A Future Vision for Air Transportation

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Pacific Asia Travel Association

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First Boeing airplane designed for Commercial use ...

Growth of tourism in Asia

(Arrivals to Asia Pacific; 1960 to 2006, in millions; source: PATA)
11,000 jet trails = number of commercial flights in the US every 8 hours ...

A new travel experience ...
Revolutionising air transport...

Technology revolutionises air travel

Economy travel from Sydney to London

1954
Super Constellation
51:30
4 days
57 seats

A$ 1,346 (F) =
43 week’s salary

1959
Boeing 707
26:00
31 hours
220 seats

A$ 1,188 (Y) =
27 week’s salary

1971
Boeing 747
22:00
25 hours
356 seats

A$ 4,304 (Y) =
21 week’s salary

1995
Boeing 747-400
22:00
23:30 hours
356 seats

A$ 2,469 (Y) =
4 week’s salary
New aircraft spurred growth
(Arrivals to Asia; 1970 to 1975; in millions; source: PATA)

Despite the Vietnam war and the first oil crisis in 1973, arrivals to Asia continued to grow following the introduction of large-capacity aircraft such as the Boeing 747.

Ultra long-range aircraft allow new non-stop routes

<table>
<thead>
<tr>
<th>Aircraft</th>
<th>Service year</th>
<th>Range (km)</th>
<th>Equivalent flying route</th>
<th>Seat capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airbus A300-600</td>
<td>1984</td>
<td>7,700</td>
<td>London – Seattle</td>
<td>264</td>
</tr>
<tr>
<td>Boeing 767-200ER</td>
<td>1984</td>
<td>12,223</td>
<td>Paris – Bali</td>
<td>196-255</td>
</tr>
<tr>
<td>Boeing 747-400</td>
<td>1989</td>
<td>13,450</td>
<td>Singapore – Dakar</td>
<td>416-524</td>
</tr>
<tr>
<td>Boeing 747-8</td>
<td>2010</td>
<td>14,815</td>
<td>Doha – Santiago de Chile</td>
<td>467</td>
</tr>
<tr>
<td>Airbus A380</td>
<td>2007</td>
<td>15,200</td>
<td>Sapporo – Cape Town</td>
<td>550-800</td>
</tr>
<tr>
<td>Boeing 787-8</td>
<td>2008</td>
<td>15,700</td>
<td>Shanghai – Caracas</td>
<td>217</td>
</tr>
<tr>
<td>Airbus A350</td>
<td>2013</td>
<td>15,750</td>
<td>Vienna – Melbourne</td>
<td>270-350</td>
</tr>
<tr>
<td>Airbus A340-500</td>
<td>2003</td>
<td>16,700</td>
<td>Singapore – Dakar</td>
<td>280</td>
</tr>
<tr>
<td>Boeing 777-200LR</td>
<td>2006</td>
<td>17,440</td>
<td>Bangkok – Buenos Aires</td>
<td>467</td>
</tr>
</tbody>
</table>
Making travel affordable
Asia: Promising tourism real estate...

Air transport gets more sophisticated
(Source: SRS Analyser)

Evolution of airlines market share in weekly seats

![Graph showing the evolution of airlines market share in weekly seats from 2002 to 1st Quarter 2007. The graph compares market share percentages for AAPA, Other Airlines, and Budget Airlines.]

[Graph Image]

PATA
Pacific Asia Travel Association
Growth of budget carriers in Asia
(Source: Airlines - SRS Analyser)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of LCA</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>Number of destinations</td>
<td>30</td>
<td>42</td>
<td>58</td>
<td>68</td>
</tr>
<tr>
<td>Major LCA gateways</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Number of weekly seats</td>
<td>509,221</td>
<td>597,038</td>
<td>707,497</td>
<td>953,111</td>
</tr>
<tr>
<td>Market share in intra-Asian traffic*</td>
<td>4.2%</td>
<td>4.7%</td>
<td>5.3%</td>
<td>6.6%</td>
</tr>
</tbody>
</table>

* in weekly seats

Generating new markets: Udon Thani
(Air passengers growth; 2002 to 2005 (000); source: Department of Civil Aviation of Thailand; Lao Civil Aviation Department)
The effect of budget airlines
(Passenger growth rate at selected secondary airports; 2003 to 2005; in millions; source: Airlines)

With a large share of budget carriers activities

<table>
<thead>
<tr>
<th>Airport</th>
<th>Country</th>
<th>2003</th>
<th>2004</th>
<th>Growth 04/03</th>
<th>2005</th>
<th>Growth 05/04</th>
<th>Growth 05/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chiang Mai</td>
<td>Thailand</td>
<td>2,055.6</td>
<td>2,668.7</td>
<td>30.56</td>
<td>3,014.1</td>
<td>5.07</td>
<td>45.63</td>
</tr>
<tr>
<td>Johor Bahru</td>
<td>Malaysia</td>
<td>883.8</td>
<td>1,427.2</td>
<td>61.48</td>
<td>1,256.9*</td>
<td>-12.00</td>
<td>42.10</td>
</tr>
<tr>
<td>Padang</td>
<td>Indonesia</td>
<td>842.5</td>
<td>1,339.0</td>
<td>57.63</td>
<td>1,361.4</td>
<td>2.52</td>
<td>61.59</td>
</tr>
<tr>
<td>Hat Yai</td>
<td>Thailand</td>
<td>741.2</td>
<td>1,170.9</td>
<td>57.97</td>
<td>1,248.8</td>
<td>6.65</td>
<td>68.48</td>
</tr>
<tr>
<td>Tawau</td>
<td>Malaysia</td>
<td>551.2</td>
<td>820.8</td>
<td>47.52</td>
<td>689.9</td>
<td>9.68</td>
<td>23.53</td>
</tr>
<tr>
<td>Udorn Thani</td>
<td>Thailand</td>
<td>351.7</td>
<td>606.2</td>
<td>72.36</td>
<td>657.4</td>
<td>8.44</td>
<td>86.92</td>
</tr>
<tr>
<td>Bandung</td>
<td>Indonesia</td>
<td>251.7</td>
<td>366.8</td>
<td>46.73</td>
<td>378.4</td>
<td>3.16</td>
<td>50.33</td>
</tr>
</tbody>
</table>

Without budget carriers activities

<table>
<thead>
<tr>
<th>Airport</th>
<th>Country</th>
<th>2003</th>
<th>2004</th>
<th>Growth 04/03</th>
<th>2005</th>
<th>Growth 05/04</th>
<th>Growth 05/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bandar Sri B.</td>
<td>Brunei</td>
<td>1,183.2</td>
<td>1,342.6</td>
<td>12.52</td>
<td>1,261.4</td>
<td>-6.04</td>
<td>5.72</td>
</tr>
<tr>
<td>Vientiane</td>
<td>Laos PDR</td>
<td>302.7</td>
<td>403.8</td>
<td>7.89</td>
<td>440.0*</td>
<td>9.0</td>
<td>12.00</td>
</tr>
</tbody>
</table>

* estimated

Generating new markets: Macau SAR
(Passenger share to / from Southeast Asia from Macau International Airport; source: Macau International Airport Company; Macau Government Tourist Office)

2003 - 5.44%

2007* - 22.85%

<table>
<thead>
<tr>
<th>Destination of Origin</th>
<th>2006</th>
<th>Growth 2006/05</th>
<th>Number of weekly flights from LCA*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>202,821</td>
<td>+106.01%</td>
<td>28</td>
</tr>
<tr>
<td>Philippines</td>
<td>176,246</td>
<td>+87.74%</td>
<td>7</td>
</tr>
<tr>
<td>Singapore</td>
<td>126,291</td>
<td>+53.46%</td>
<td>13</td>
</tr>
<tr>
<td>Thailand</td>
<td>89,448</td>
<td>+54.55%</td>
<td>21</td>
</tr>
</tbody>
</table>

* Airlines websites - June 2007

* Forecast
Generating new markets: Macau
(Passenger traffic into Macau SAR; 2001 to 2006; source: Macau International Airport Company)

Travel unites the world ...
Learning to travel smarter

What's responsible for more global warming than your international flights? The airport or the skies you use on those flights.

But there's help at hand. According to the Intergovernmental Panel on Climate Change (IPPC), aviation accounts for 2% of greenhouse gases worldwide, but if the skies were clear of emissions, this figure would rise to 8%.

Road transport generates approximately 14% of all greenhouse gases worldwide. This is because emissions are directly linked to fuel consumption.

Air travel contributes less than 2% of the world's CO2 emissions. However, as the world grapples with the twin challenges of carbon emissions reduction and tourism, it's clear that the future of air travel must be seen as a vital part of the global effort to reduce emissions.

Greener flights

Many airlines, such as Virgin Atlantic, have implemented voluntary carbon offsetting for passengers who want to offset the emissions generated by their flights. Some airlines have also introduced eco-friendly travel options, such as offsetting fuel costs, purchasing renewable fuel, and investing in carbon reduction projects.

In recent weeks, the 21 APAC economies — which represent more than a third of the world's population — have agreed to work together to reduce greenhouse gas emissions.

What's the solution? It's simple. Reduce the impact of the aviation industry on the environment. The Pacific Asia Travel Association (PATA) President and CEO have set the tone.

Disrupting limits

In the face of travel restrictions, the leading body in the Asia Pacific region, PATA, believes it's also important to develop some positive initiatives to help tackle emissions.

"Aviation generates emissions but they are not carbon-neutral emissions," says Mr. [name]. "In the current climate, we believe that reducing emissions and the impact on global warming is essential for the future of air travel.

A simple but powerful approach to reducing emissions is to encourage passengers to offset their carbon footprint by purchasing carbon credits. This is a way to reduce the overall impact of air travel on the environment.

For example, Virgin Atlantic have introduced a carbon offsetting programme, allowing passengers to purchase credits to offset the emissions from their flights. This is not only a step towards reducing the industry's carbon footprint, but also a way for individuals to take responsibility for their impact on the environment.

In conclusion, reducing the impact of air travel on the environment is not only crucial for the future of the industry, but also for the health of our planet. By working together, we can make a difference. Let's fly green, let's travel smarter.
Tourism depends on a healthy environment ...