LE RENDEZ-VOUS DE L’ASSURANCE TRANSPORTS

Cannes

4th and 5th May 2010

CESAM

ASSURANCE TRANSPORTS 2010

LE RENDEZ-VOUS DE CANNES

Air Freight in a Cyclical Market

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Background

About IATA

- The International Air Transport Association is the industry's global trade association
- Founded in 1945 with 230 members, in 130 countries, comprising 93% of international scheduled traffic
- Our mission is to represent, lead & serve the industry
- IATA delivers Standards and Solutions to ensure a safe and successful air transport
- In 2009, IATA Settlement Systems processed sales amounting to over US$210 billion to airlines

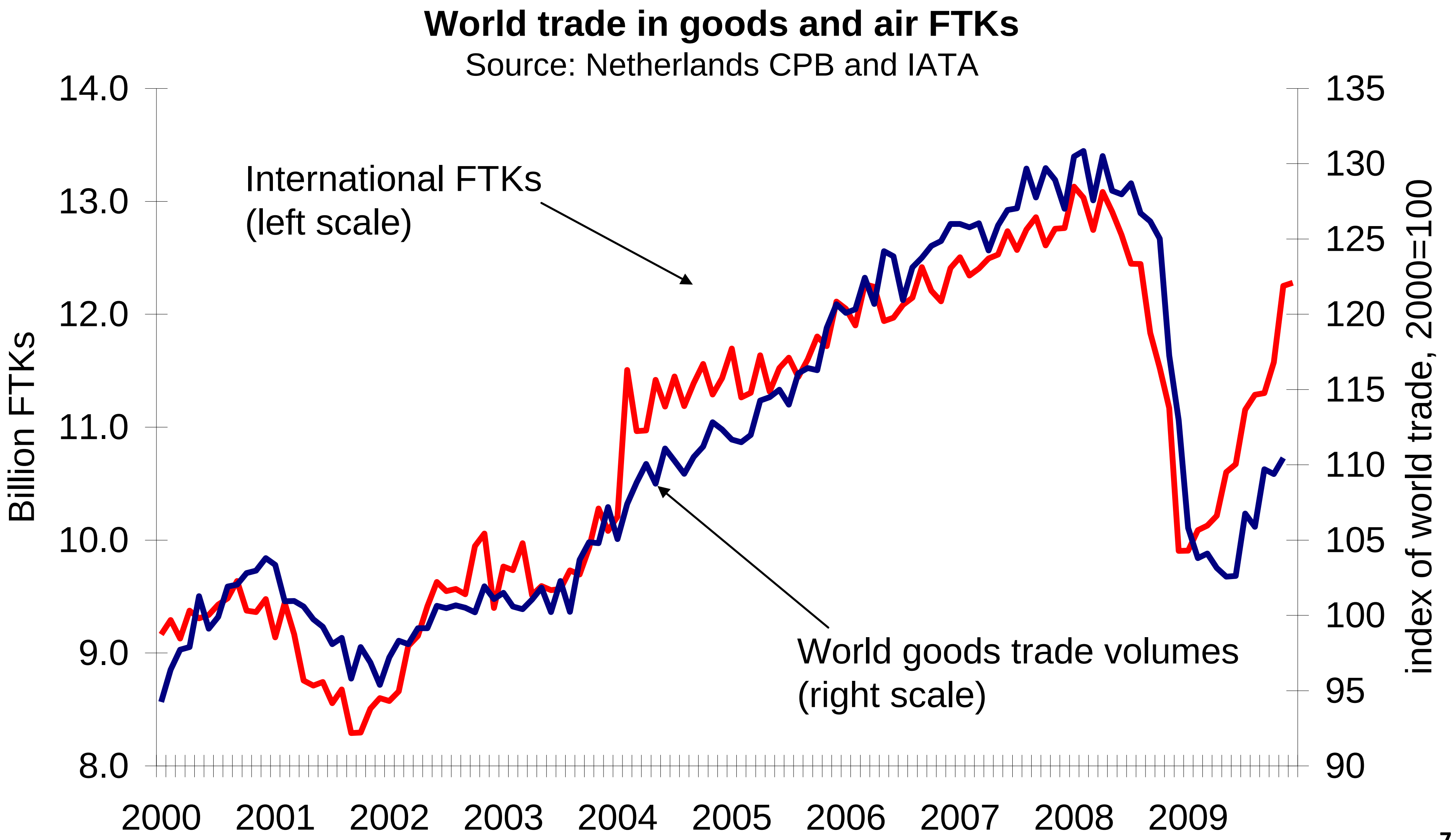
About Air Cargo

- Scheduled air cargo started 90 years ago with mail
- Essential engine of today's global economy and airlines business
- Consists of general & special cargo e.g. perishables
- 30% of worldwide value of Cargo transported and 3% in volume
- Speed and on time delivery are the competitive advantages

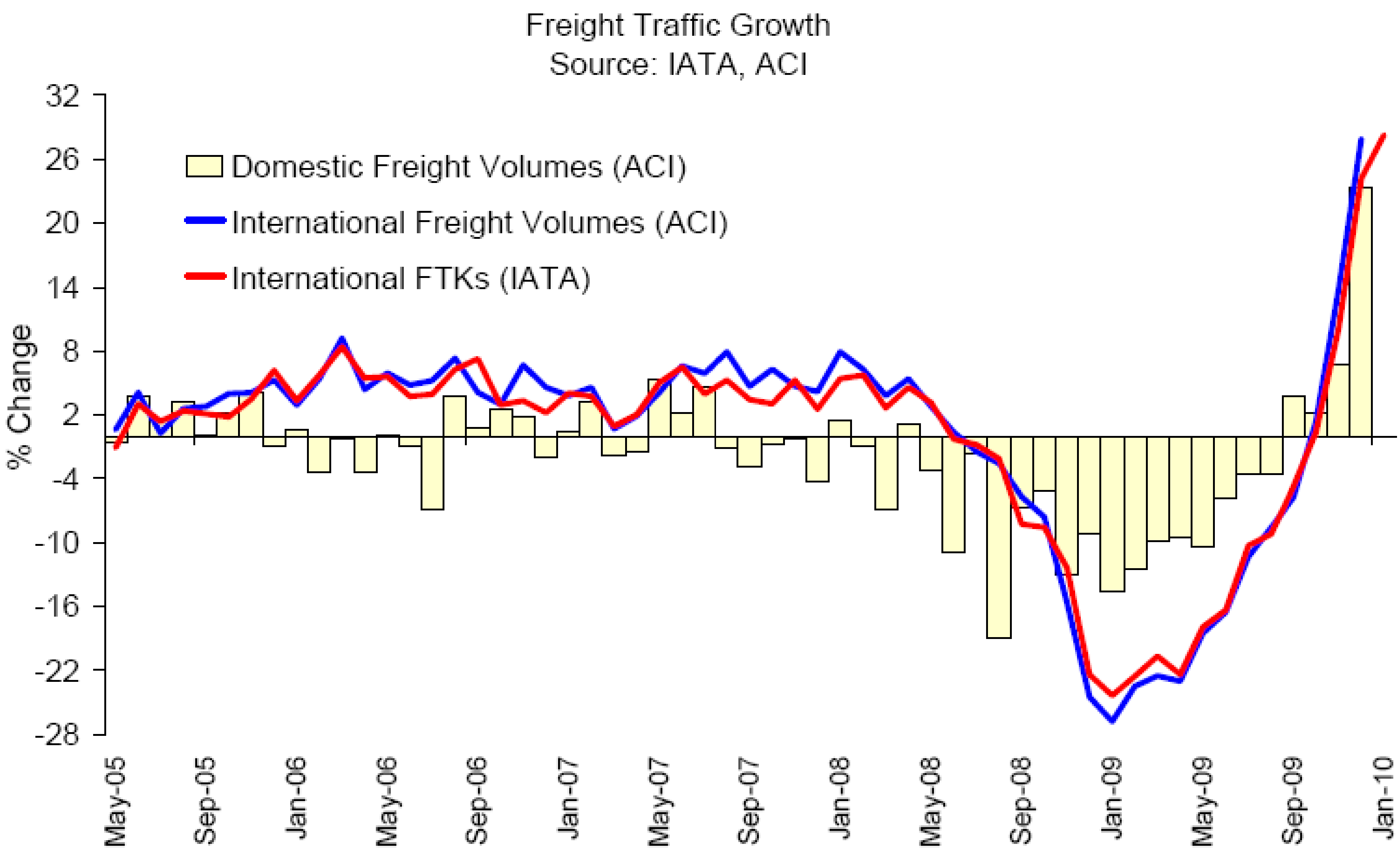
Example of a Belly Hold Aircraft

Demand & Traffic

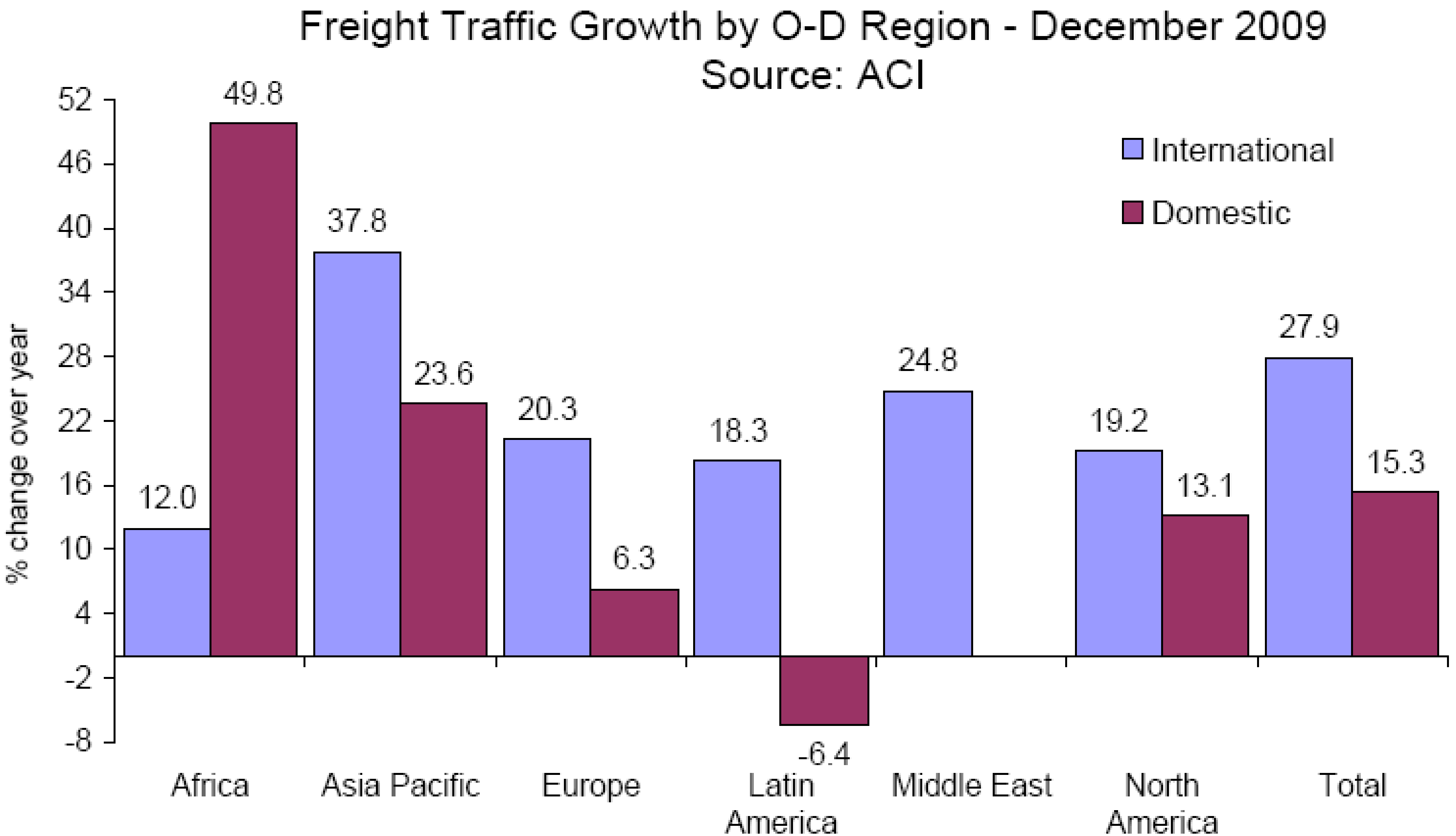
World trade is the immediate driver of air freight



Air freight volumes rising strongly into 2010

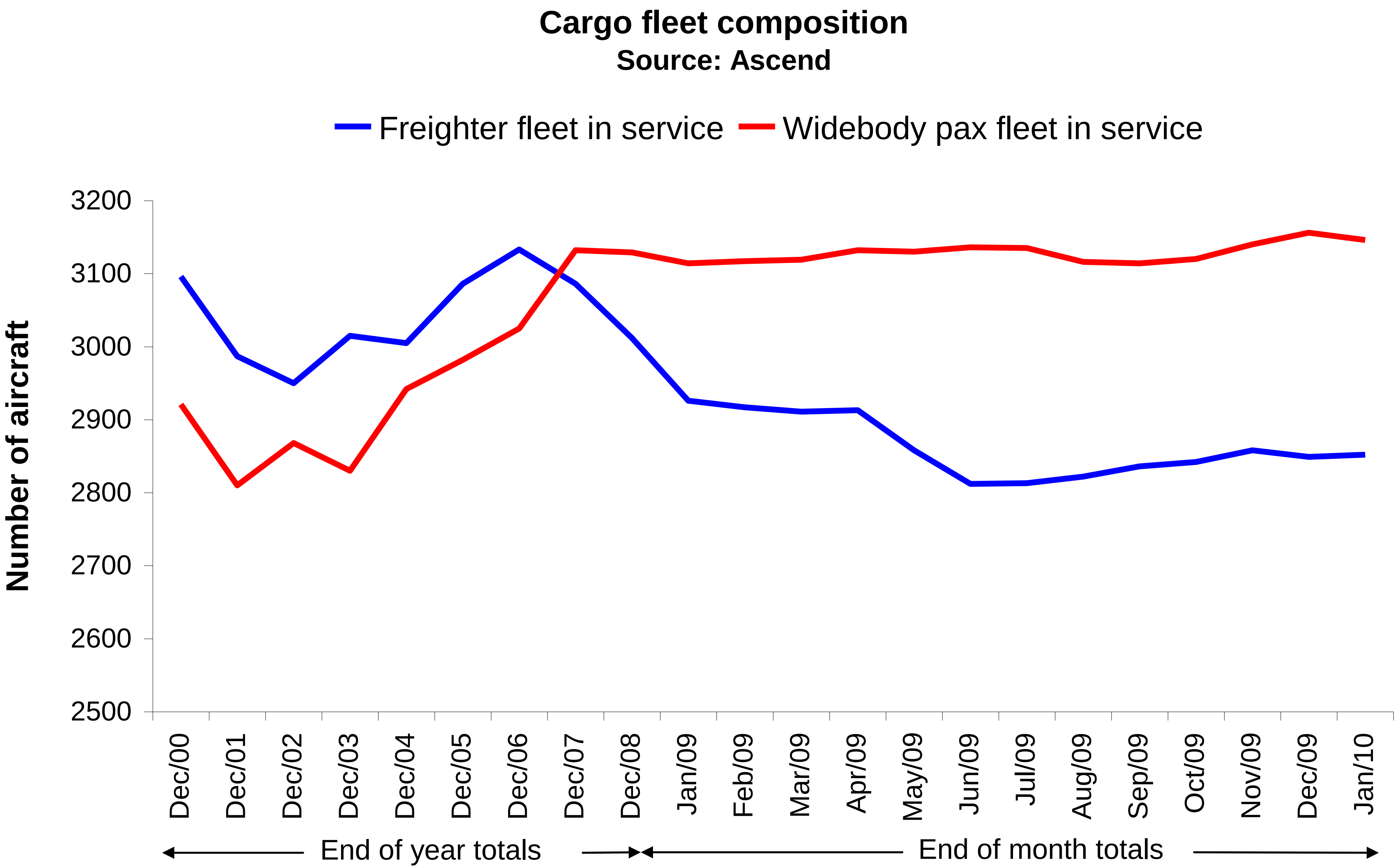


Regional data on air freight flows reflects the uneven pattern of the economic upturn

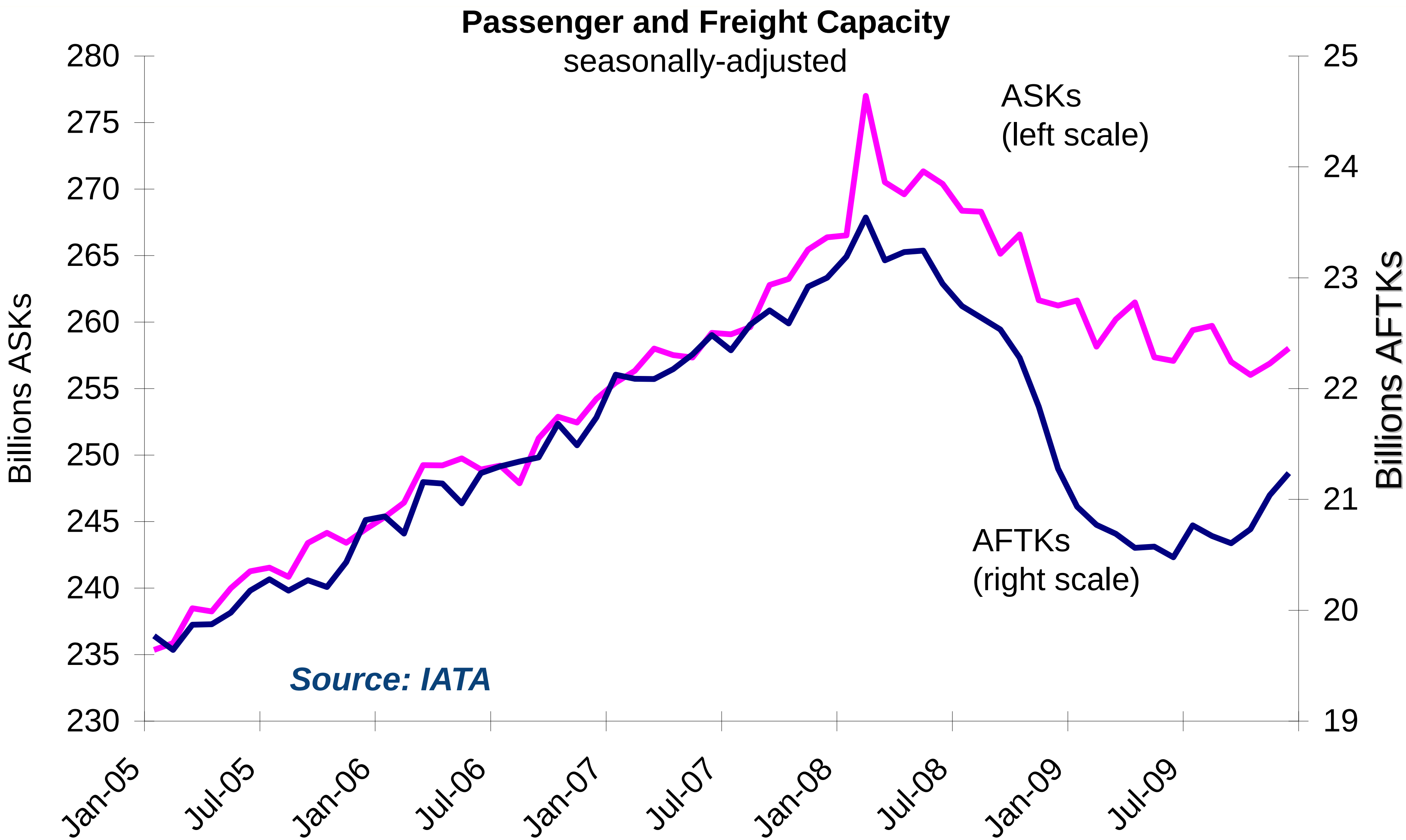


Capacity & Load Factor

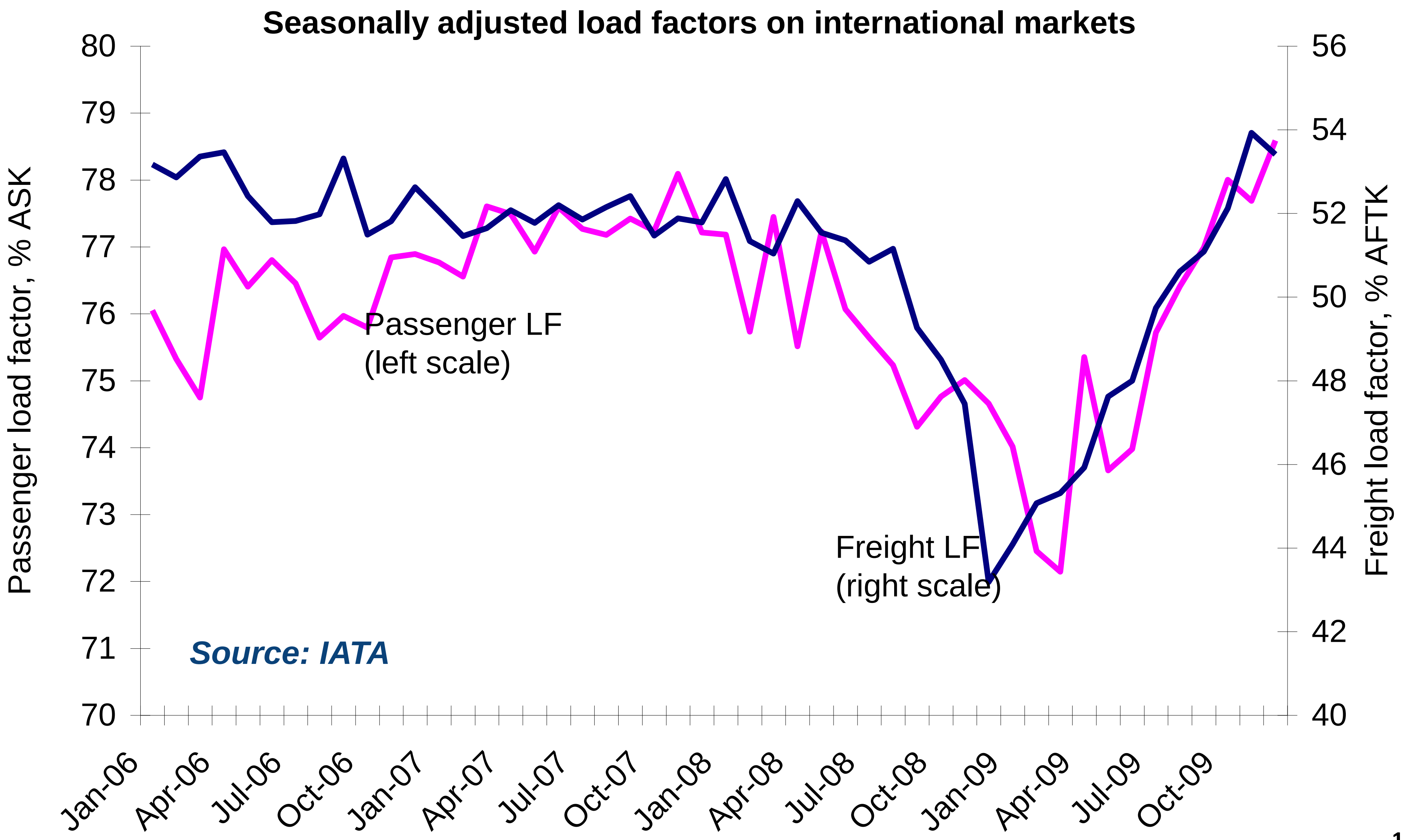
Number of Freighters were cut



Capacity is going down

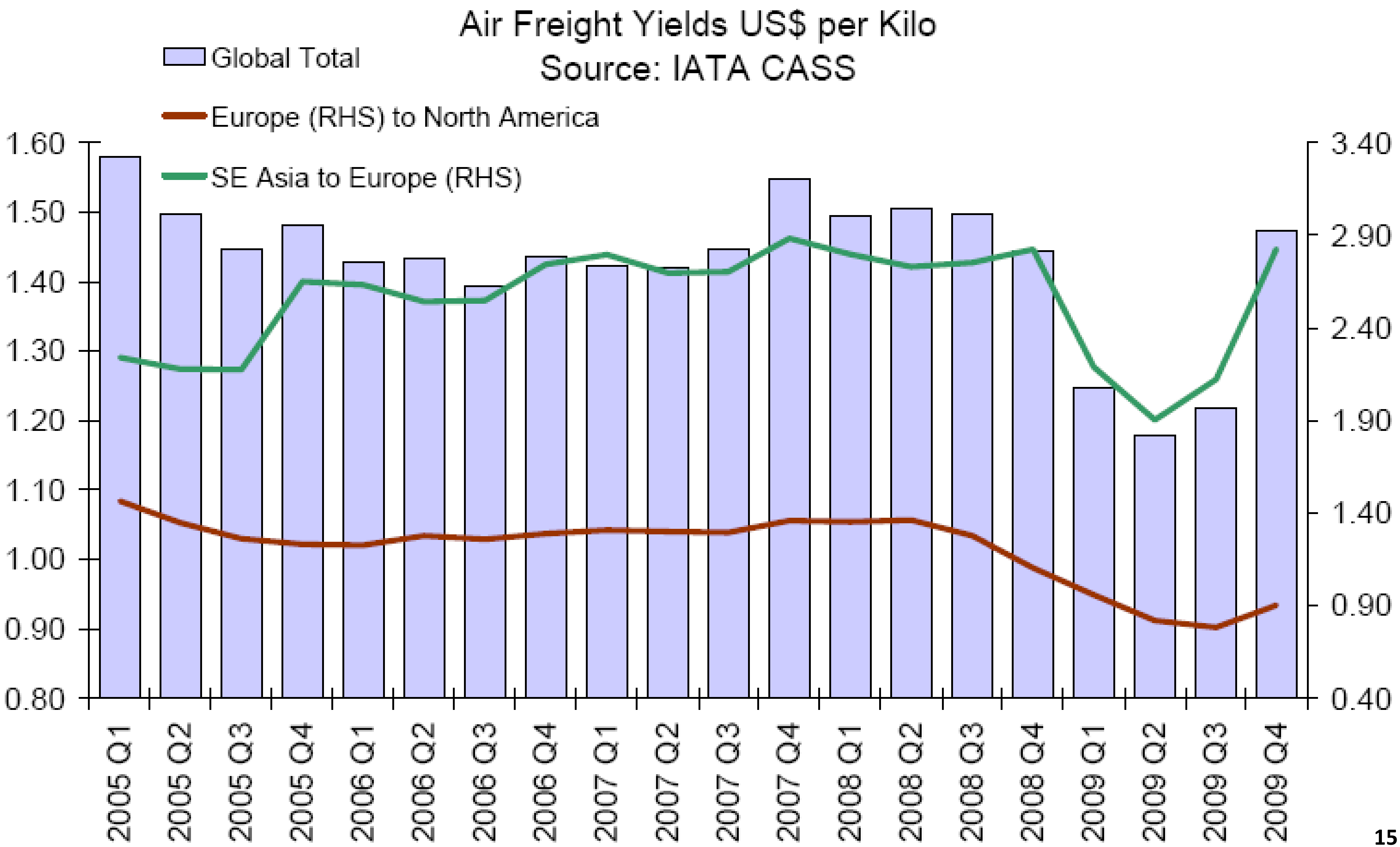


Load factors are back to record highs

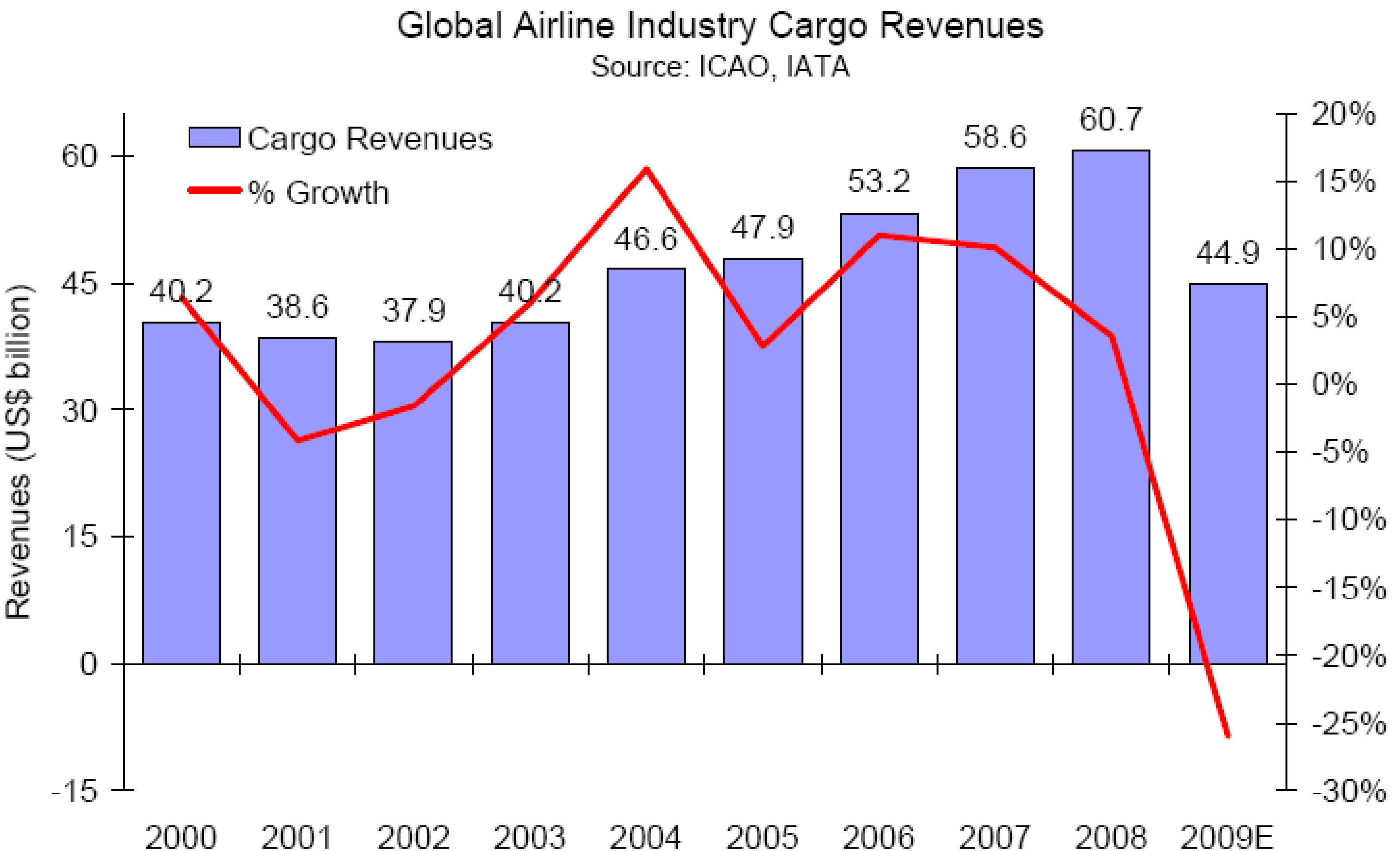


Yields & Revenues

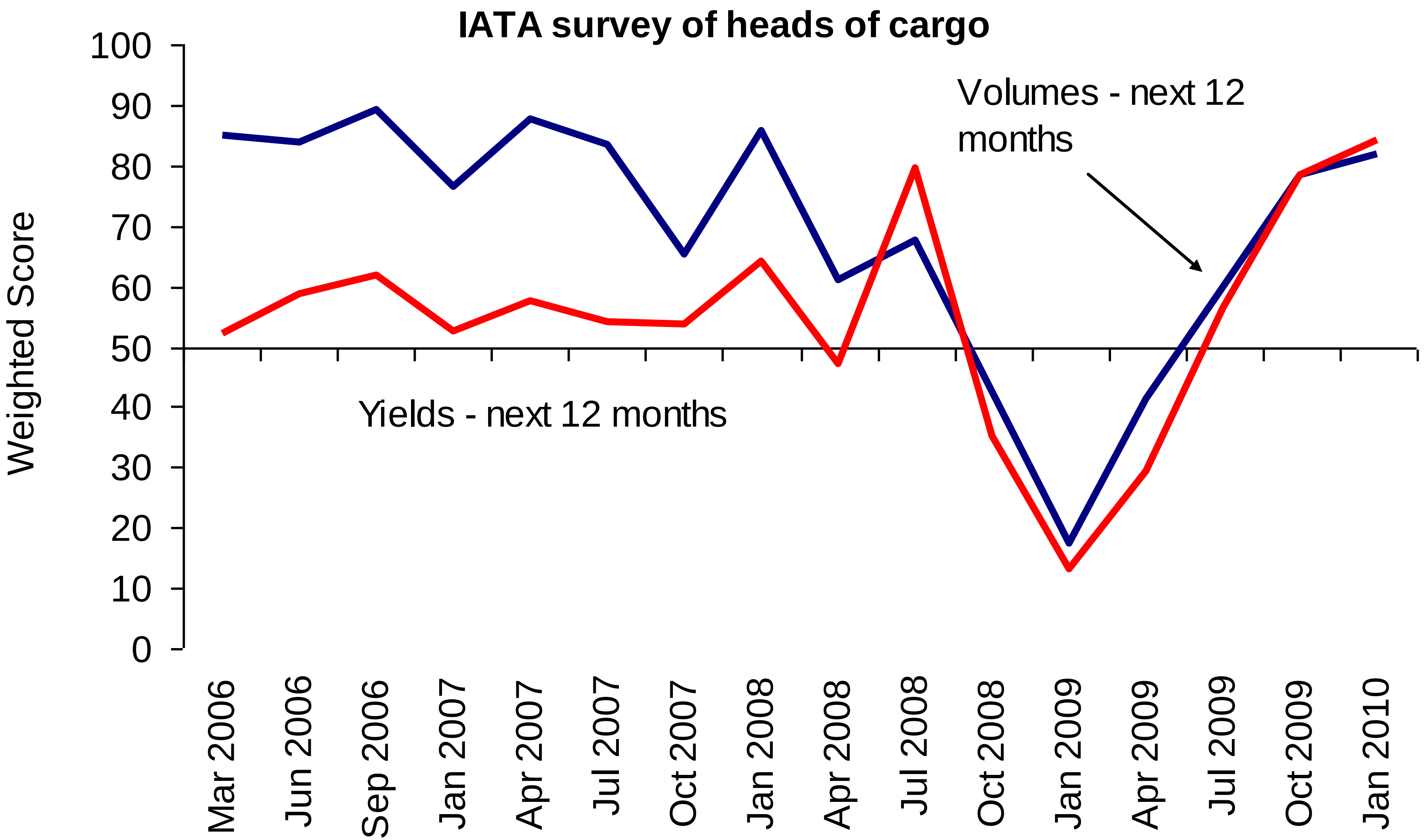
Cargo yields turn up in 2009H2 but only in some markets



Cargo revenues in 2009 reflect the disastrous first half of the year 2009

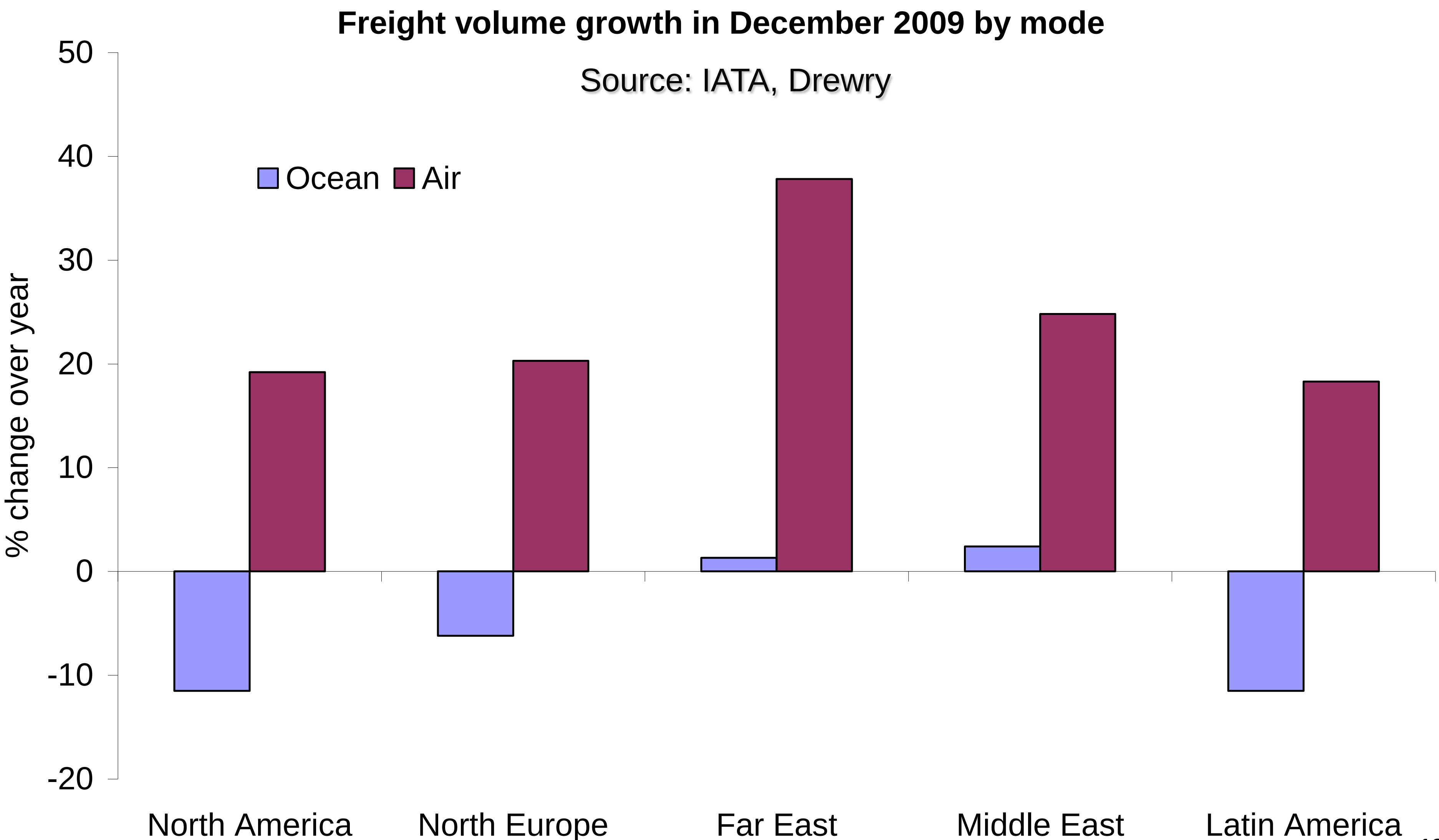


Revenue expectations have risen sharply

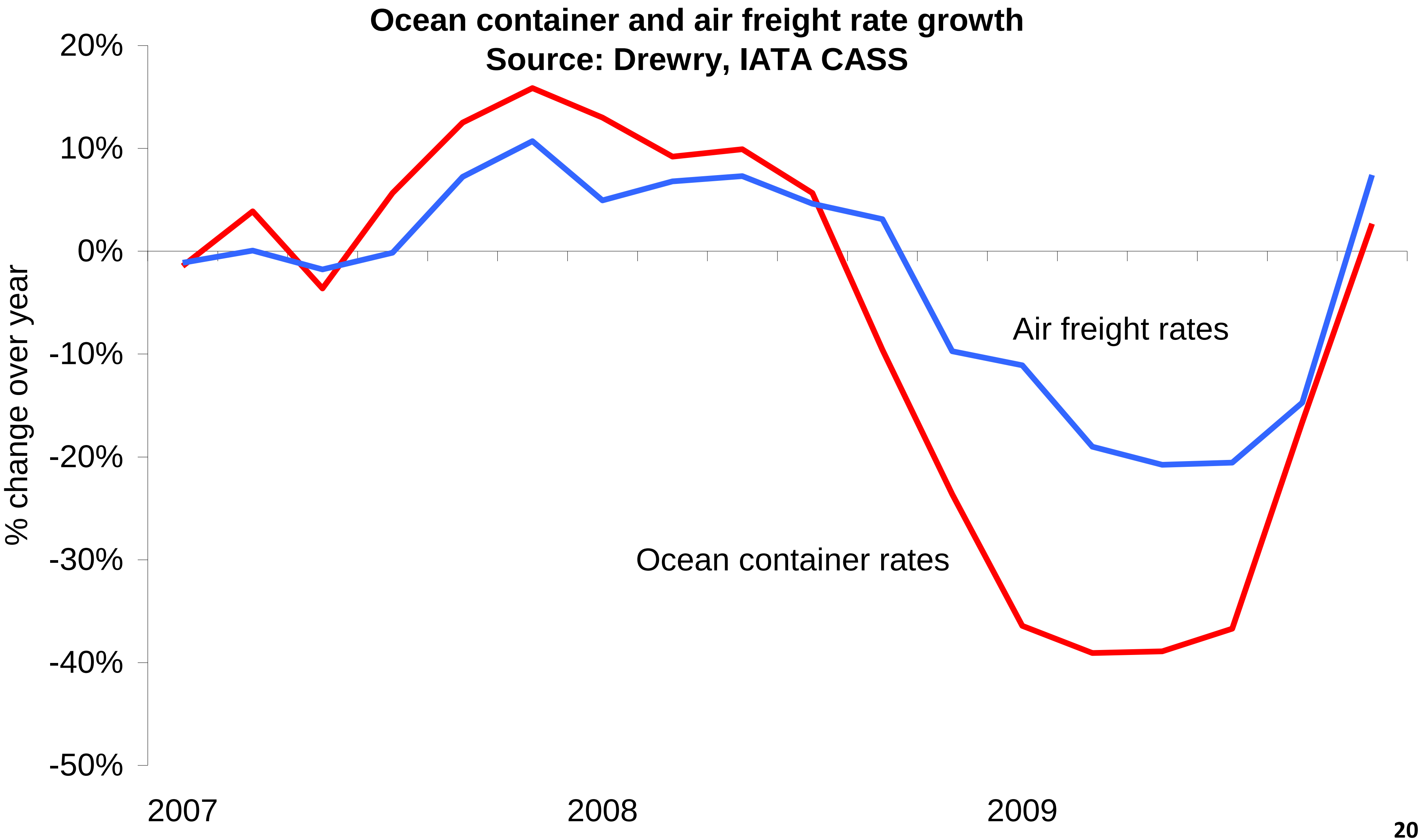


Competition

Air regaining market share from ocean



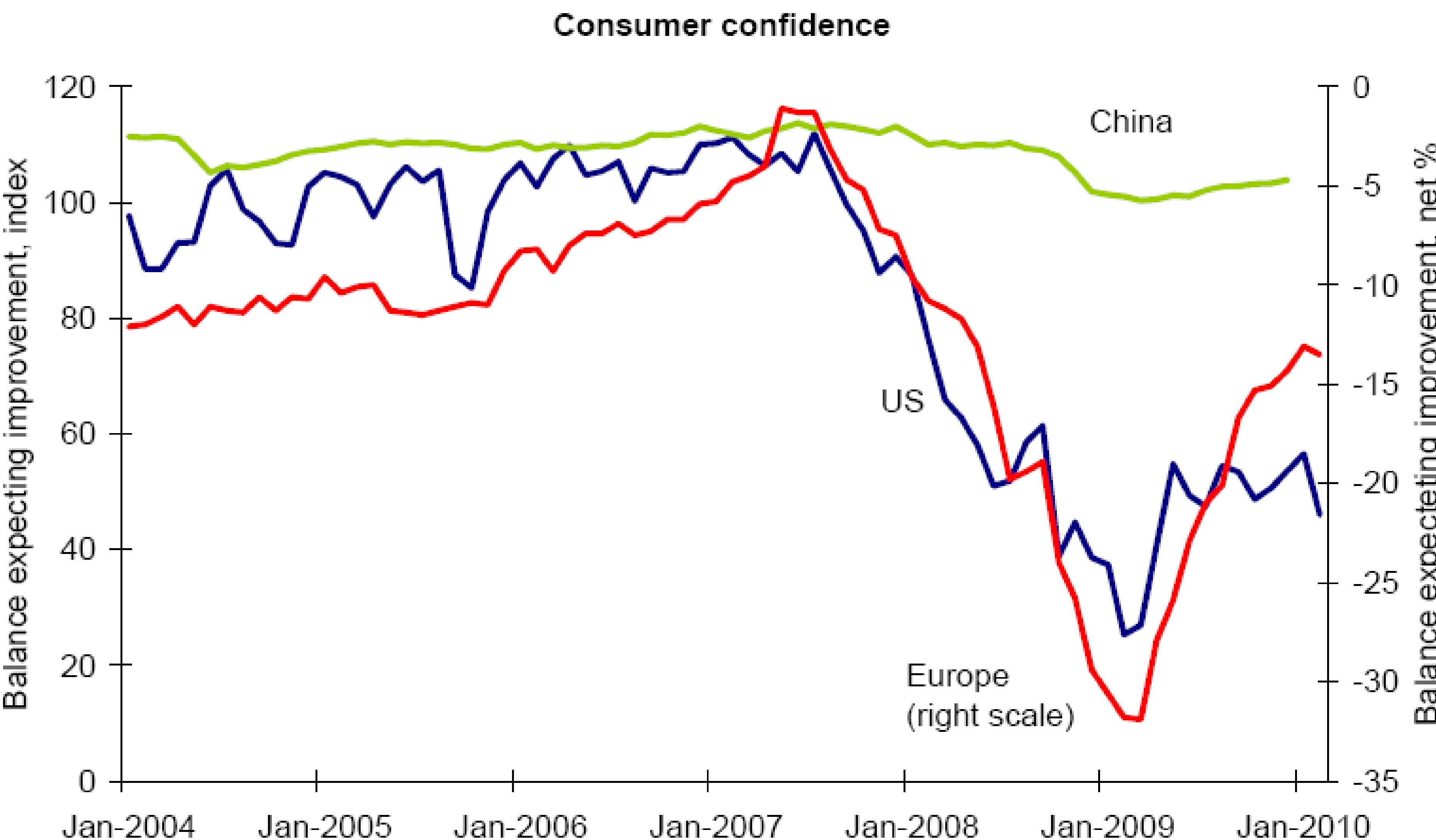
Cargo rates are now rising from their lows



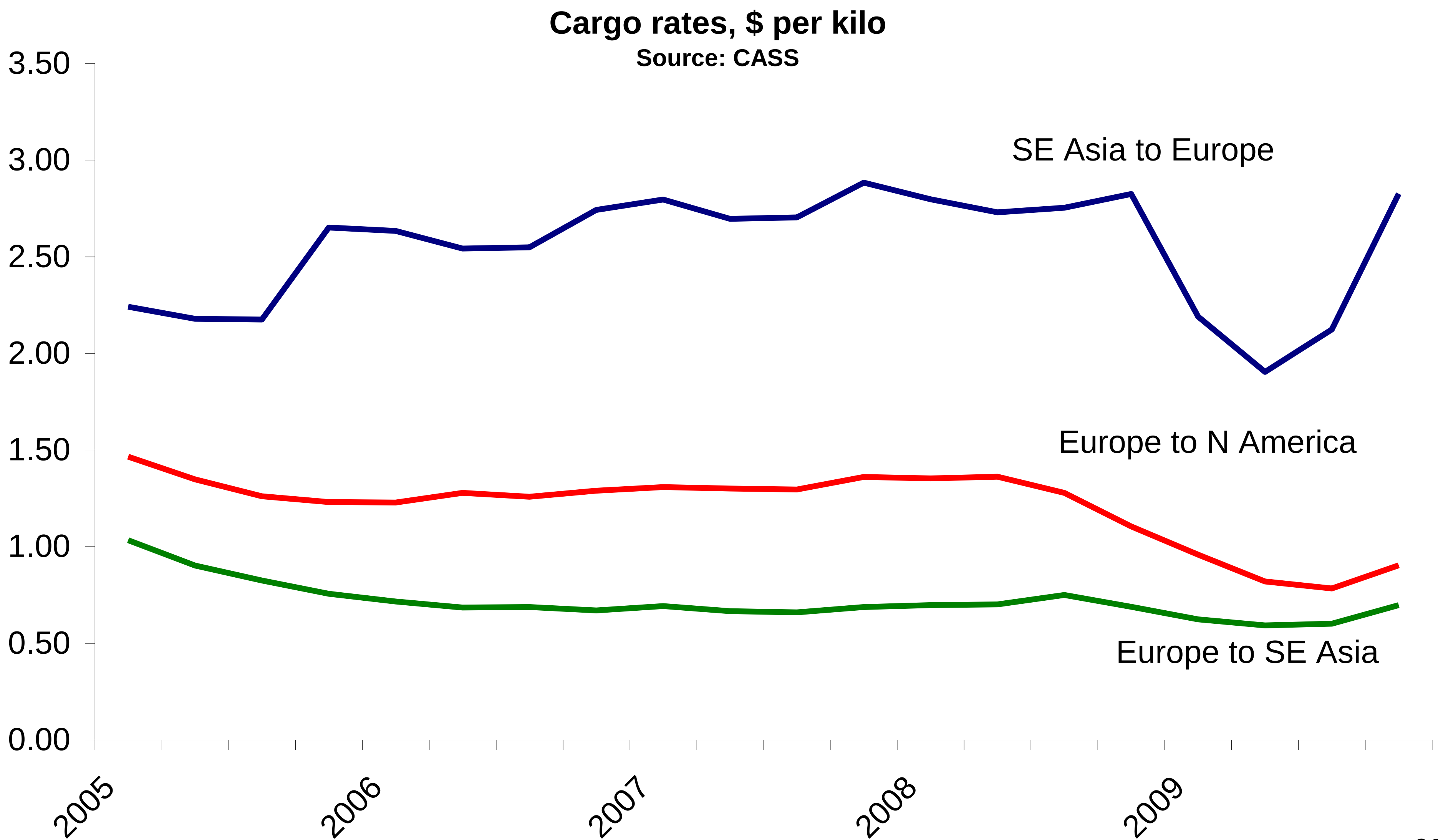
Risks Ahead

Airlines lost $1.7B revenues in six days with greatest impact on European carriers

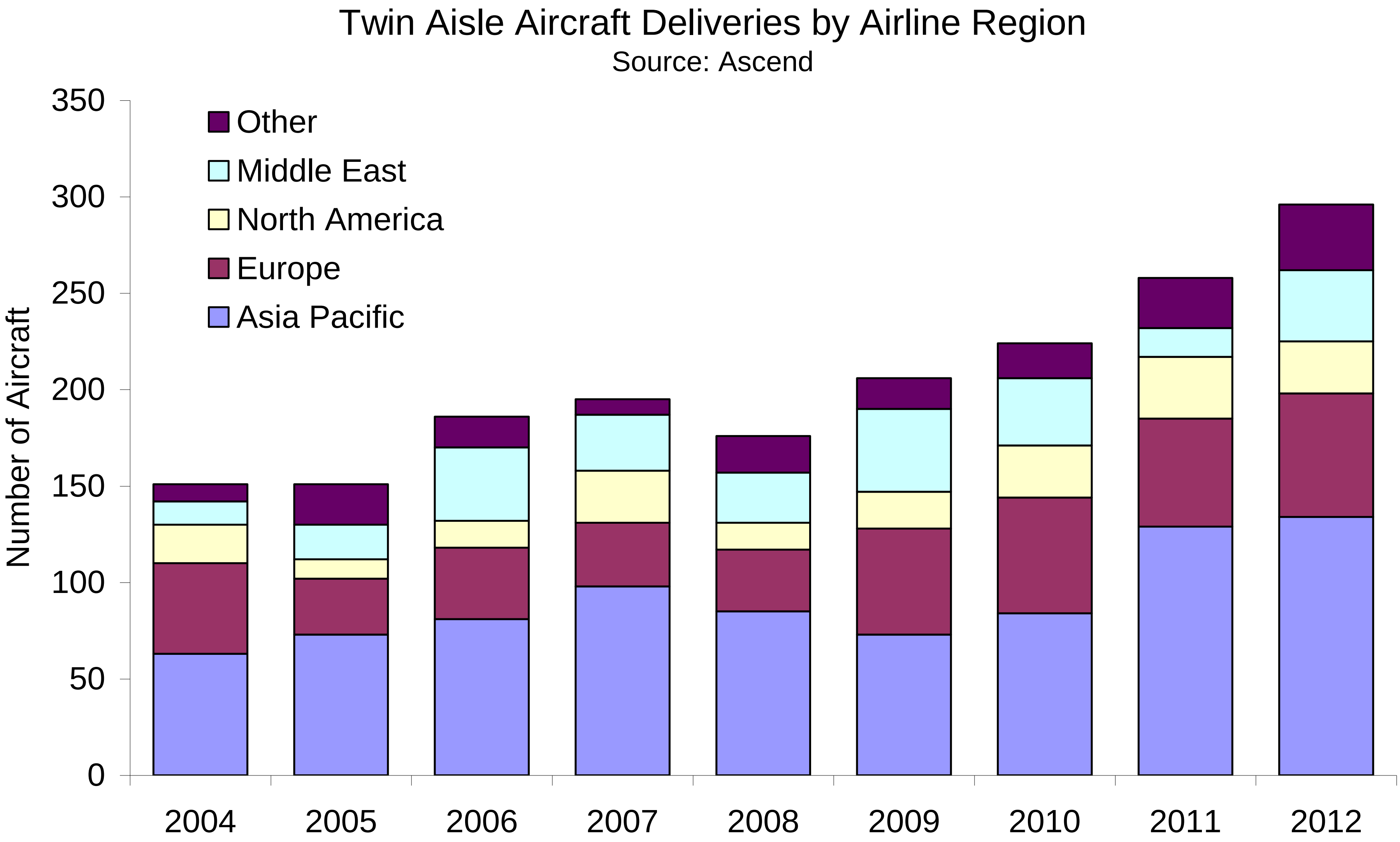
Consumer confidence is robust in China but remains fragile in developed economies



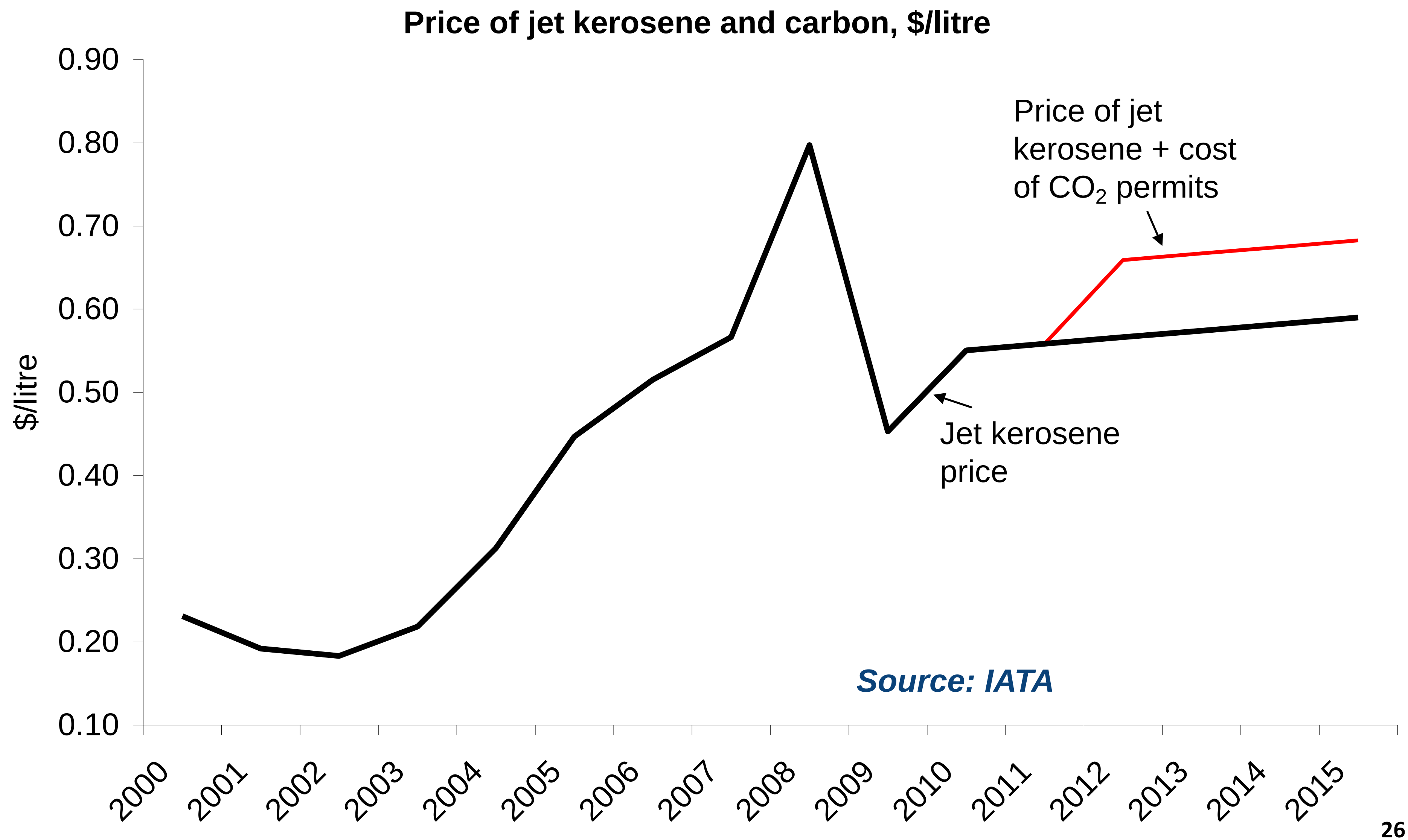
Upturn in Cargo rate is very concentrated by market



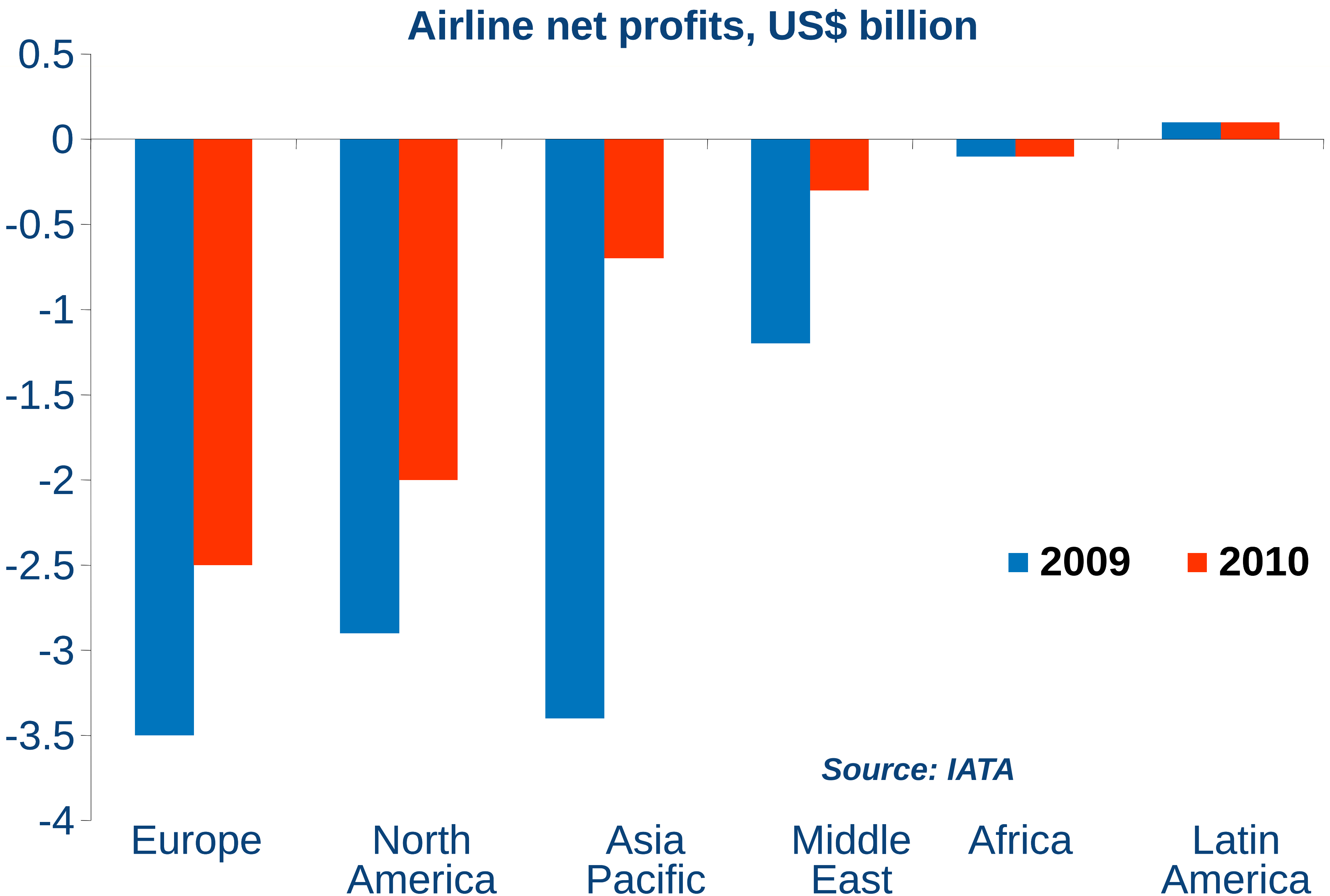
New capacity is being delivered



Jet kerosene price and environmental policies will add to costs

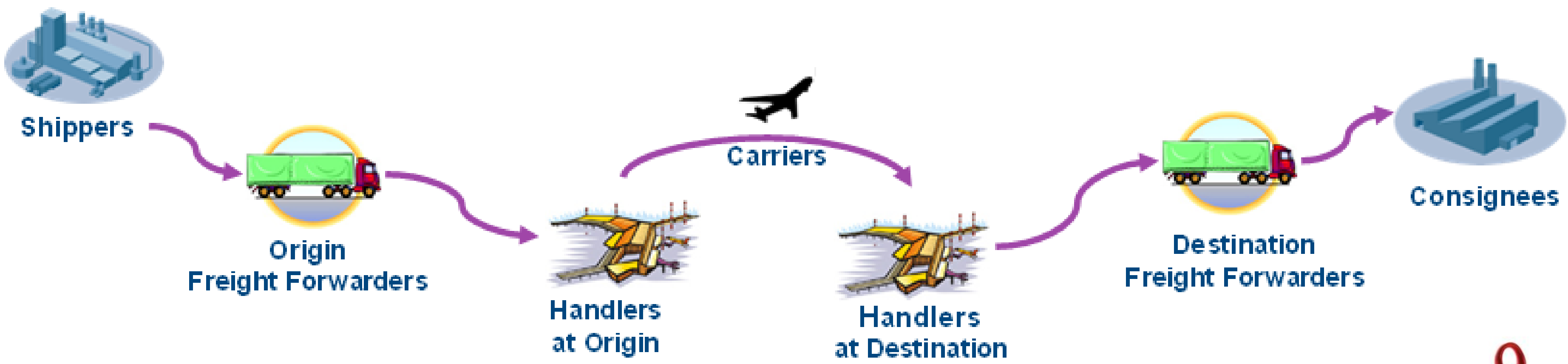


Losses cut substantially but unevenly in 2010



IATA Cargo Agenda

IATA Cargo supports the whole industry



- Protecting cash: Cargo Settlement System
- Reducing Costs: e-freight
- Improving Efficiency: Cargo 2000
- Keeping cargo secure: Secure Freight
- Saving Environment: Four Green Pillars

Cooperation between modes needed

- Facilitating Multimodal Transport
- Aligning our Standards
- Lobbying Regulators Jointly
- Benchmarking Initiatives

More information at:

- **IATA World Cargo Symposium, March 2011, Istanbul**
- **www.iata.org/whatwedo/cargo**
- **www.iata.org/economics**

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