



# STATE OF THE INDUSTRY

18 MARCH 2015, ATHENS

Airline Distribution™ 2015

Host: **UATP**

Co-Host:  **AEA**  
ASSOCIATION OF EUROPEAN AIRLINES

# AEA Members: To the power of 29

**ADRIA**  
ADRIA AIRWAYS

**AEGEAN**

**airBaltic**

**airberlin**

**AIRFRANCE**

**airmalta**

**Alitalia**

**Austrian**

**BRITISH AIRWAYS**

**brussels airlines**

**cargolux**

**CROATIA AIRLINES**

**CYPRUS AIRWAYS**

**DHL**

**FINNAIR**

**IBERIA**

**ICELANDAIR**

**KLM**

**LOT**  
POLISH AIRLINES

**Lufthansa**

**Luxair**

**Meridiana**

**SAS**  
Scandinavian Airlines

**SWISS**

**TAP** TAP PORTUGAL

**TAROM**  
ROMANIAN AIR TRANSPORT

**TNT**

**TURKISH AIRLINES**

**UIA**

# AEA FACTS AND FIGURES



29 member airlines  
with 2,500 aircraft



11,600 flights/day



635 destinations in  
160 countries



**€100BN TOTAL TURNOVER**



415 million passengers



365,000 employees



5.4 million tonnes of cargo

## AEA MEMBERS: VALUED AND ACKNOWLEDGED



**AEA airlines' share of European air transport**

Source: SRS Analyser, Year 2014, seats to/from & within Europe

**3**

**of just 6 scheduled airlines listed**

Source: Fortune 500 Global Companies, 2014



**5**

**in the world Top-20 most valuable airline Brands**

Source: Brand Finance, 2015

**9** in Top-10 best European airlines

**5** in Top-5 best airline staff

Source: Skytrak Airline Awards, 2014



# AIR TRANSPORT IS A MAJOR CONTRIBUTOR TO EUROPEAN **CONNECTIVITY**

**9.6**  
million

**Flights in  
European air  
space**

*26,000 a day*

Source: Eurocontrol, 2014

**Passengers  
on European  
airlines**

Source: ICAO est. 2014

**860**  
million

**7.5**  
million

**Tonnes of  
Freight on  
European  
airlines**

*Incl. 25% of  
international  
cargo worldwide*

Source: ICAO est. 2014

**Connecting  
Europe to the  
world**

*from Angola to  
Venezuela*

Source: Innovata, Year 2014

**120**  
countries

## AIR TRANSPORT IS GOOD AT **CREATING VALUE**

€**452**  
bn/year

**Contribution  
of air  
transport  
to European  
GDP**

Source: ATAG 2014, refers to  
direct, indirect & induced effects

€**1.2** bn  
every day

**Jobs in  
Europe  
thanks to air  
transport**

Source: AEA research based on  
*ATAG 2014, direct, indirect,  
induced & tourism effects, UN  
population statistics*

**11.7**  
million

**1 in 40**  
jobs

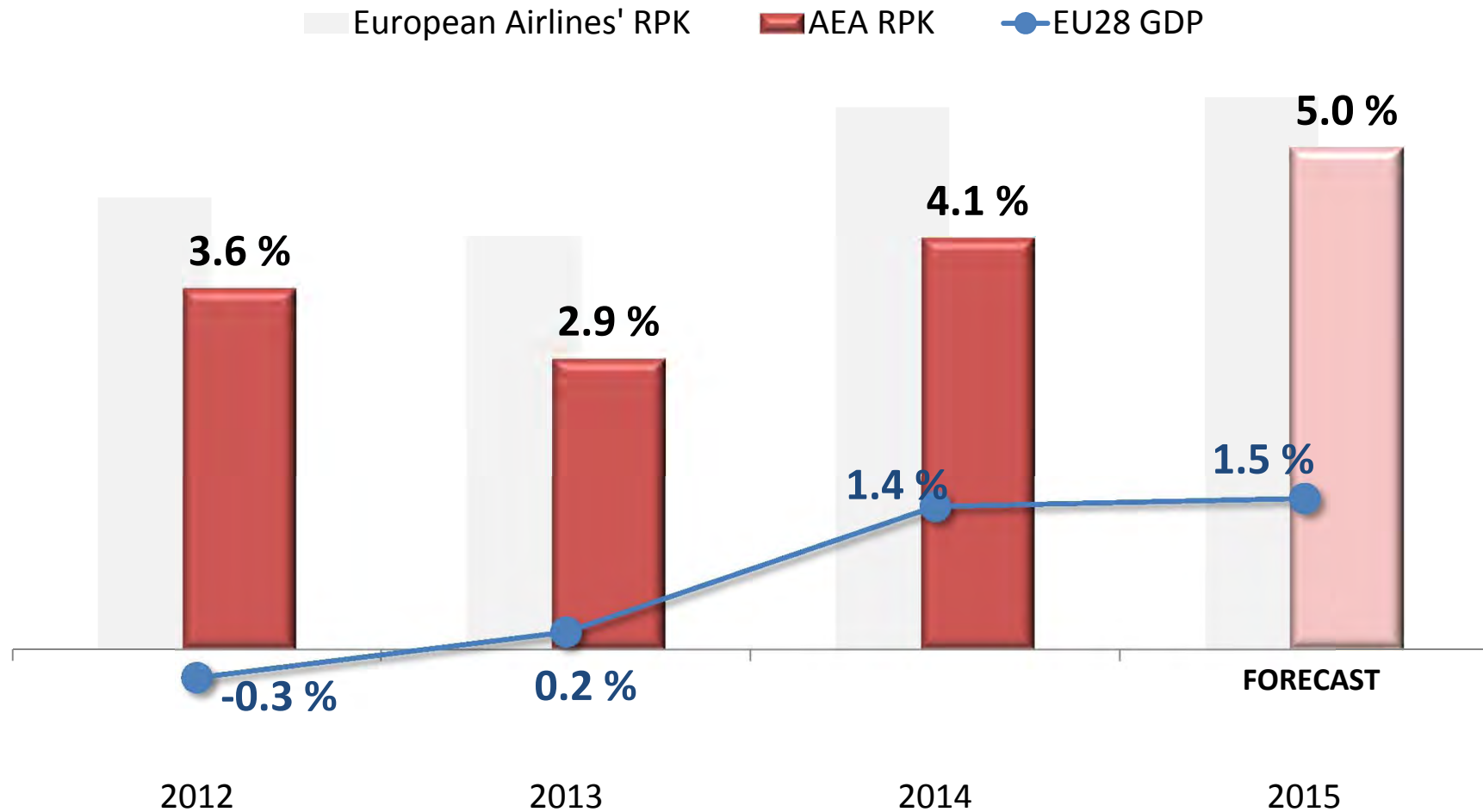
## 2014 KEY AEA FIGURES

<b>Final</b>	<b>2014/2013</b>
<b>Passenger Numbers</b>	<b>+2.9%</b>
<b>RPK</b>	<b>+4.1%</b>
<b>Passenger Load Factor</b>	<b>80.6%</b>
<b>Freight Tonne-Kms</b>	<b>+2.1%</b>

<b>Estimates</b>	<b>2014/2013</b>
<b>Total Revenues</b>	<b>+1.0%</b>
<b>Total Expenses</b>	<b>+0.8%</b>

# PASSENGER TRAFFIC DE-COUPLING FROM EU ECONOMIC GROWTH

European Passenger traffic grows, despite poor economic growth



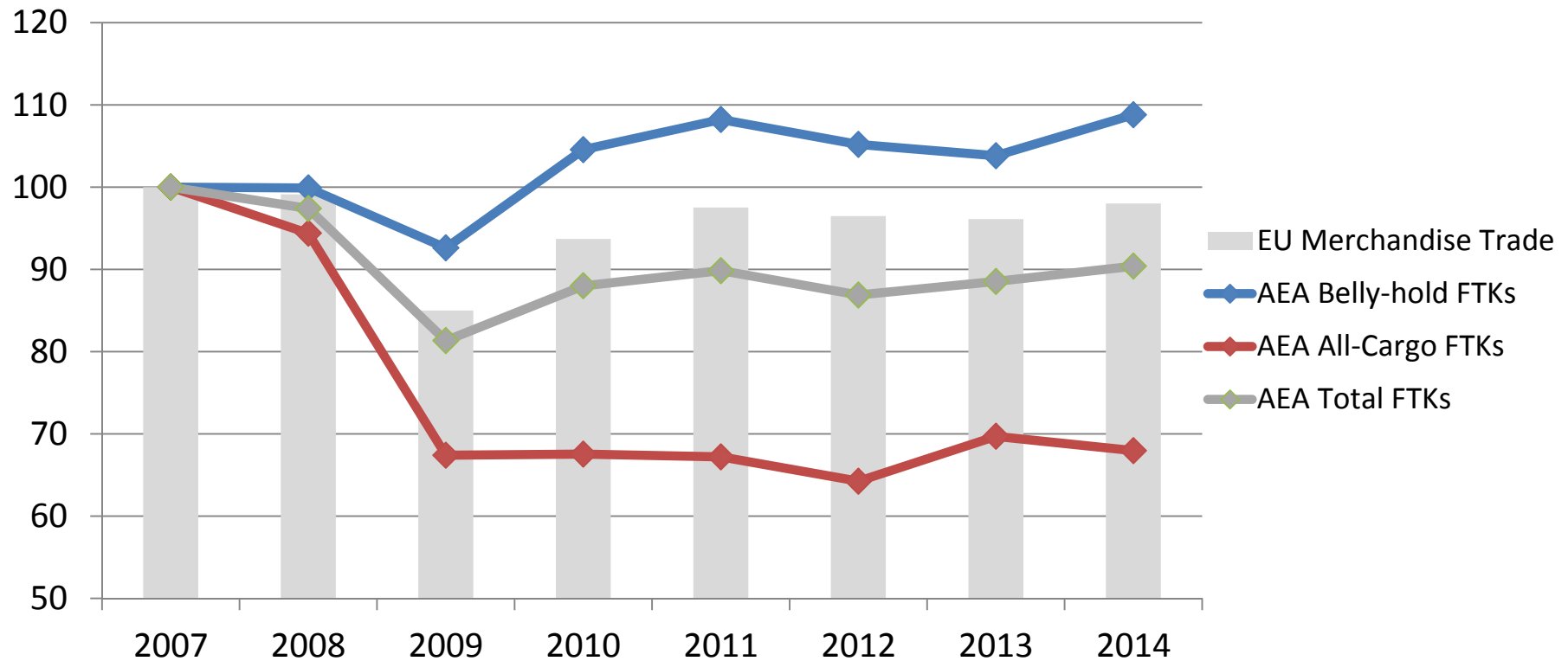
Source: GDP: IMF World Economic Outlook October 2014 & January 2015 update; RPK traffic data & forecast, AEA & IATA for European Airlines



# TRADE AND ALL-CARGO TRAFFIC BELOW POTENTIAL

## AEA Freight Traffic Development

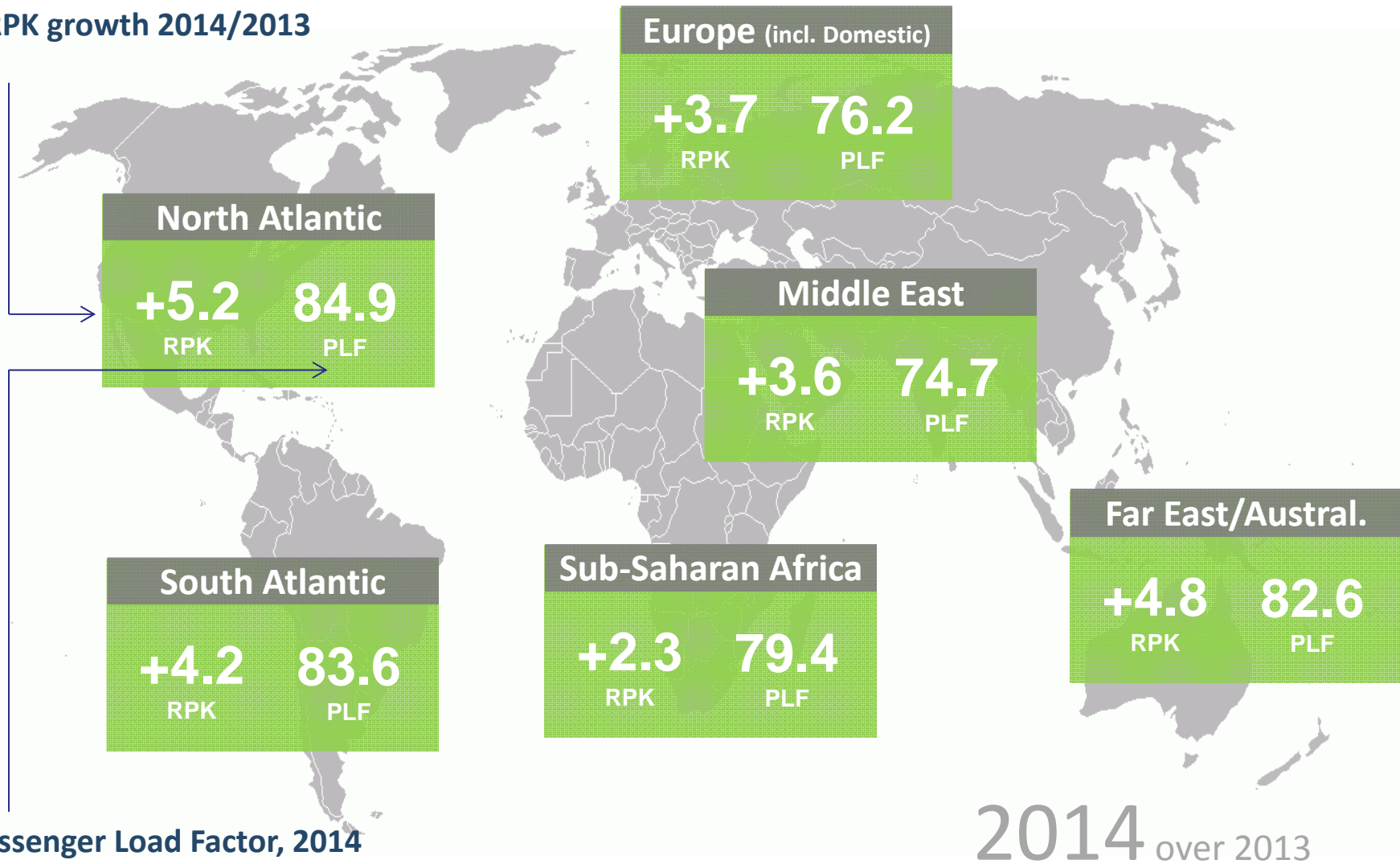
Index 100 = year 2007



Source: CPB World Trade Monitor, AEA Freight tonne-kms belly-hold, all-cargo and total

# AEA PASSENGER TRAFFIC GREW ACROSS ALL REGIONS

% RPK growth 2014/2013



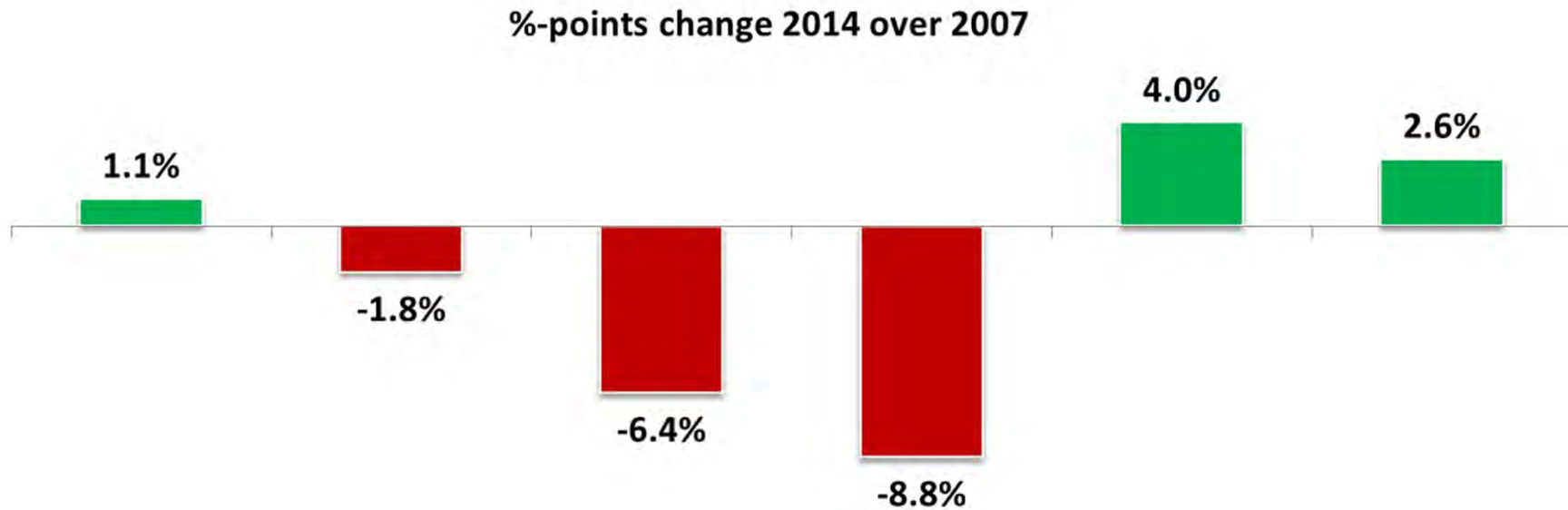
Source: AEA data

# EU CARRIERS' SHARE OF INTERNATIONAL MARKETS

## Market Share of EU Carriers on Routes to/from EU

% share, 2014

North America	SE Asia	Indian Subcontinent	Middle East	Africa	South America
55.2 %	31.1%	51.1 %	25.9 %	63.4 %	79.2 %



## LOSS OF MARKET SHARE EQUALS LOSS OF ECONOMIC VALUE

### Market Share of EU Carriers on Routes to/from EU

% share, 2014

52.1%

%-points change 2014 over 2007

-1.4%

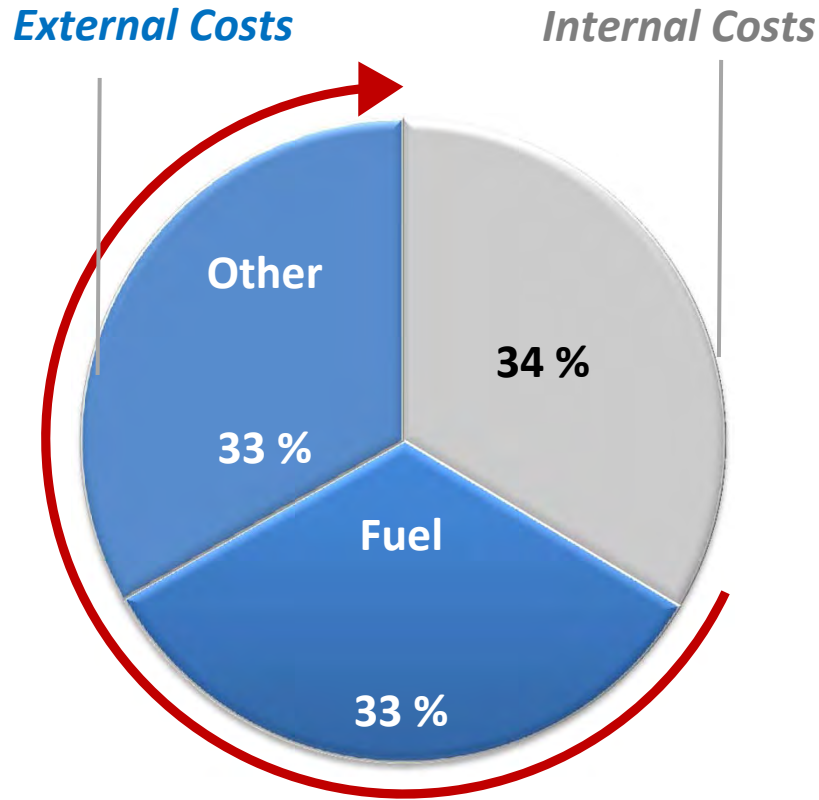
EU to/from Non-EU

**= 30,000 flights**

**= 26,000 aviation jobs**

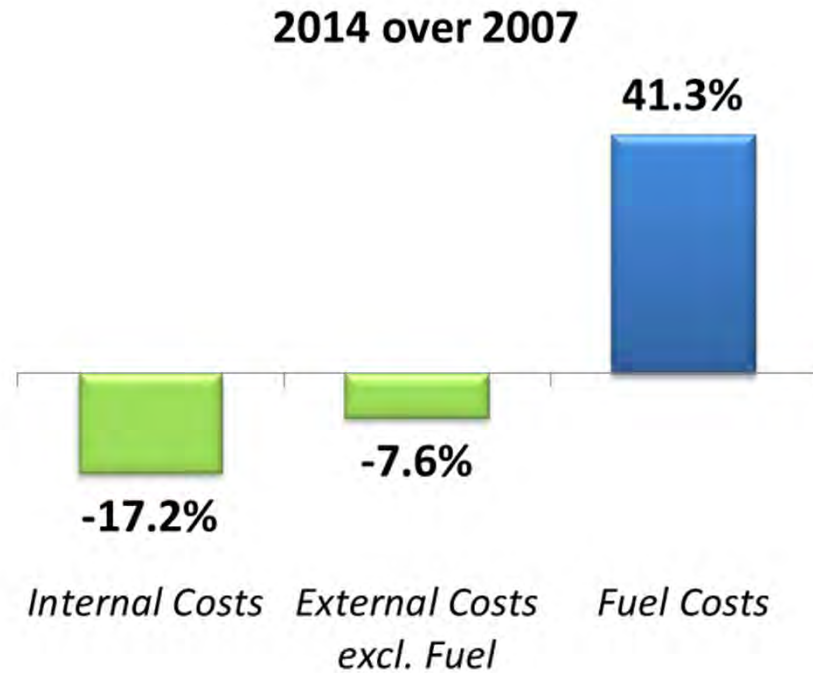
# COMPETITION & FUEL COSTS DICTATE COST CUTTING

## AEA AIRLINES' COST STRUCTURE & PROGRESS



Source: AEA data, reference year 2014 estimate

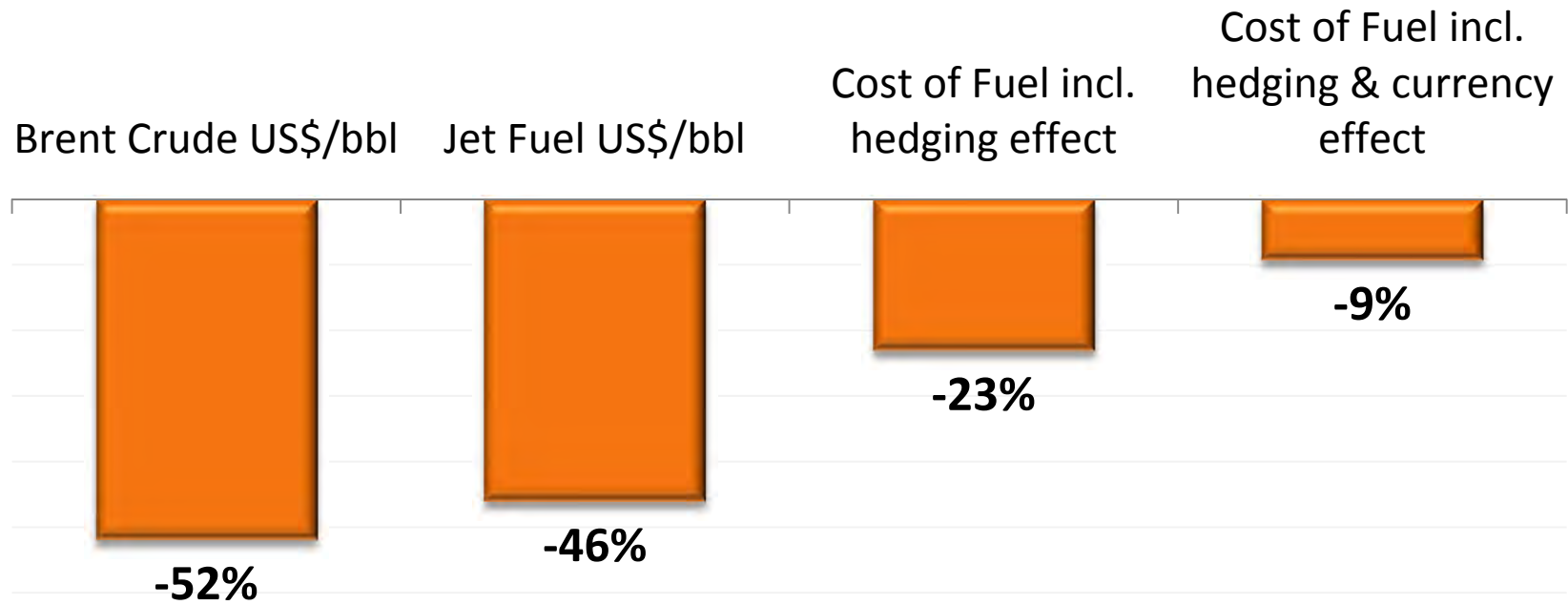
**2014**



Source: AEA data

# CHEAP OIL DOES NOT EQUAL LOWER FARES/HIGHER PROFIT (YET)

Effect of Crude Oil drop on AEA Fuel Cost  
Jan-2015 vs Jan-2014

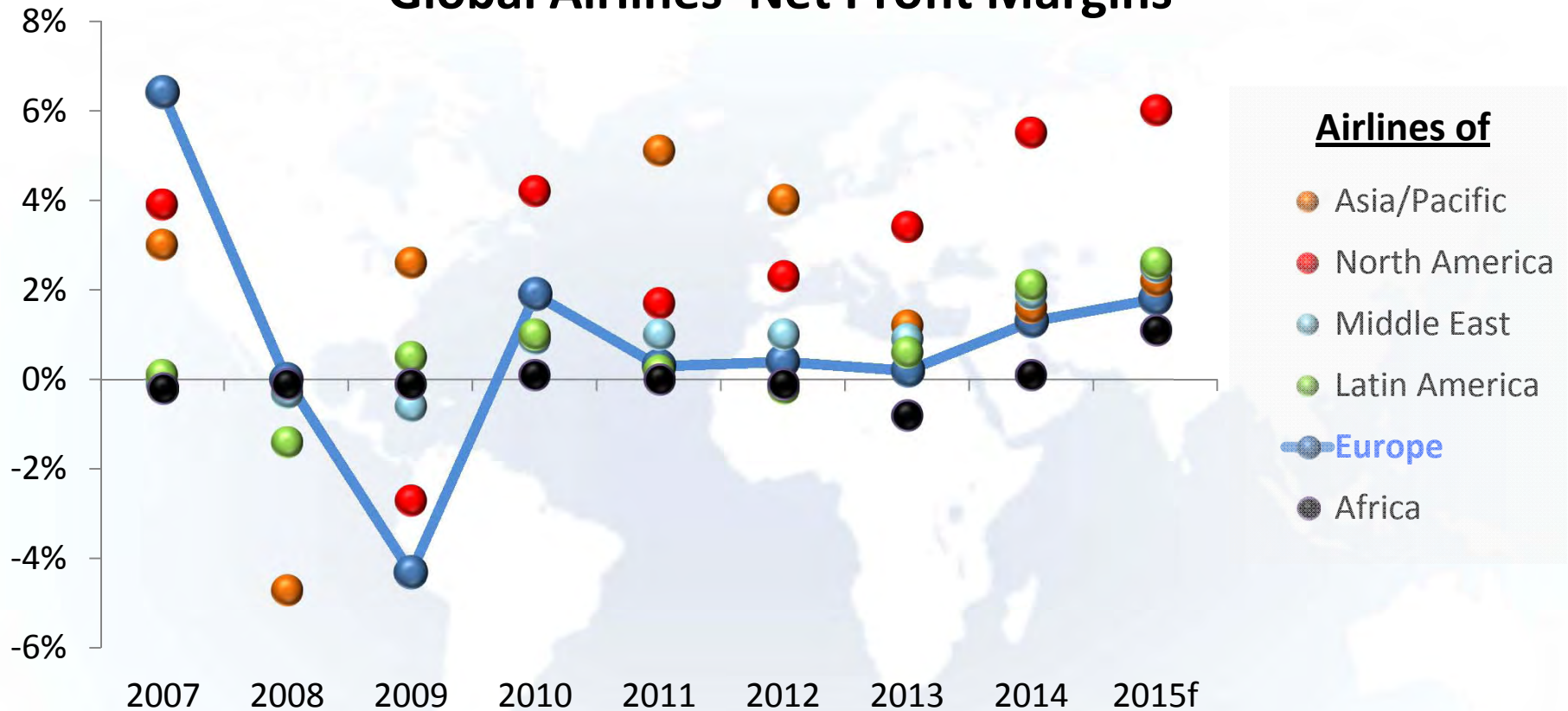


Source: AEA research, based on AEA data, OANDA, EIA

# EUROPE TRAILS BEHIND

*in the world league table of airline profitability*

## Global Airlines' Net Profit Margins



Source AEA research based on ICAO and IATA  
Europe = AEA airlines + Largest LCCs + Russian Airlines

# STAKEHOLDERS' RESPONSIBILITIES



**ELIMINATE INEFFICIENCIES**



**AVOID UNNECESSARY COST**



**DO AWAY WITH BURDENS**





## VIDEO: Back to the Future

You can also find us on:  
Visit our website [www.aea.be](http://www.aea.be)

