



Keilir
Aviation
Academy

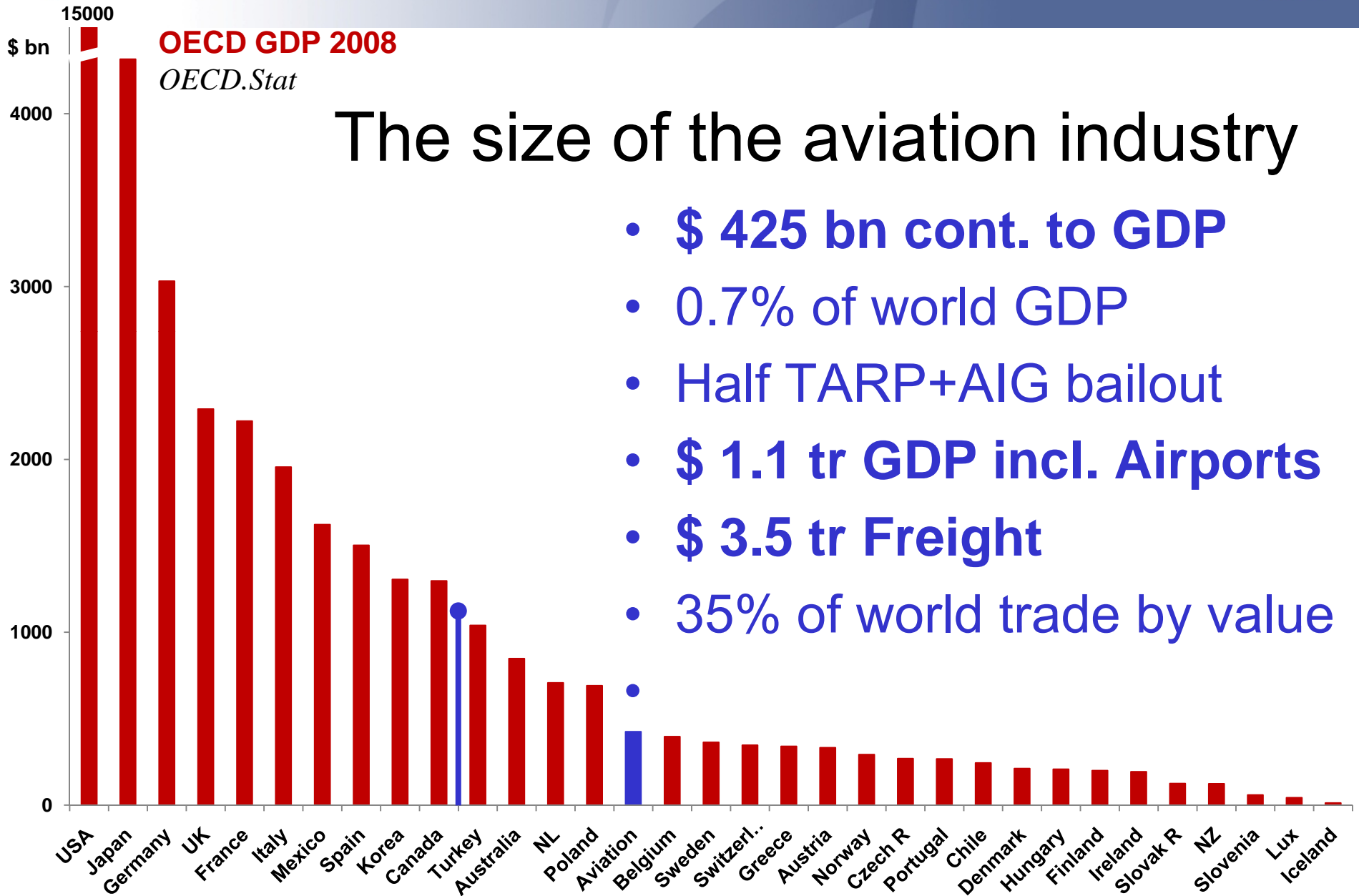
Atlantic Conference on
EYJAFJALLAJÖKULL AND AVIATION
Keflavik Airport, Iceland, September 15-16, 2010

The importance of the aviation industry for the global economy

Stephen Perkins

INTERNATIONAL TRANSPORT FORUM

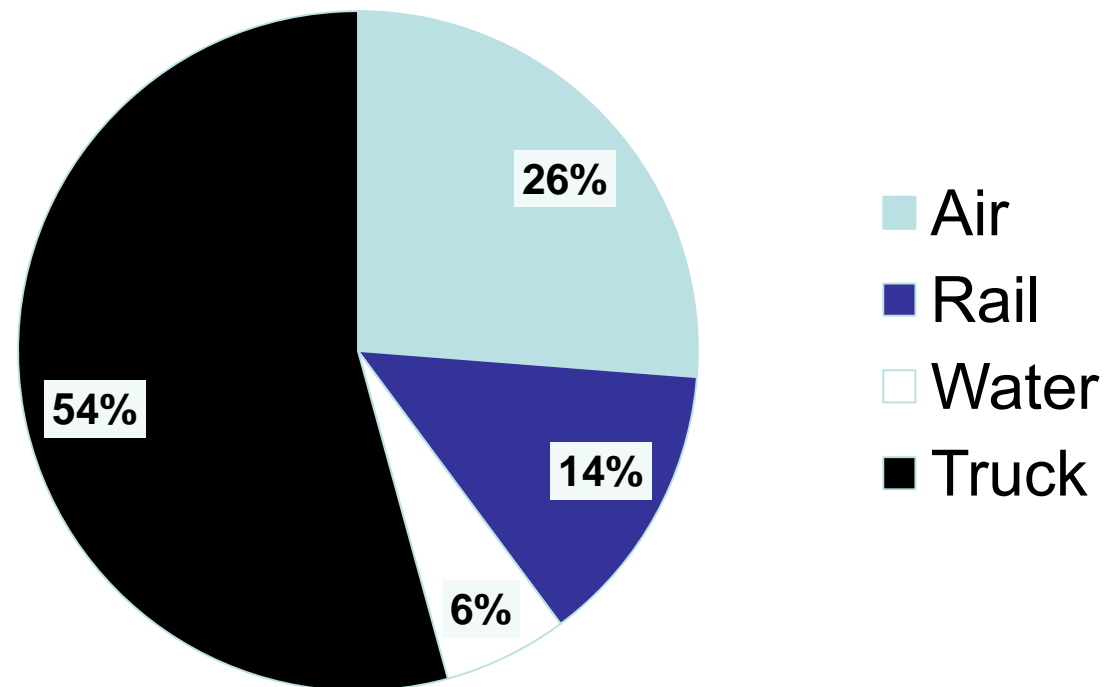




The size of the aviation industry

- \$ 425 bn cont. to GDP
- 0.7% of world GDP
- Half TARP+AIG bailout
- \$ 1.1 tr GDP incl. Airports
- \$ 3.5 tr Freight
- 35% of world trade by value

Share of transport GDP by mode in the USA 2007





Volcano impact

- \$ 5 bn GDP total
- \$ 2.2 bn aviation losses
- \$ 2.0 bn visitor spending, stranded workers, week 1
- Obama infrastructure spend proposal \$ 50 bn

NASA 19 April 2010



Is aviation integral to growth, are there long term substitutes?

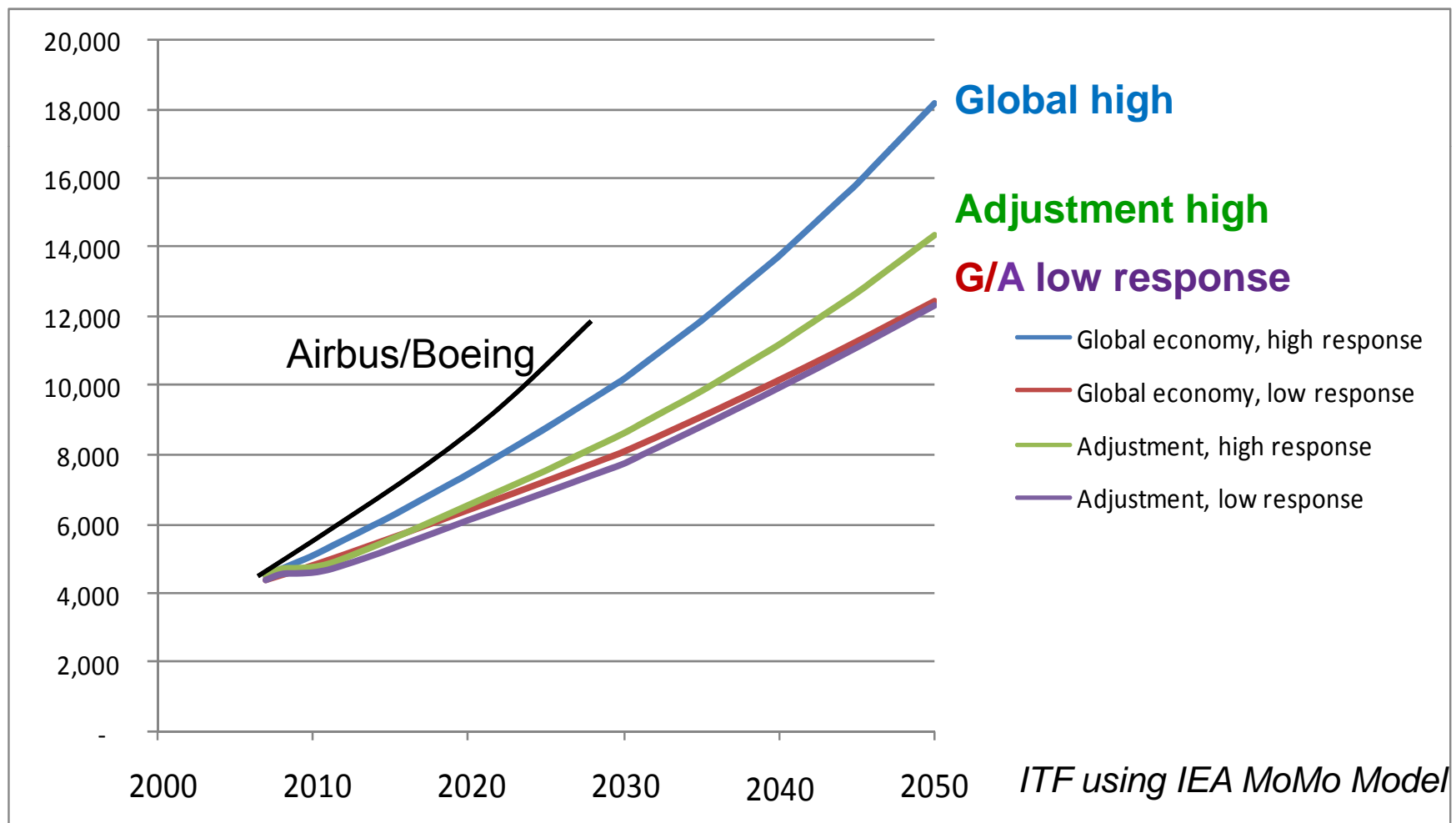
- Globalisation & trade
- New economic geography, megacities
- High speed rail
- Emissions trading



The main drivers of demand

- GDP
- ▼ Global savings/trade rebalancing
- ▲ Cost of air travel & freight
 - Low cost carriers, alliances, mergers
 - Liberalisation, open skies

ITF scenarios for global aviation volume (billion RPK)





The potential economic impact of volcanic ash clouds will increase as traffic becomes denser



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