



AIRPORTS COUNCIL
INTERNATIONAL

GLOBAL TRAFFIC FORECAST 2006-2025

EXECUTIVE SUMMARY

Edition **2007**



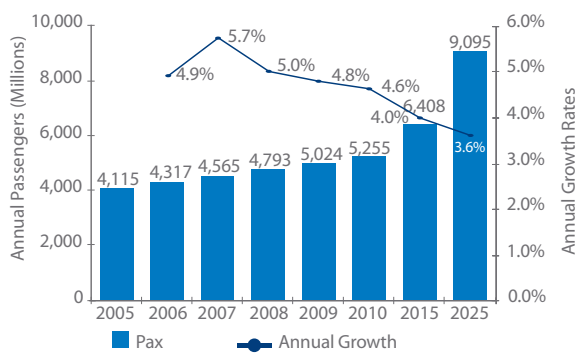
DKMA

Executive Summary

Passenger Forecast

By 2010 the number of global passengers is forecast to surpass the 5 billion mark and by 2025 there is expected to be in excess of 9 billion passengers globally. The annual growth rate will slow however reflecting maturing markets in many countries. Overall, over the next 20 years world passenger volumes will rise by 4.0% annually. Annual growth rates for international flights (4.5%) will continue to outpace domestic (3.7%). The domestic markets are however, expected to remain larger than the international market at 5.1 billion passengers vs 4.0 billion international passengers in 2025.

Projection of Total World Passenger Traffic



For all regions except Asia, international growth should outpace domestic growth between 2006 and 2025. Domestic markets are either more mature than the international markets or the domestic market potential is low due to small geographic size (eg: Middle East) or the existence of efficient alternative modes of transport. In Asia, the potential for the domestic market is high but strong international growth is also expected. Since many countries in this region are just emerging, their domestic markets are likely to develop first followed by international markets.

Total Passenger Growth Rates by Region

	2006	2007	2008	2009	2010	2015	2025	2005-25	2005-10
Africa	7.8%	8.6%	7.5%	7.3%	7.0%	5.5%	5.0%	5.8%	7.6%
Asia/Pacific	8.5%	8.6%	7.9%	7.7%	6.8%	5.7%	4.8%	5.8%	7.9%
Europe	6.2%	5.4%	4.6%	4.2%	4.2%	3.6%	3.0%	3.6%	4.9%
Lat Am/Caribbean	6.3%	6.8%	5.3%	4.9%	5.0%	4.5%	3.9%	4.5%	5.7%
Middle East	12.6%	7.0%	5.3%	4.9%	4.3%	4.1%	3.8%	4.6%	6.8%
North America	0.6%	3.7%	3.1%	3.1%	3.1%	2.9%	2.7%	2.7%	2.7%
World	4.9%	5.7%	5.0%	4.8%	4.6%	4.0%	3.6%	4.0%	5.0%

By the end of 2006, the Middle East is predicted to be the fastest growing region and is the only region expected to see double digit growth, although this growth is expected to tail off swiftly. Asia, driven by the fast pace of growth in India and China is forecast to see high growth rates of up to 9% up until 2009.

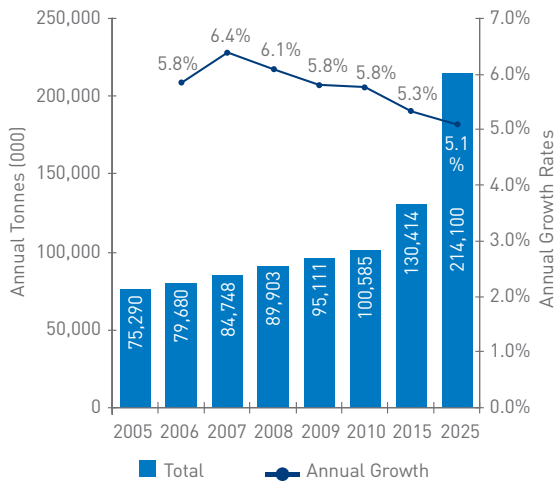
North America is expected to grow by only 0.6% in 2006, although growth rates are forecast to pick up in 2007/8 to 3.7% as fuel costs level out and US carriers continue to restructure and address their competitive positions. Over the next decade, North America will remain the largest aviation market but its overall market share is forecast to decline and by 2025 should account for only a quarter of all passengers globally. Asia in 2006 was the third largest region in the world but is forecast to become the largest aviation market by 2025 due to large, fast growing economies such as India and China and their rapidly increasing number of passengers.

Europe, despite being seen as a mature market, is expected to reach 6.2% growth in 2006, well above recent historical growth rates. This is driven by on-going low cost carrier development as well as strong economic growth in Eastern Europe where several countries are currently reaping the benefits of a growing economy coupled with a liberalised air transport market.

Freight Forecast

Freight operations (measured in tonnes) are expected to grow faster than passenger operations. In 2005 freight was estimated at roughly 76 million tonnes and this number is expected to almost triple to reach about 214 million tons by 2025 at an average growth rate of 5.4% per annum.

Projection of Total World Freight Traffic



By region, Asia/Pacific is forecast to grow fastest averaging 6.5% growth per annum. High growth of manufacturing in Asian countries such as China and India is expected to drive this growth but cargo flows are predicted to remain imbalanced with most freight volume outbound from Asia.

In the Middle East, positive spill-over from high oil prices should continue to positively impact cargo operations and the fact that many Middle Eastern carriers aim to develop passenger hub operations over the forecast period should also benefit freight as belly capacity grows.

A mature market, freight in North America is likely to grow more slowly than in the other geographic regions, averaging 4.4% p.a over the next 2 decades. In 2006 North America was the largest region in the world for freight (with 35% share), but it is expected to be surpassed by Asia by the end of the forecast period. Collectively the two regions are forecast to account for about 75% of all freight volumes by 2025.

Total Freight Growth Rates by Region

	2006	2007	2008	2009	2010	2015	2025	2005-25	2005-10
Africa	11.4%	6.9%	6.1%	5.7%	5.1%	5.0%	4.8%	5.4%	7.0%
Asia/Pacific	6.6%	7.4%	7.4%	7.3%	7.0%	6.4%	6.3%	6.5%	7.1%
Europe	3.6%	6.6%	5.6%	4.9%	5.7%	4.8%	4.6%	4.8%	5.3%
Lat Am/Caribbean	-1.6%	5.8%	5.9%	5.8%	5.3%	5.3%	5.1%	4.9%	4.2%
Middle East	10.6%	6.8%	7.4%	7.5%	6.9%	6.4%	3.6%	5.3%	7.9%
North America	6.6%	5.2%	4.9%	4.6%	4.5%	4.3%	4.0%	4.4%	5.1%
World	5.8%	6.4%	6.1%	5.8%	5.8%	5.3%	5.1%	5.4%	6.0%

Aircraft Movements

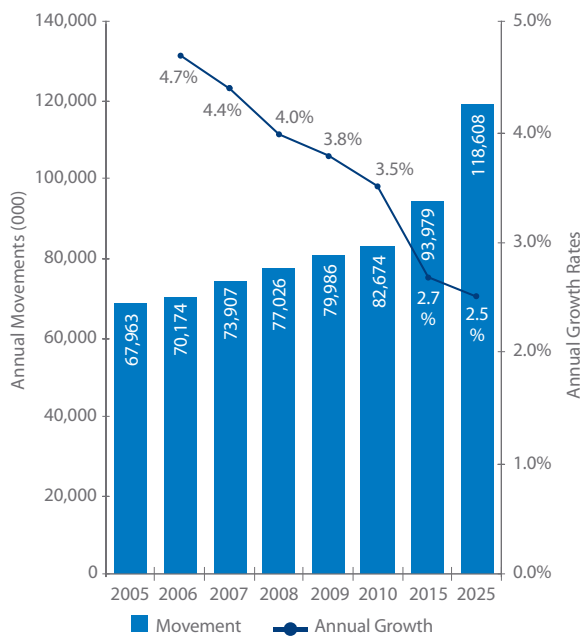
To meet rising passenger and freight demand, aircraft movements (commercial and non-commercial) are forecast to grow in parallel albeit at a slower pace. Total movements are predicted to nearly double by 2025 requiring not only new airport infrastructure but also investments in en-route and terminal air traffic control systems. Over the next 20 years aircraft movements are set to increase from 67.9 million in 2005 to 118.6 million movements by 2025 at an average annual growth rate of 2.8%.

Total Commercial ATM Growth Rates by Region

	2006	2007	2008	2009	2010	2015	2025	2005-25	2005-10
Africa	5.2%	6.0%	5.1%	4.7%	4.2%	3.3%	2.5%	3.4%	5.1%
Asia/Pacific	13.3%	12.2%	10.4%	9.3%	7.5%	5.7%	4.5%	6.3%	10.5%
Europe	3.0%	2.6%	2.1%	1.9%	1.8%	1.0%	1.4%	1.5%	2.3%
Lat Am/Caribbean	7.3%	5.1%	3.8%	3.3%	3.2%	2.7%	2.0%	2.8%	4.6%
Middle East	11.6%	6.1%	4.1%	3.4%	2.8%	2.5%	2.3%	3.2%	5.6%
North America	2.2%	2.4%	2.6%	2.6%	2.6%	1.9%	1.8%	2.0%	2.5%
World	4.7%	4.4%	4.0%	3.8%	3.5%	2.7%	2.5%	2.8%	4.1%

Asia is forecast to be the fastest growing region. In 2025, Asian airports are expected to handle more than three times the volume of movements handled in 2006 averaging 6.3% growth per annum. North American and European growth rates are predicted to average 2.0% and 1.5% per annum respectively.

Projection of Total World Commercial ATMs



In spite of its relatively slow growth rate, by the end of the forecast period North America should remain the largest region when measured by volume reaching close to 31 million commercial ATMs. This translates into approximately 40% of all commercial operations but this share is a significant decline from almost 50% in 2005. During the same period Asia should become the second largest region surpassing Europe.

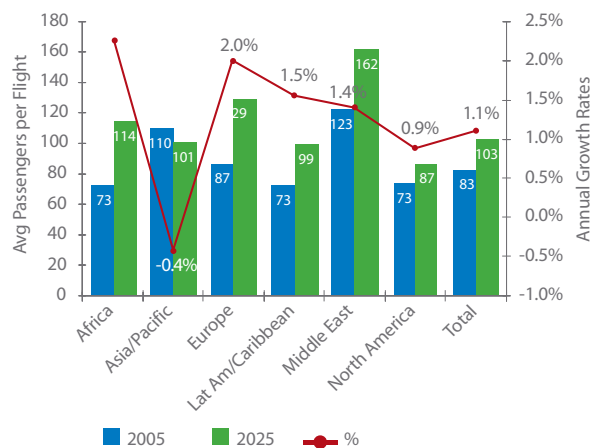
Aircraft Size Forecast

The configuration of the global fleet will change over the forecast period and the average number of passengers per movement predicted to increase. This, coupled with higher load factors means the forecast anticipates an increase in passengers per departure for all regions except Asia/Pacific. At a global level, passengers per departure is expected to increase annually by 1.1% during the entire forecast period. This compares to 1.8% annual growth during the previous 5 years indicating a level of maturation of the market.

The Middle East is expected to remain the region with the highest average reflecting its on-going high percentage of medium to long haul operations. The region is also expected to operate the largest share of wide bodies (it has a large number of orders and options on the A380). In 2006, wide bodies represented about 55% of the region's entire fleet and this is forecast to increase slightly over the next 5 years. It is also likely that load factors in the region will steadily increase as the region's airlines develop and compete

In Asia, the average number of passengers per departure is predicted to decrease from 110 in 2005 to 101 by 2025. Load factors are almost certain to increase but the development of domestic markets in China and India are forecast to materially change the composition of the Asian fleet and hence passengers per departure. The rapid development of these domestic markets is expected to bring about a huge influx of single aisle aircraft and also, to a smaller degree, regional aircraft which, combined are expected to lower the average number of passengers per departure.

Projection of the Average Number of Passengers per Flight by Region - Total Passenger Operations



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ACI

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