

Grim Prospects for World's airlines

The International Air Transport Association (IATA) recently announced international traffic statistics showing continuing deterioration in demand. IATA said that the revised figures reflect the rapid deterioration of global economic conditions. The group, which represents some 230 airlines, now estimates that revenues will drop \$62 billion, or nearly 12 percent, to \$467 billion.

Passenger volumes fell sharply in February to 10.1% below 2008 levels. Although there was a contiguous 5.9% reduction in capacity - the most aggressive since the credit crunch began - this could not keep pace with the fall in demand. February international freight volumes were also 22.1% below 2008 levels. This is the third consecutive month at more than 20% below previous year levels.

Giovanni Bisignani, IATA's Director General stated that "Gloom continues. The sharp drop in February passenger traffic shows the broadening scope of the crisis. Freight traffic, which began its decline in June 2008 before passenger markets were hit, has now had three consecutive months in the -22% to -23% range. We may have found a bottom to the freight decline, but the magnitude of the drop means that it will take time to recover".

The only good news in the airline industry is the decreasing price of fuel, compared with 2008, but the relief is overshadowed by the

falling demand and plummeting revenues. U.S. airlines appear to be doing a little better than others, helped by the cut in capacity and because the dollar has strengthened.

Bisignani reminded governments that air transport is a catalyst for economic activity and called for policy changes to help them to stimulate economies by playing this role effectively. "Governments are spending trillions to bailout the banks and trillions more to stimulate economies. By comparison, our requests to governments are cost-effective and cheap. More broadly governments must replace the mindset of taxing aviation as a luxury or a sin with a strategic approach that recognises and fosters the industry's critical economic role in connecting people to business and products to markets," he continued.

Bisignani also warned that the burden of the crisis requires an industry response, making efficiency a priority for the entire value chain. IATA feels that a 25% reduction in landing charges at Singapore Changi Airport and a 50% reduction at Malaysian Airports are major steps forward.

All of this negative news may lead, we hope, to major fare savings for consumers and event organisers!

Global expertise will help shape AIPC conference program

The three dimensions of the current challenge facing the convention centre industry

- what are we dealing with?
- what's the best response?
- how do we deliver it?

These are the topics to be addressed during an integrated program at this year's AIPC Annual Conference in A Coruna, northern Spain.

AIPC President Edgar Hirt has stated that the conference will address the questions head-on, and supply the resources to make the deliberations by industry experts all the more effective. The program will combine industry intelligence, global perspective and specific strategies for coping. "There's not much point in raising questions without having the ability to look for answers", he said. "As a result, we've made sure our program will cover all aspects of the equation, including what and how we can respond to a global crisis that's swept up our industry along with everyone else".

Keynotes will include Dr. Linda Yueh, FRSA, an economist and commentator whose recent work includes a book focusing on the global economy, and her research examines economic growth and the changing global economic structure. Dr. Yueh will put industry issues in a global context of overall economic prospects.

Also presenting is Simon Anholt, who will be presenting new strategies around how a centre and destination can best position themselves in a rapidly changing environment. Simon is regarded as a specialist in public diplomacy and brand strategy for countries, cities and regions. Included in his presentation will be a workshop which will specifically address how centres and destinations can be taking advantage of current conditions to improve market share and better position themselves in their respective markets.

"As always, some of the most important content for this year's Annual Conference will be the interactions amongst members sharing their concerns and insights", says Hirt. "We fully expect that this will be one of the most important and valuable events in our history as an association".

The 2009 AIPC Annual Conference takes place from July 4 through 8 in A Coruna, Spain.

For more information www.onetec.be/aipc2009

