

Canada's Aviation Industry Beyond 2010



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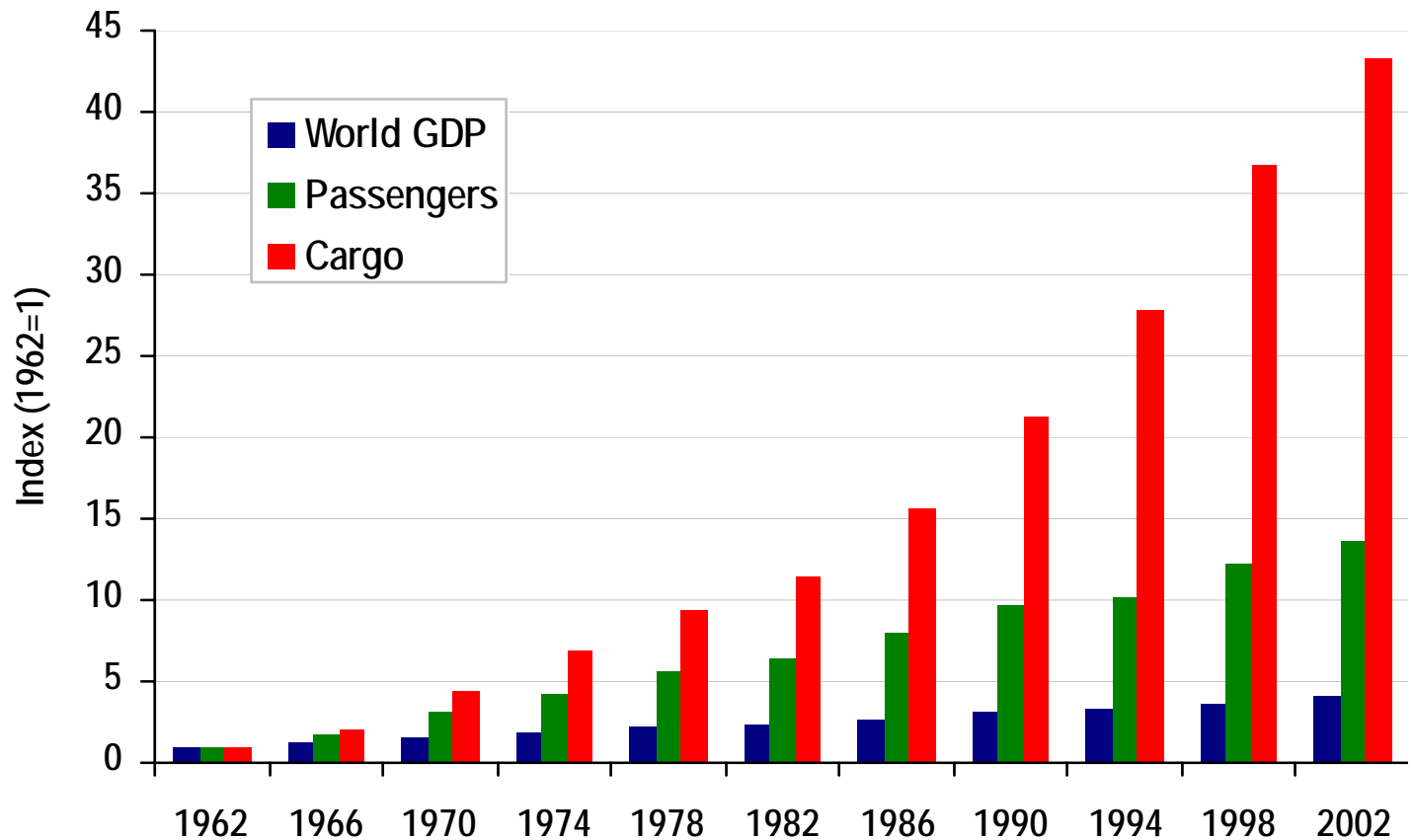
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Market Outlook



Growth of Air Transport

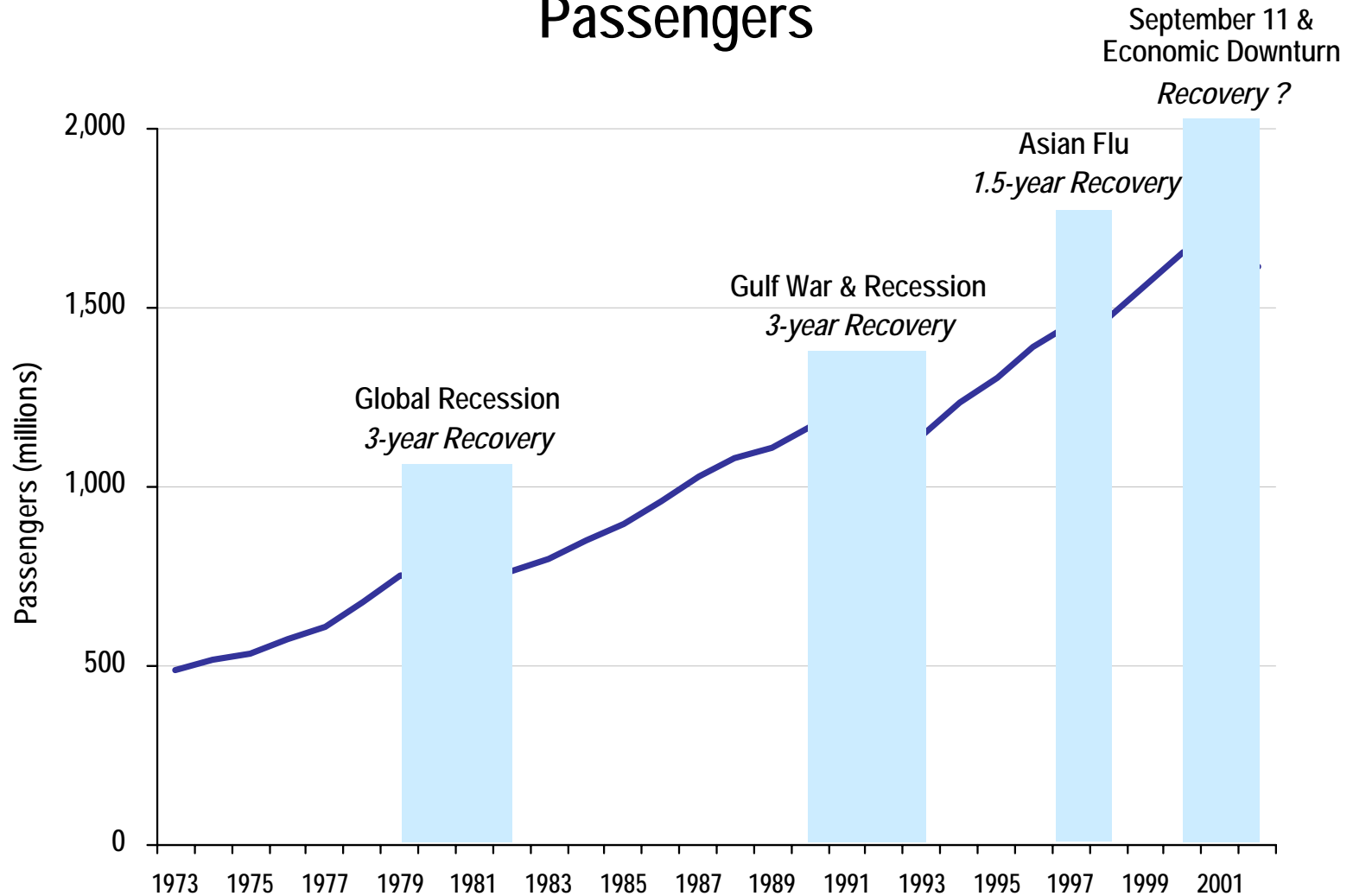
World GDP versus Air Transport



Source: World Bank and International Civil Aviation Organization.

Global Air Traffic

Passengers



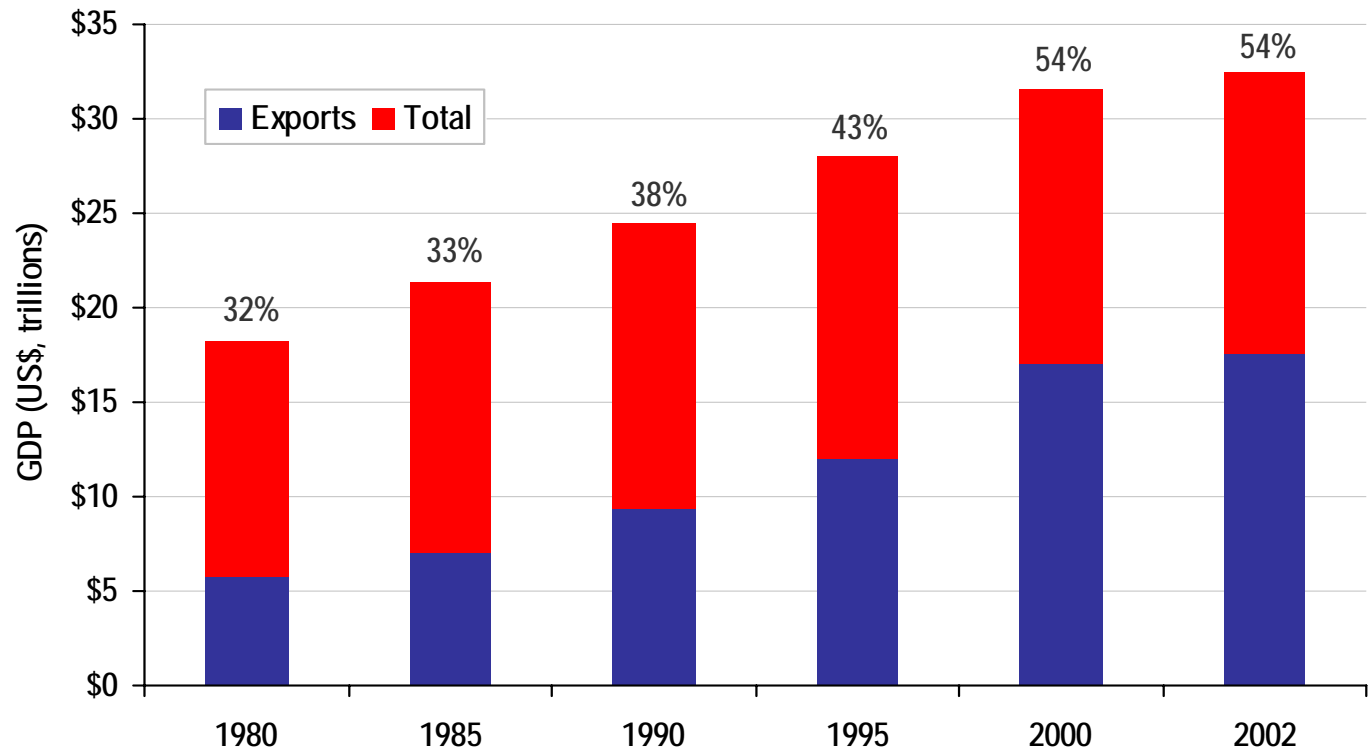
Source: International Civil Aviation Organization.

Change in Consumer Behaviour

- Sophisticated and more knowledgeable consumers
- Greater demands for unique and/or experience-based travel
- Reduced reliance on travel trade
- More frequent and shorter trips
- Shorter booking patterns

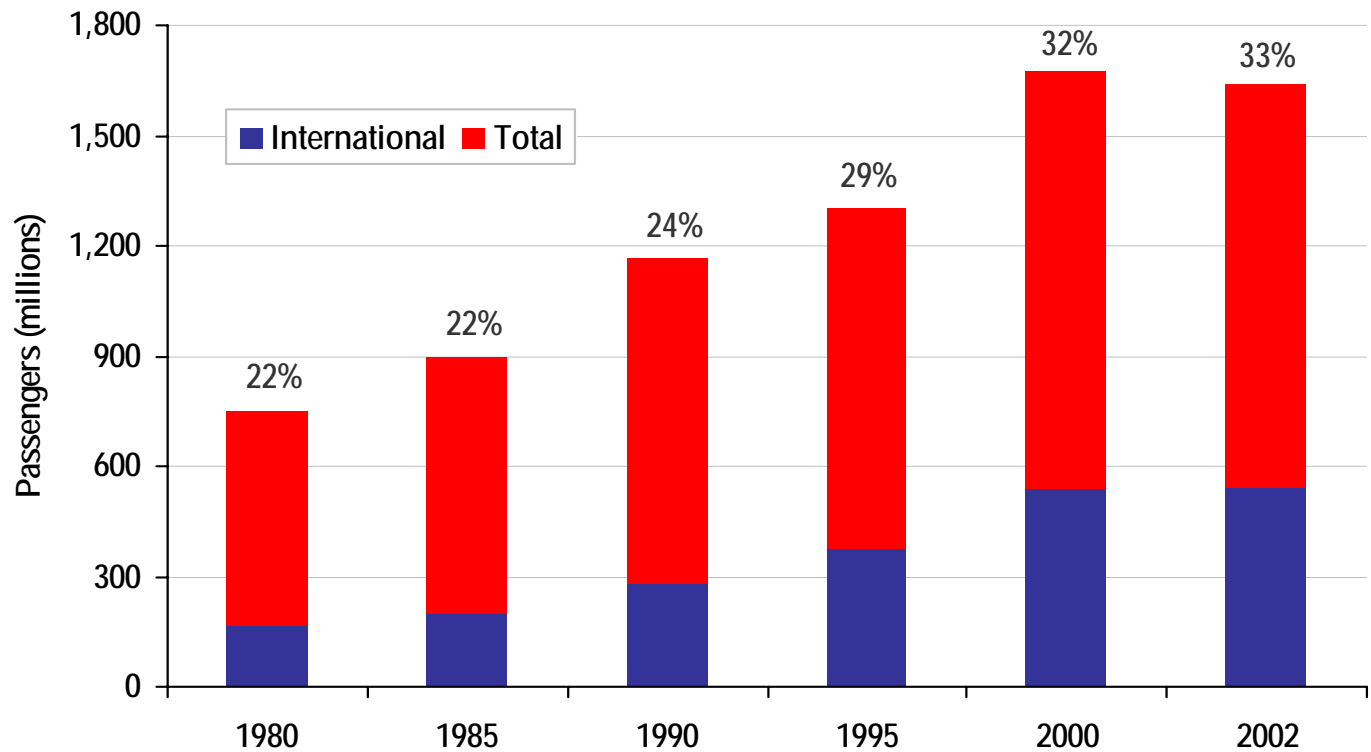
Growth in International Trade

World GDP and Exports



Growth in International Air Traffic

International Passengers



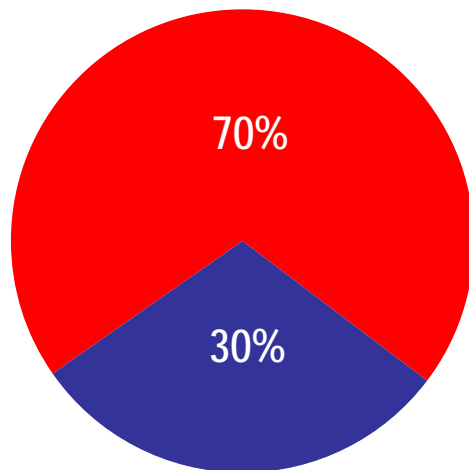
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Changing Source Markets

International Tourism Expenditures

1990

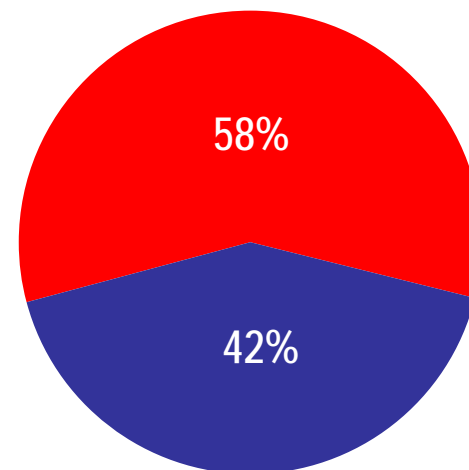
United States, Germany, Japan, United Kingdom,
Italy, France, Canada, Austria, Netherlands, Sweden



Other

2002

United States, Germany, United Kingdom, Japan,
France, Italy, China, Netherlands, Hong Kong, Russia



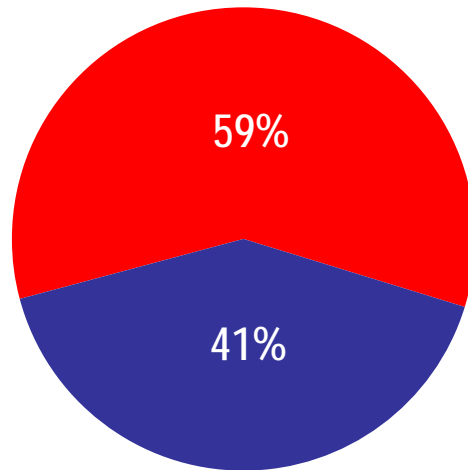
Other

Changing Destination Preferences

International Tourism Receipts

1990

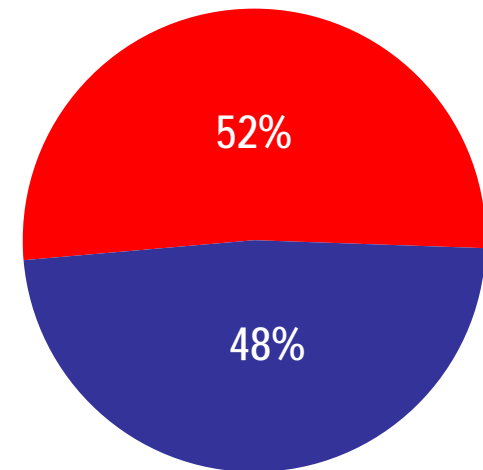
United States, France, Italy, Spain, United Kingdom,
Austria, Germany, Switzerland, Canada, Mexico



Other

2002

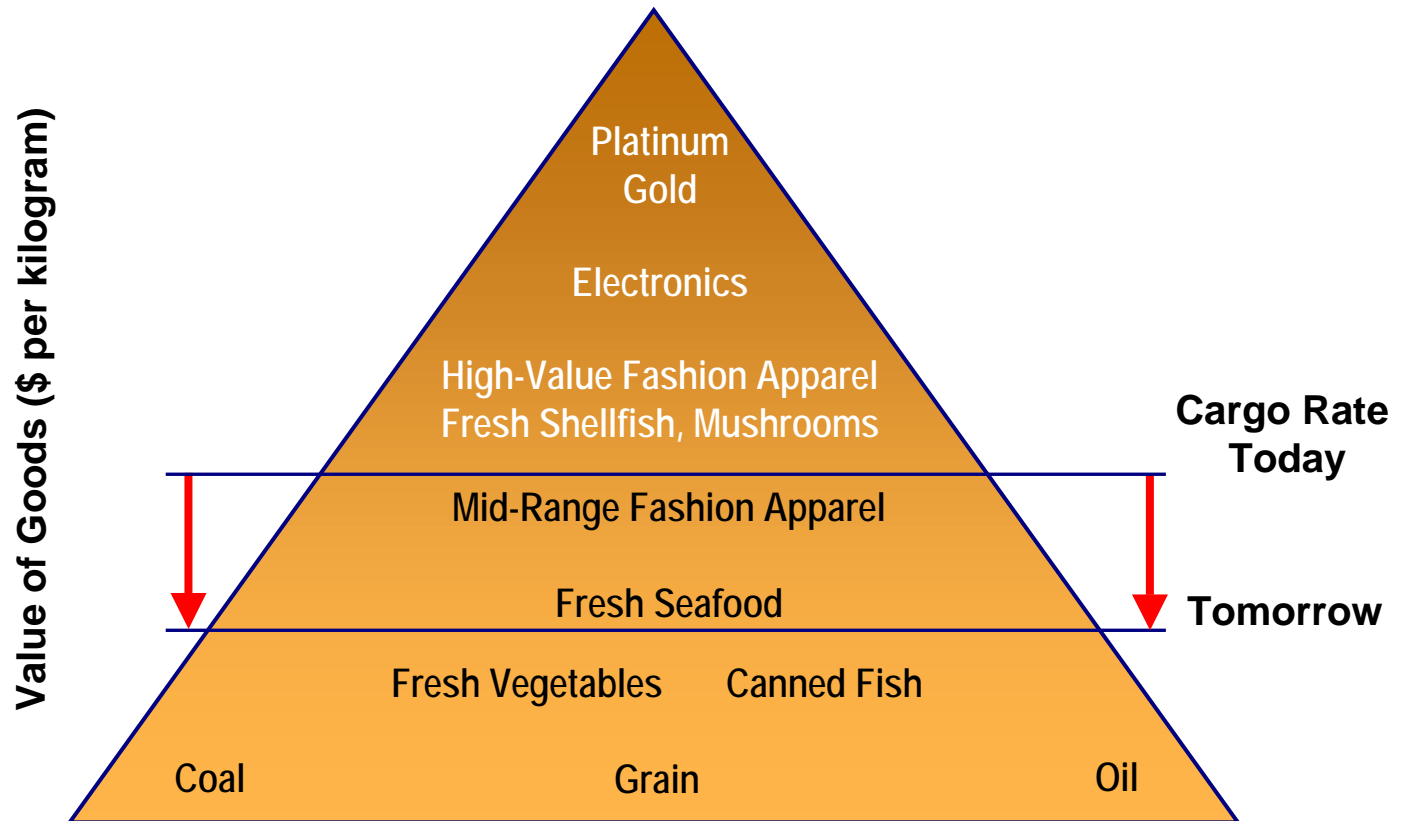
United States, Spain, France, Italy, China, Germany,
United Kingdom, Austria, Hong Kong, Greece



Other

Strong Growth in Air Cargo

Air Cargo Value Pyramid



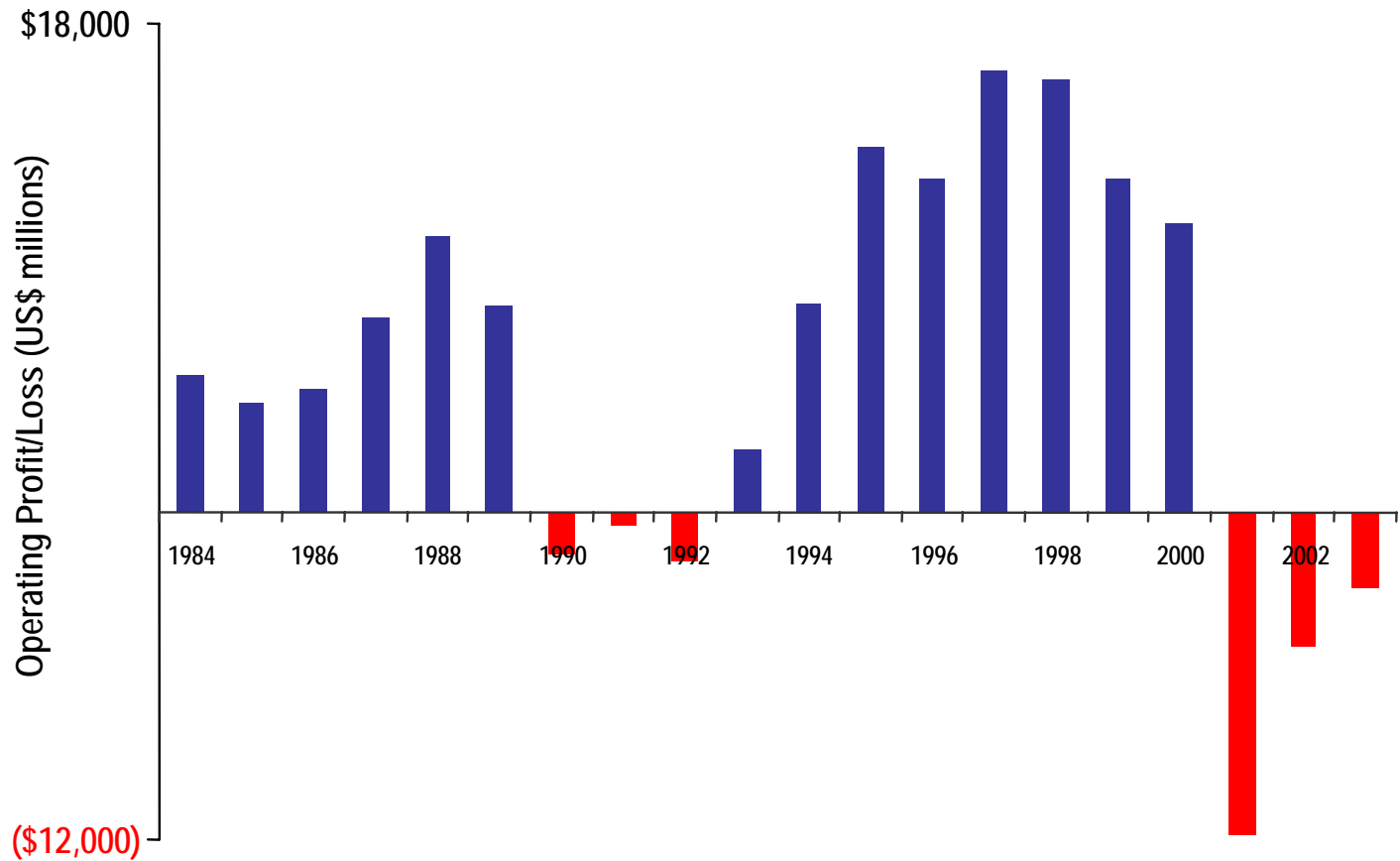
Area Represents Total Value of Economy
Items Above Line are Viable for Air Cargo

Airline Outlook



Industry in Financial Crisis

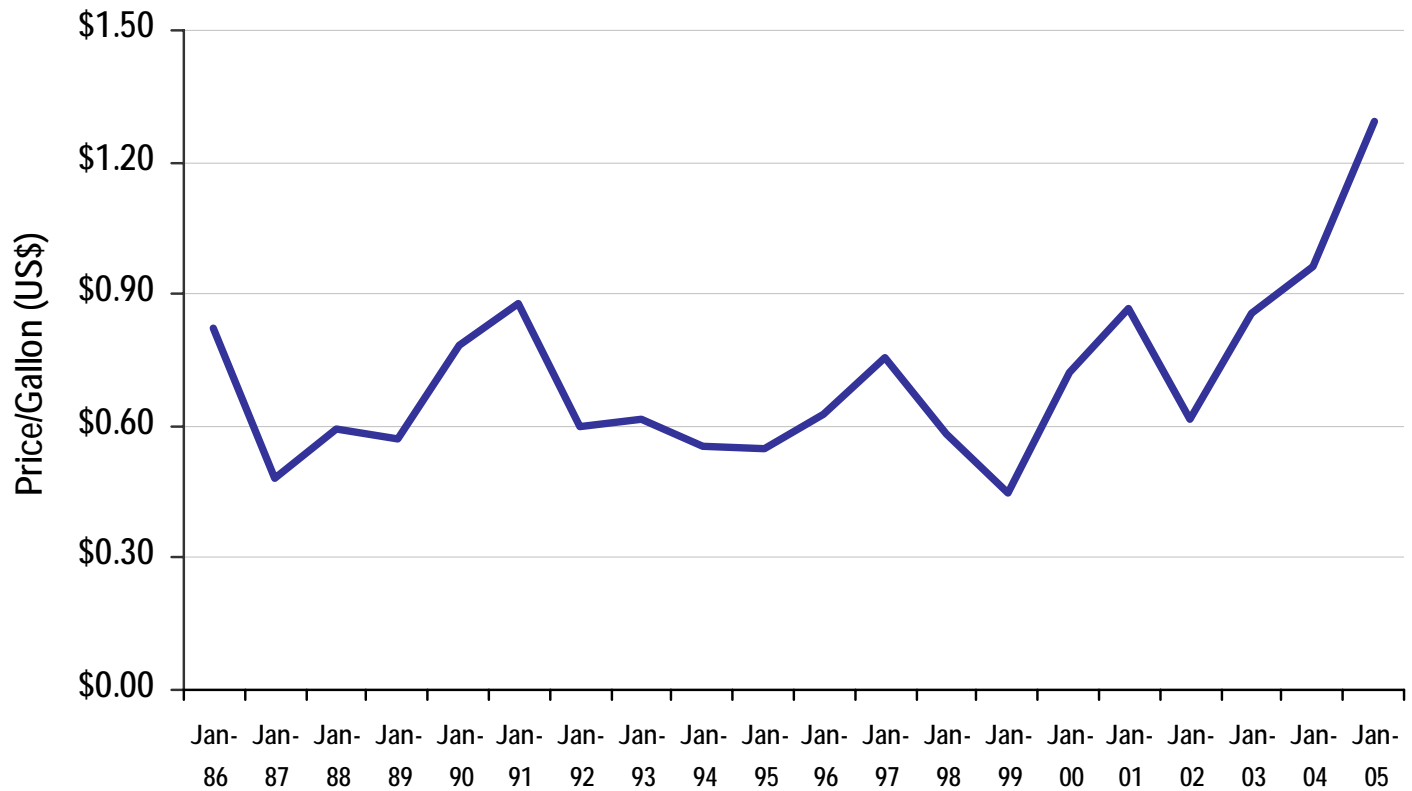
1984 to 2003



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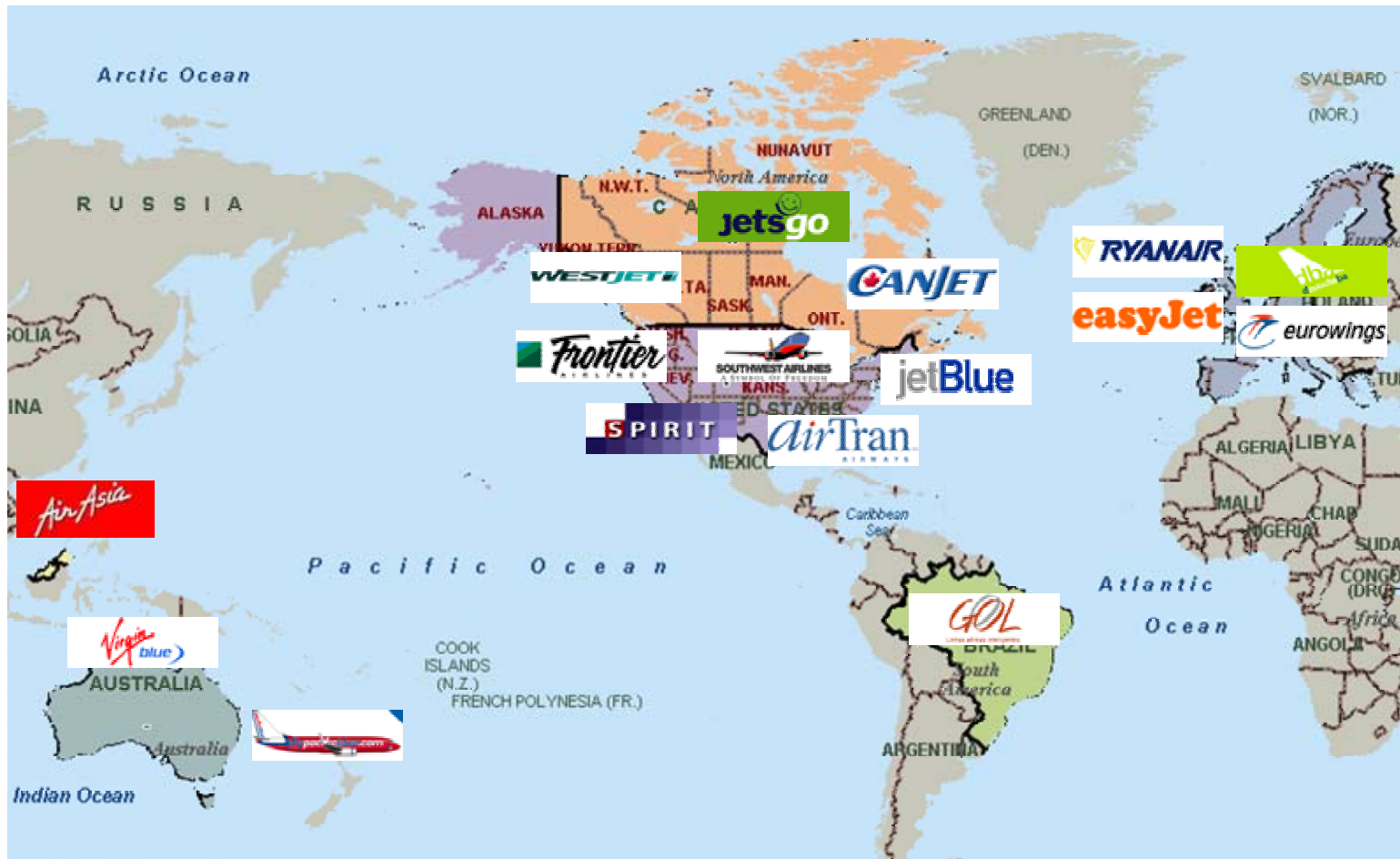
Rising Fuel Prices

January 1986 to January 2005



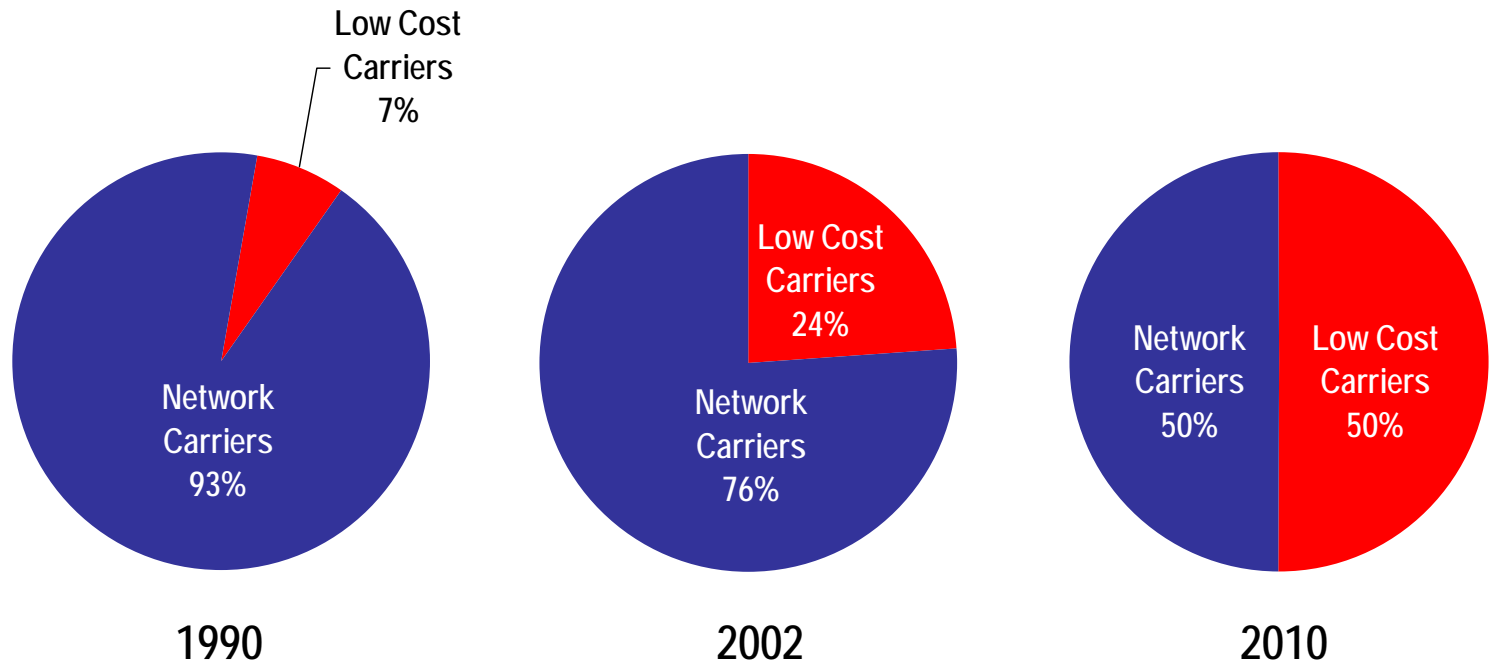
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Growth of Low Cost Carriers



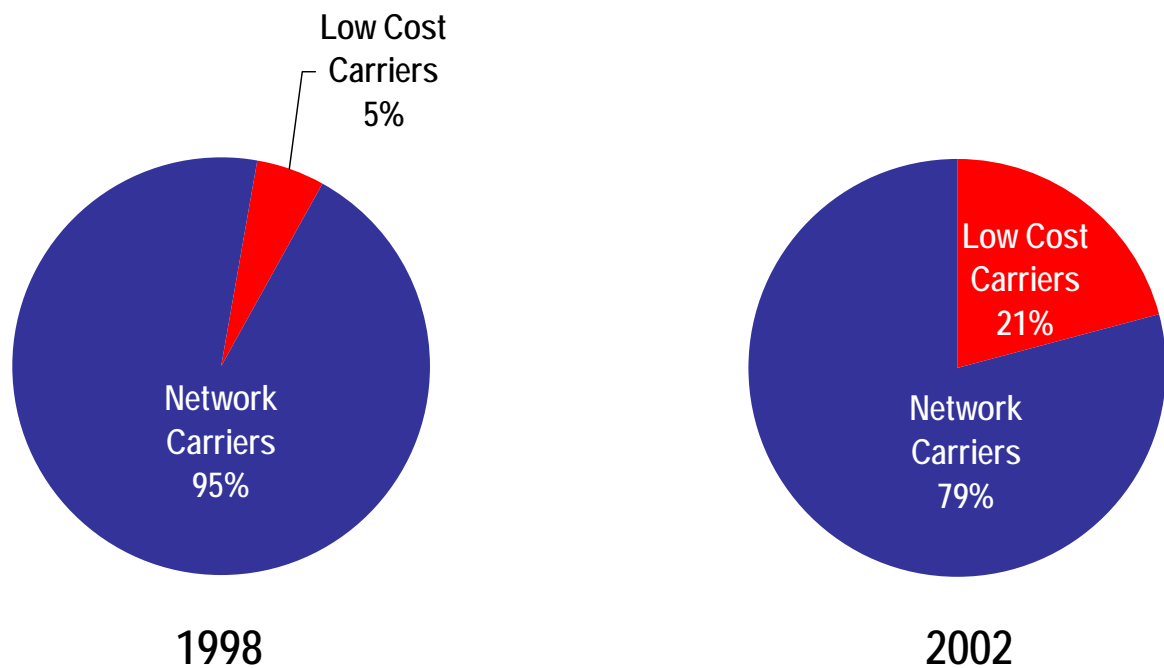
Industry Transformation

Share of US Domestic O/D Passengers



Industry Transformation

Share of Canadian Domestic Seat Capacity



New Generation Aircraft



■ High capacity aircraft

- **Airbus A380**
 - 550 seats
 - 15,000 km range



■ Medium capacity 'hub buster' aircraft

- **Boeing 787**
 - 200-300 seats
 - 14,500 km range



■ Regional jets/turboprops

- **Bombardier CRJ 900**
 - 86-90 seats
 - 3,600 km range
- **Embraer 190**
 - 94-106 seats
 - 4,100 km range



Airport Outlook



Airport Privatization

- Governments have been unable to keep up with the required investments in airports
- Turned to the private sector to finance and operate facilities
- Reliance on the private sector for investment in safety, maintenance and expansion will continue in the future



Regional Integration

- Air transport growth will continue to put pressure on regional transportation systems
- Airports will need to be integrated into regional systems that make use of high capacity mass transit
- Innovative solutions are already being implemented at several airports:
 - Paris
 - Hong Kong
 - San Francisco
 - Vancouver (future)



Commercialization of Airports

- Traditional focus:
 - Airport terminals
 - Retail, food & beverage, advertising, banking, telecommunications, value added parking
 - 50% of total revenues of at major airports
 - Airport land development
- More recent focus:
 - Regional transportation systems
 - United Kingdom
 - Switzerland

Technological Advances

- Information systems/telecommunications:
 - Self service check-in kiosks
 - Wireless services
 - Radio frequency identification devices
- Biometric applications
- Smart cards
- E-commerce



Airport Growth Outside Boundaries

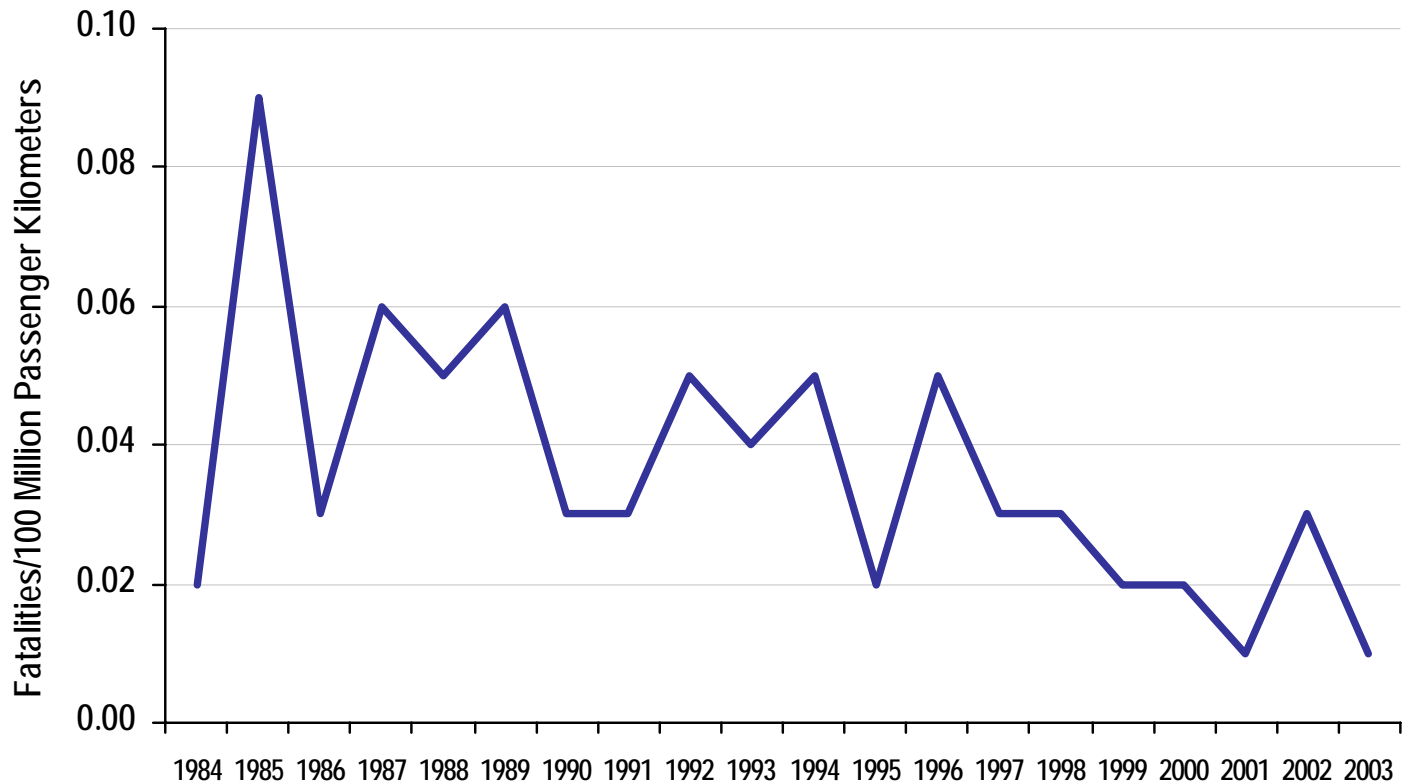
- Offsite check-in and other processes:
 - Downtown check-in
 - Cruiseship check-in
 - Internet
- Utilization of secondary airports
 - Hamilton, Abbotsford
- Development of new airports
 - May complement or replace existing airports
- Expansion of boundaries of existing airports
 - Land acquisition to accommodate expansion

Safety & Security Outlook



Air Transport Safety

Passenger Fatalities on Scheduled Air Services

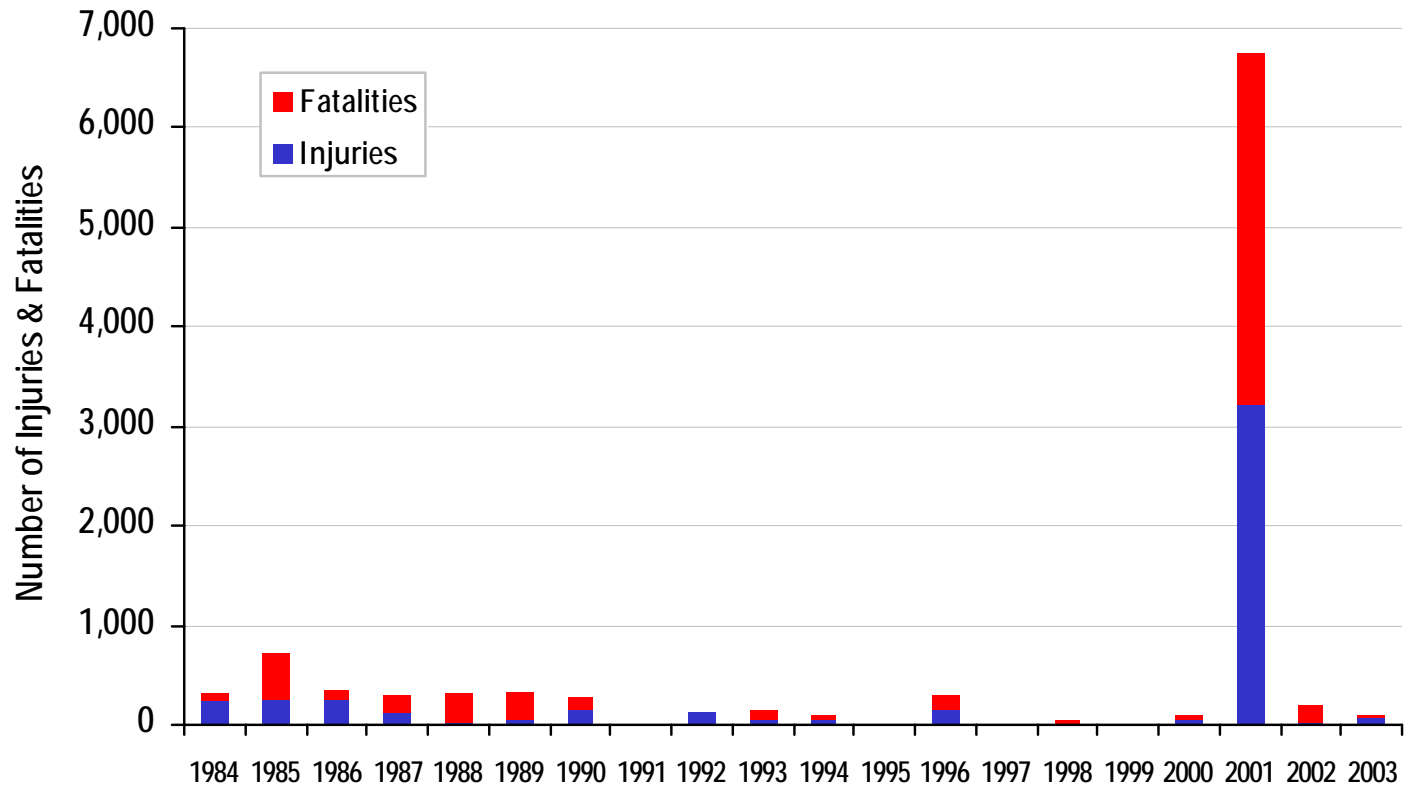


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Source: International Civil Aviation Organization.

Air Transport Security

Injuries & Fatalities Due to Unlawful Acts



Global Security Challenges

November 20, 2003

BBC NEWS WORLD EDITION

LATEST NEWS IN VIDEO AND AUDIO

VIDEO

Last Updated: Thursday, 20 November, 2003, 19:02 GMT

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Istanbul rocked by double bombing

Bomb attacks on the British consulate and the HSBC bank headquarters in Istanbul have left at least 27 dead and up to 400 injured.



Hospitals have been treating hundreds of injured people

The top UK diplomat in the city, Consul-General Roger Short, was among at least 14 people killed in the attack on the consulate, its chaplain Ian Sherwood said.

The Turkish authorities say the attacks were carried out by suicide bombers, reportedly linked to al-Qaeda.

The explosions follow last Saturday's suicide bomb attacks against two synagogues in Istanbul that killed 25 people.

Responding to news of the blasts, UK Prime Minister Tony Blair said there could be "no holding back" in confronting the "menace" of global terrorism.

US President George Bush said the bombers had shown "utter contempt" for human life.

“ It's total chaos... civilians are carrying people away from the scene ”

Chris Kitrinis, bystander near British consulate

WATCH AND LISTEN

The BBC's Stephen Sackur
"The debris was so thick some were trapped underneath"

[▶ VIDEO](#)

ISTANBUL BLASTS

KEY STORIES

- ▶ Al-Qaeda 'aided bombers'
- ▶ UK and Turkey pledge united fight
- ▶ In pictures: Burying the dead

ANALYSIS

Was it al-Qaeda?
Tarik Kafala looks at claims that al-Qaeda was behind the Istanbul attacks

- ▶ Culture clash in bomb-hit city
- ▶ EU's ties with Turkey tested

PROFILES

- ▶ Turkey country profile
- ▶ Obituary: Roger Short

HAVE YOUR SAY

- ▶ Your experiences of bombings
- ▶ BBC Turkish Service

SEE ALSO:

- ▶ Duo shocked but not overawed
20 Nov 03 | UK

TOP EUROPE STORIES NOW

- ▶ Pope 'considered standing down'
- ▶ Dutch 'smash labour gang'
- ▶ Two killed in Cairo bazaar blast
- ▶ Dutch 'not prepared for attack'



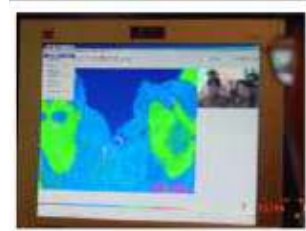
Border Clearance and Security

- Preclearance services
- Changing/differing security requirements
- Harmonization of Canada-US-Mexico processes
- Perimeter Clearance



Health/Disease Issues

- Incidence of infectious diseases is increasing:
 - Economic development and land use
 - Human demographics and behaviour
 - Advances in technology, industry practices
 - International travel
 - Microbial adaptation
 - Breakdown in public-health capacity
- Could lead to mass scale health screening at airports



Beyond 2010



Transport
Canada

Transports
Canada

InterVISTAS

Key Long Term Trends

- Continued strong growth of air transport
- Development of new markets
- Strong growth of air cargo
- Increased use of new technology
- Integration of airports into regional systems
- Reliance on private sector investment
- Airport growth outside existing boundaries
- Increased focus on safety, security and environment