

# Industry Perspective

## Erik Varwijk

Executive Vice President  
International Sales and Benelux

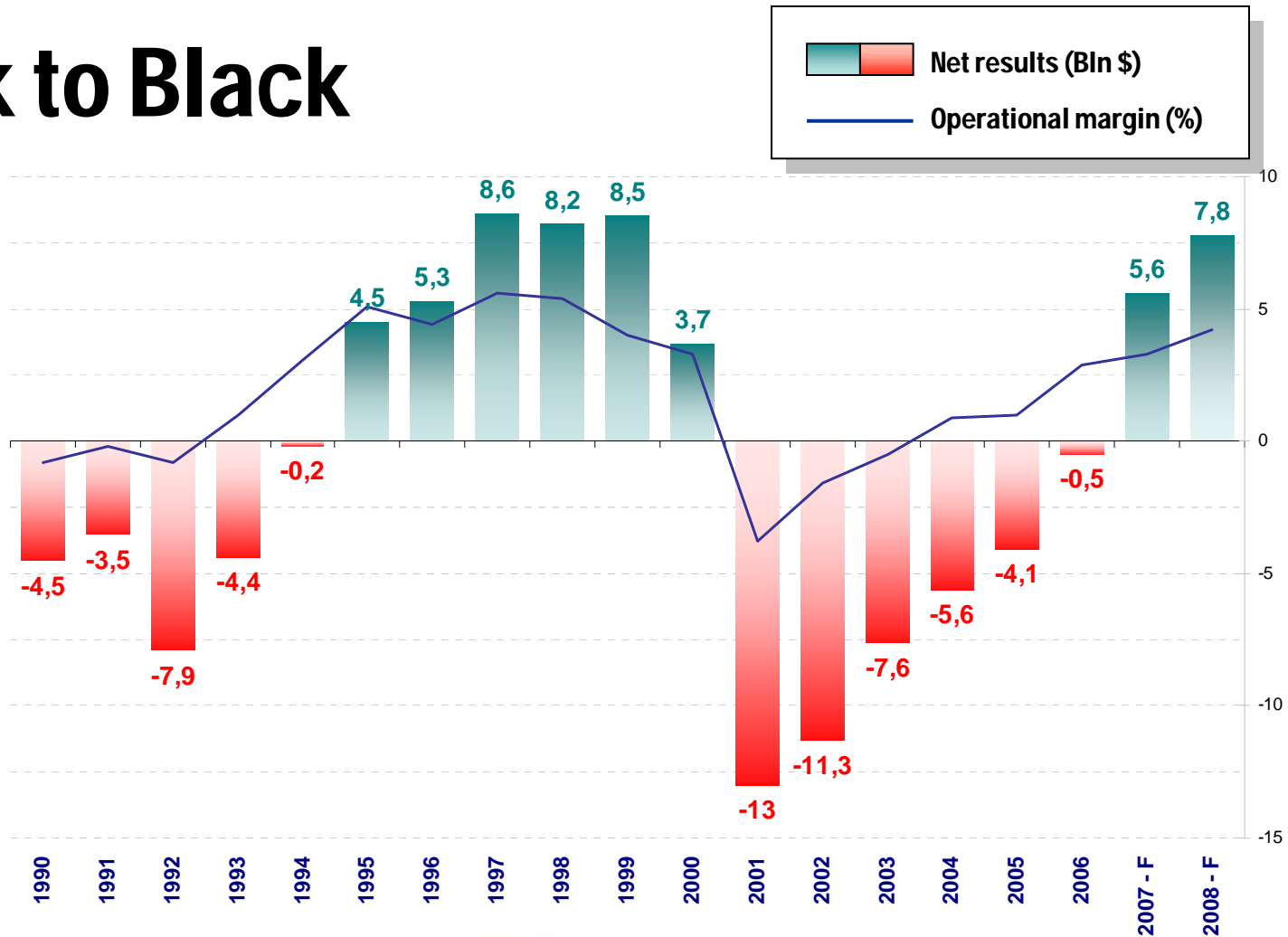
AIR FRANCE KLM



On Behalf of

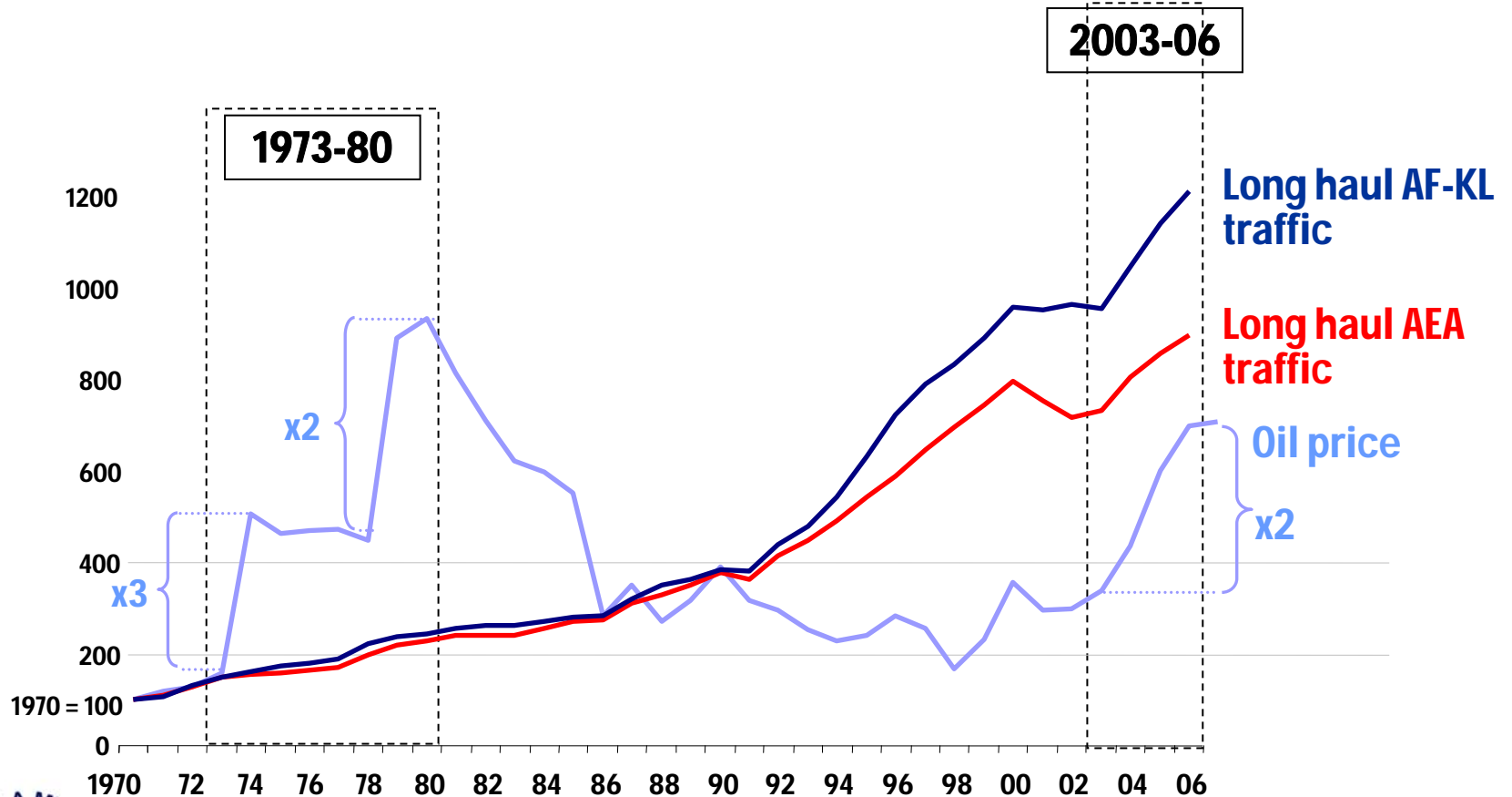
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# Back to Black

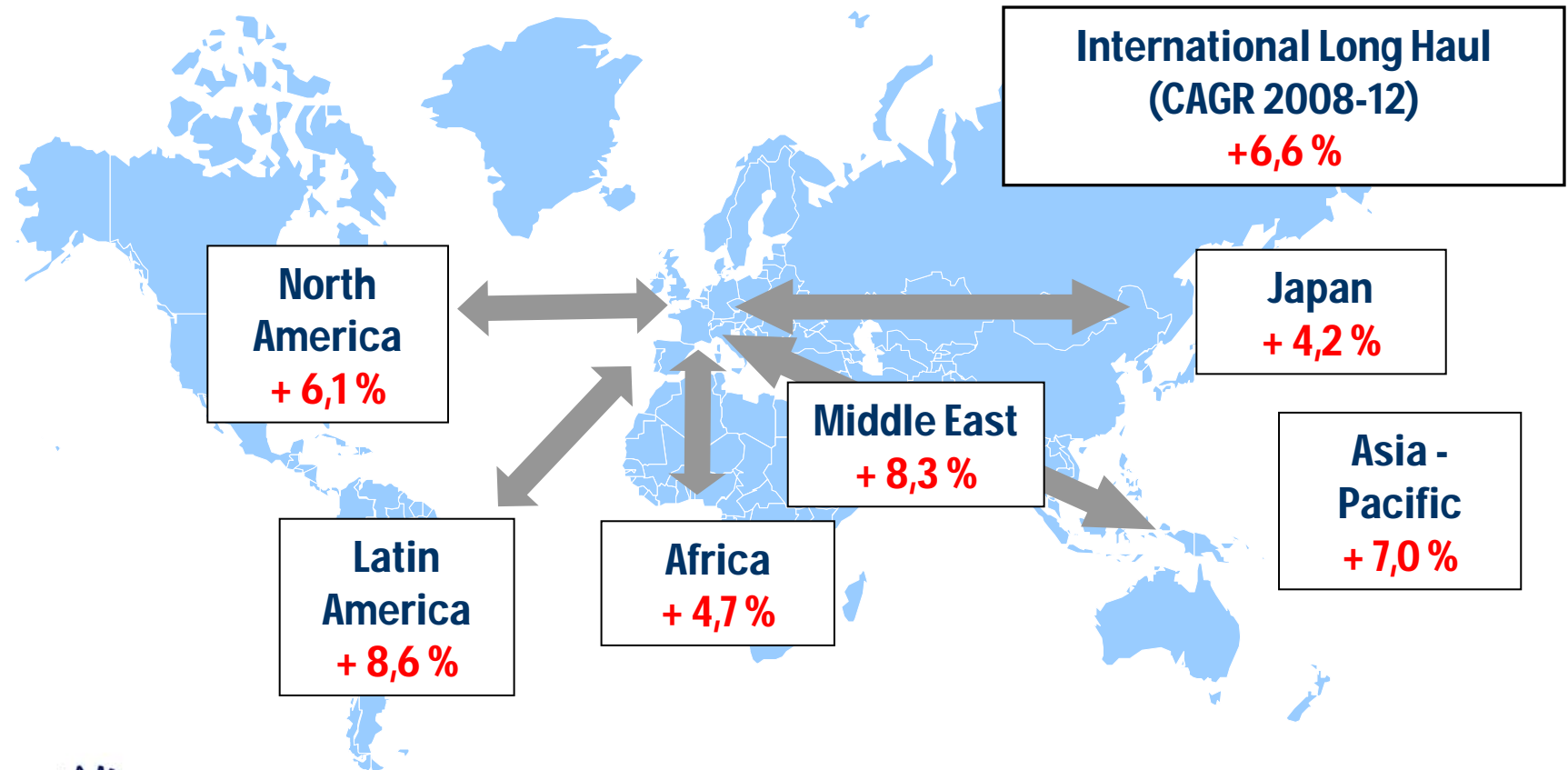


Source : OACI (1990-2005) and IATA forecast (2006-8)

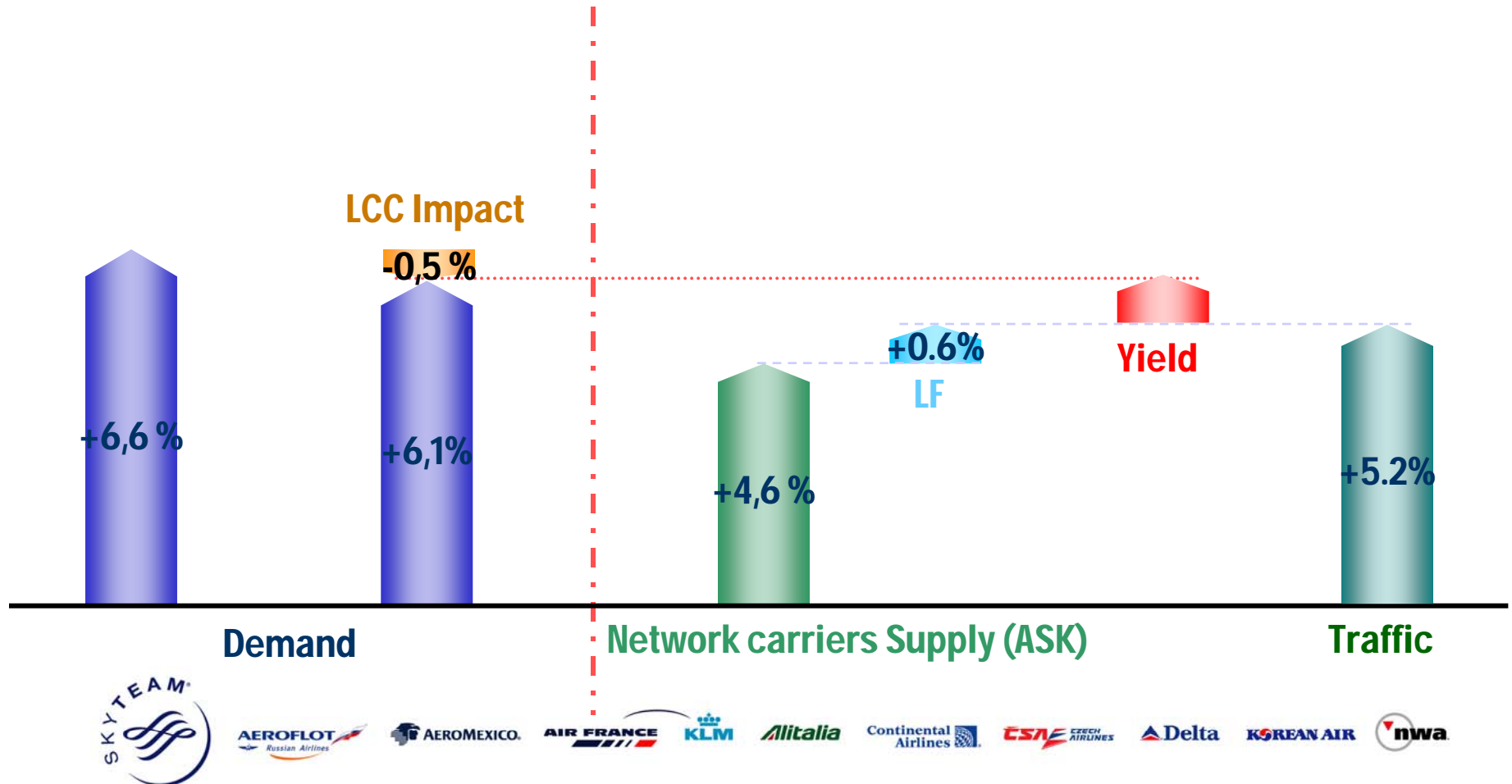
# Oil & Demand



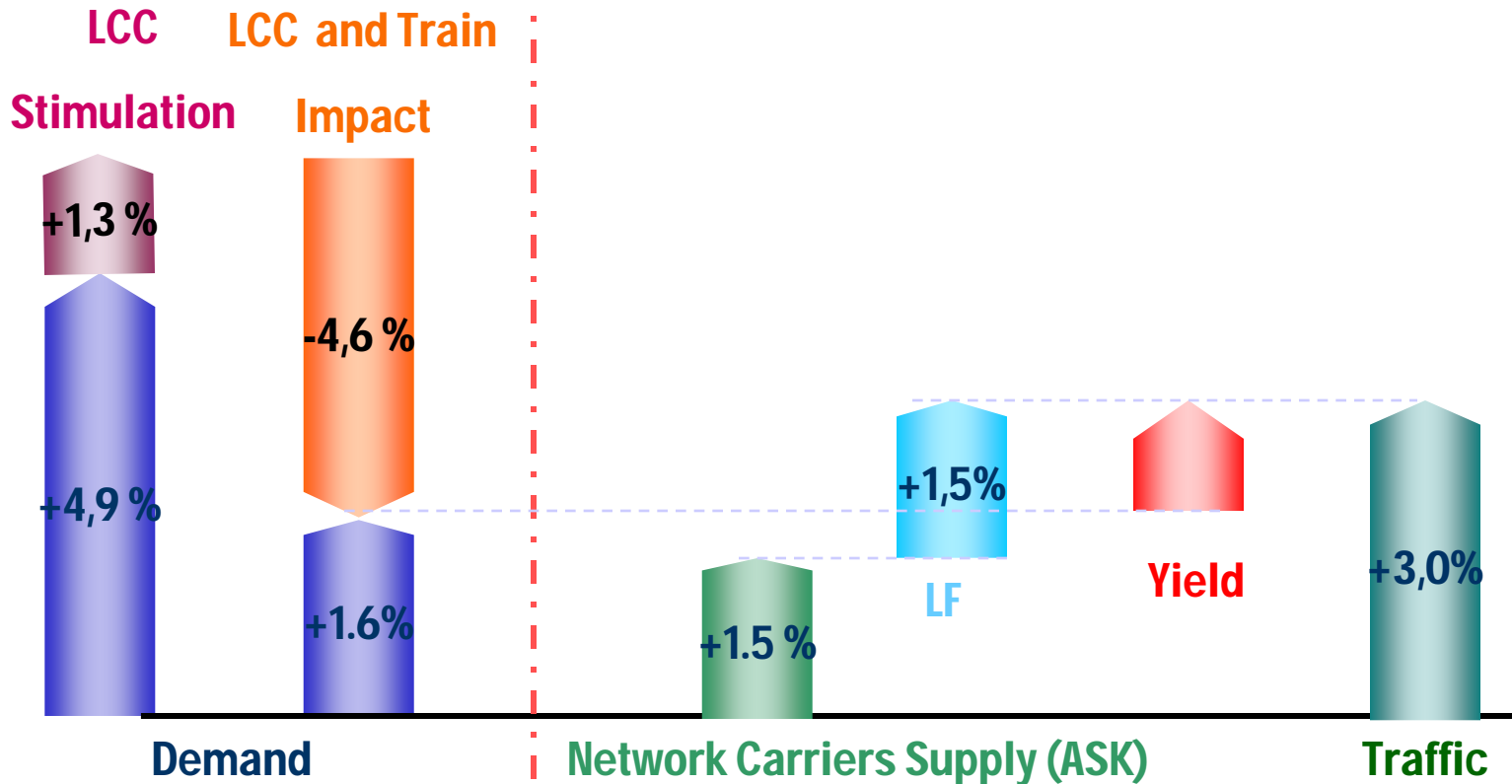
# Demand Forecast



# Demand & Supply – Long Haul



# Demand & Supply – Medium Haul



# From « network carriers » to « network of carriers »

**USA Hubs**  
from

**Short Haul – > Short Haul**  
to

**Short Haul – > Long Haul**

**European Hubs**

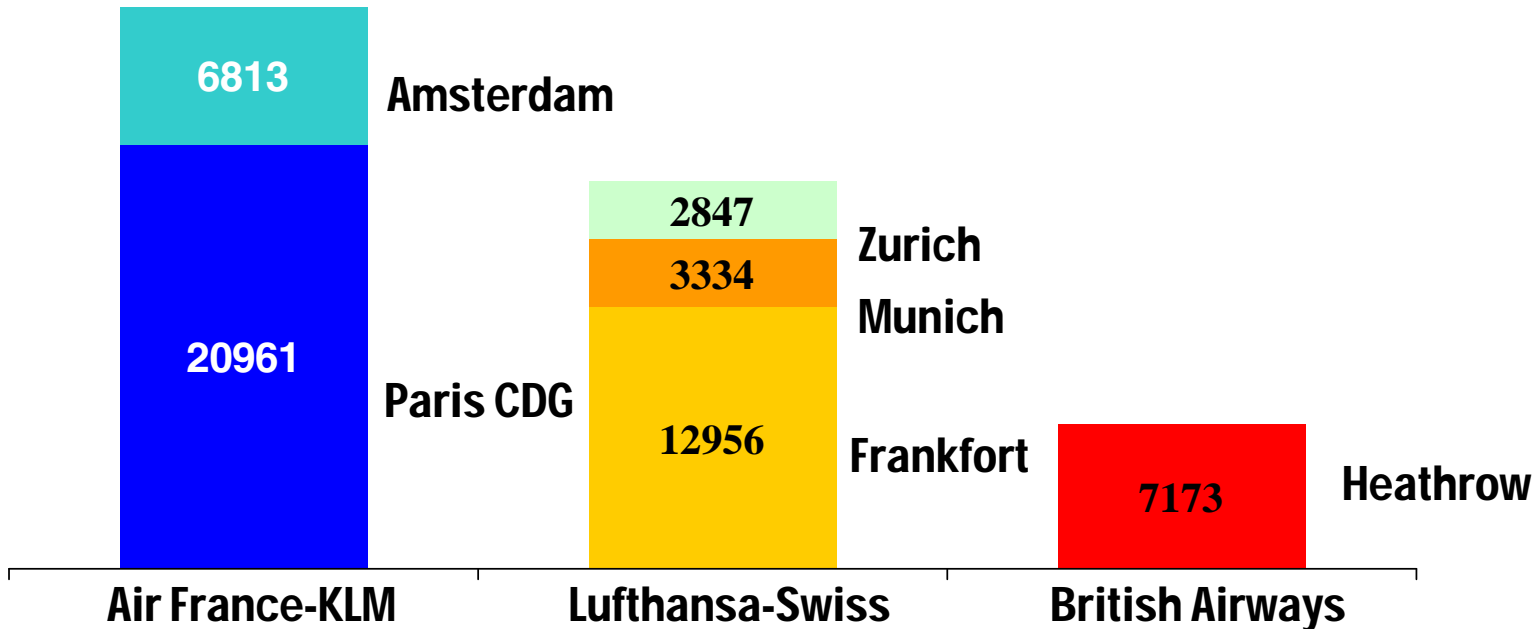
**Short Haul – > Long Haul**

**Oriental Hubs**

**Long Haul – > Long Haul**

# Network of Carriers with Multiple Hubs

Weekly connections medium haul / long haul  
In less than 2 hrs



Source: OAG – Summer 06



# Opportunities for Travel Managers

- Ability to meet global travelers' needs
- Single program to manage global travel :
  - One Point of Contact
  - Uniform Terms
  - Combined Targets
  - Enhanced Program Compliance



# Drivers of Change

- Speed
- Recognition
- Demographics
- Differentiation
- Globalisation
- Environment



# Is this Growth Sustainable?

## Current Situation

- Aviation : 2-3% of CO2 emissions
- Airline industry is growing
- No alternative available
- 80% of emissions are caused by intercontinental flights

## 2050\*

1. Zero emission aircraft within 50 years
2. Improve air traffic management (6 to 12%)
3. Global ETS
4. Green strategies

\*IATA targets 2007, Vancouver



# Short Term Initiatives

## 1. Fleet renewal:

- C02 reduction
- Noise reduction



## 2. Innovation

- New flight techniques
- Engine water wash
- New coatings



## 3. Partnerships:

- Support projects (WWF, Good Planet)
- C02 emission calculations
- C02 offset programs



# Thank You

