

Presented by: JOHN LEAHY  
Chief Operating Officer Customers

# Global Market Forecast

2015-2034



# Global Market Forecast 2015: Highlights

GMF 2015 key numbers and 20-year change

World Fleet Forecast	2014	2034	% change 2014-2034
RPK (trillions)	6.2	15.2	145%
Passenger Aircraft Fleet	17,354	35,749	106%
New passenger aircraft deliveries		31,781	
Dedicated Freighters	1,633	2,687	65%
New freighter aircraft deliveries		804	
<b>Total New Aircraft Deliveries</b>		<b>32,585</b>	

**New aircraft deliveries**

**+1,227 aircraft**

GMF 2015 vs. GMF 2014

Passenger aircraft (≥ 100 seats)

Jet freight aircraft (>10 tons)

Source: Airbus GMF2015

# 20-year demand for 32,600 new passenger and freight aircraft

20-year new deliveries of passenger and freighter aircraft



**22,927** single-aisle aircraft

+856



**8,108** twin-aisle aircraft

+322



**1,550** very large aircraft

+49

---

**32,585** new aircraft

+1,226

**Market Value of**

**\$4.9**  
trillion

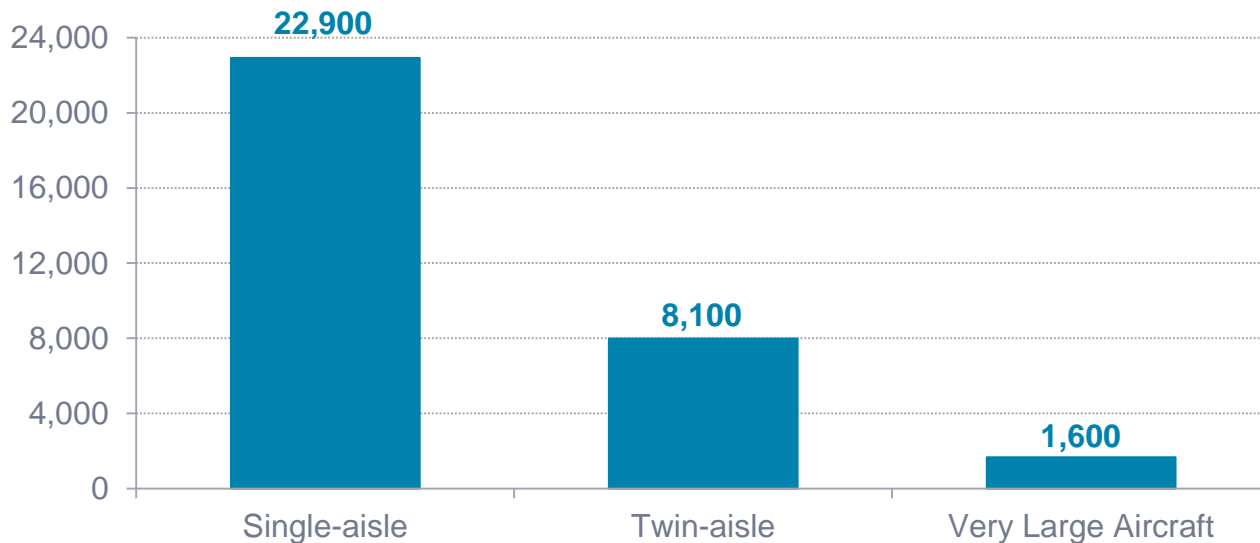
Passenger aircraft (≥ 100 seats)

Jet freight aircraft (>10 tons)

Source: Airbus GMF2015

# Single-aisle: 70% of units; Wide-bodies: 55% of value

20-year new deliveries of passenger and freighter aircraft



% units	70%	25%	5%
% value	45%	43%	12%

## New Deliveries

32,600

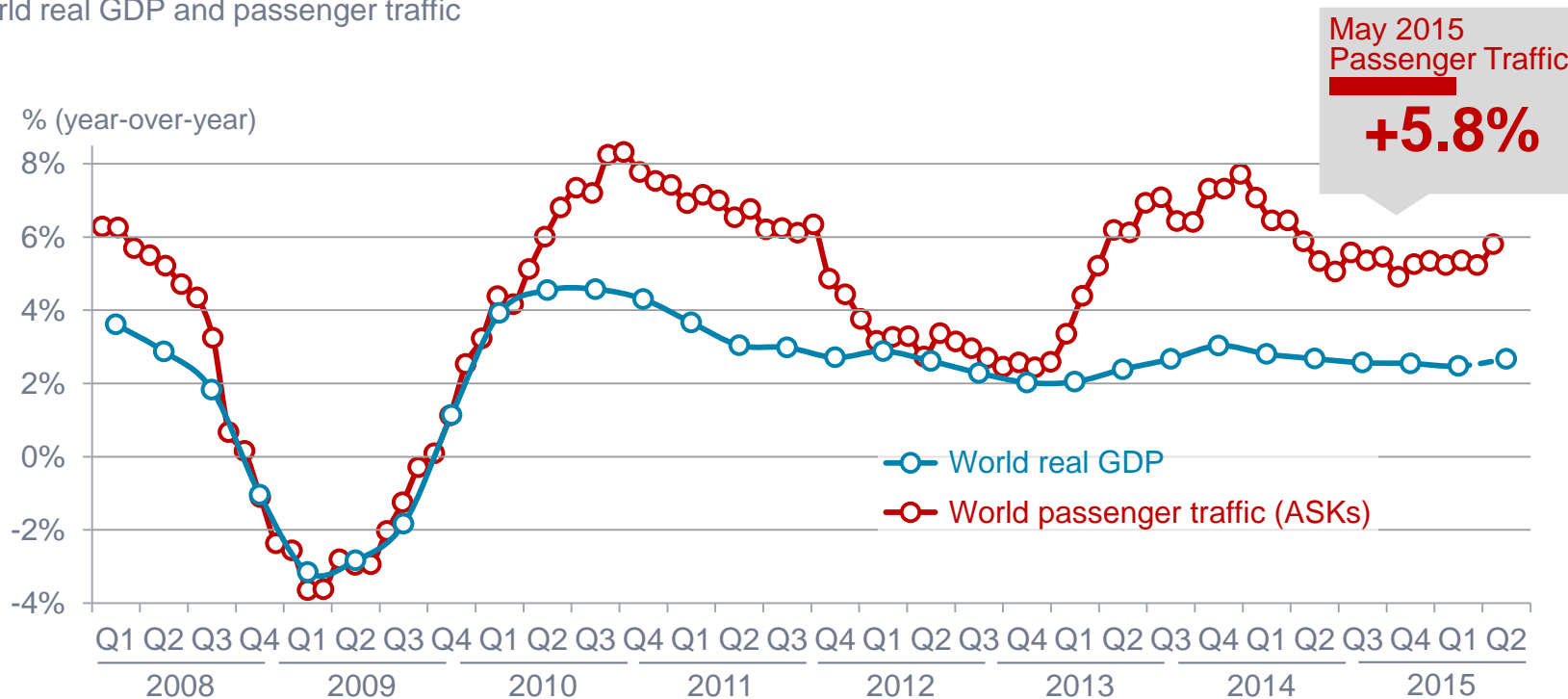
GMF 2015 -2034

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

Source: Airbus GMF May 2015

# Passenger traffic is outperforming GDP growth

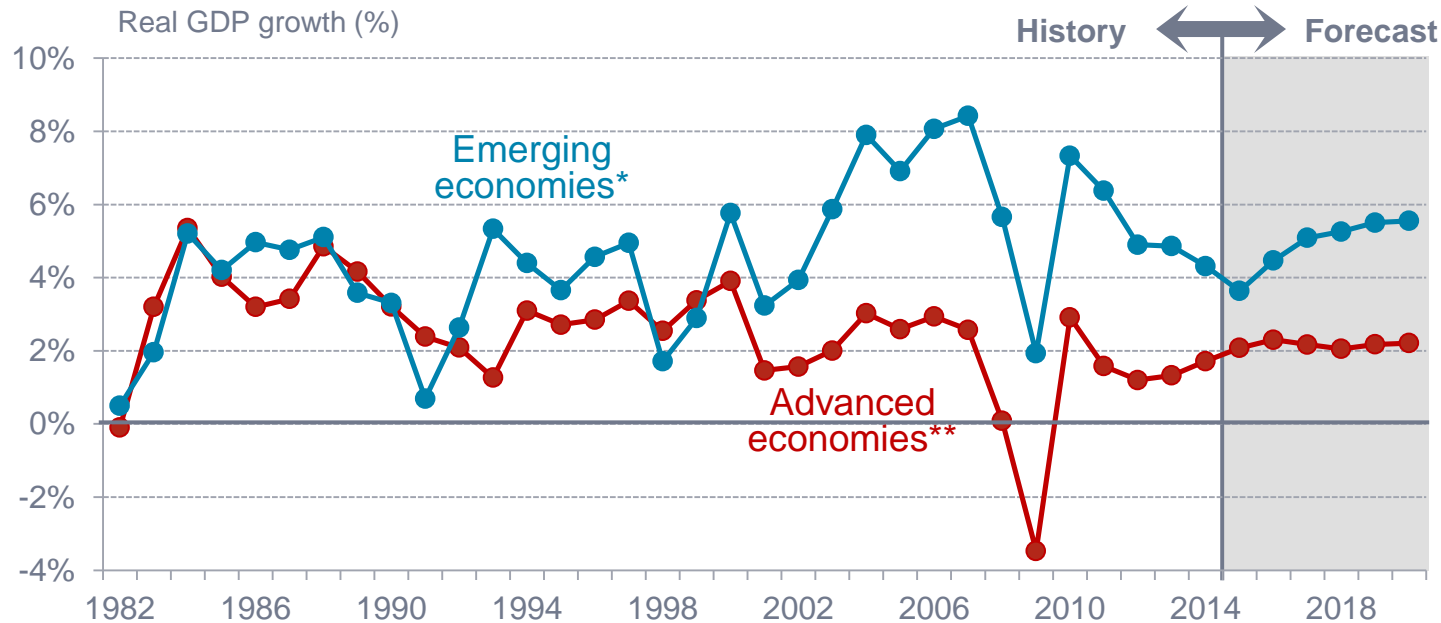
World real GDP and passenger traffic



Source: IHS Economics, OAG, Airbus GMF2015

# A two-speed economic world

## Comparison of year-over-year GDP growth



Emerging economies will continue to lead the pack

\* 54 emerging economies

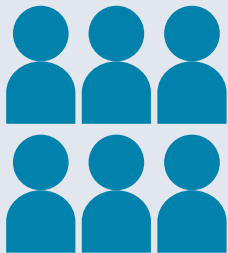
\*\* 32 advanced economies

Source: IHS Global Insight, Airbus GMF2015

# Air transport growth is highest in expanding regions

Emerging/  
Developing

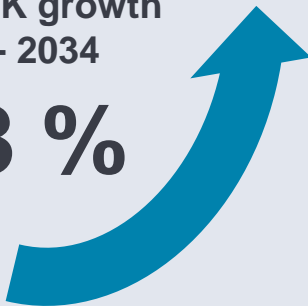
China  
India  
Middle East  
Asia  
Africa  
CIS  
Latin America  
Eastern Europe



**6.3**  
billion  
people  
2014

Yearly RPK growth  
2015 - 2034

**+5.8 %**



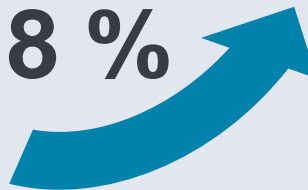
Advanced

Western Europe  
North America  
Japan



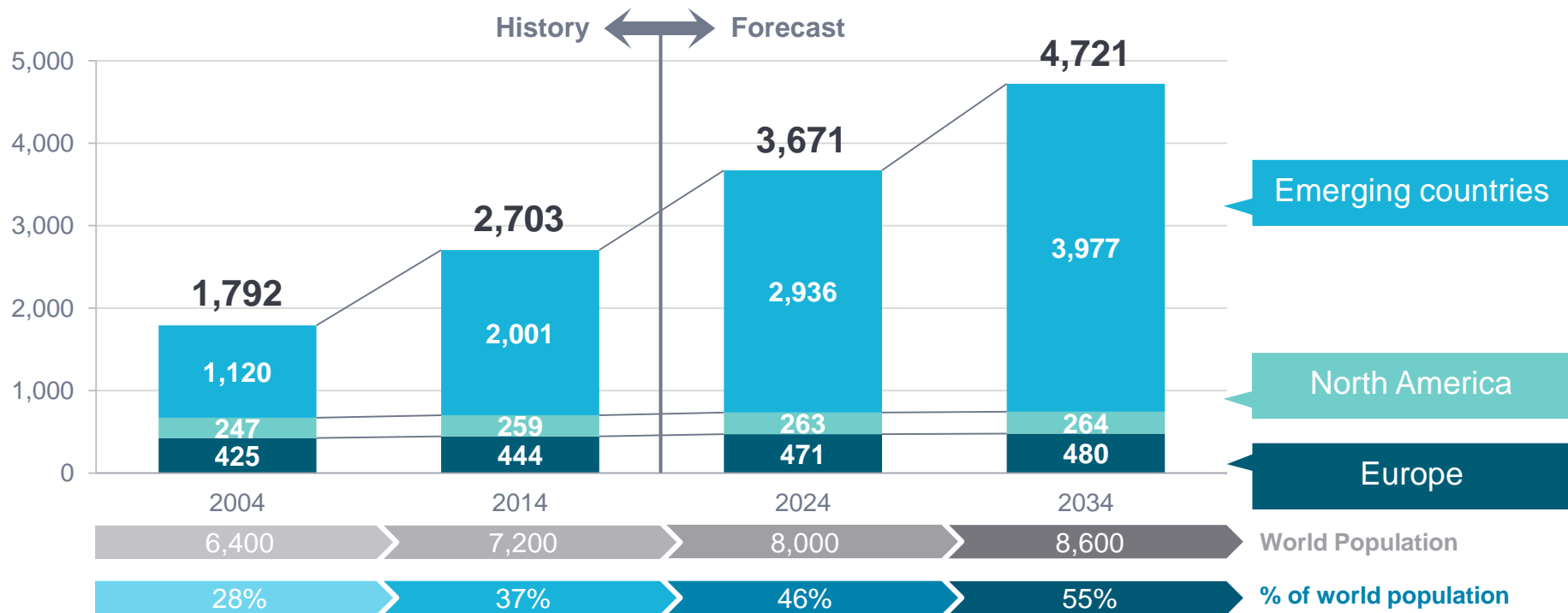
**1**  
billion  
people  
2014

**+3.8 %**



# Middle Class to grow, doubling in emerging countries...

Middle Class\*, millions of people



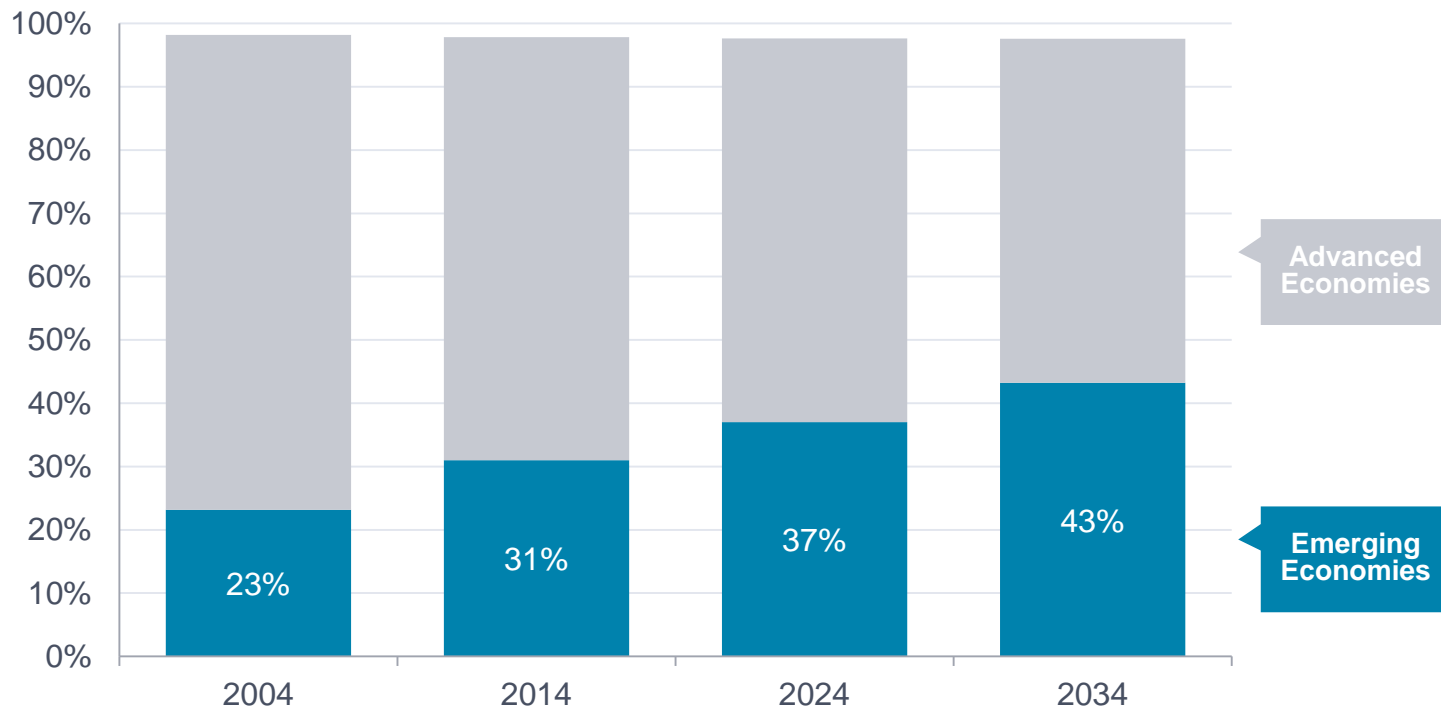
Source: Oxford Economics, Airbus GMF2015

\* Households with yearly income between \$20,000 and \$150,000 at PPP in constant 2014 prices



# Private consumption to become important growth driver in emerging markets

Share of total world private consumption (%)



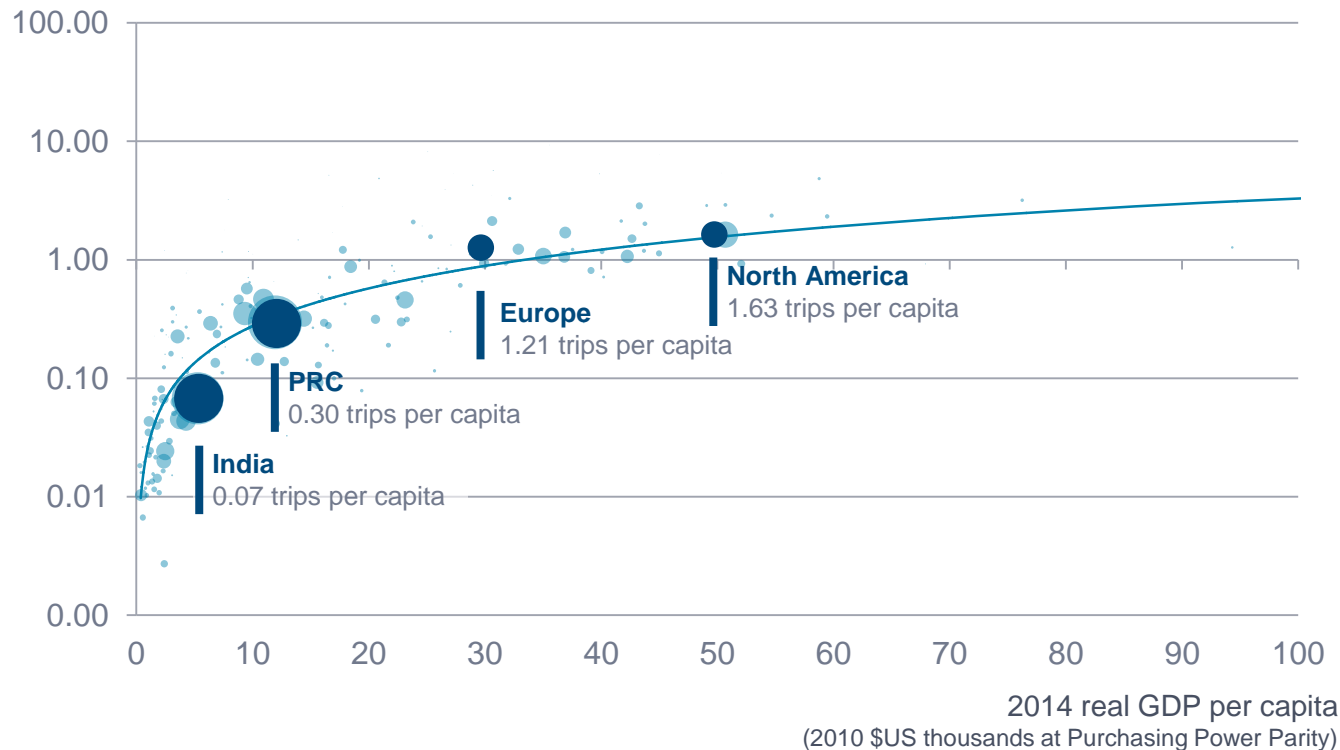
**Emerging markets to represent**

**43%** of the world private consumption by 2034, up from **31%** today

Source: IHS Economics, Airbus GMF2015

# Europeans and North American are the most willing to fly...

2014 trips per capita



**Propensity to travel**

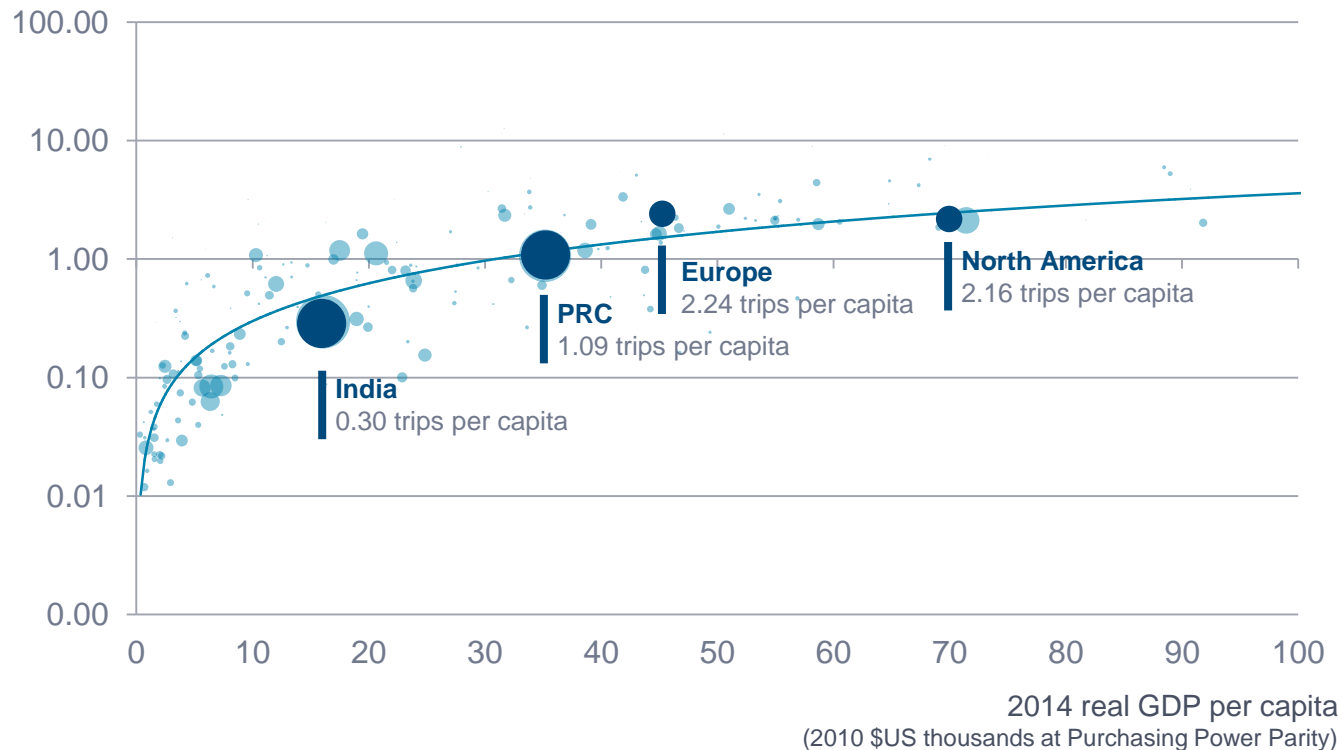
**25%**

of the population of the emerging countries took a trip a year in **2014**

Sources: Sabre, IHS Economics, Airbus GMF2015

## ...but by 2034, PRC will reach current European levels

2034 trips per capita



**Propensity to travel**

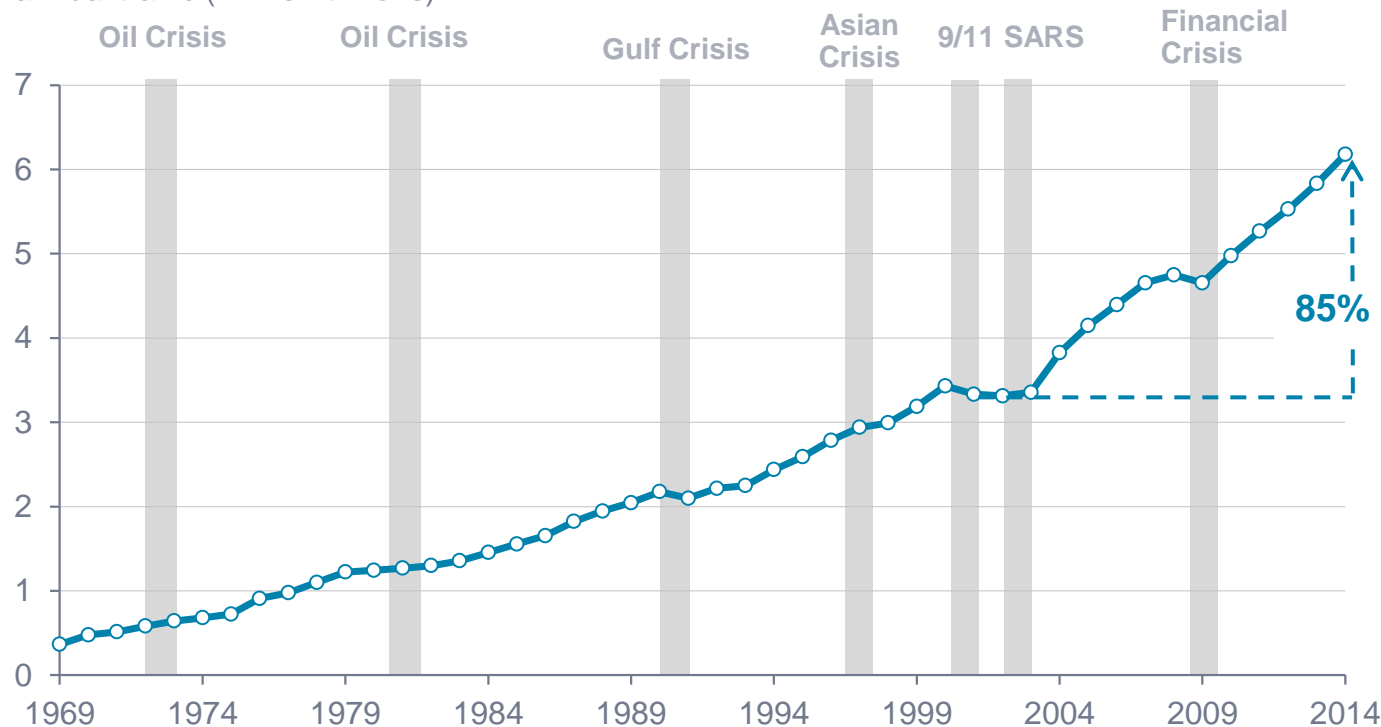
**74%**

of the population of the emerging countries will take a trip a year in **2034**

Sources: Sabre, IHS Economics, Airbus GMF2015

# Air travel has proven to be resilient to external shocks

World annual traffic (RPKs - trillions)



**World traffic**

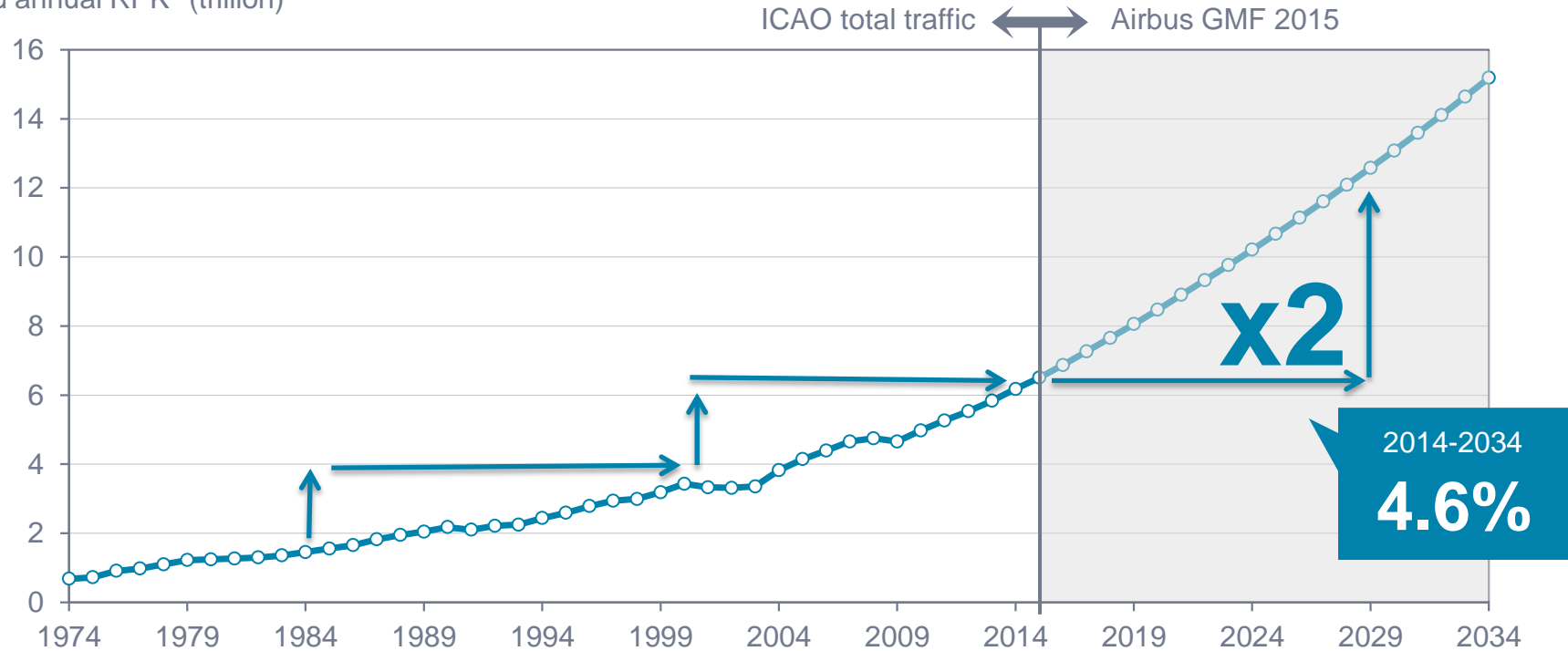
**85%**

growth since 9/11

Source: ICAO, Airbus

# Air traffic will double in the next 15 years

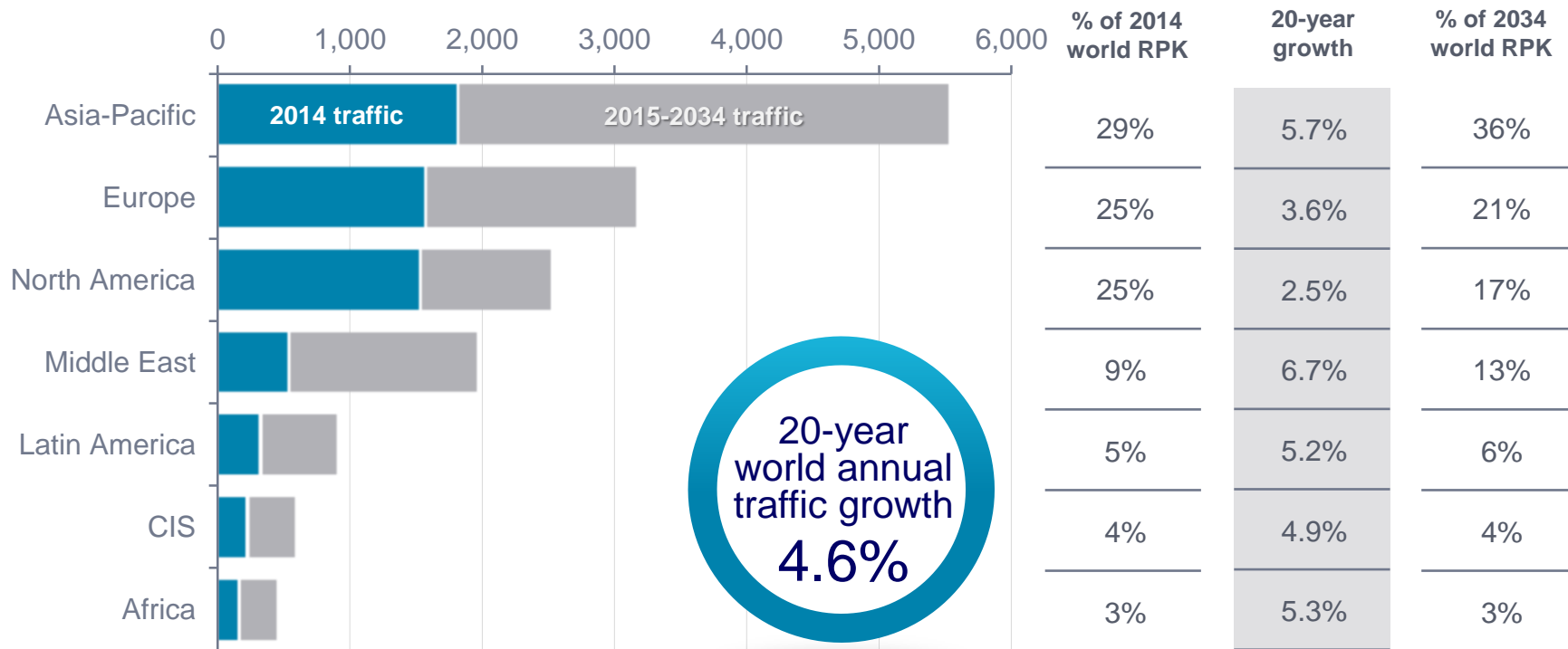
World annual RPK\* (trillion)



Source: ICAO, Airbus GMF2015

# Asia-Pacific to lead in world traffic by 2034

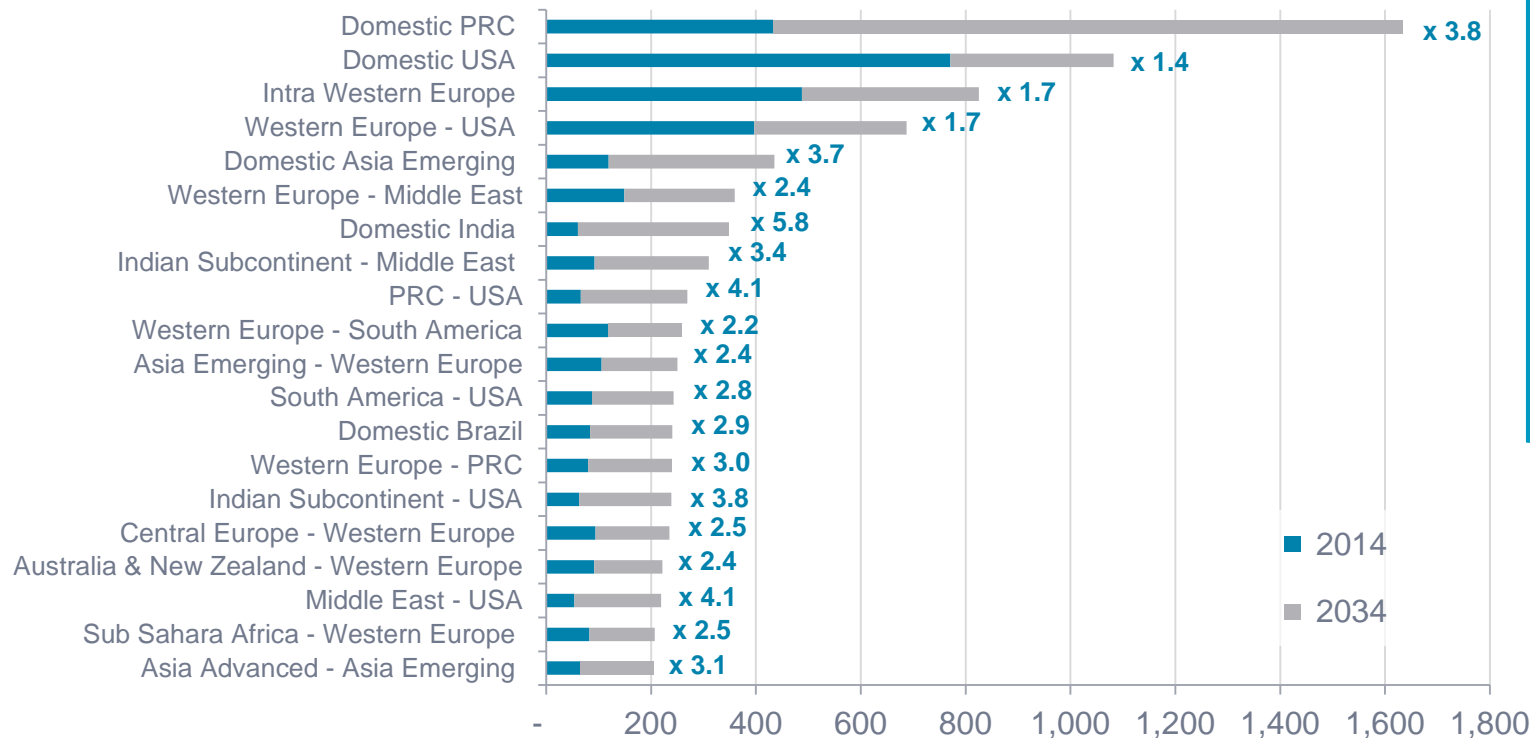
RPK traffic by airline domicile (billions)



Source: Airbus GMF2015

# Domestic PRC will be the largest O&D traffic flow

Annual O&D traffic per flow (billion RPK)



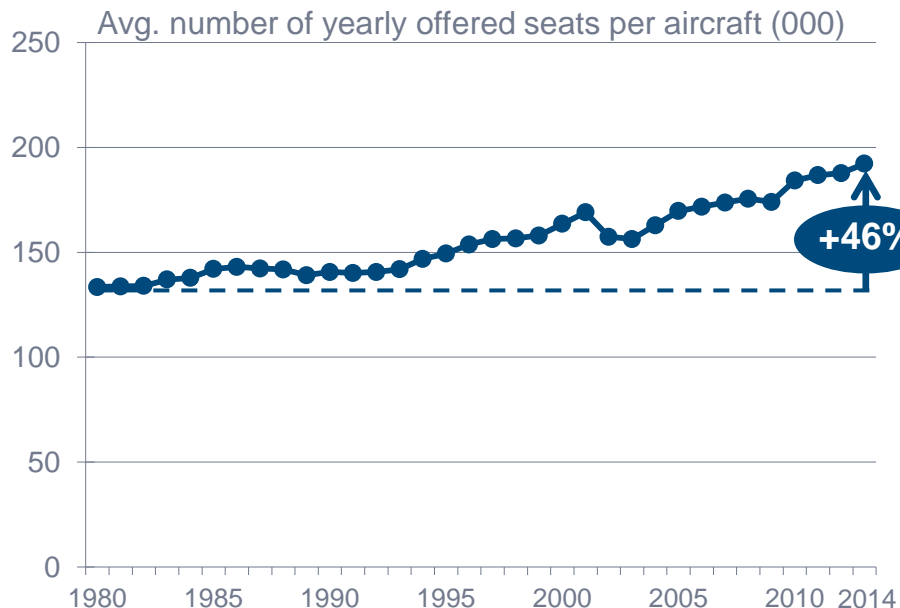
**Asia Pacific  
leading growth**

**50%**  
of the top twenty  
traffic flows will  
involve Asia Pacific

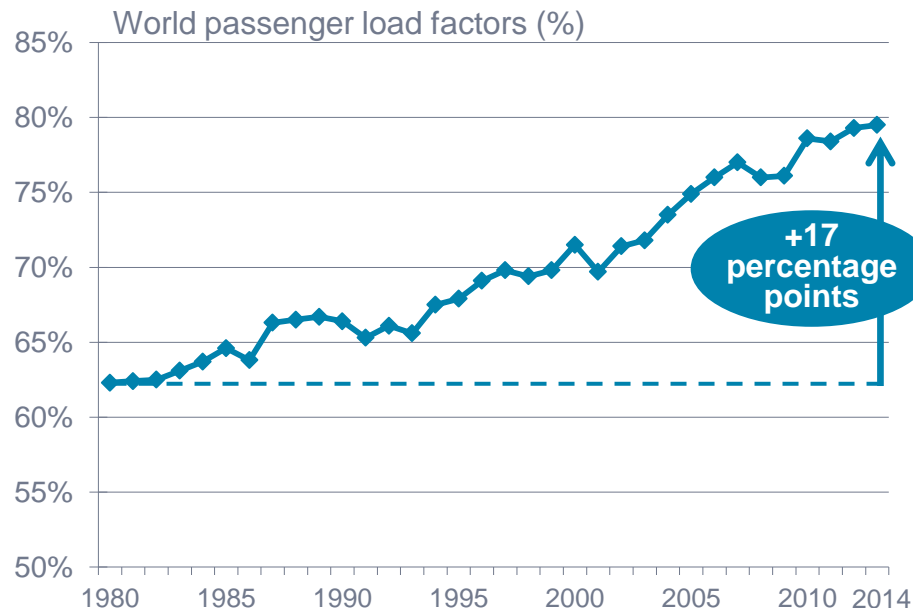
Source: Airbus GMF2015

# More productive seats...

## Yearly offered seats per aircraft



## Load factors

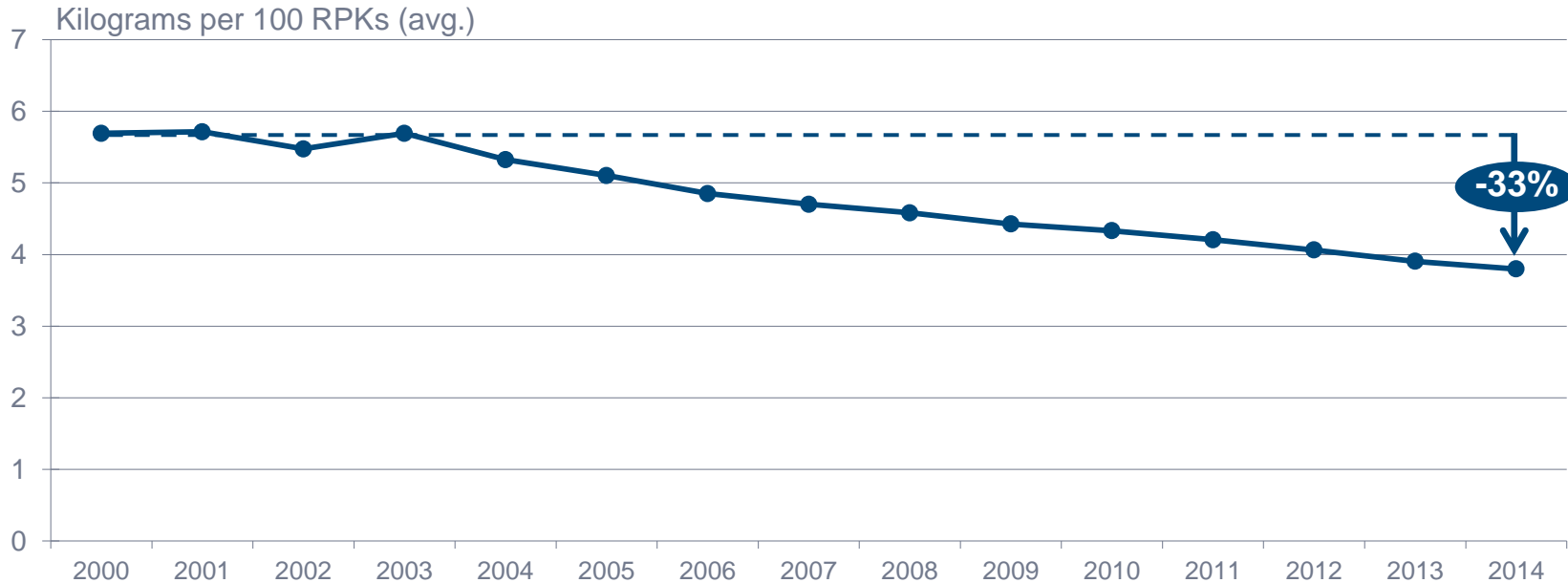


Source: OAG, Ascend, ICAO, Airbus GMF2015



# Less fuel burn, therefore less emissions...

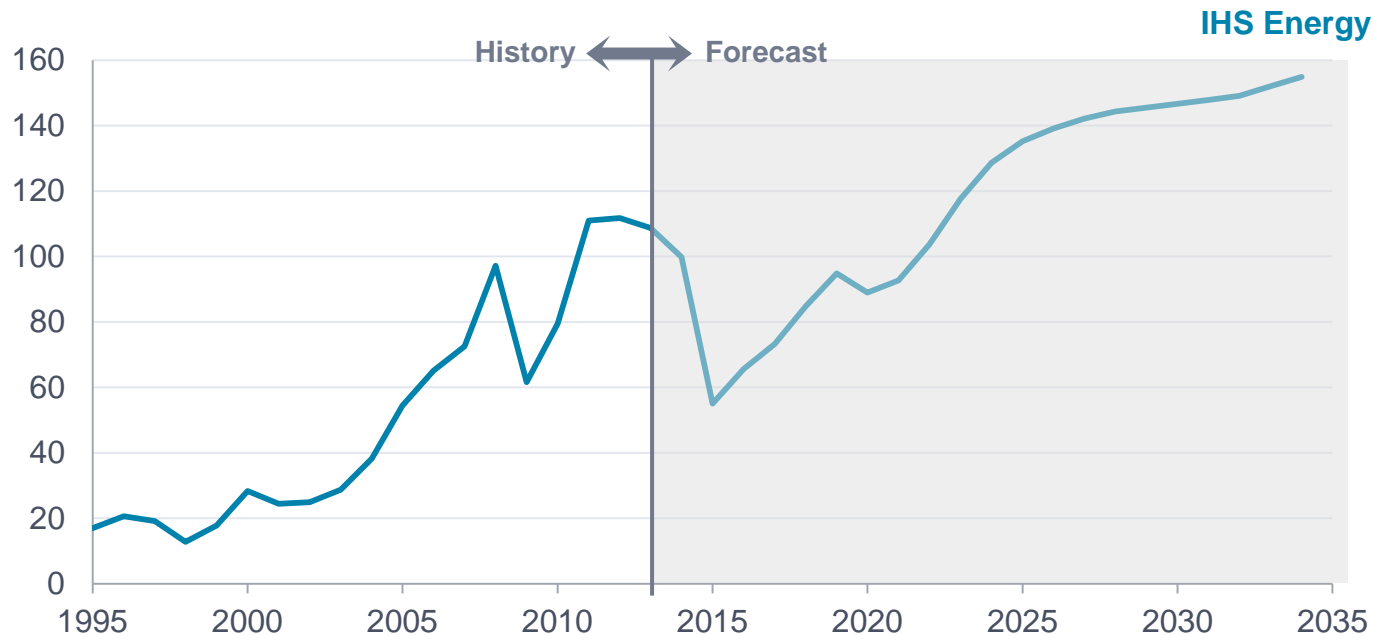
## Fuel consumption



Source: ICAO, IATA, Airbus GMF2015

# Short to medium term forecasts have been revised down

Brent oil price (US\$ per bbl. in nominal 2015)



## Oil prices

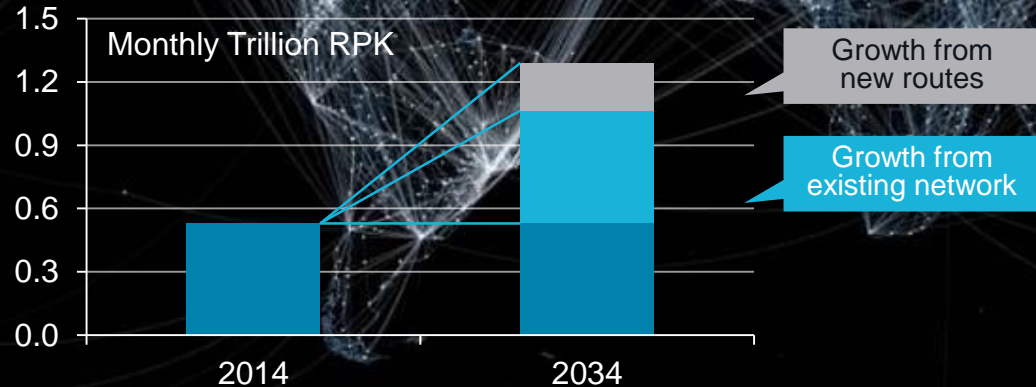
Oil price down but trend uncertain

**Short-term** good for airline profitability

**Medium-term** boost for global GDP

Source: IHS Energy, Oxford Economics

# 70% of traffic growth until 2034 will be coming from existing network



# 47 Aviation Mega-Cities in 2014

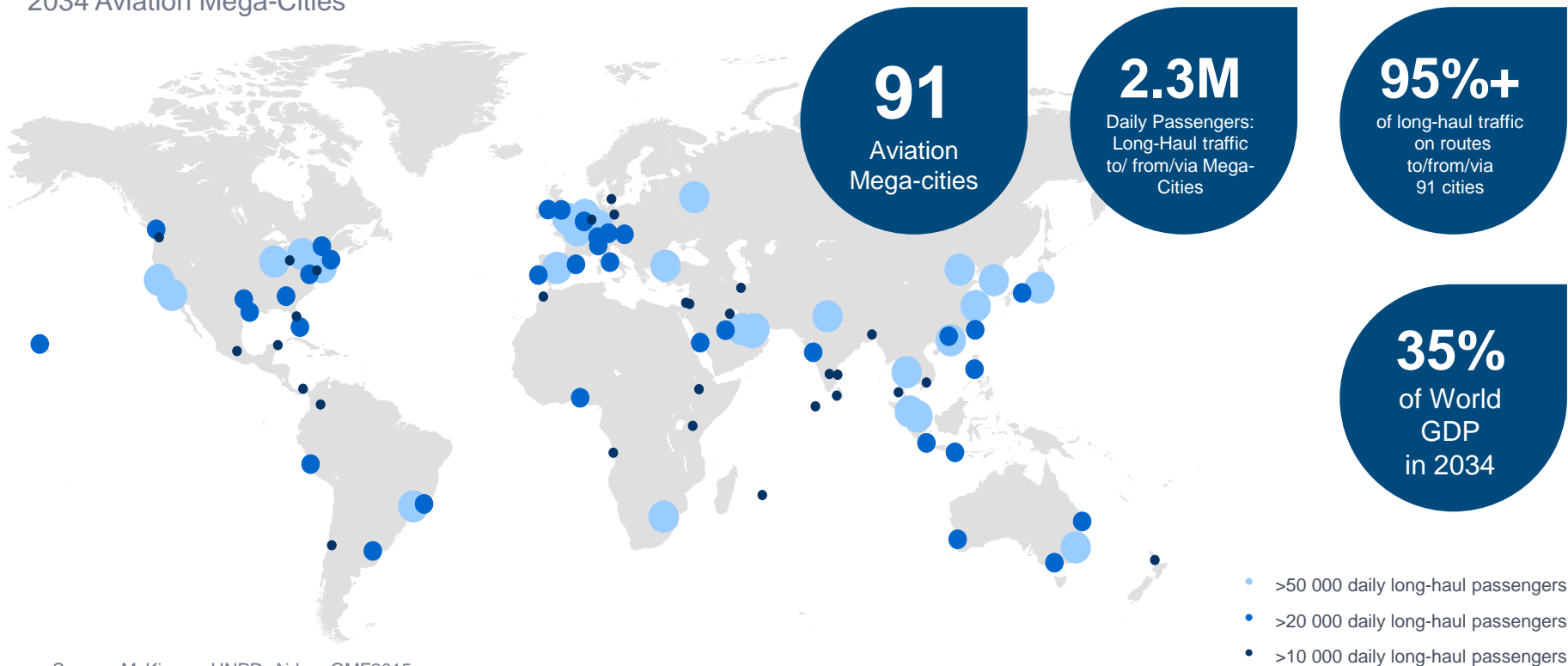
## 2014 Aviation Mega-Cities



Source: McKinsey, UNPD, Airbus GMF2015

# ... and 91 Mega-Cities by 2034

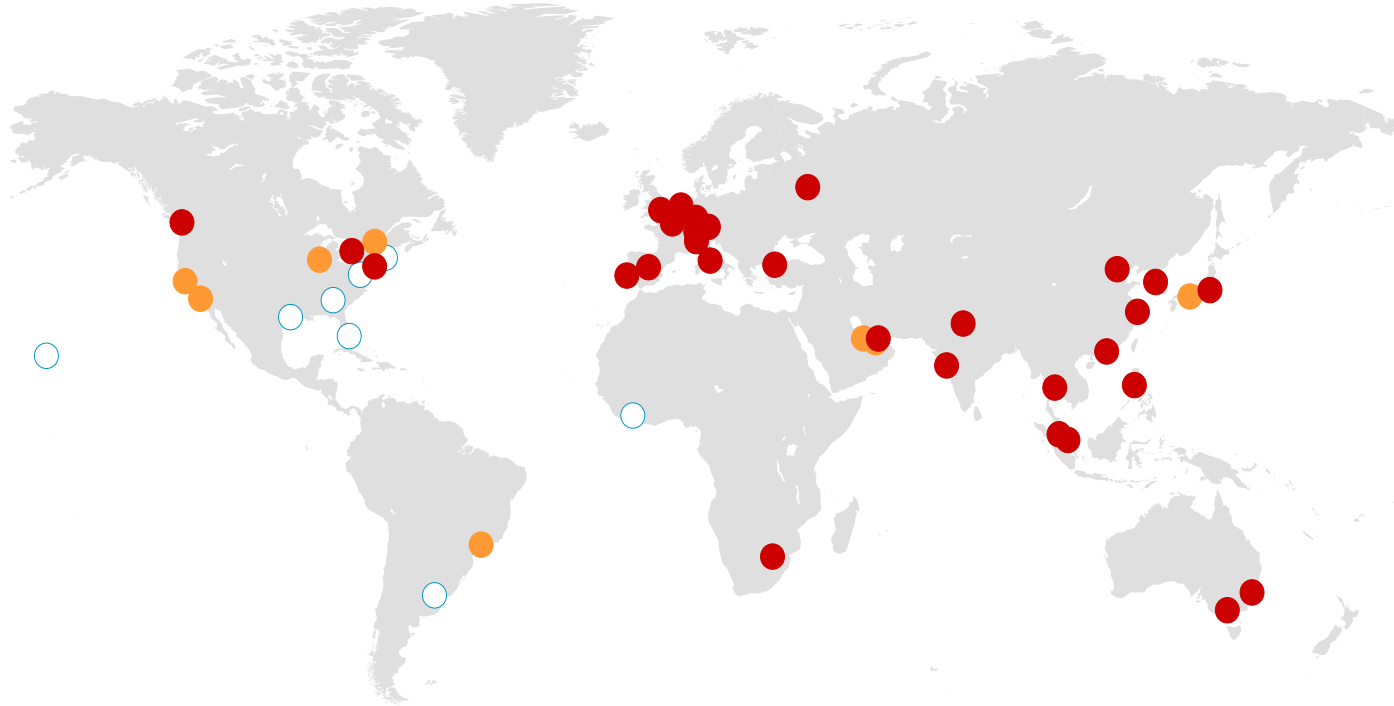
## 2034 Aviation Mega-Cities



Source: McKinsey, UNPD, Airbus GMF2015

# These airports are already largely congested




2014 Aviation Mega-Cities



Source: IATA WSG database, Airbus GMF

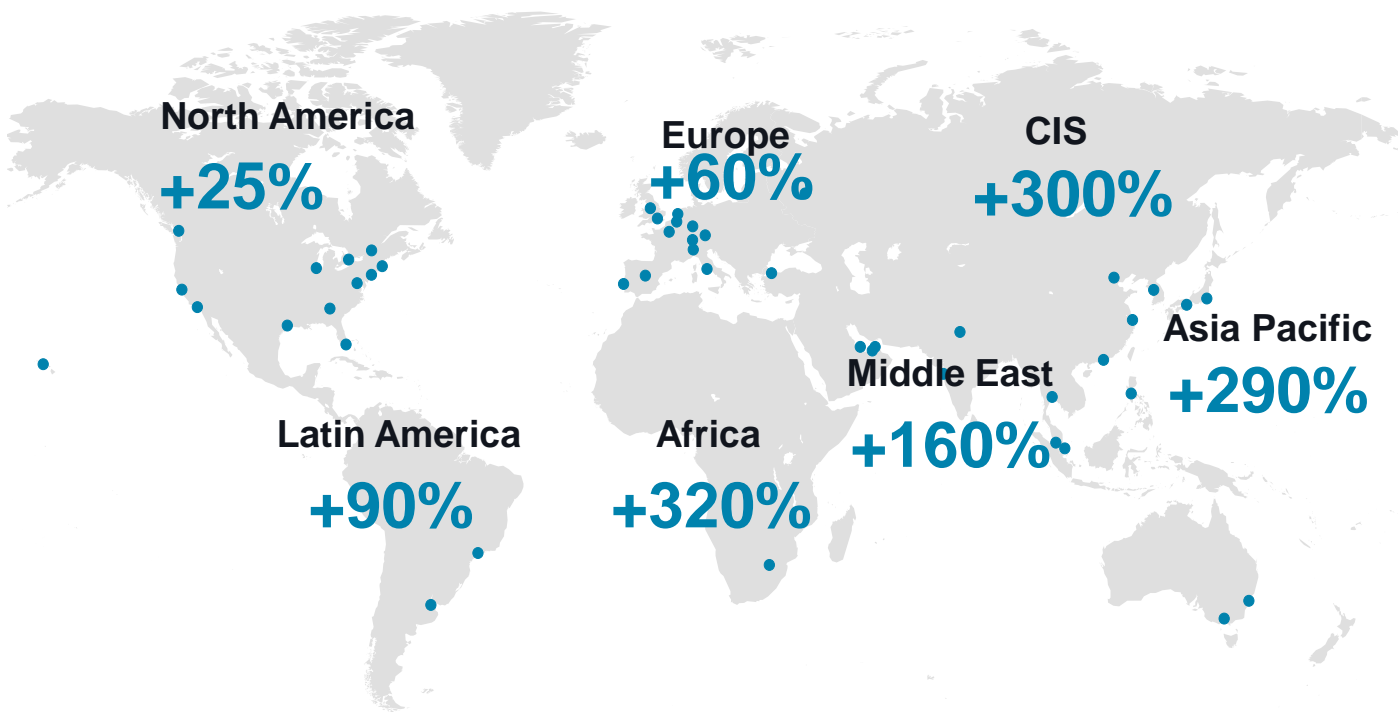
**39** out of the  
**47** Aviation  
Mega Cities are  
schedule-  
constrained  
today

\*Aviation Mega-Cities International  
Airports

-  **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

# The bigger the city, the wealthier the population

GDP per capita ratio between Aviation Mega-Cities and regional average

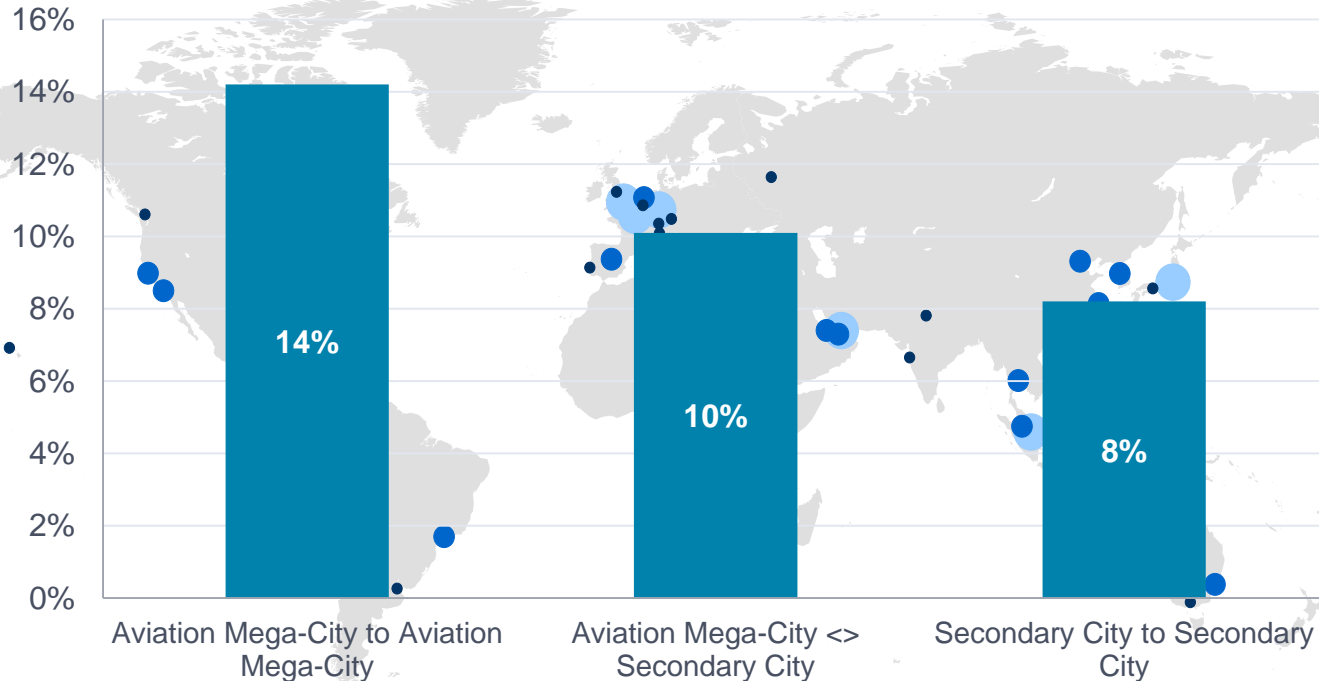


**47**  
Aviation  
Mega-cities

Source: Oxford Economics, UNPD, IHS  
Global Insight, Airbus GMF2015

# Routes between Aviation Mega-cities have more premium passengers

Percentage of premium passengers on routes types



Cities with more than 10,000 daily passengers, Long-haul, flight distance >2,000nm, excl. domestic traffic

**Percentage of premium passengers between AMC 2014**

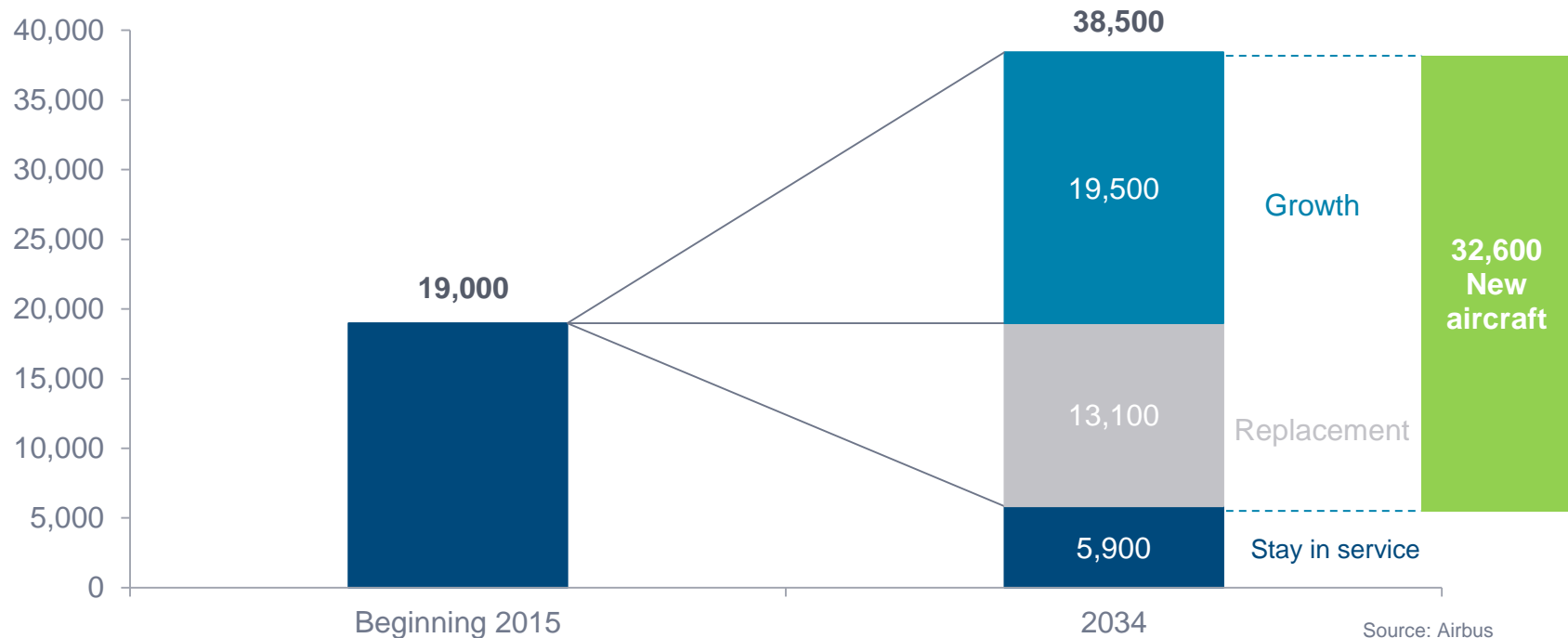
**14%**  
compared to 11% average international long-haul

Source: Sabre (September 2014 data), Airbus GMF2015



# Demand for some 32,600 new passenger and freighter aircraft

Fleet in service evolution: 2015-2034



Source: Airbus

Note: Passenger aircraft  $\geq 100$  seats,  
Freighter aircraft  $\geq 10$  tonnes

# Summary

- **Strong and resilient passenger traffic growth**
- **Oil price down but trend uncertain**
  - Short-term good for **airline profitability**
  - Medium-term boost for **global GDP**
- **Demand for 32,600 new aircraft by 2034 – ~31,800 passenger aircraft and 800 freighters**
- **13,100 passenger aircraft needed for replacement**, largely single-aisle
- **Single-aisle represent 70% of demand in units, but wide-bodies represent 55% of value**
- **VLA demand largely concentrated on Aviation Mega-cities**  
but network efficiencies will drive proliferation of new VLA destinations

© AIRBUS (Airbus S.A.S., Airbus Operations S.A.S., Airbus Operations GmbH, Airbus Operations LDT, Airbus Opearions SL, Airbus China LTD, Airbus (Tianjin) Final Assembly Company LTD, Airbus (Tianjin) Delivery Centre LTD). All rights reserved. Confidential and proprietary document. This document and all information contained herein is the sole property of AIRBUS. No intellectual property rights are granted by the delivery of this document or the disclosure of its content. This document shall not be reproduced or disclosed to a third party without the express written consent of AIRBUS S.A.S. This document and its content shall not be used for any purpose other than that for which it is supplied. The statements made herein do not constitute an offer. They are based on the mentioned assumptions and are expressed in good faith. Where the supporting grounds for these statements are not shown, AIRBUS S.A.S. will be pleased to explain the basis thereof. AIRBUS, its logo, A300, A310, A318, A319, A320, A321, A330, A340, A350, A380, A400M are registered trademarks.

