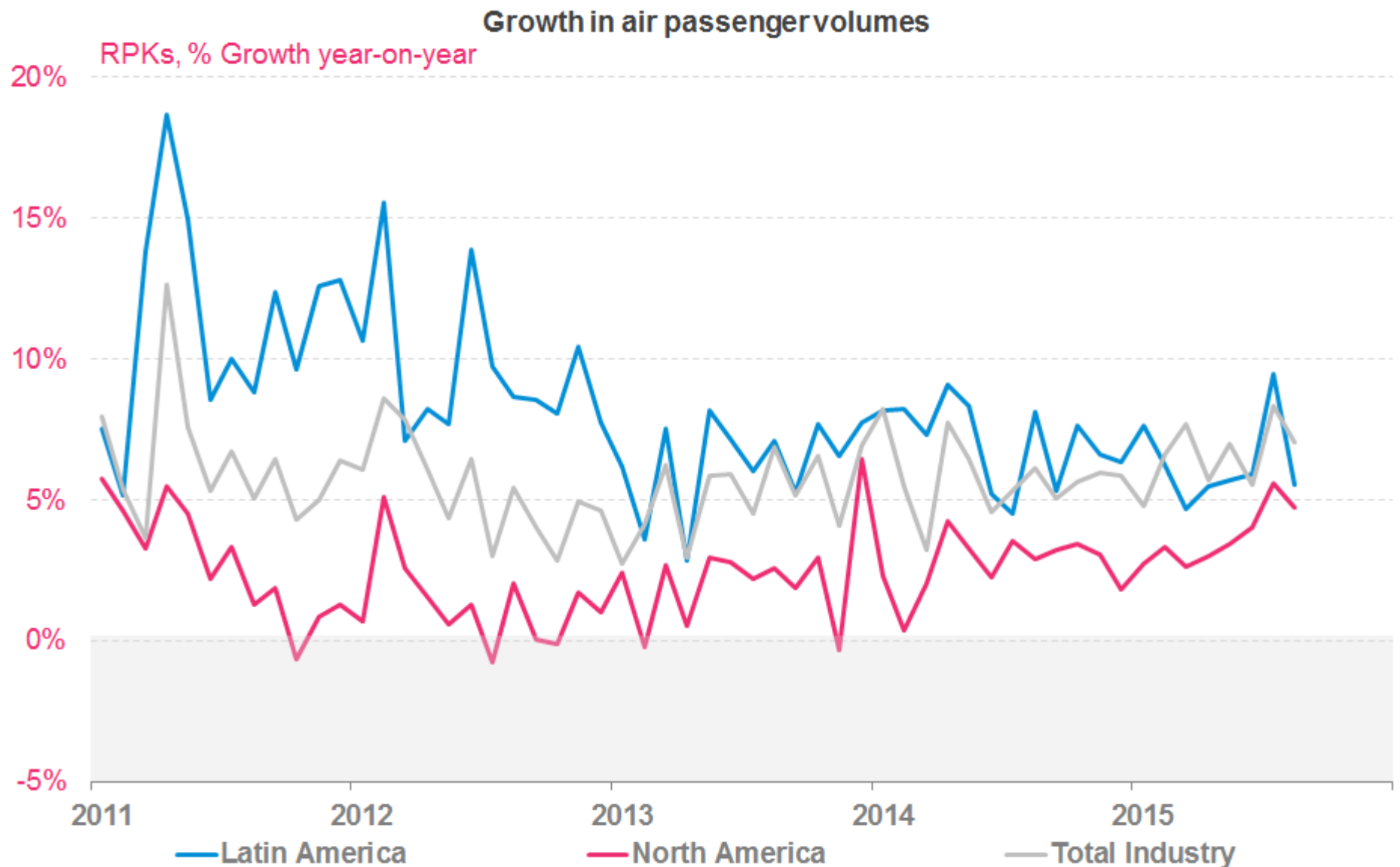
November 2015

GDP growth outlook mixed



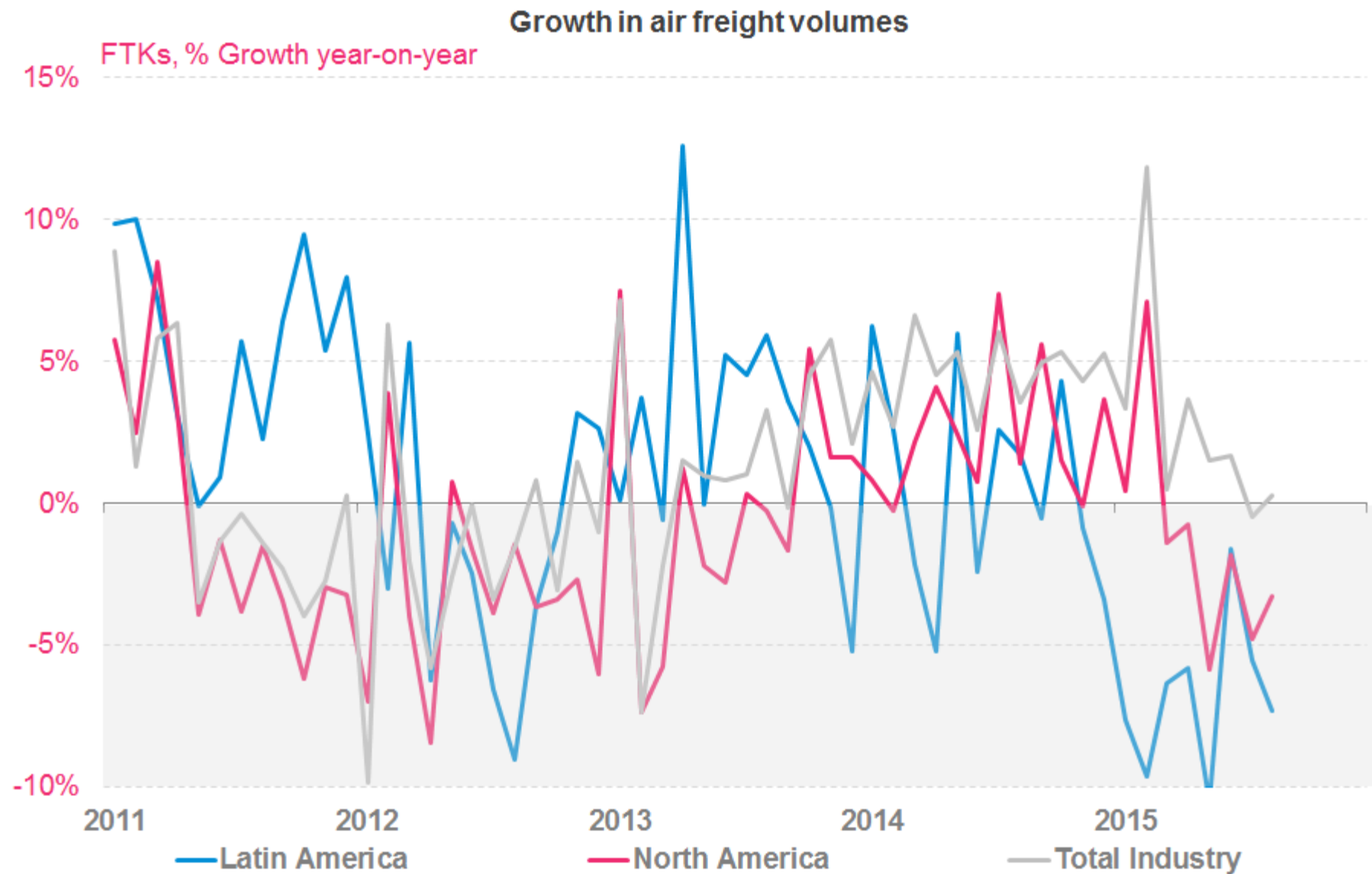
Source: IMF

Regional RPK growth broadly remains robust



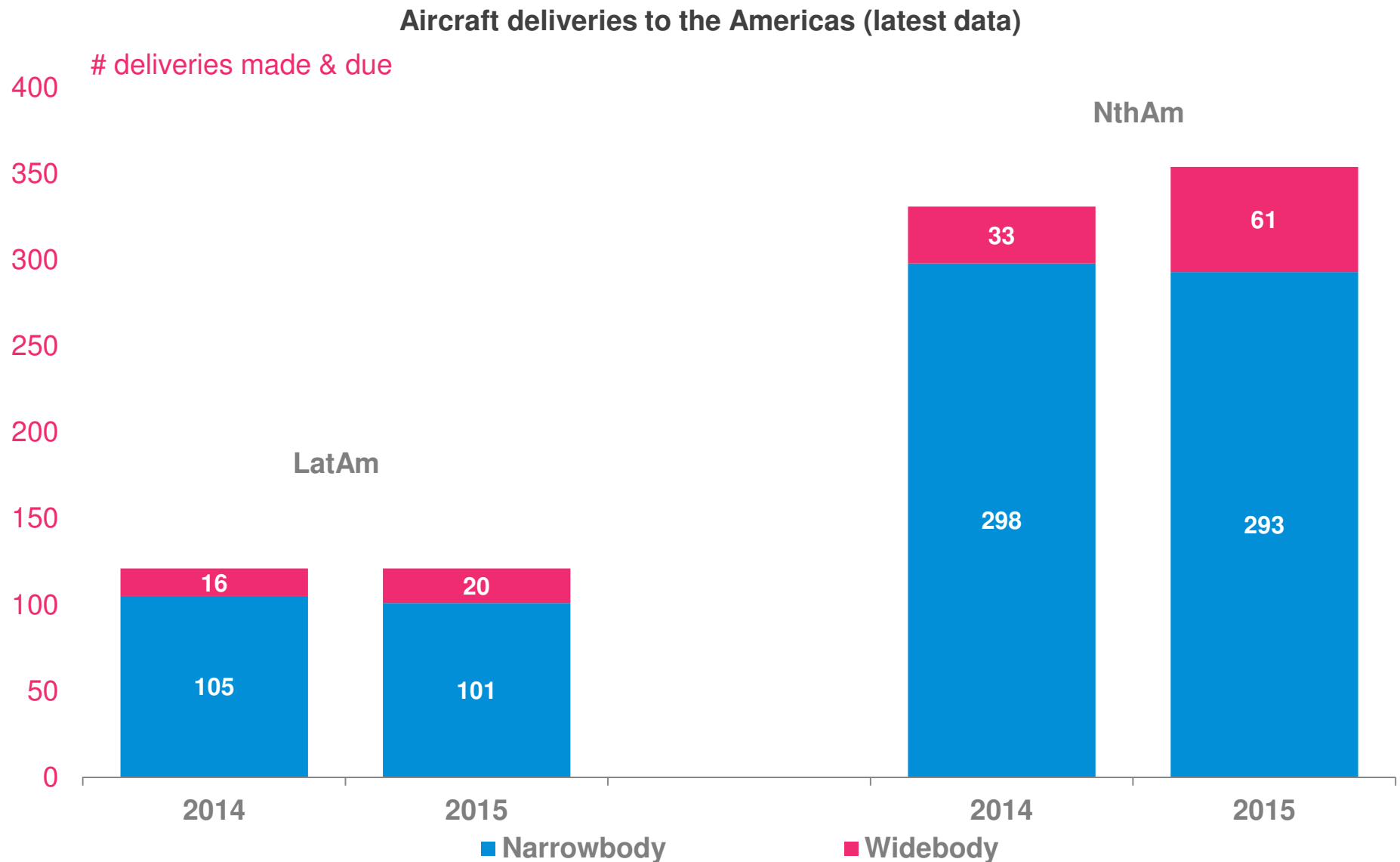
Source: IATA

Regional freight markets struggling



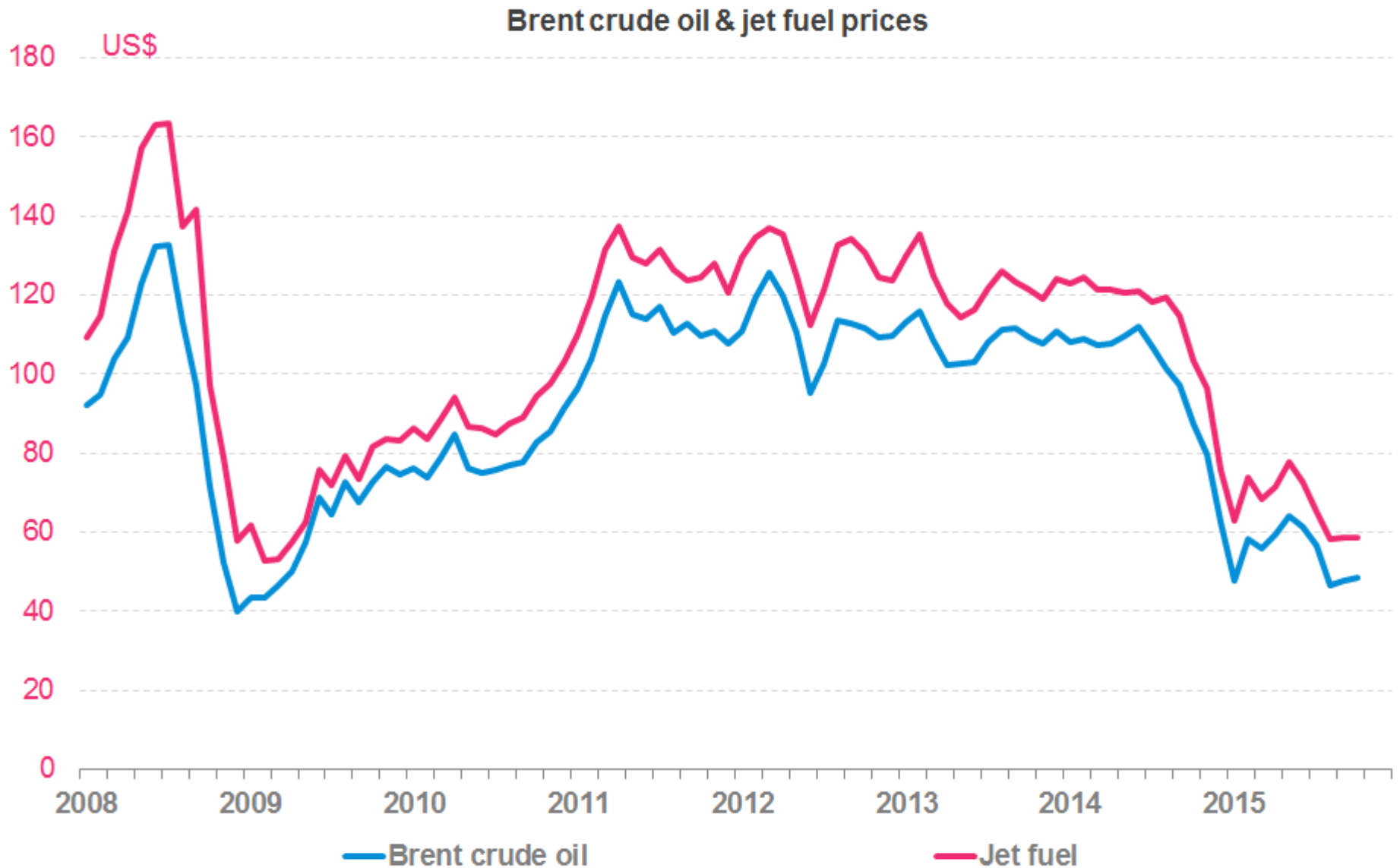
Source: IATA

Delivery schedule remains sound



Source: Ascend

Oil & jet fuel prices down ~45% over the past year

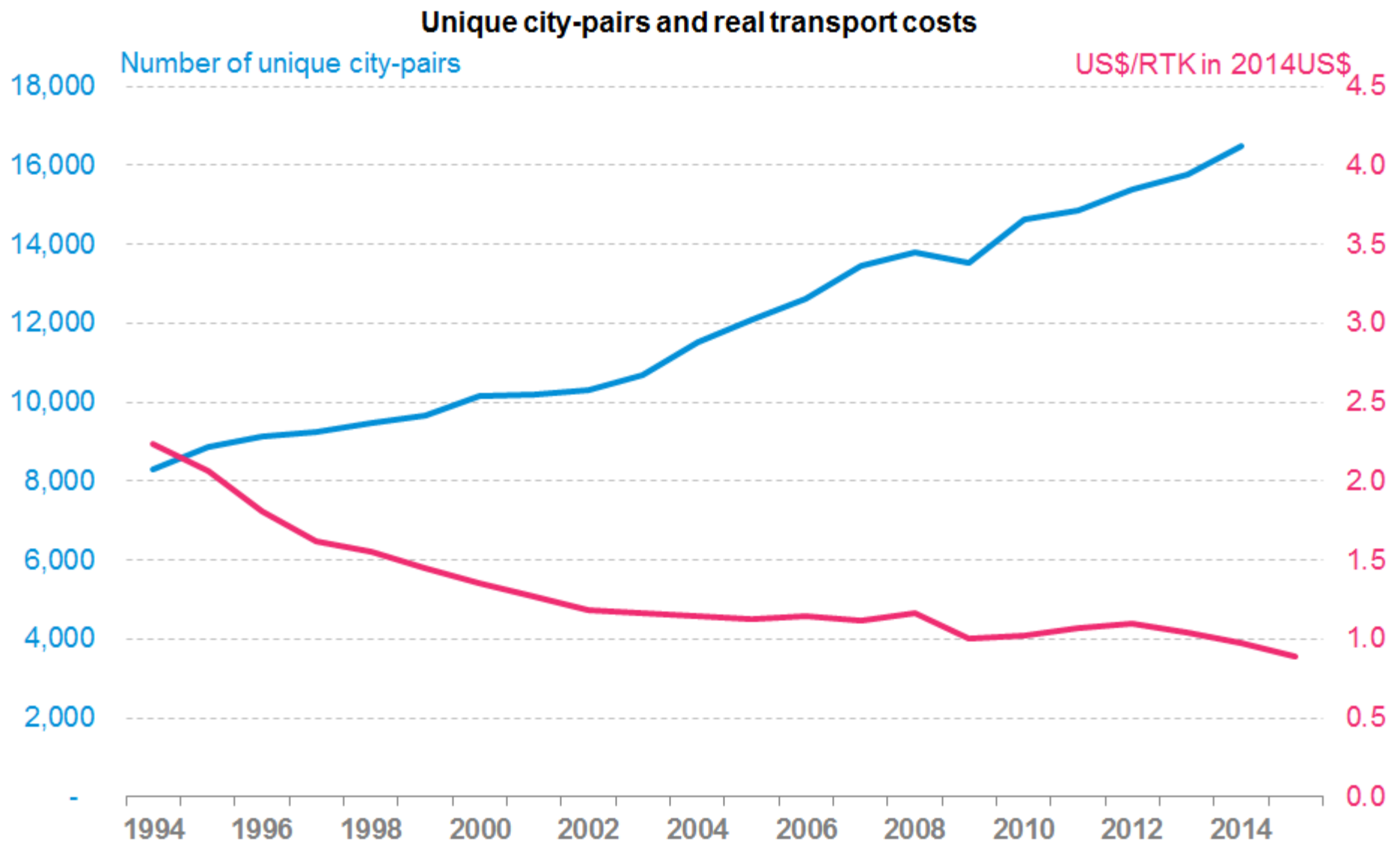


Source: Platts, EIA



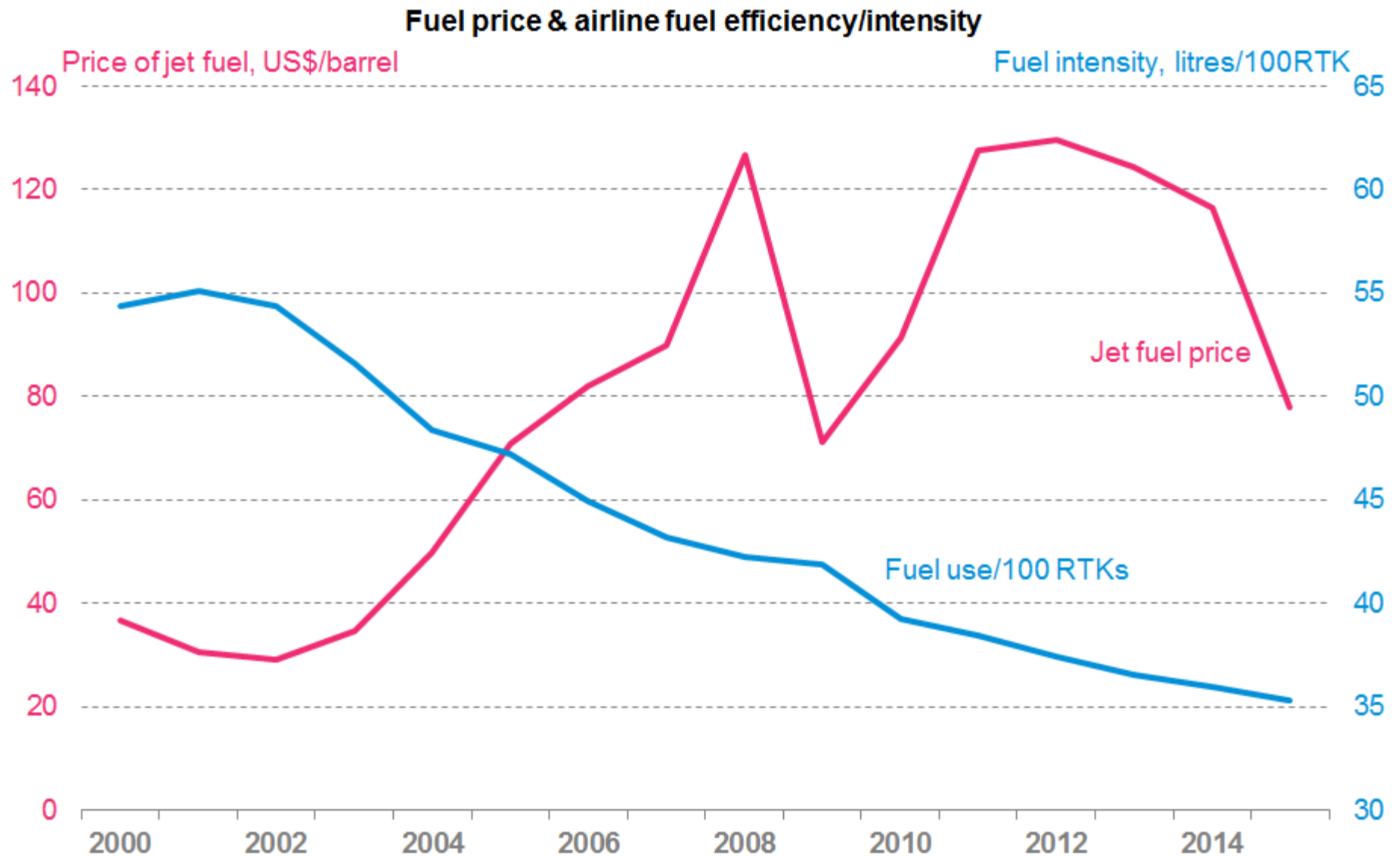
GLOBAL INDUSTRY PERFORMANCE

Connections doubled, real transport costs halved



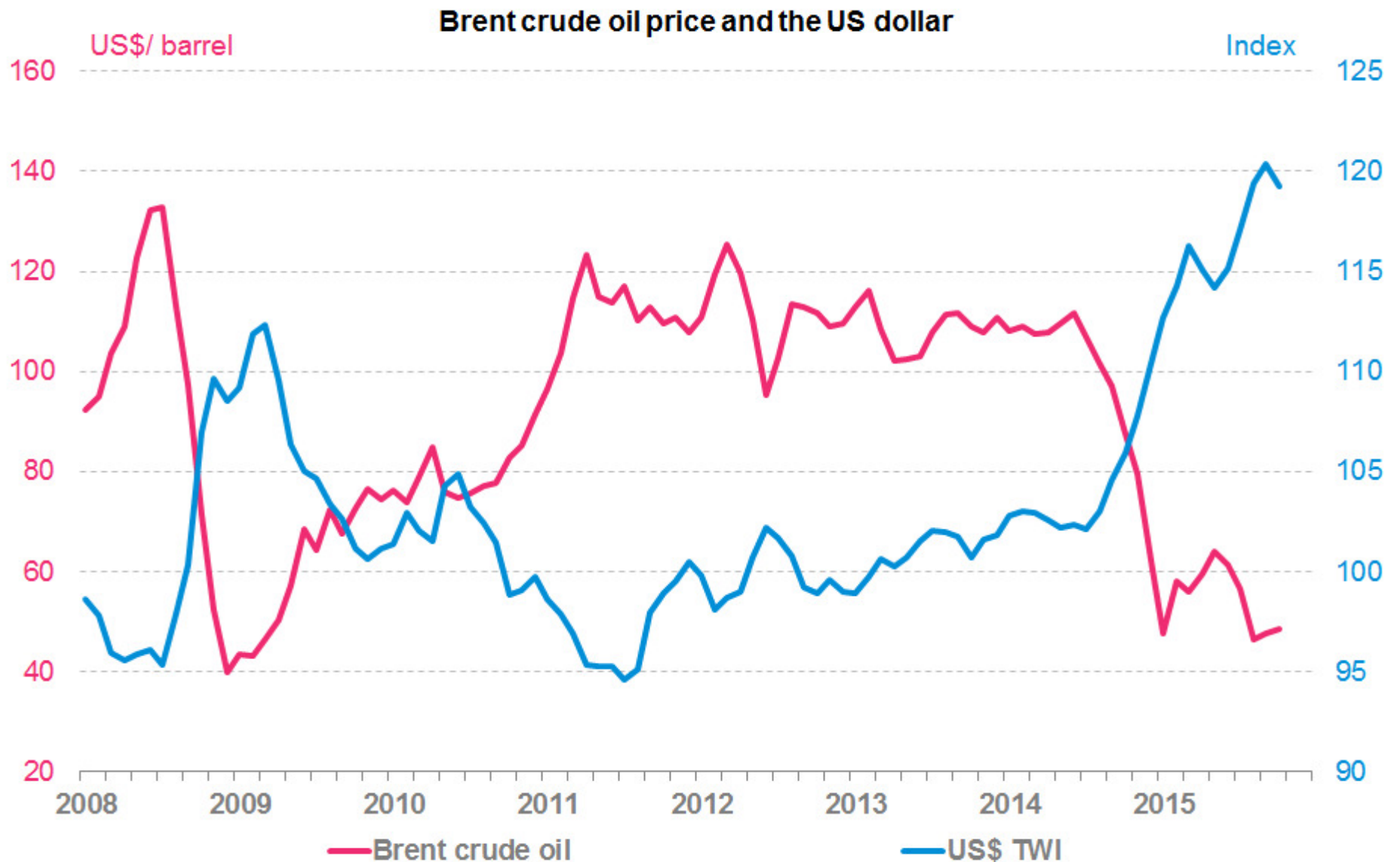
Source: Boeing, OAG, ICO, IATA

Fuel efficiency gains extend despite low fuel prices



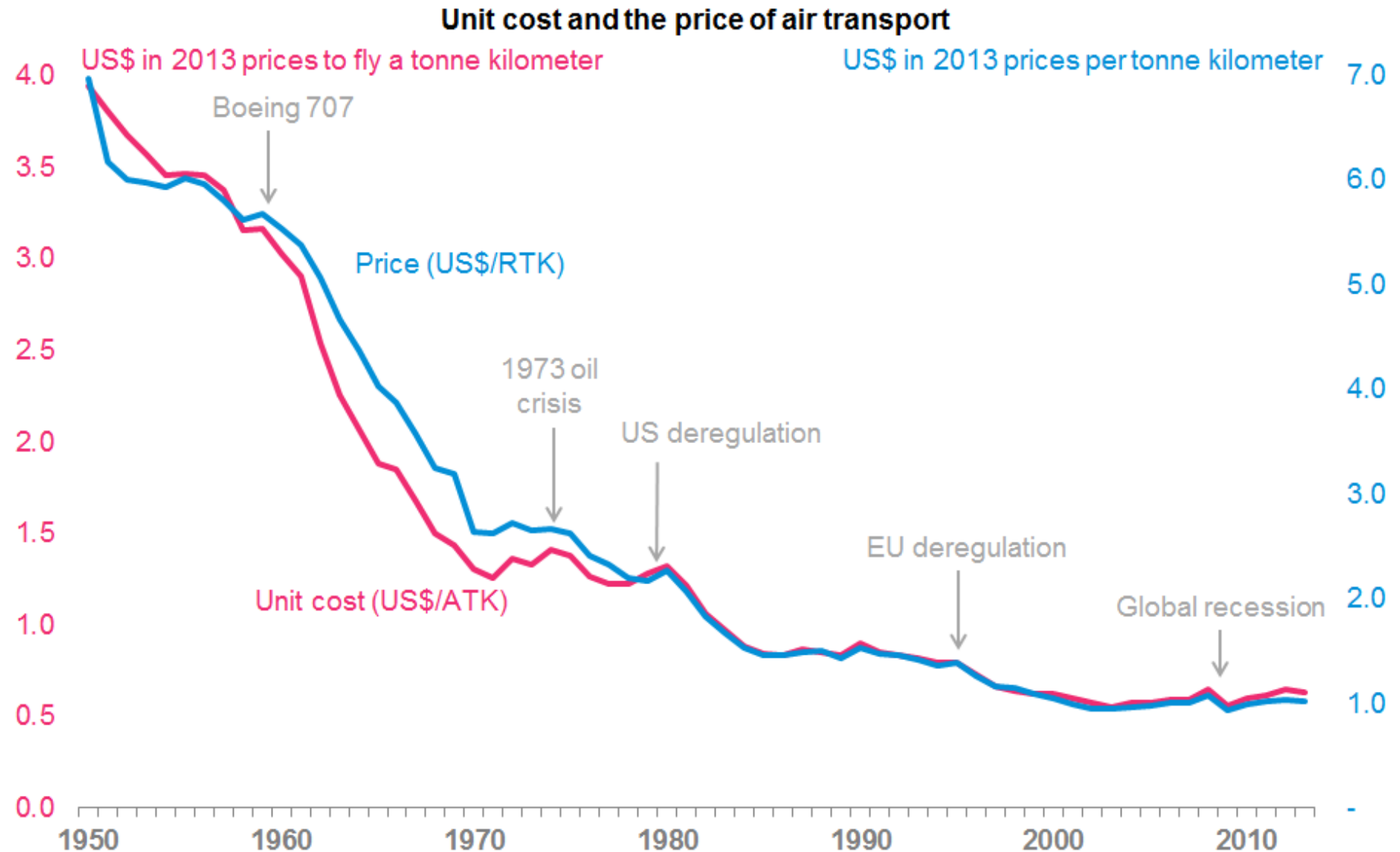
Source: Platts, IEA, ICAO, IATA

Rise in US\$ offsets part of low fuel price benefits



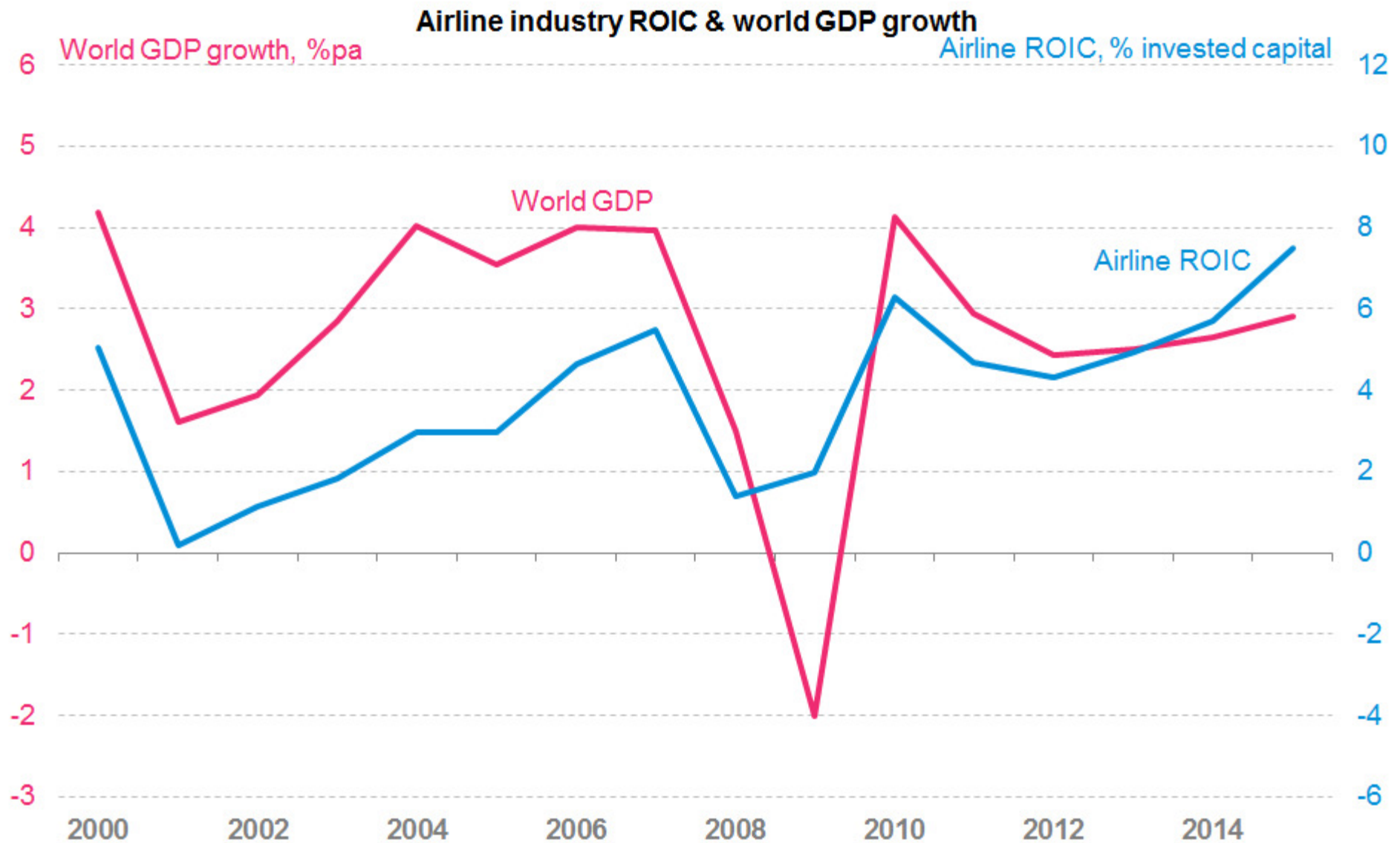
Source: Datastream

Costs typically passed through to prices



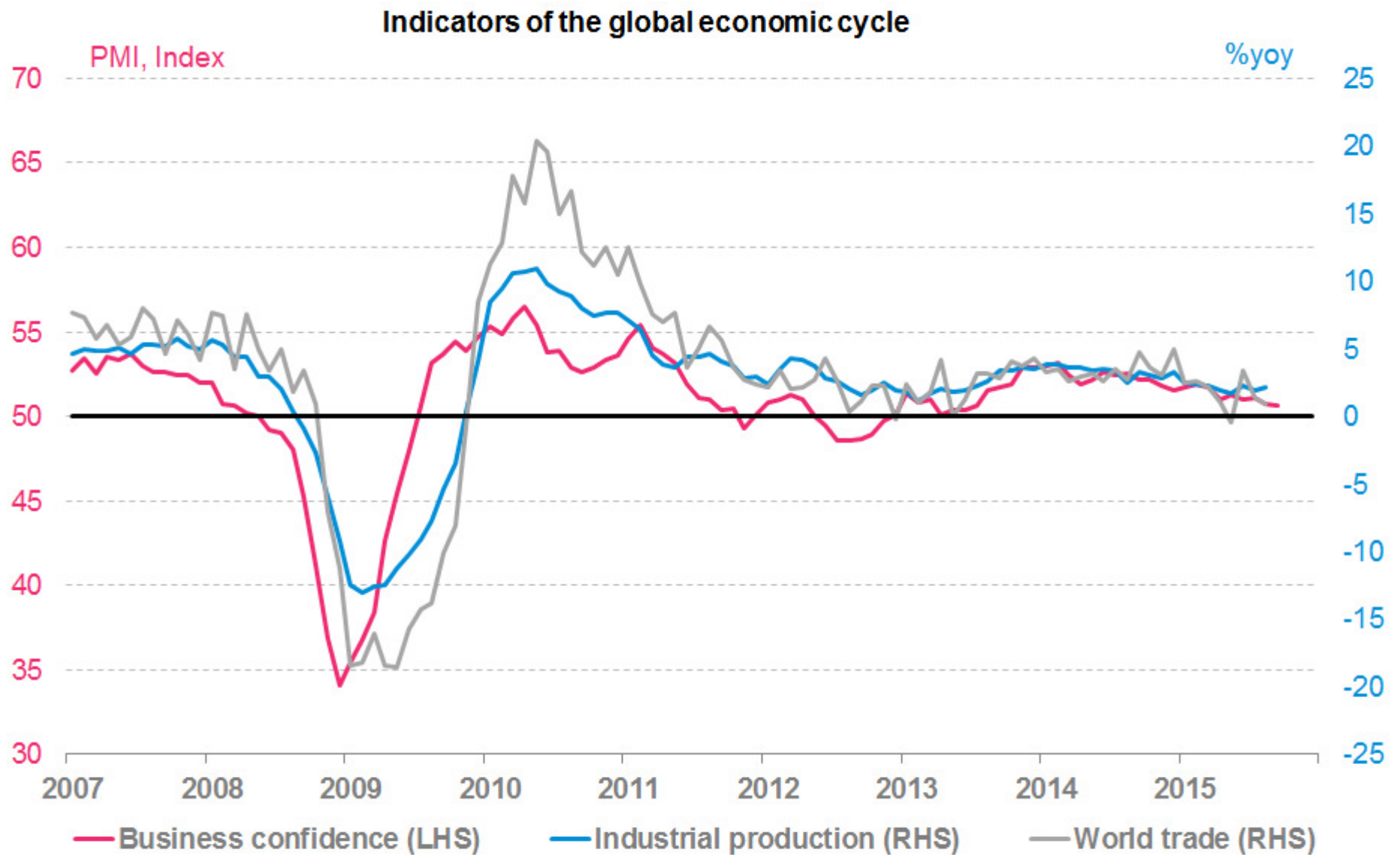
Source: ICAO, IATA

Airline profitability improves when economy strong



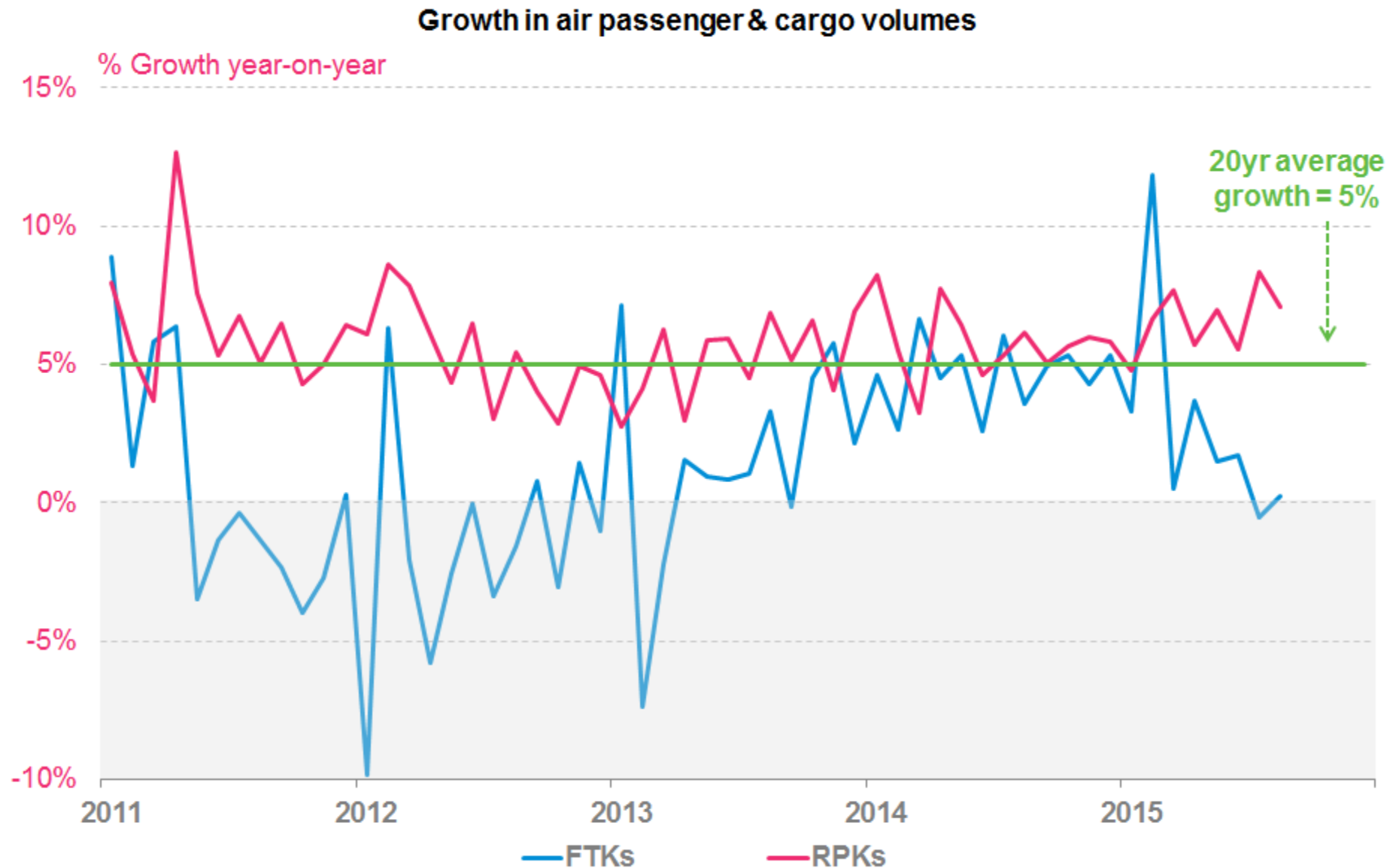
Source: IATA, McKinsey, IHS Global Insight

Economic cycle positive but not very strong



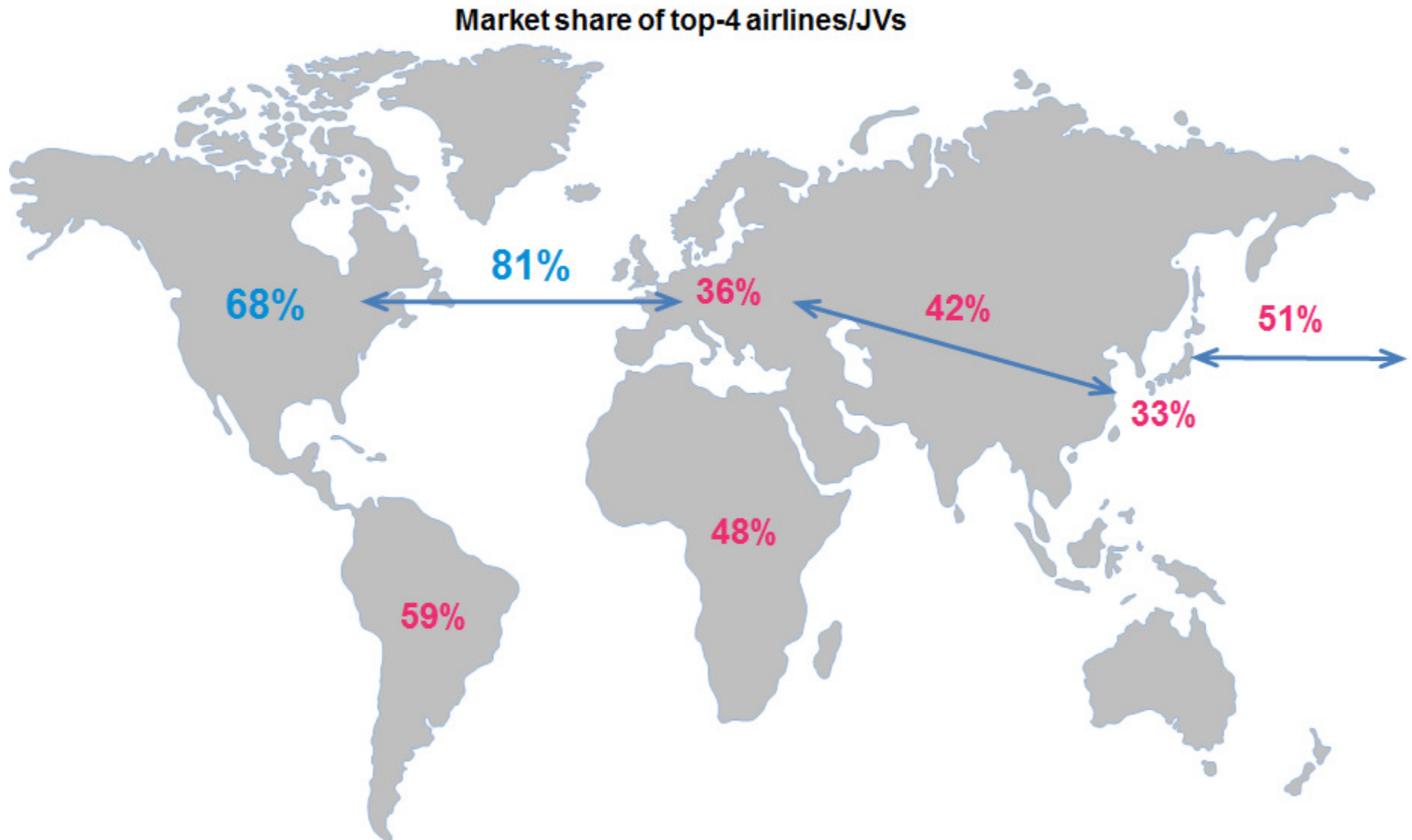
Source: Datastream

Solid demand growth for travel, not so for cargo



Source: IATA

Fragmentation remains an issue in many markets

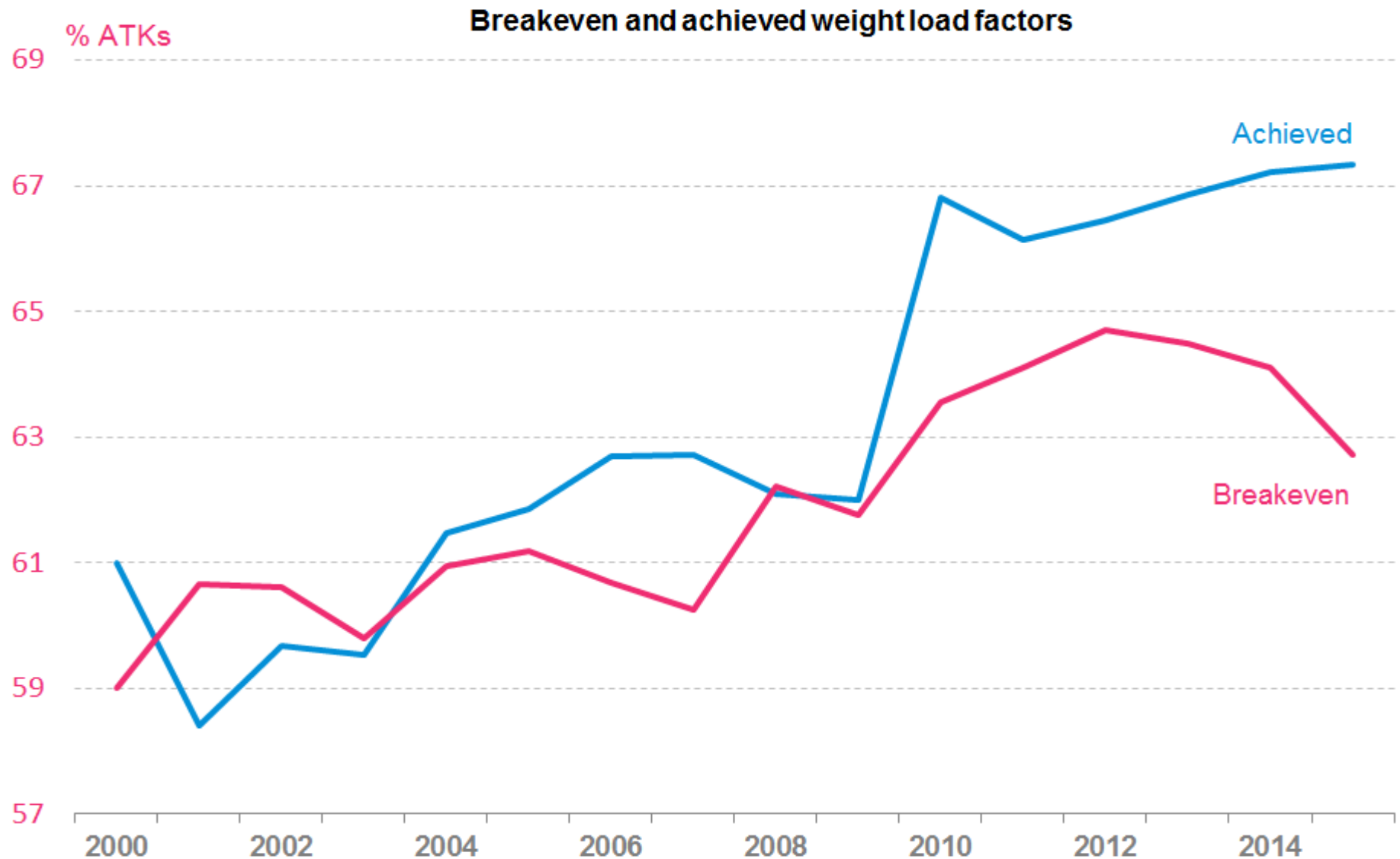


Source: SRS Analyser



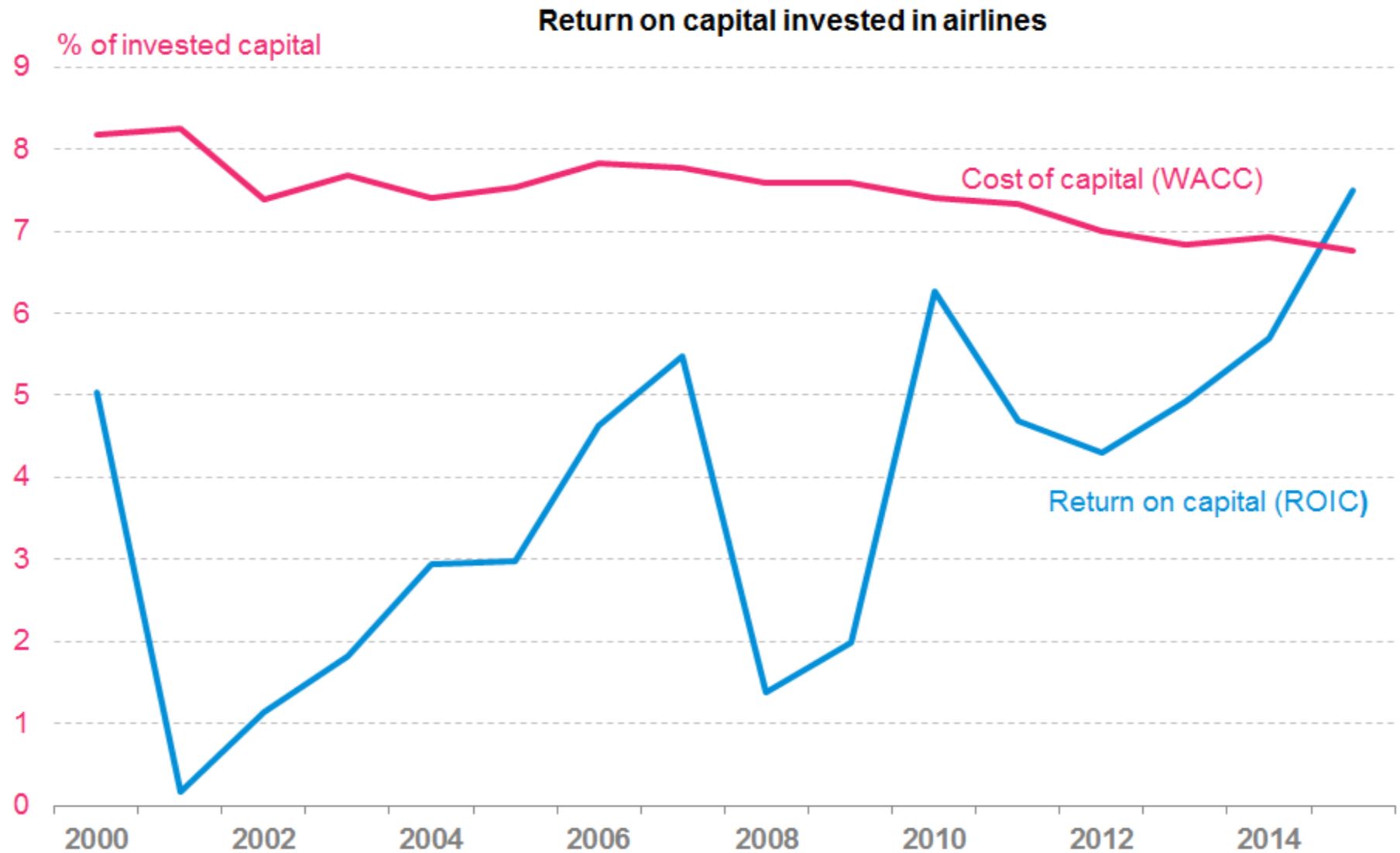
INDUSTRY & REGIONAL PROFITABILITY

Widening gap above break-even driving returns



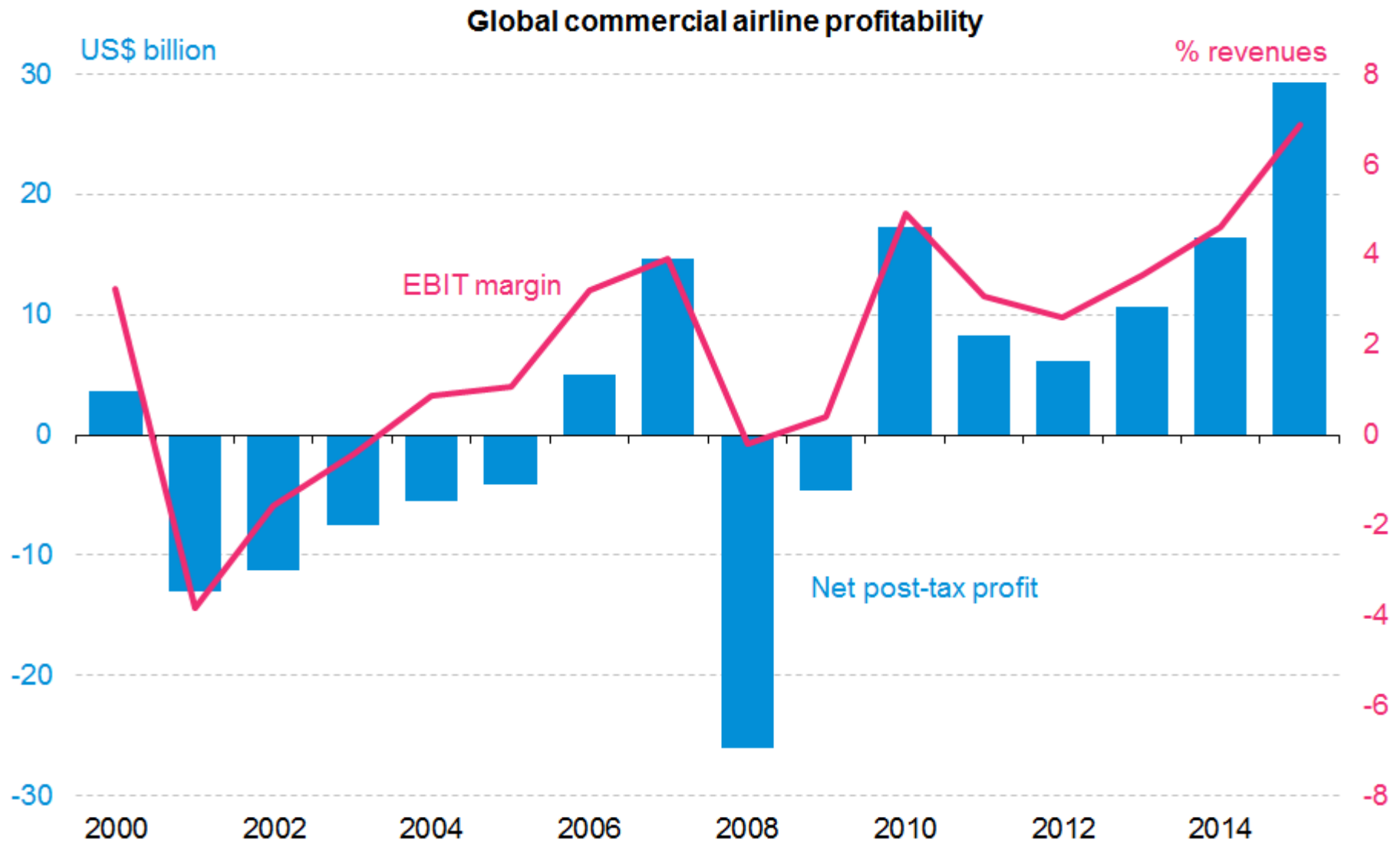
Source: IATA

Airline industry ROIC above cost of capital in 2015



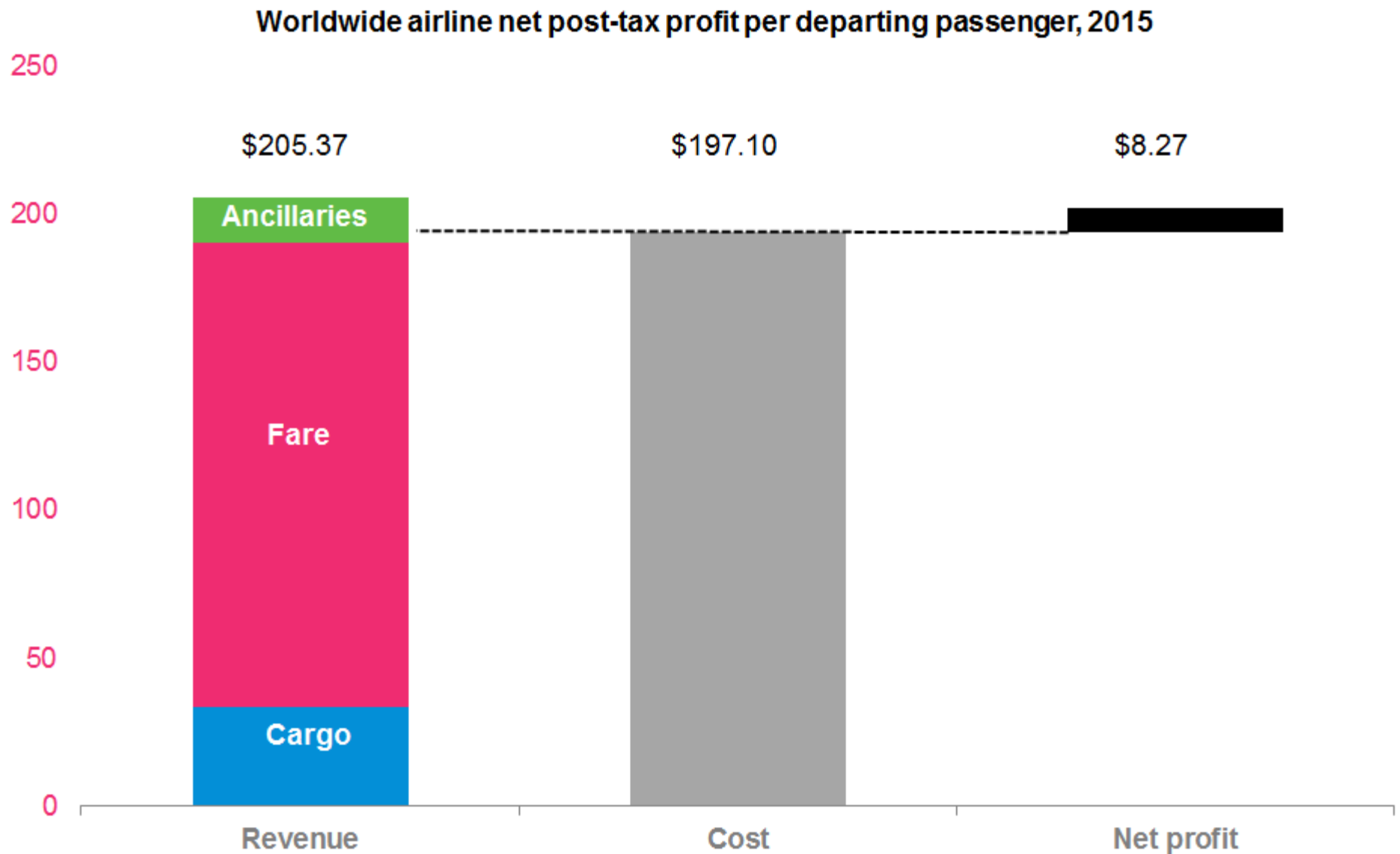
Source: IATA, McKinsey

Record 2015 profits for the industry as a whole



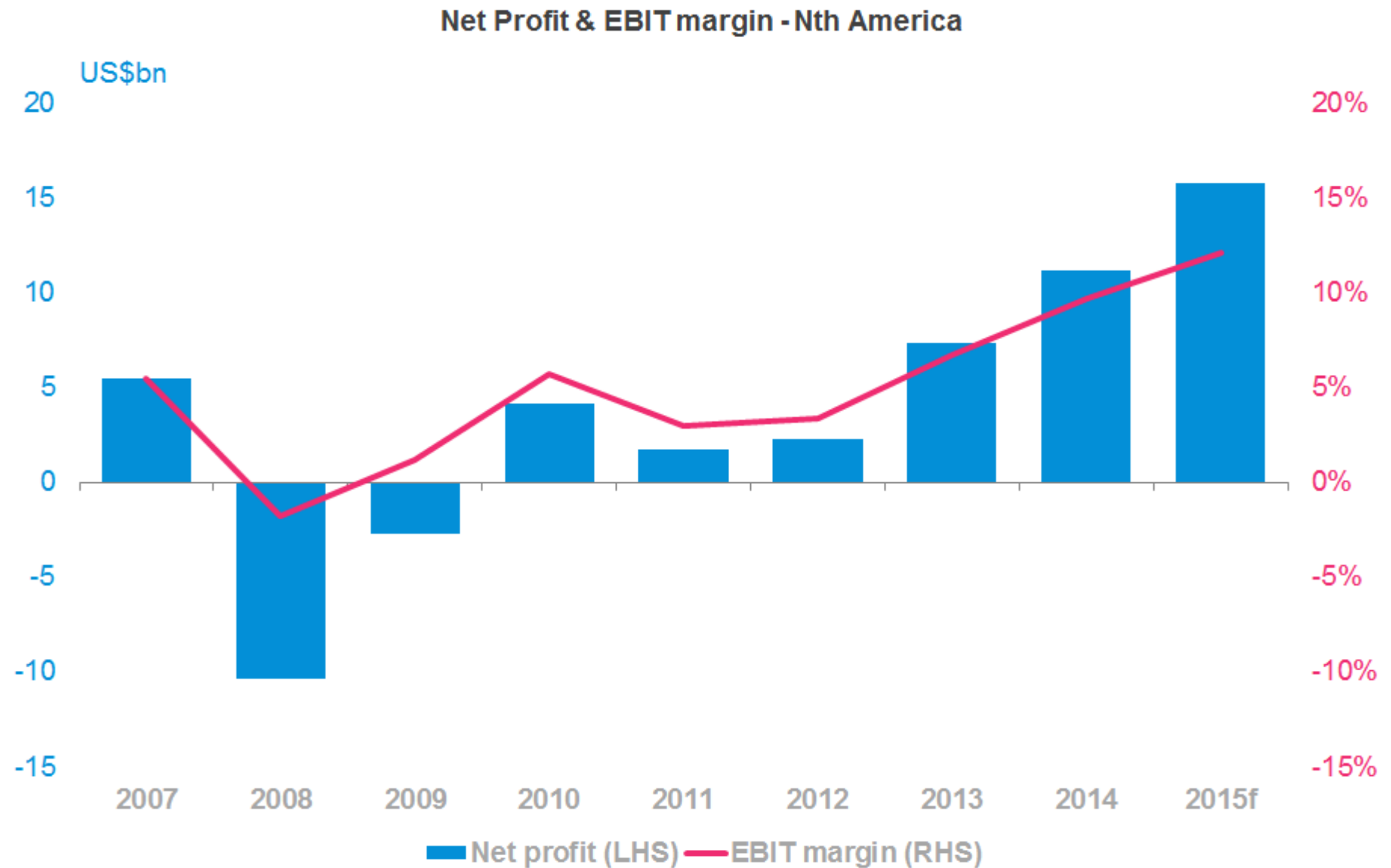
Source: ICAO, IATA

Record 2015 profits still only \$8.27 per passenger



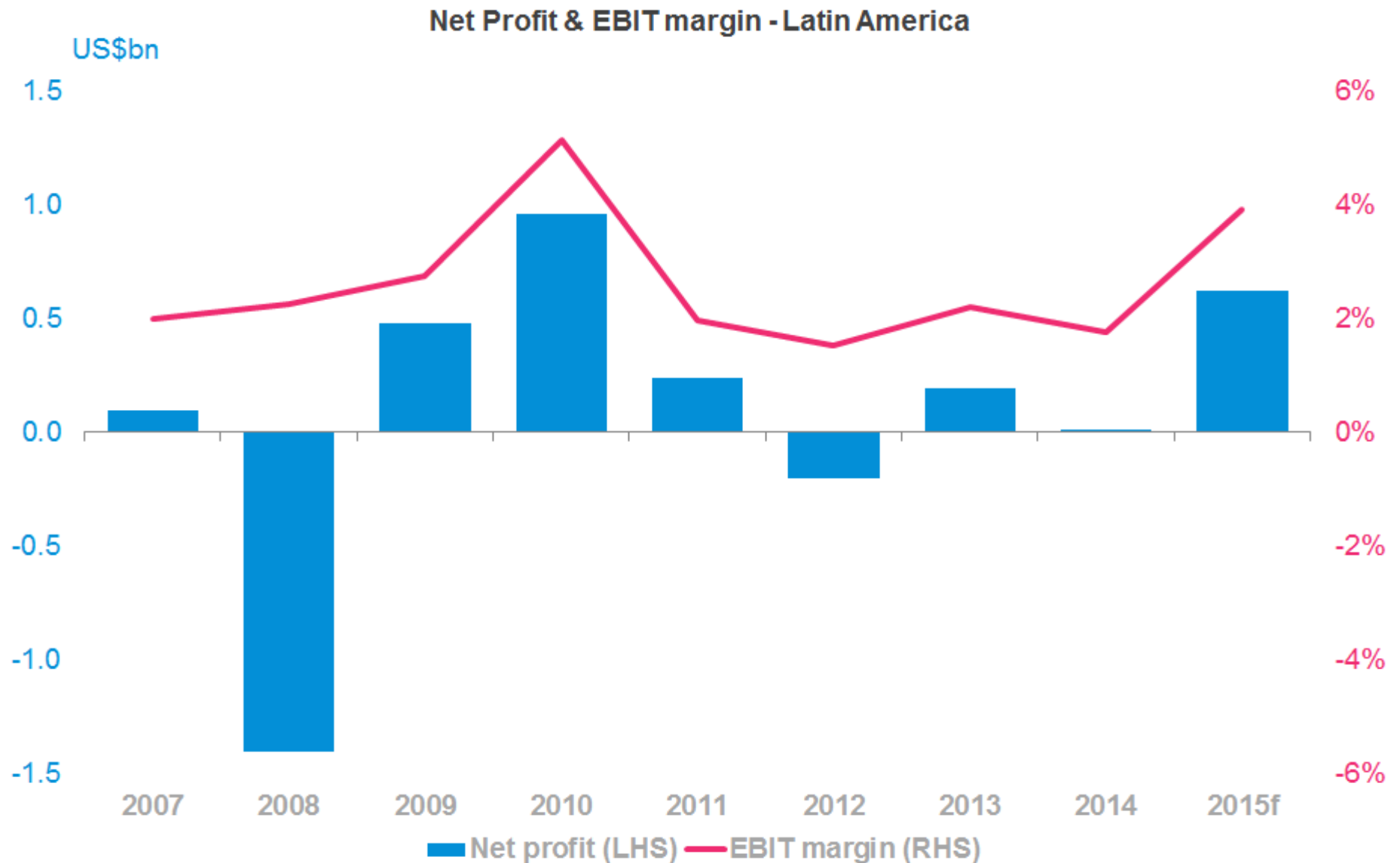
Source: IATA

N.America industry finances are strong...



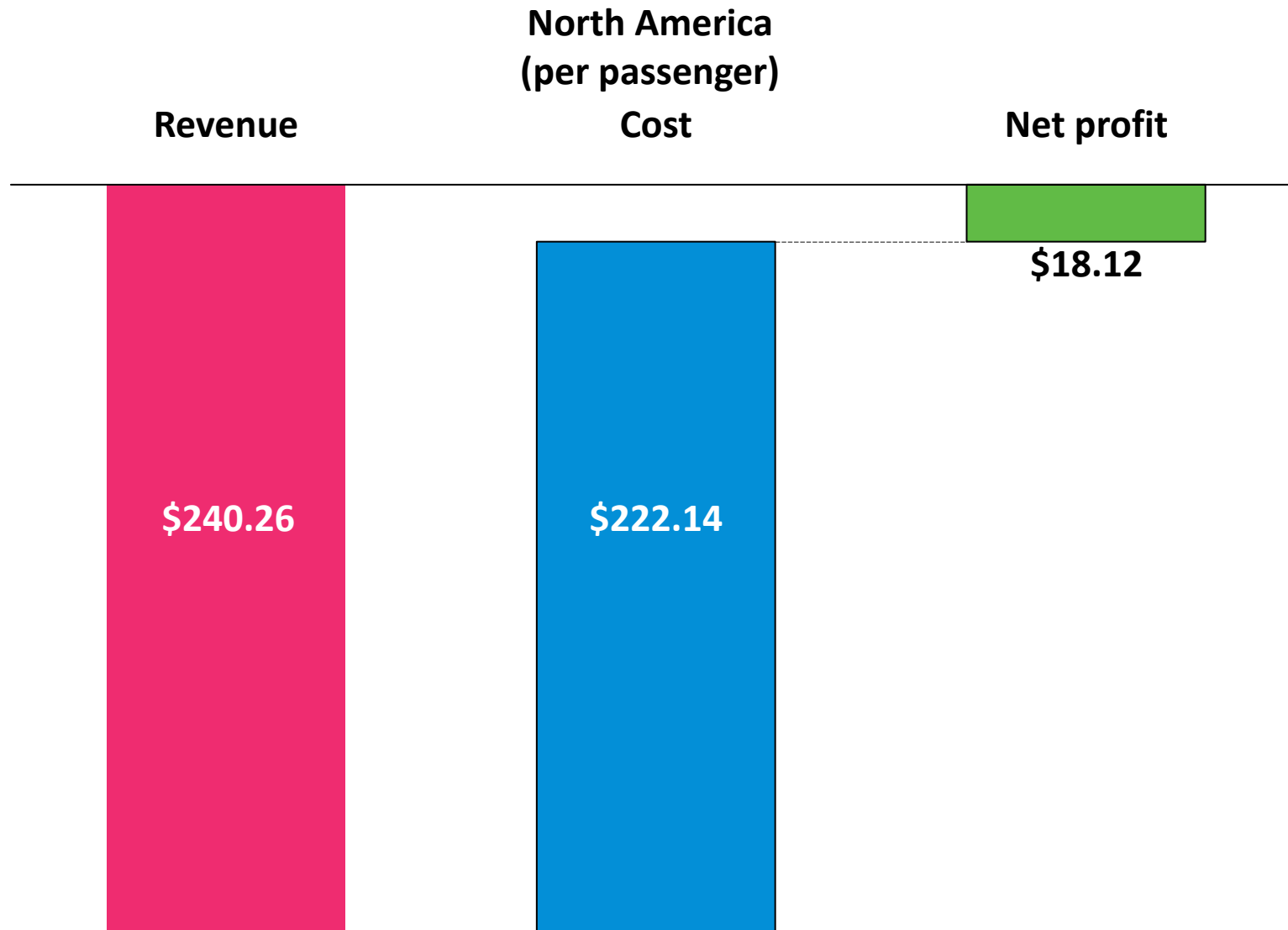
Source: IATA

...but much less so in Latin America



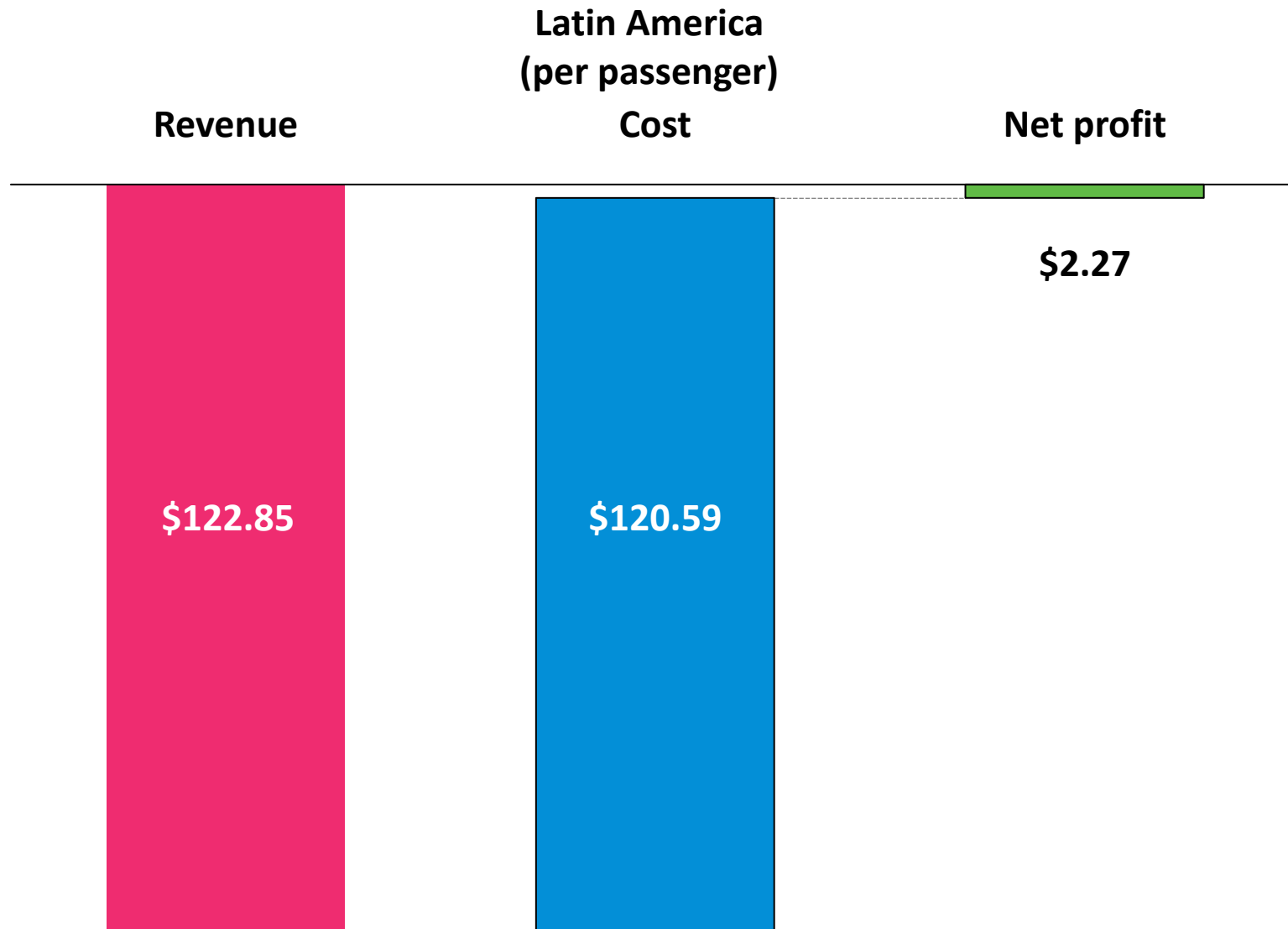
Source: IATA

N.American airlines showing healthy profits



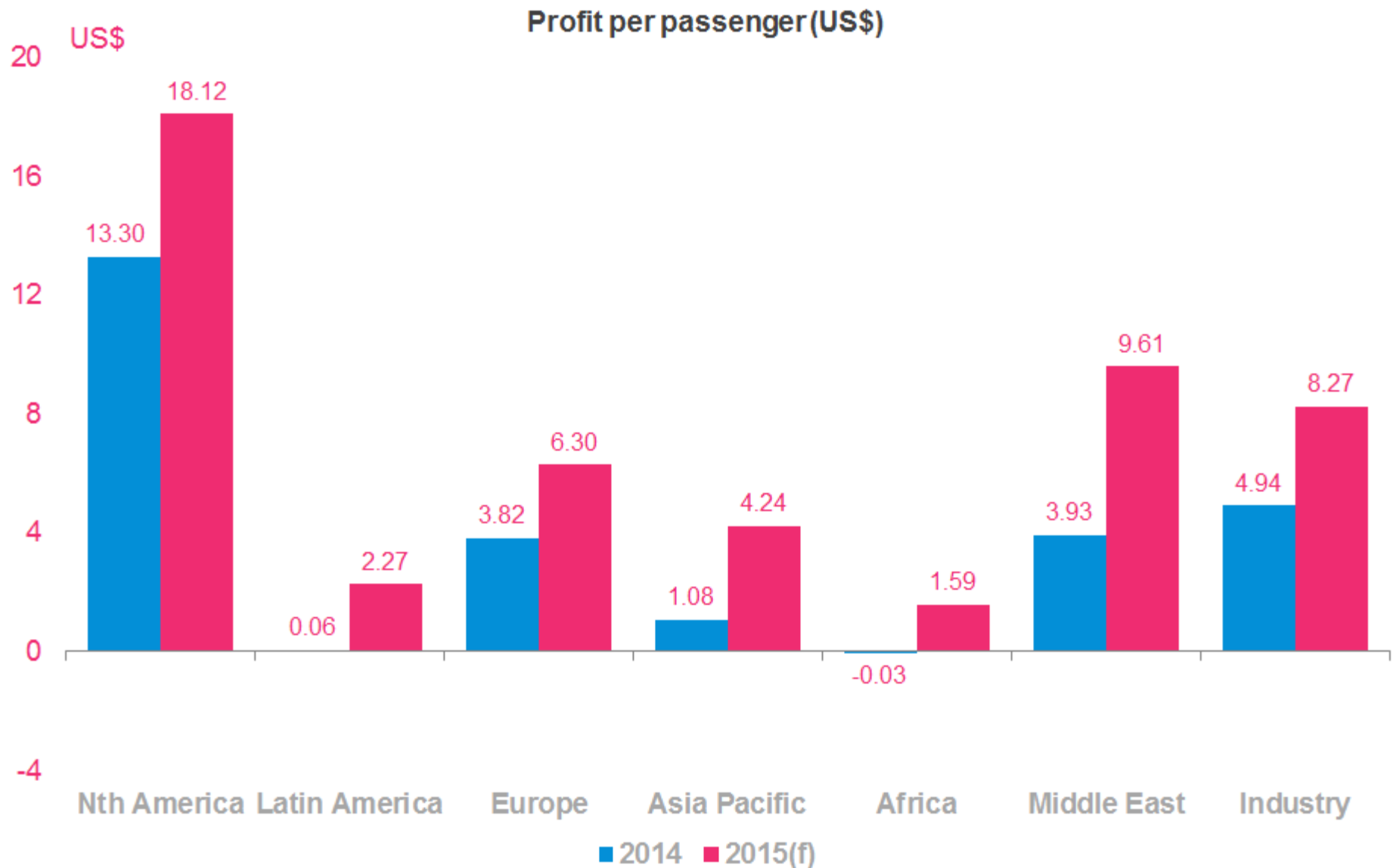
Source: IATA

Lat.American airlines: profits up but still very tight



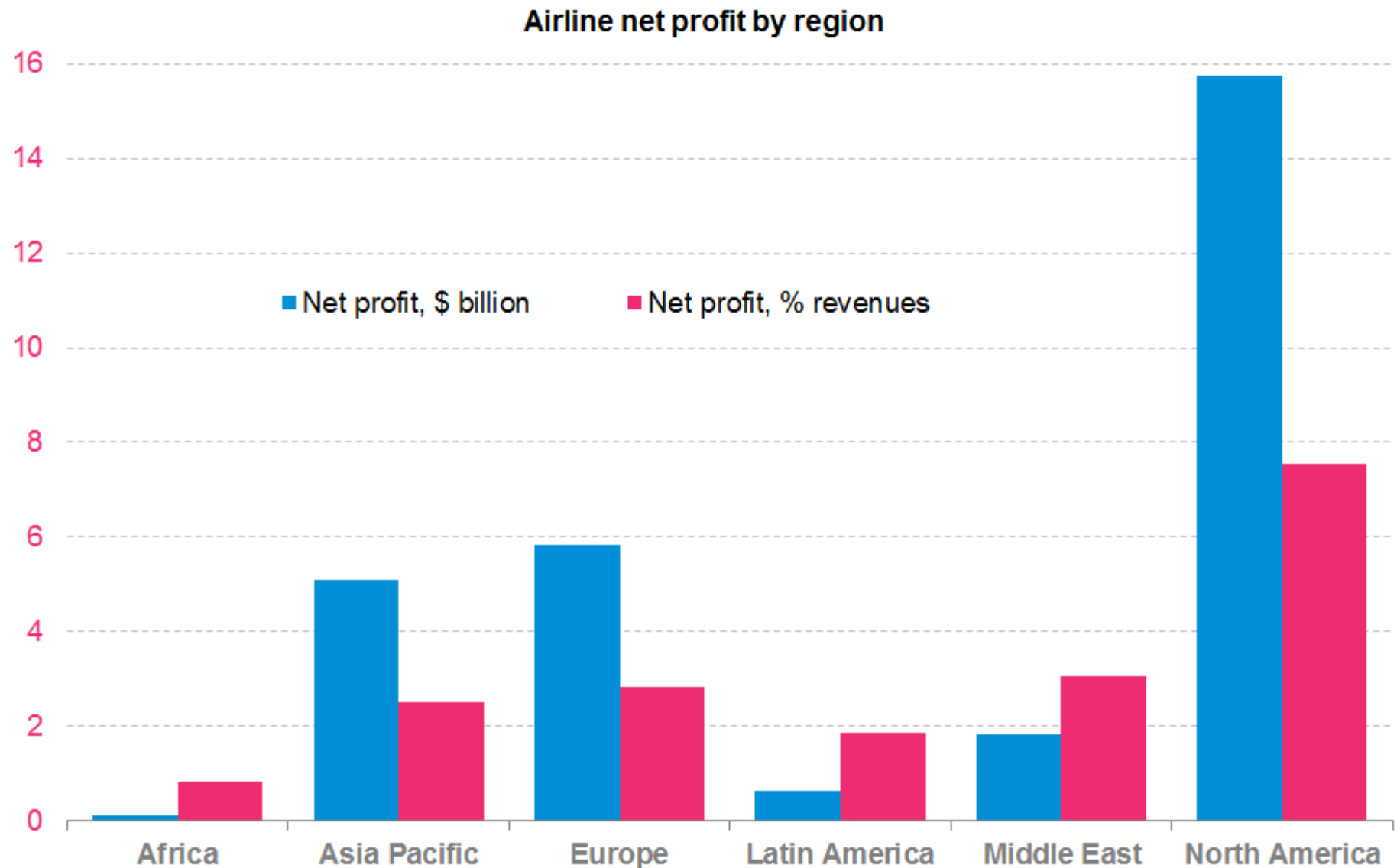
Source: IATA

Regional profit per passenger varies widely



Source: IATA

Outside the US profitability is still rather weak



Source: IATA