



An Economist's View of the Global Aviation Industry



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Boeing 100 years ago



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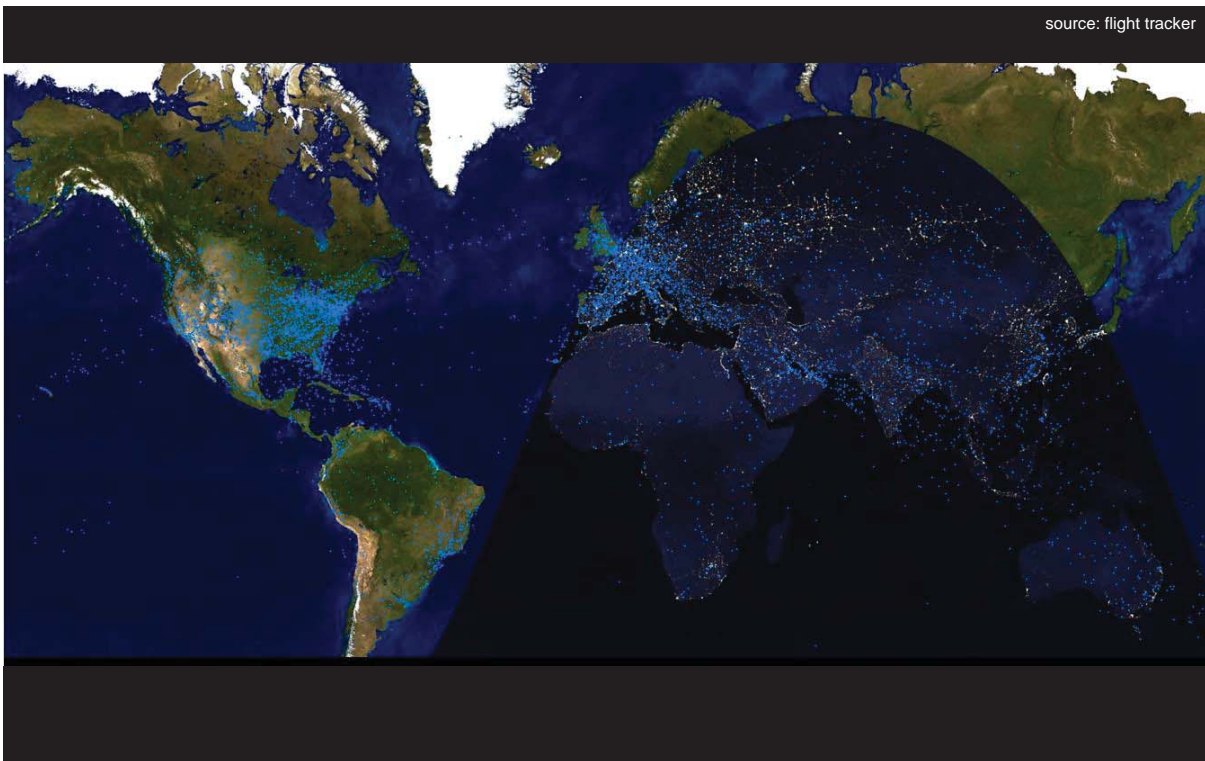
Boeing today



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Our market is global

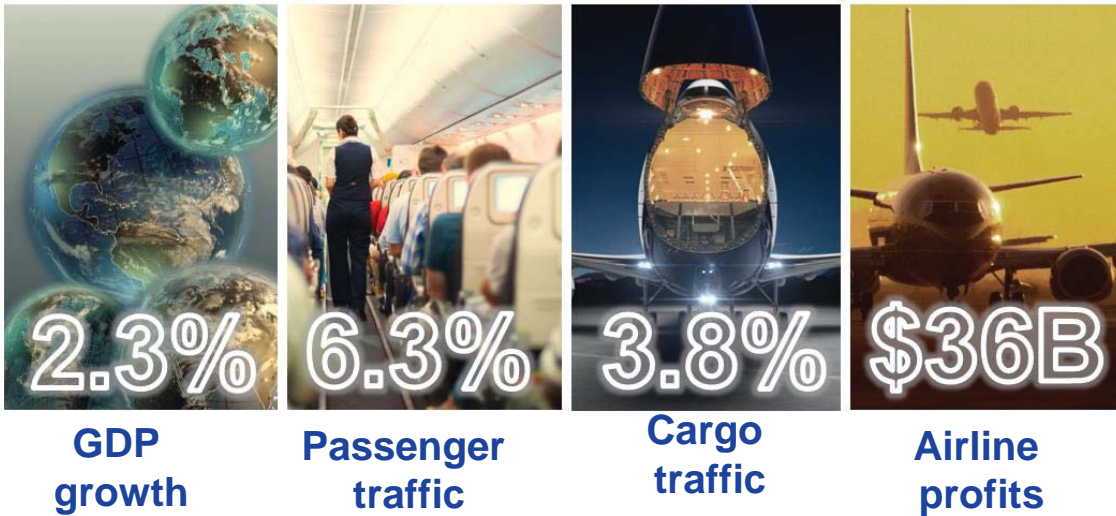


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Global air transport industry with a good year 2016

... despite challenging economic environment

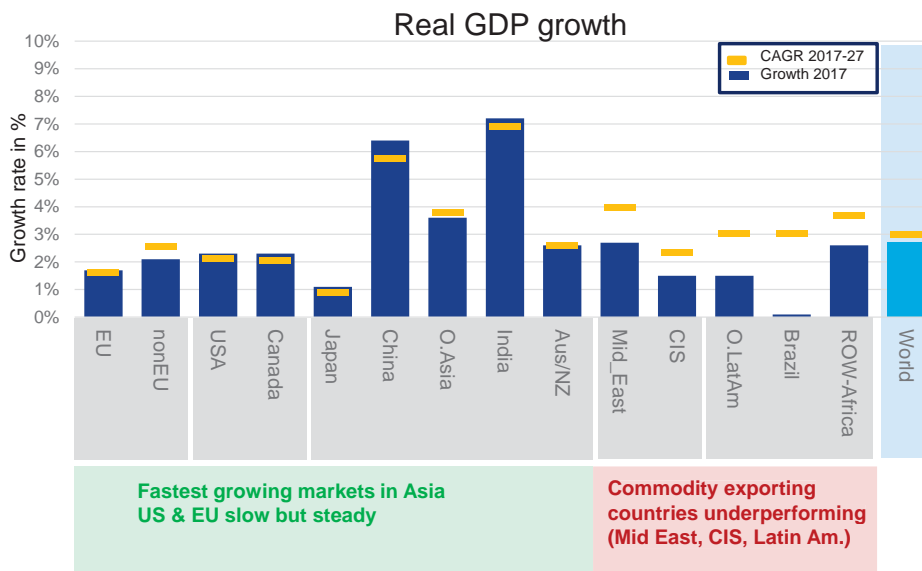


Source: IHS Markit Economics, IATA, BCA analysis

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Global growth modest and uneven across regions



Source: IHS Markit Economics

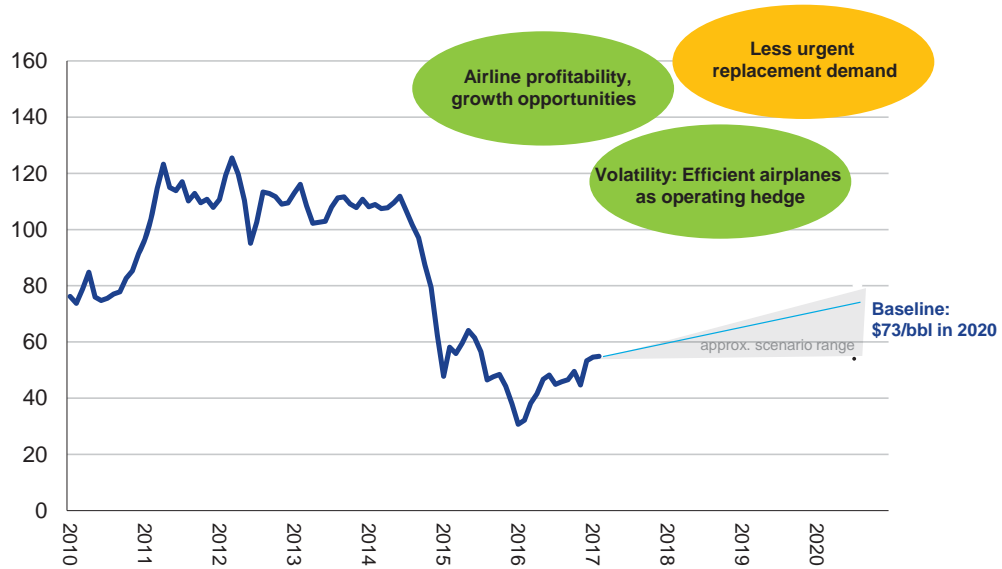
Below trend growth, but acceleration forecast for 2017+

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Oil prices are rising again

... but remain relatively low

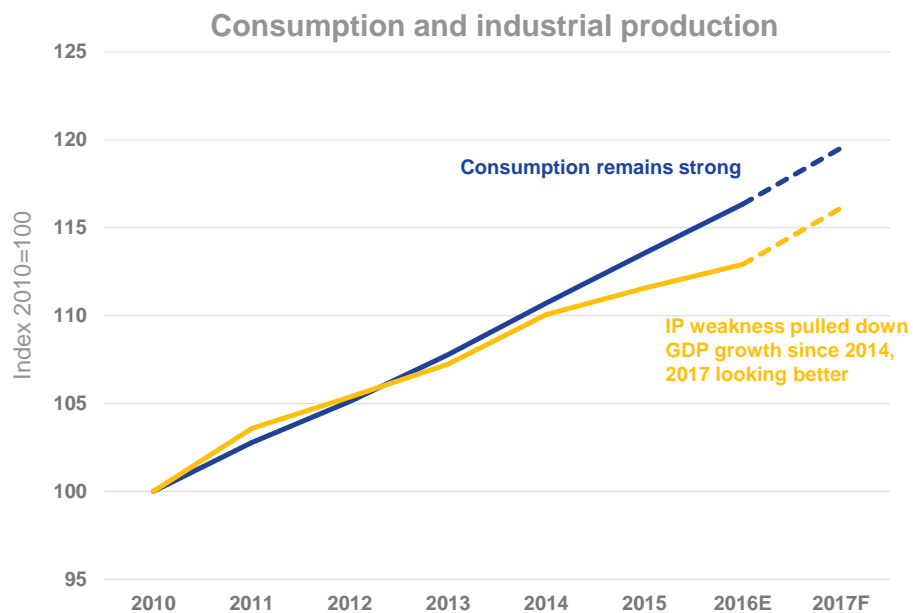


Source: PIRA

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Strong consumer economy is driving growth

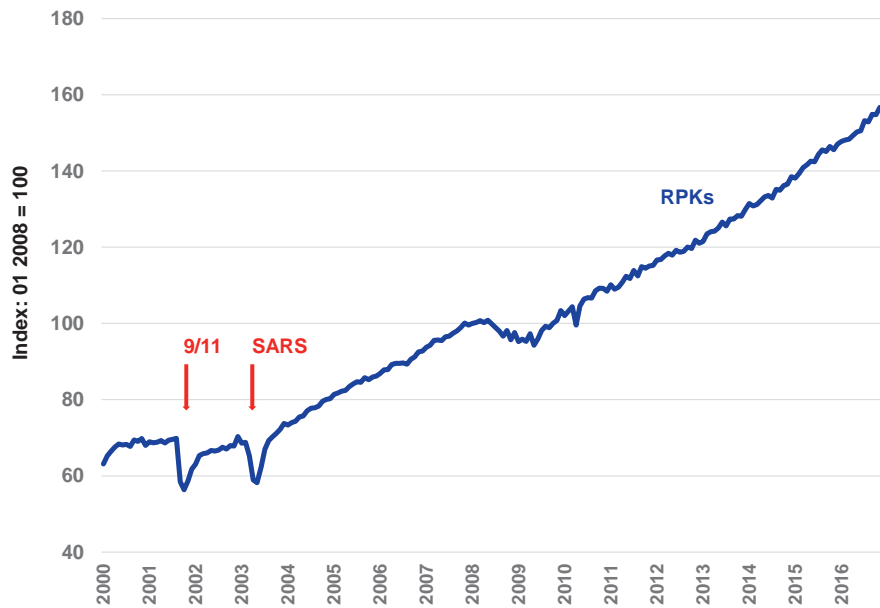
...helping travel demand



Source: IHS Markit Economics

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Air passenger traffic is resilient



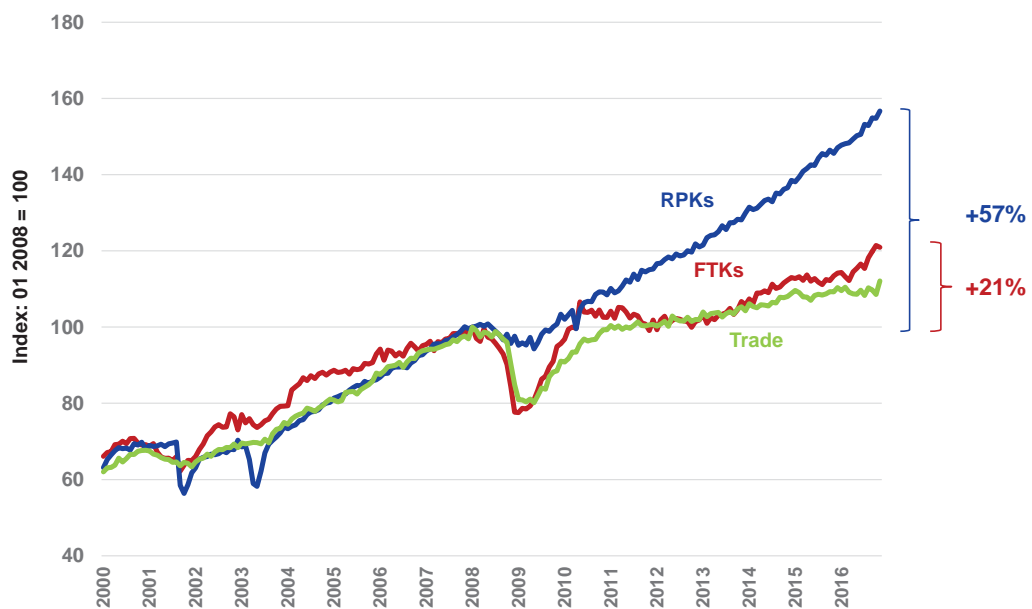
Source: IATA, BCA calculations

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Air passenger traffic outperformed air cargo

Weak global trade weighing on air cargo since 2008, but recent recovery



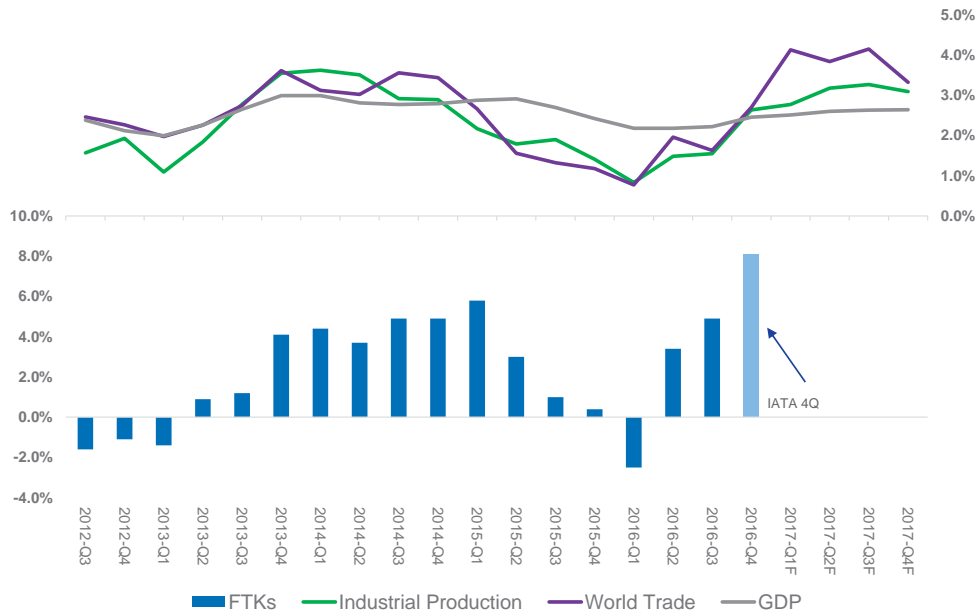
Source: IATA, CPB Netherlands, BCA calculations

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Air cargo volumes recovered from cyclical low

Closely linked to industrial production, world trade



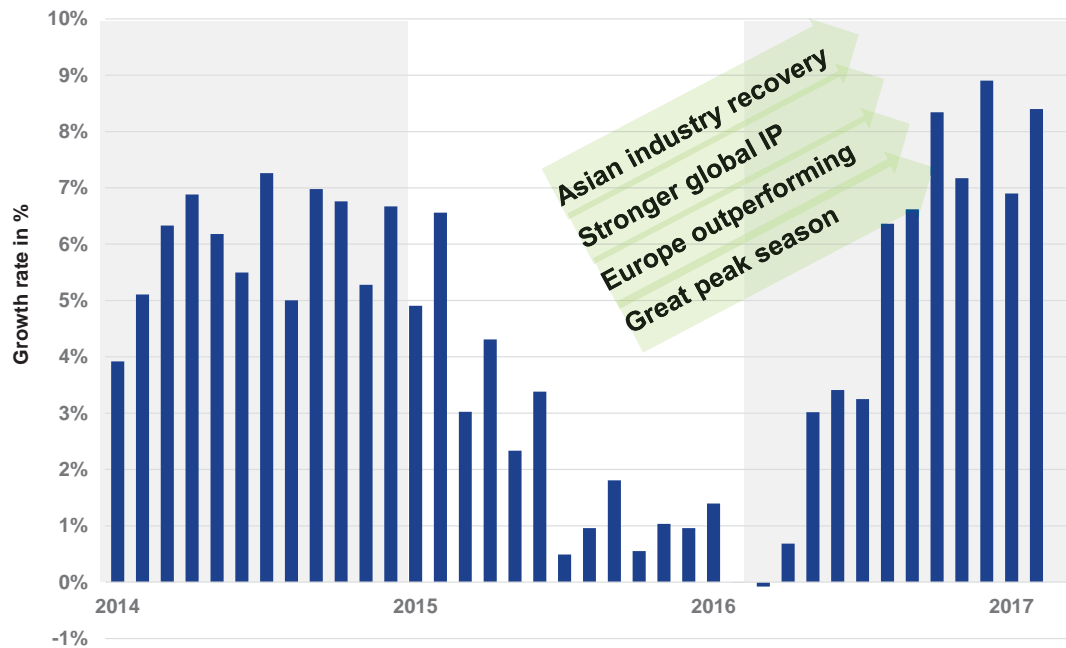
Source: Oxford Economics, FTKs: IATA, BCA analysis

Global trade recovery lifting air cargo growth

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Air cargo traffic recovery in 2016 expected to continue



Source: IATA

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Uncertainties remain elevated

... impacting individual customers



Global air transport market expectations for 2017

Slight moderation but at high level



Passenger traffic growth



Cargo traffic growth



Airline profits

Things to **remember**

Aviation is a truly global and interconnected industry

Strong, growing demand despite challenging economic environment

Robust long-term growth prospects in a diverse and dynamic market

