The importance of the aviation industry for the global economy

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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

- Air: 26%
- Rail: 14%
- Water: 6%
- Truck: 54%

ITF & OECD.Stat
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)

Global high
Adjustment high
G/A low response

Airbus/Boeing

Global economy, high response
Global economy, low response
Adjustment, high response
Adjustment, low response

ITF using IEA MoMo Model
The potential economic impact of volcanic ash clouds will increase as traffic becomes denser.
WWW.
InternationalTransportForum.org