



AEROSPACE & MRO **BUSINESS CONVENTION**

**KLIABC - Kuala Lumpur International Aerospace
Business Convention 2018**

**Tapping into South East Asia`s Imminent
Airline Business Opportunities**

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Overview

1. Introduction
2. Discussion
 - I. Forecasted Growth of the Region
 - II. Tourism
 - III. Airlines
 - IV. Opportunities for Airlines Business
 - V. Opportunities for MRO Business
 - VI. Challenges
3. Conclusion

1. Introduction

- Forecasted Growth in Aviation Industry in South East Asia is imminent due to its Population and Geography.
- South-East Asian Countries Market Growth is also on Rise.
- Consistently Increasing number of Global Customers and Domestic Travellers.
- Growing number of Airlines and increasing Aircraft Fleet in the Region.
- Increasing Opportunities for Airlines and MRO Sector.
- Challenges with Increasing Opportunities.

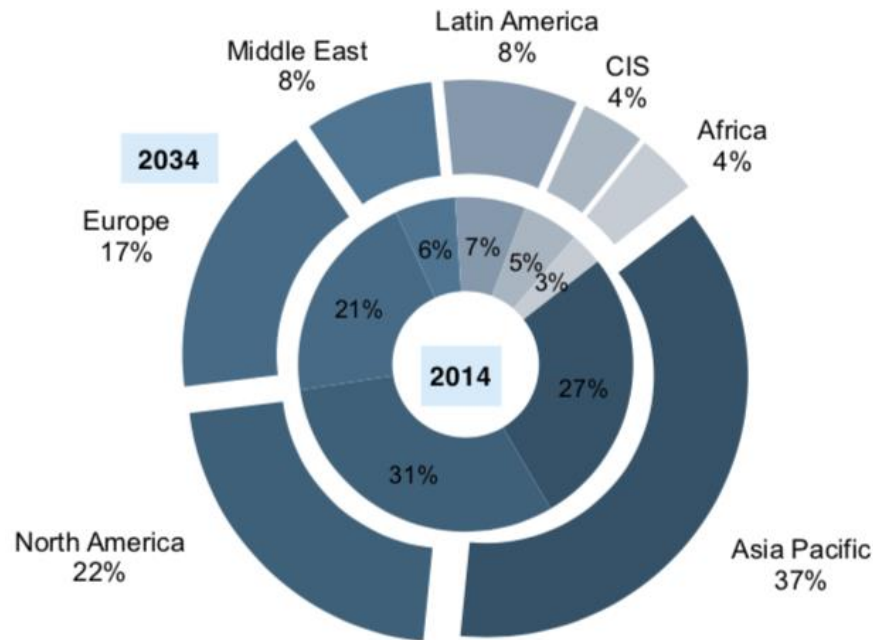
2. Discussion

- I. Forecasted Growth of the Region.
 - I. 38,050 New Aircraft Deliveries Globally between 2015-2030
 - II. Nearly 14,330 Aircraft to be Delivered in South-East Asia between 2015-2034
 - III. Shift in Global Air Traffic Growth towards Asia Pacific Region in Next 20 Years

2. Discussion

I. Forecasted Growth of the Region.

Aircraft Operating Fleet by Region (2014-2034)



2. Discussion

- Drivers to South- East Asian Countries Market Growth
 - Aviation Mega Cities
 - Increasing GDP
 - Increase in Daily Long Haul Passengers
 - Increase in Share of Private Consumption in Emerging Countries
 - Rise in Percentage of People taking a Trip a Year in Emerging Countries
 - Rise in Spending Power of Middle Class Citizens
 - Growing Tourism in the Region

2. Discussion

Drivers to South- East Asian Countries Market Growth

Mega-Cities in 2030

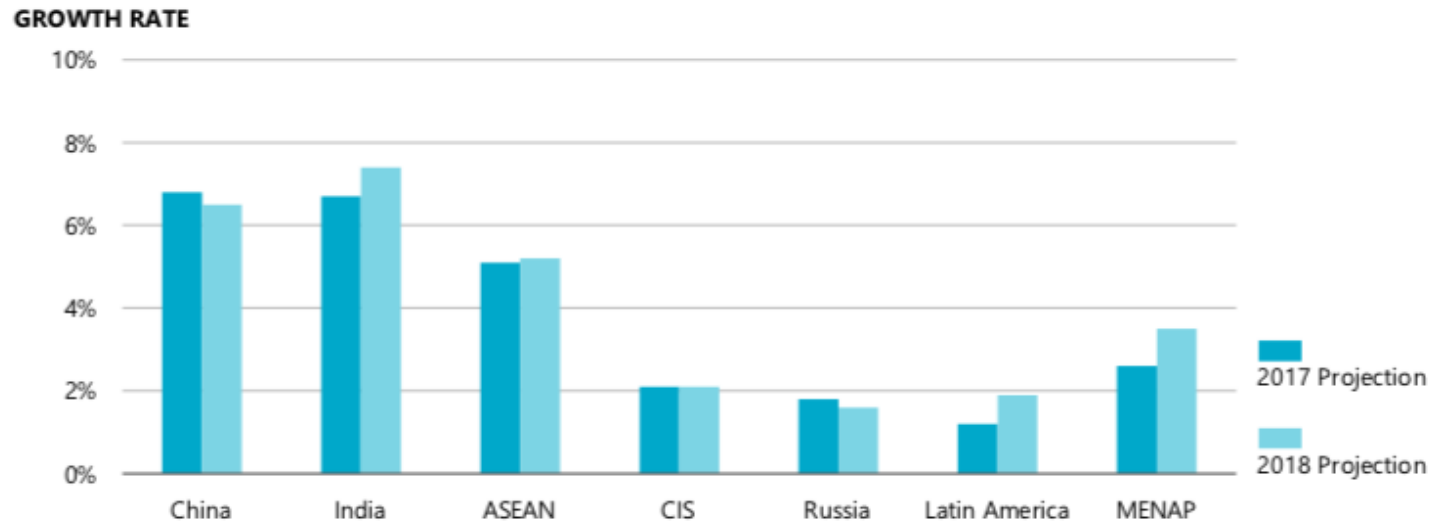


Strong Growth in Upper Middle Income Class Group Along with Lower Middle Income Group Leading to Strong Passenger Growth in the Region.

2. Discussion

- Drivers to South- East Asian Countries Market Growth

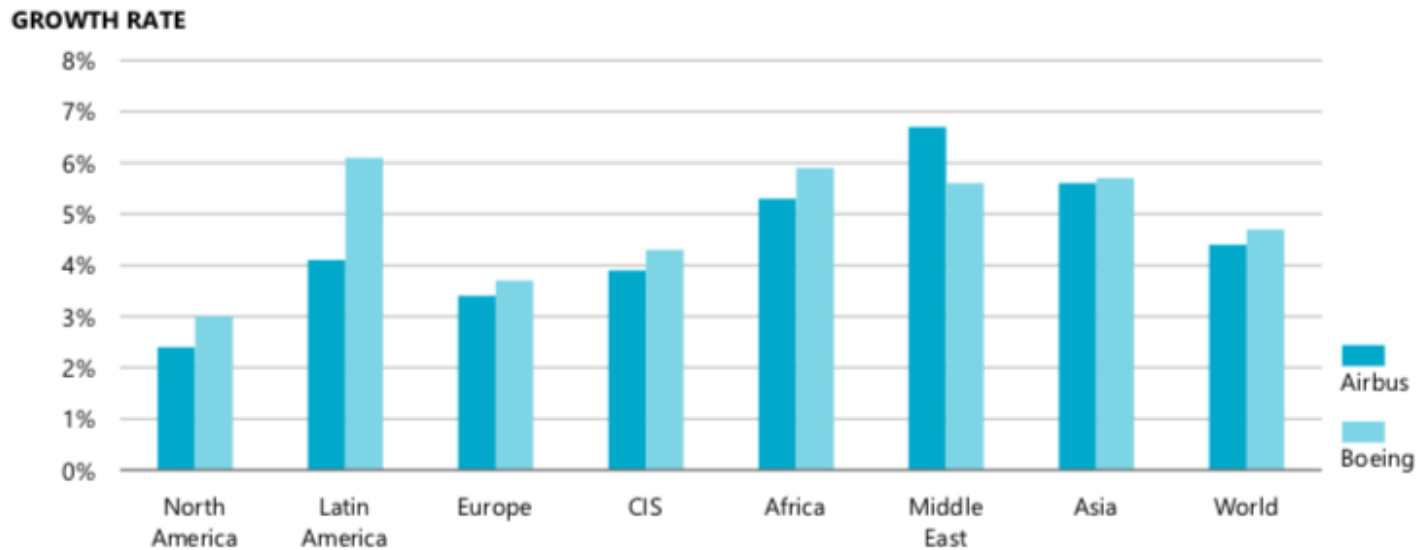
IMF Economic Outlook for Emerging Economies



2. Discussion

- Drivers to South- East Asian Countries Market Growth

Airbus and Boeing 20 Year Passenger Traffic Growth Rates

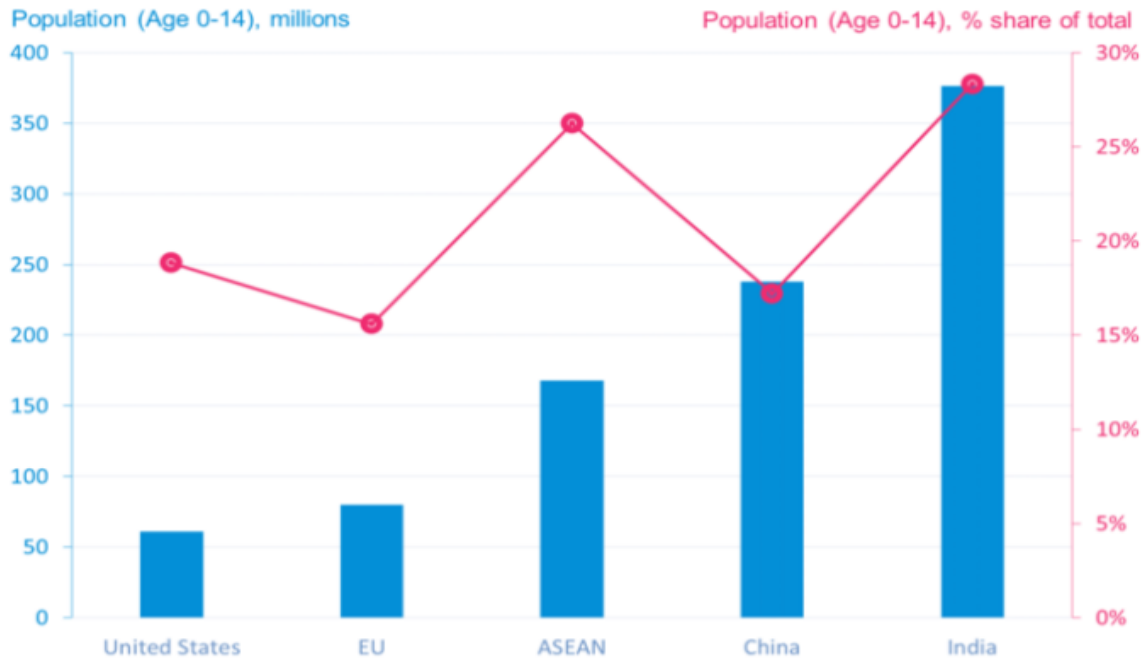


Note: CIS is the Commonwealth of Independent States

2. Discussion

- Drivers to South- East Asian Countries Market Growth

Young Population (Ages 0-14) Across Key Markets



2. Discussion

- Increasing Tourism in South-East Asia

According to IATA, Travel & Tourism Sector Competitiveness Rank have Higher Tourism Spending

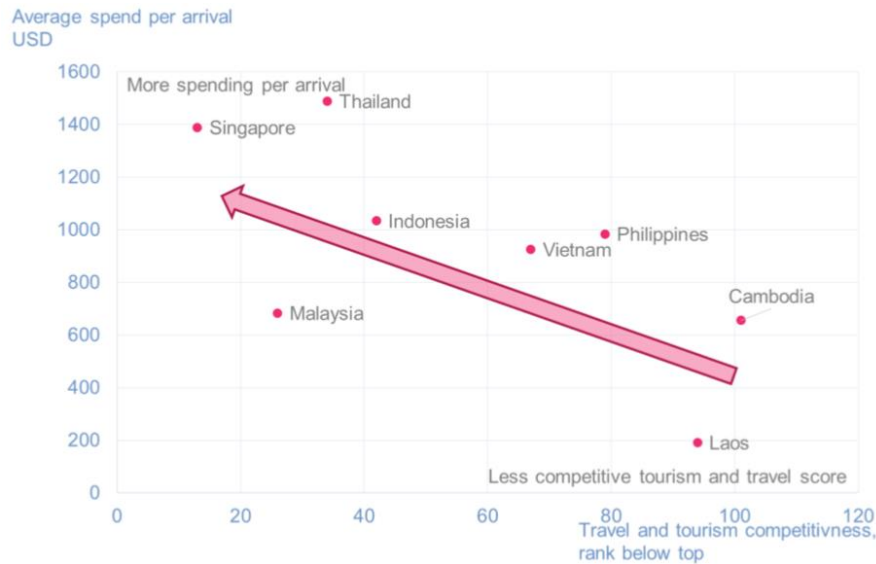


Figure: Competitiveness Rank & Tourism Spend

2. Discussion

- Increasing Number of Fleet in Asian Region
 - Asia Pacific Aircraft Fleet to Grow at 5.21% CAGR in next 20 Years.
 - Forecasted Fleet size to Grow Three Times the Present Fleet in Next 20 Years.
 - Single Aisle Aircraft will be in Majority across the Asian Region with approx. 76% of all new Aircraft Deliveries in South East Asia.
 - Wide body Aircraft Market smaller in size but still Outstanding in terms of Value.
 - Regional Carriers will also Increase Marginally in next Decade.

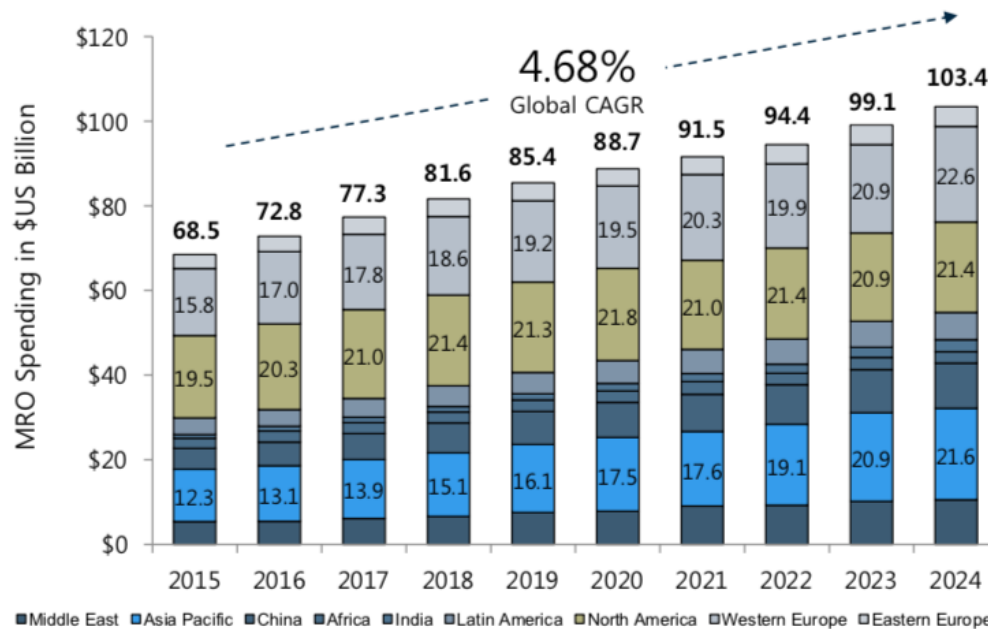
2. Discussion

- Opportunities for Airlines
 - Robust Growth in Passengers Traffic i.e. 5.3% annually for Asia-Pacific and 5.6% for SE Asia.
 - Cargo Traffic Continues to Grow in the Asian Region and will become Focal of Cargo Traffic
 - Young Population as First Time Flyers
 - Younger Workforce

2. Discussion

- Opportunities for MRO Sector

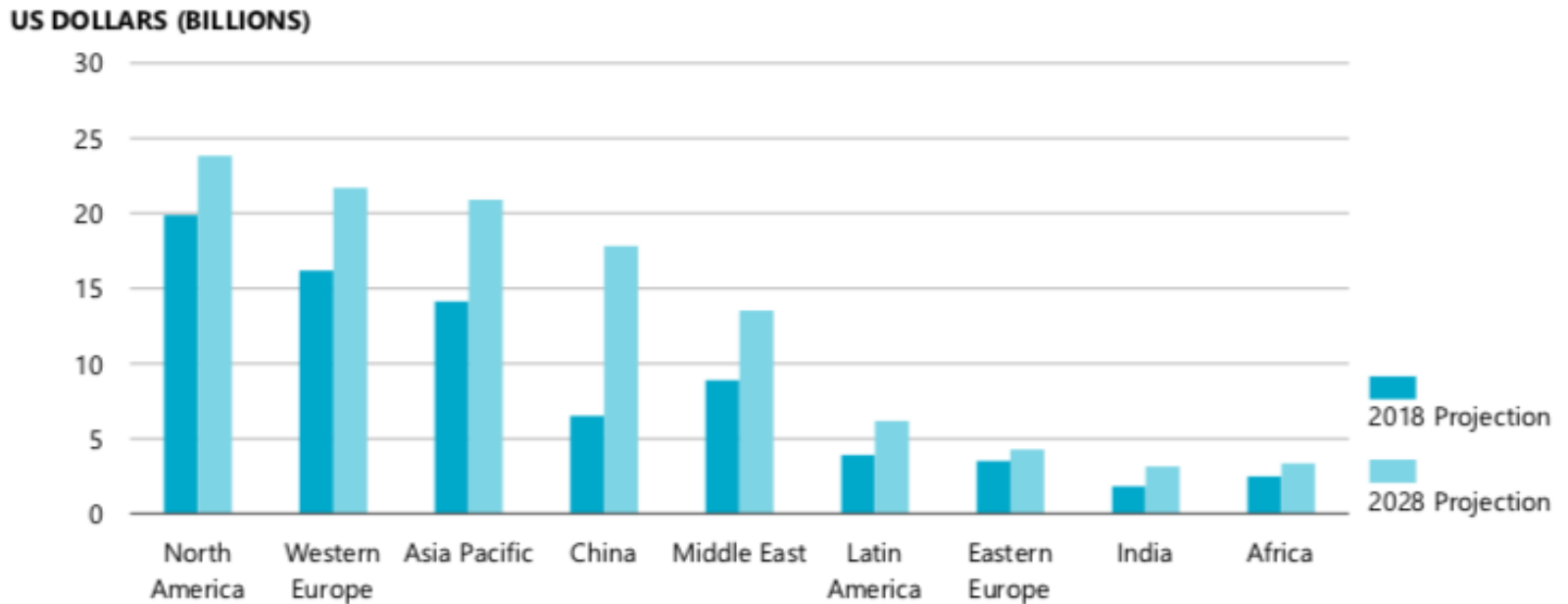
Global MRO Forecast by Region (2015-2024)



Asia Pacific will become the 2nd Largest Region for MRO Services by 2024

2. Discussion

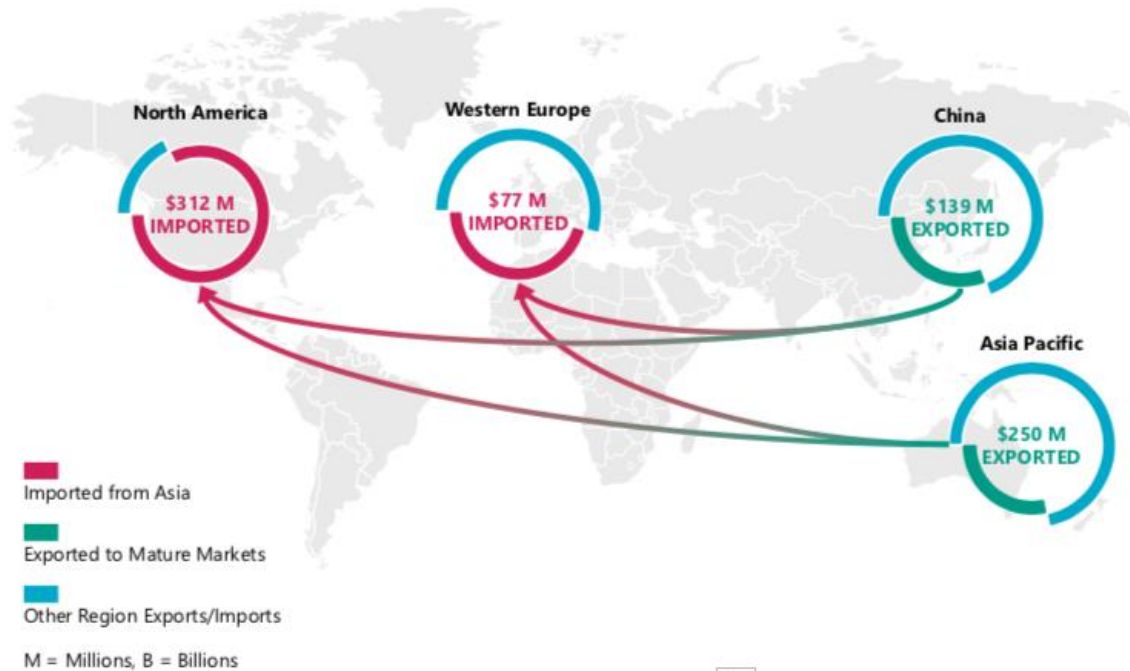
- Opportunities for MRO Sector
MRO Spend by Region



2. Discussion

- Opportunities for MRO Sector

North America & Western Europe Wide-Body Heavy Maintenance Imported from Asia



2. Discussion

- Opportunities for MRO Sector
 - Asia Pacific Region`s MRO growth is 4% annually
 - Asian MROs can Target Wide-Body Market with the Introduction of new Capacity and Development of Necessary Technical Skills
 - Increasing Capacity, Capability, & Efficiency can be combined with Partnerships for Engineering and Workforce Development

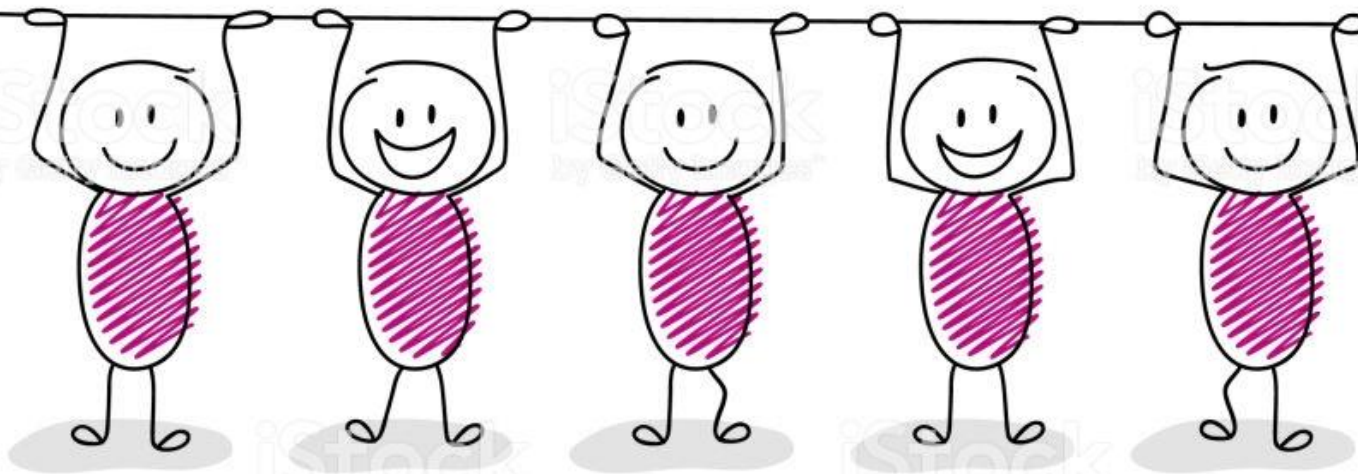
2. Discussion

- Challenges
 - i. Airport Infrastructure
 - ii. Capacity
 - iii. Capability
 - iv. Workforce
 - v. Fuel Price
 - vi. Technology
 - vii. Environment
 - viii. Nationalism, Regionalism, and Conflict
 - ix. Trade War

3. Conclusion

- Consistent Growth of the Region
- Robust Passenger and Cargo Traffic in the Asia Pacific and SE Asia Region
- Increasing Fleet Size
- Job Creation both Direct and Indirect and Induced with Expansion of Aviation Industry
- Shift from West to East in MRO Sector due to Lower Costs
- Huge Investments in Airport Infrastructure
- Adoption of New Technology to deal with the Demand
- Environmental Concern

THANK YOU





Questions

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And

A

ANSWERS

Sources:

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