

Air cargo opportunities throughout the Middle East

WACE, 12-13 February 2008



To share with you today

- Gulf region dynamics: Europe and the USA
- Hub role of the Middle East
- Forecast for the region

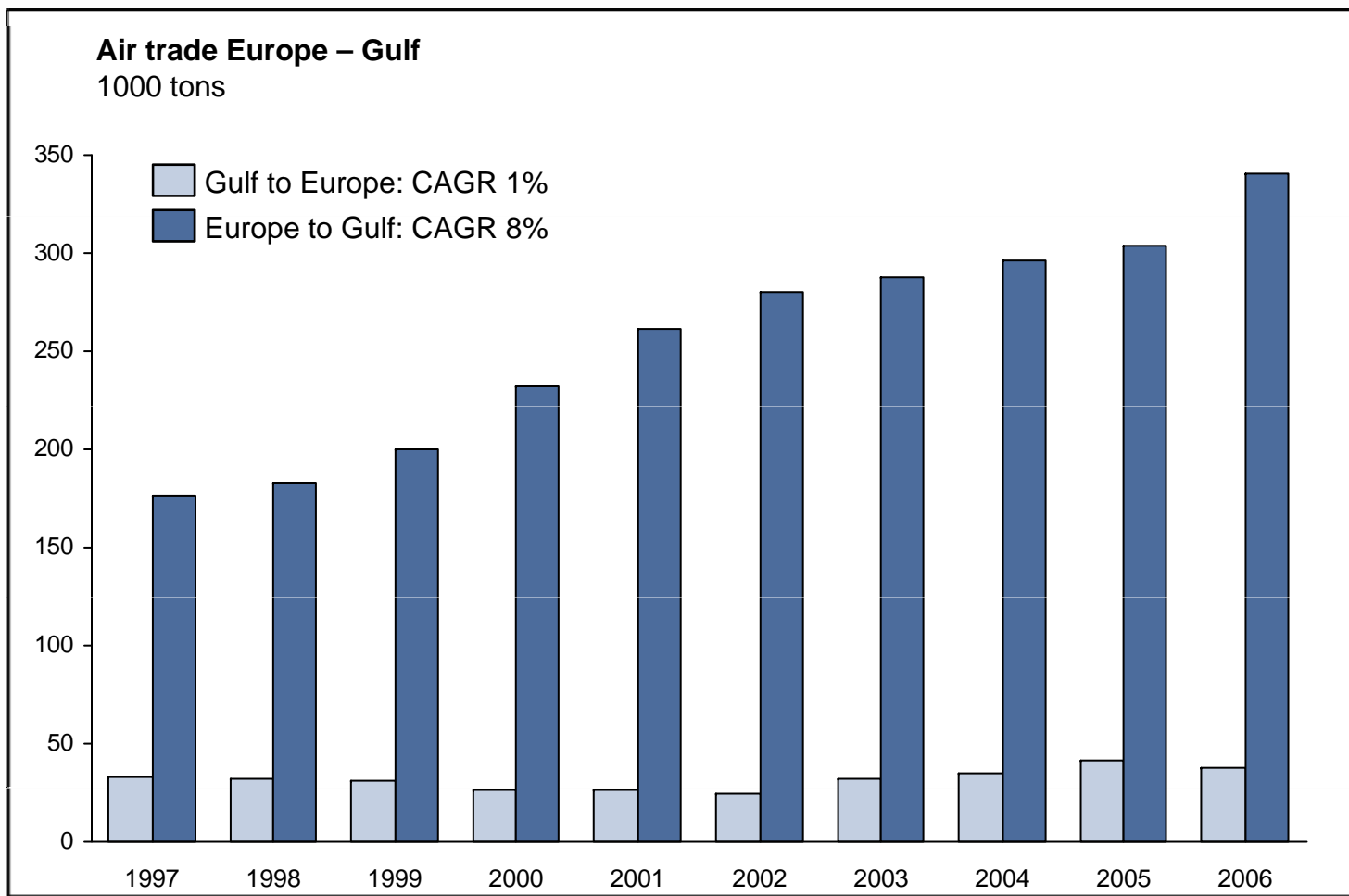
Scope of Middle East target areas

*Scope of presentation excludes Asia & India to Europe flows through Middle East
Included are Europe, USA and Asia flows to/from Middle East*



Europe – Gulf air trade

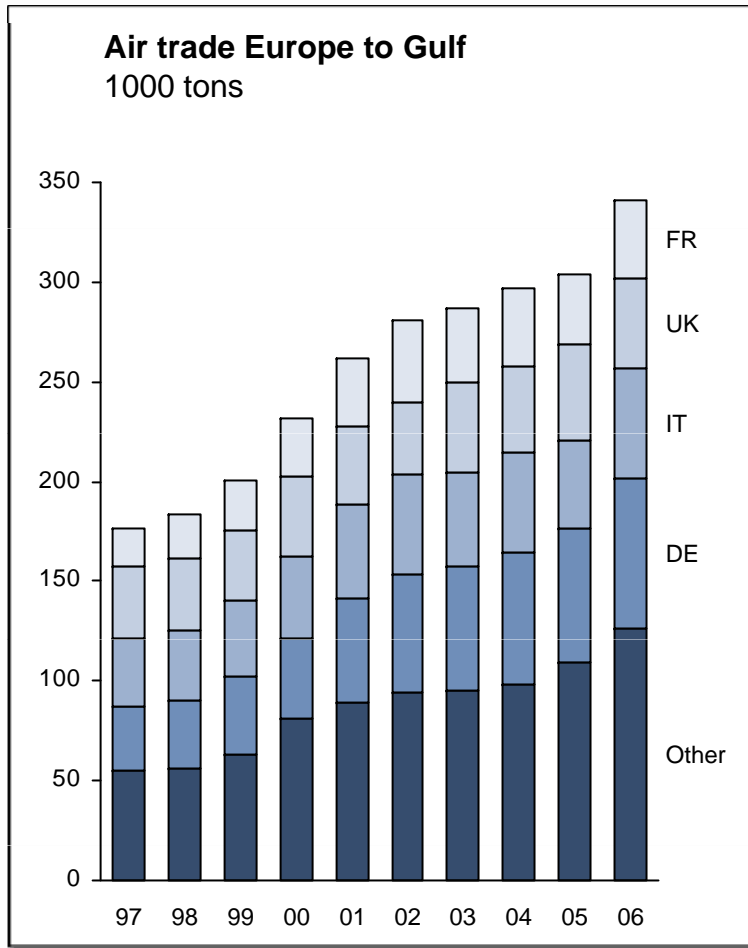
There is a substantial and diverging trade imbalance in air trade between Europe and the Gulf region



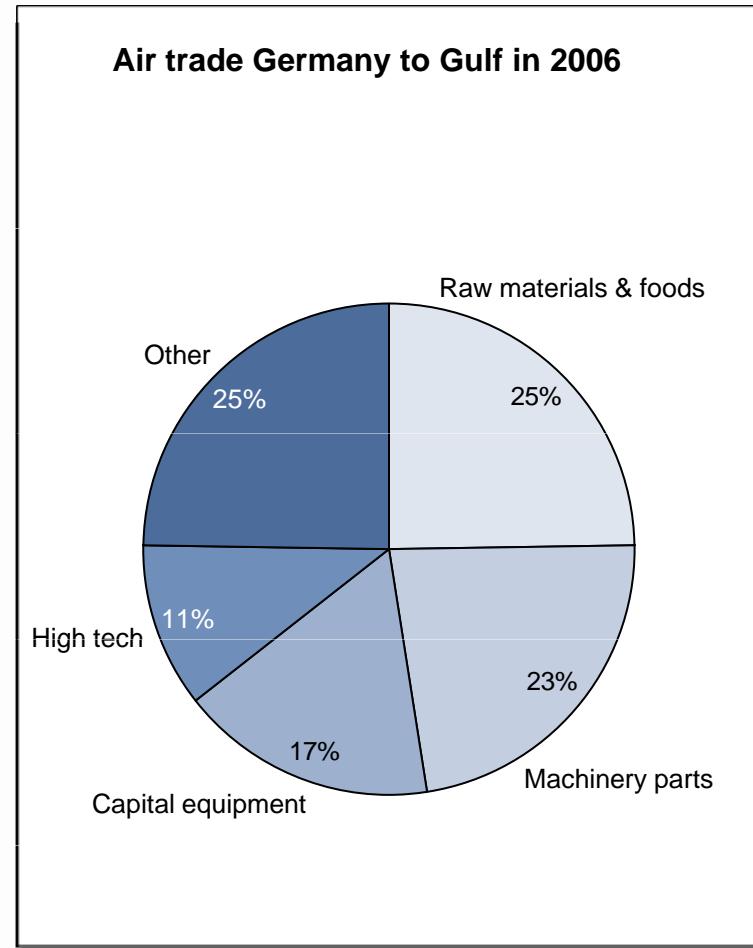
Source: Seabury Global Trade Database
CAGR is calculated for period 1997-2006

Exports from Europe to Gulf

***Air trade from Europe to Gulf is increasing: especially from Germany.
Germany's air cargo export mainly consists of raw materials and machinery parts***



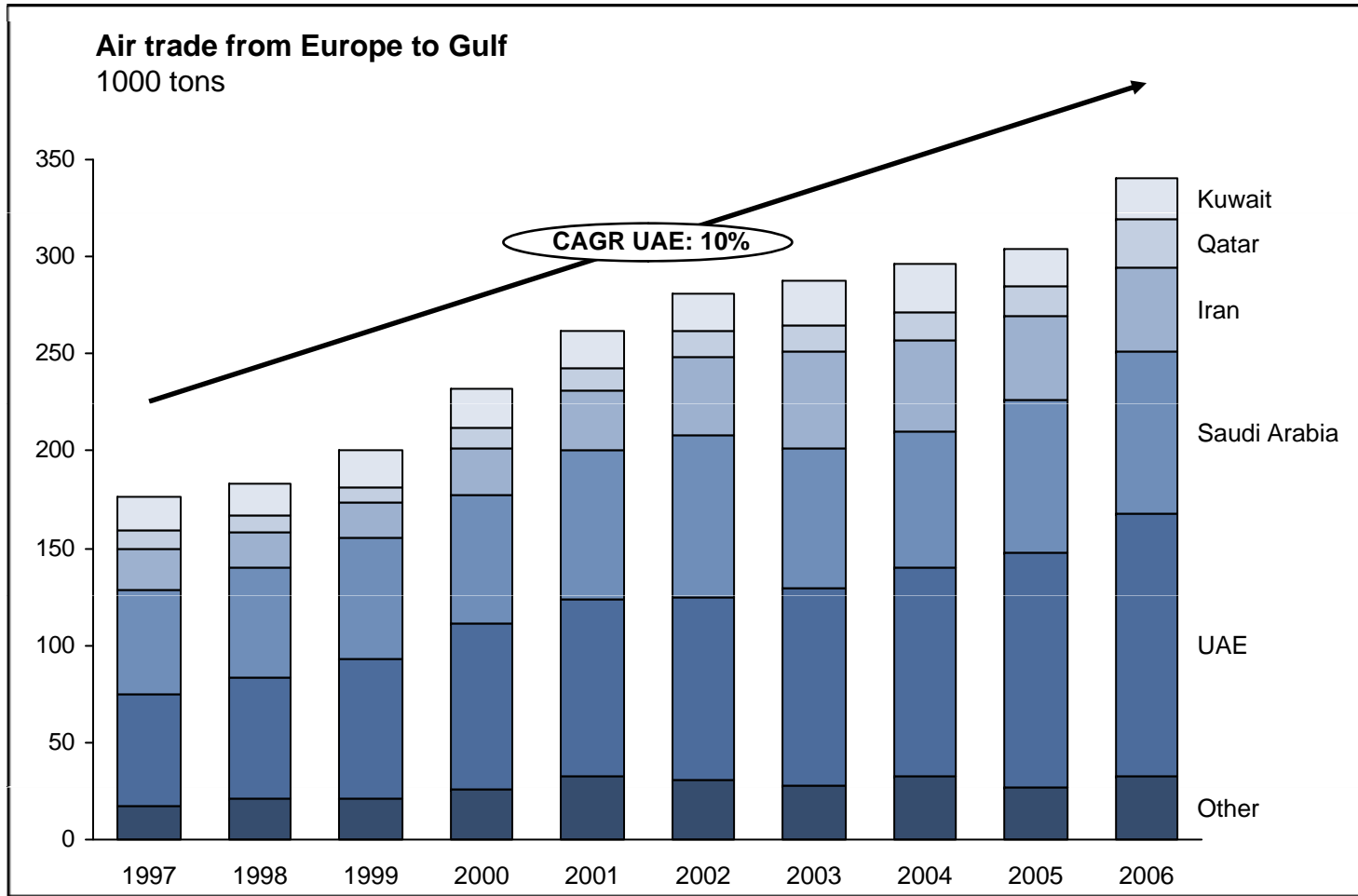
Source: Seabury Global Trade Database



Source: Seabury Global Trade Database

Air trade from Europe to Gulf region

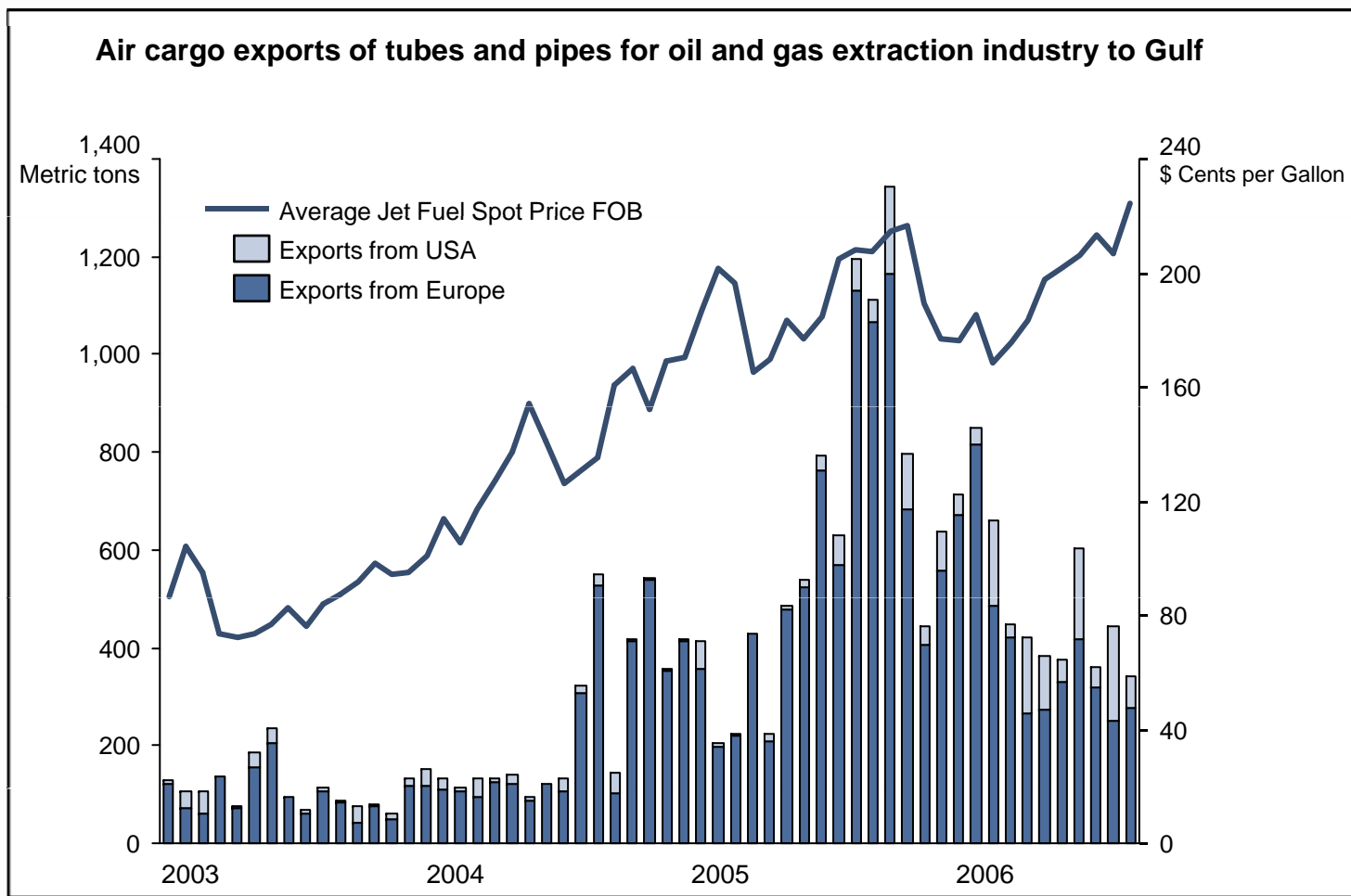
UAE position as largest receiver of European exports is strengthening



Source: Seabury Global Trade Database

Oil and gas extraction industry exports

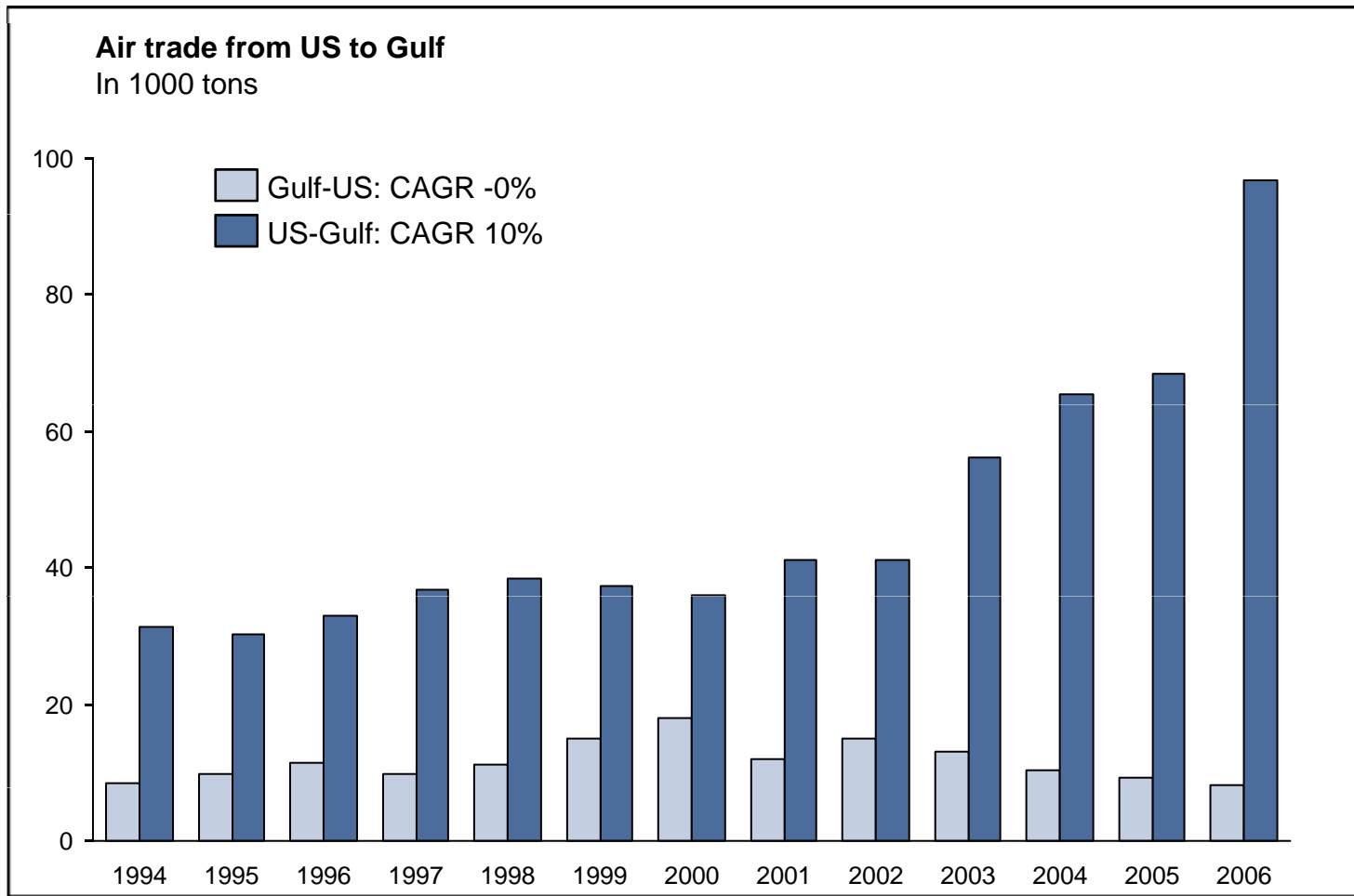
*Europe is a major exporter of supplies for the oil and gas industry in the Gulf.
Rising oil prices have caused for a surge in 2005/2006*



Source: Seabury Global Trade Database & U.S. Energy Information Administration

US-Gulf air trade

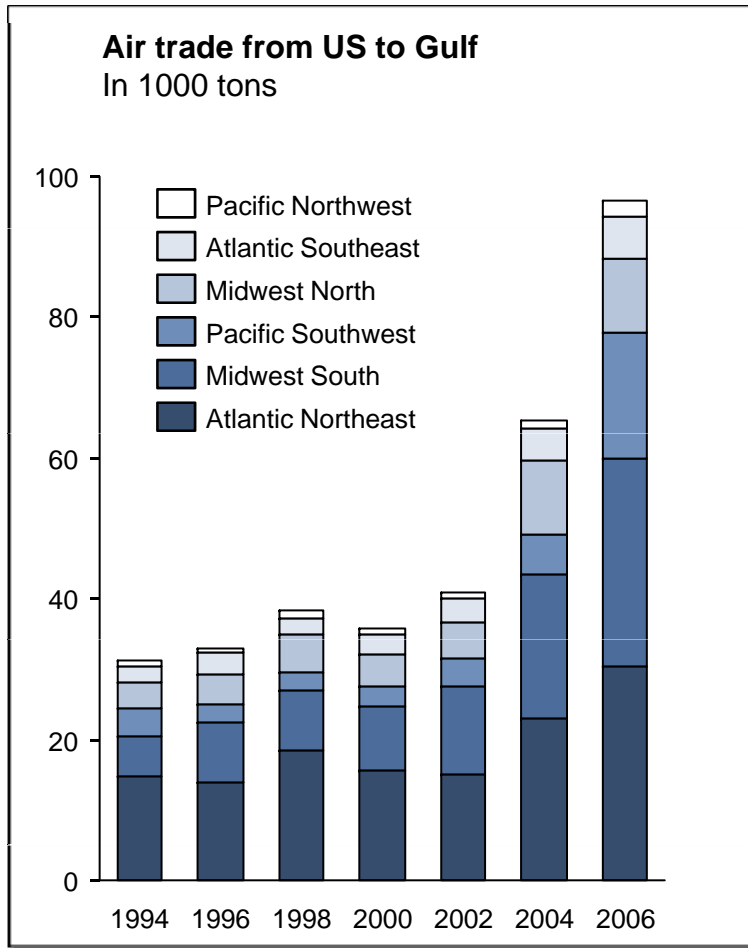
There is a significant and diverging trade imbalance in air trade between the US and Gulf region



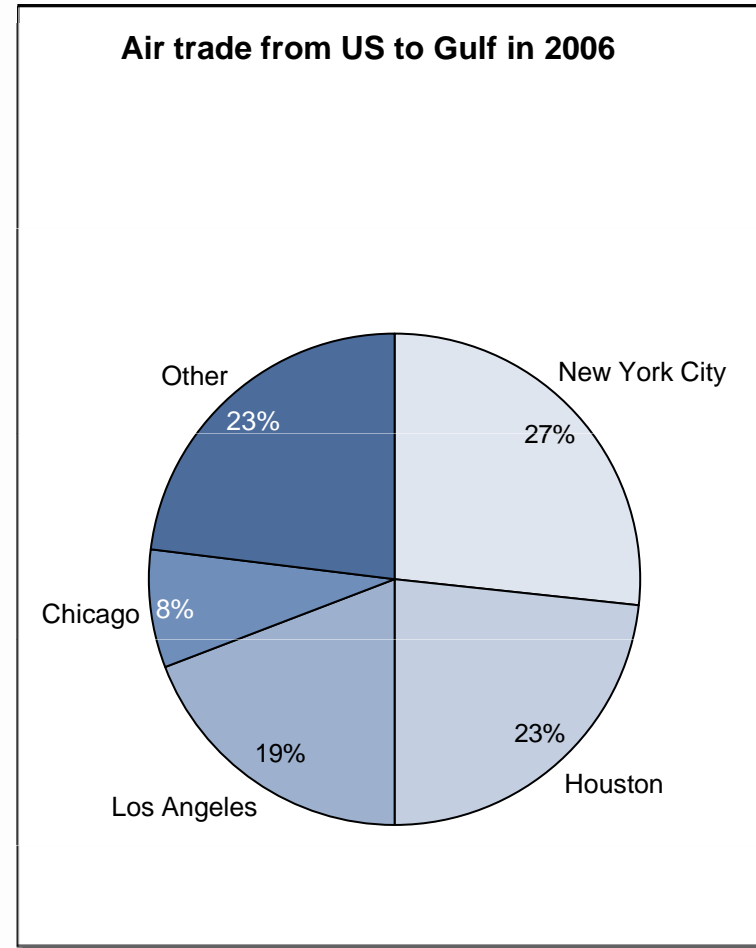
Source: Seabury Global Trade Database
CAGR is calculated for period 1994-2006

US air cargo exports to Gulf region

The sourcing regions of air cargo exports to the Gulf are mainly Atlantic Northeast (New York City) and the Midwest South (Houston)



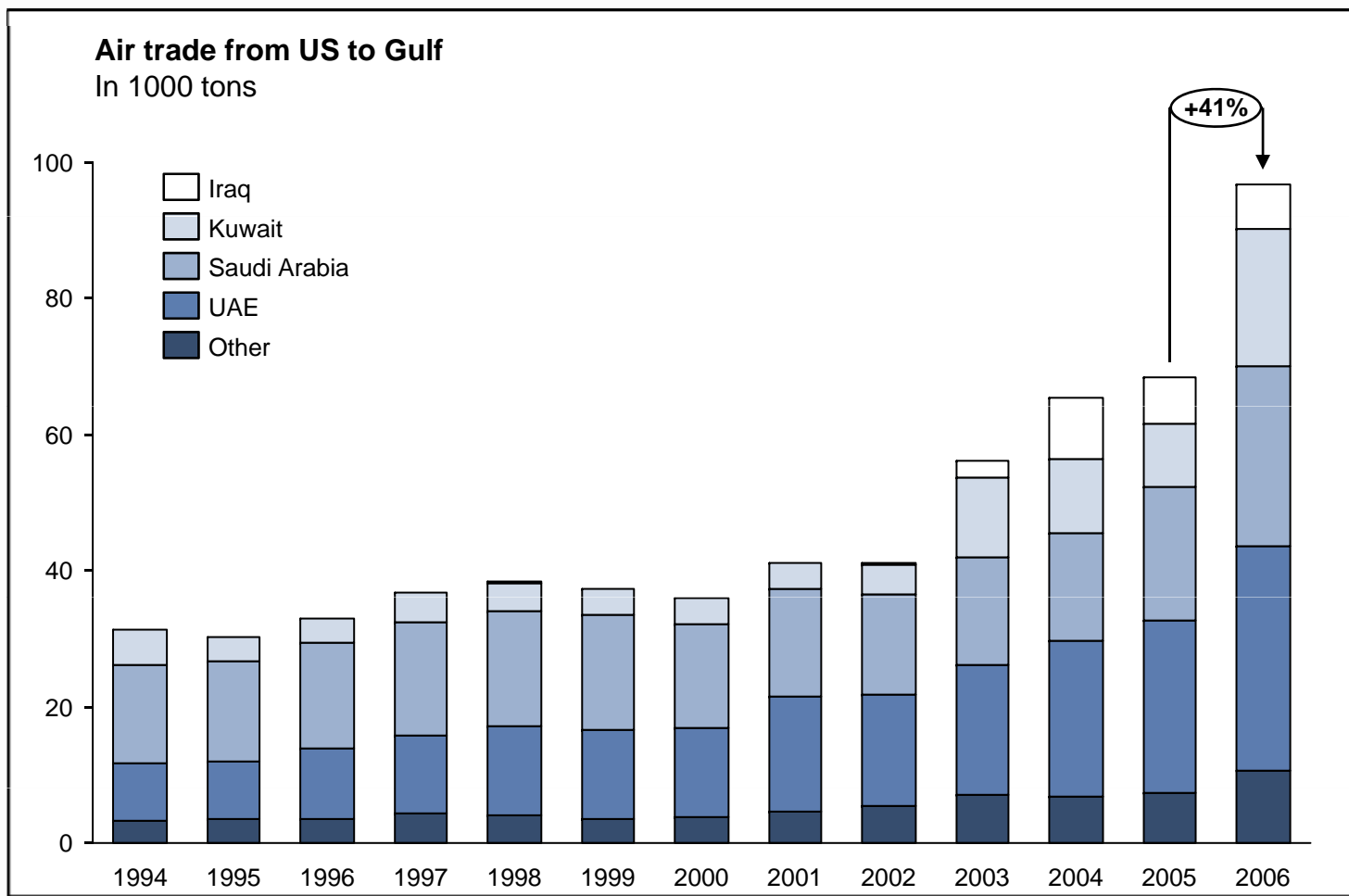
Source: Seabury Global Trade Database



Source: Seabury Global Trade Database

US to Gulf air trade

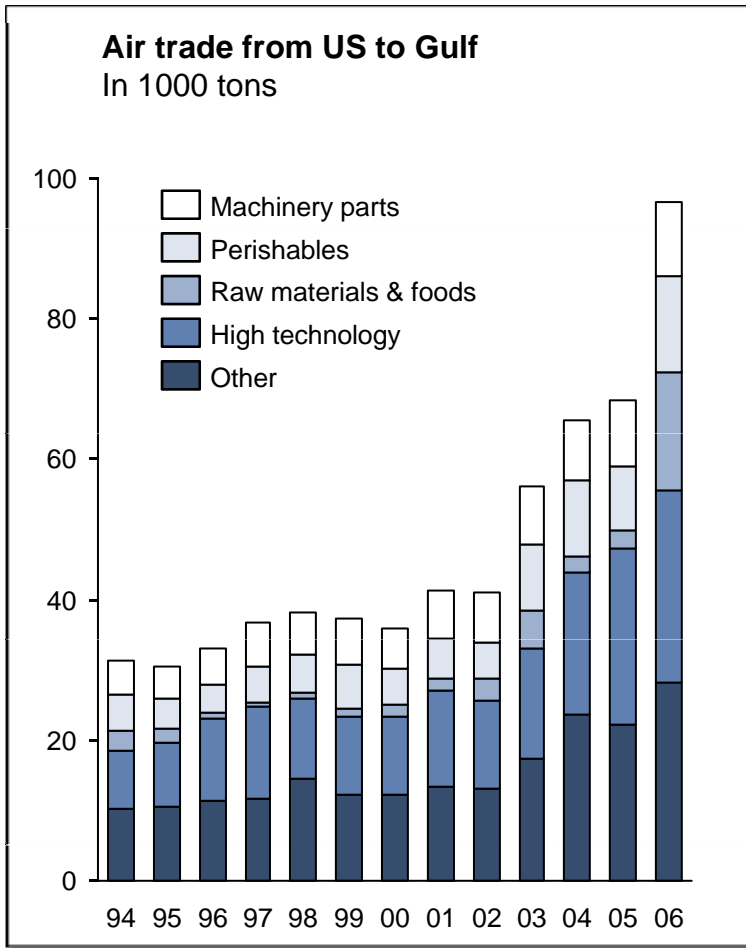
Recent growth in exports to all Gulf countries 41%, with strong growth for UAE and Kuwait



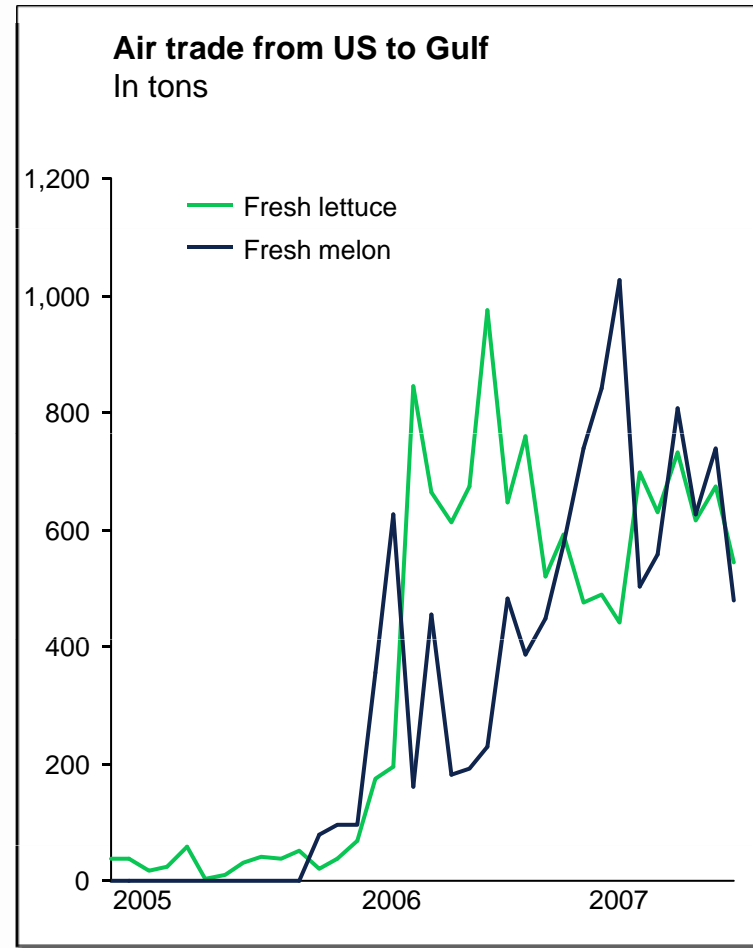
Source: Seabury Global Trade Database

Commodities exported from US to Gulf

Recent spike in US trade to the Gulf: among other perishables



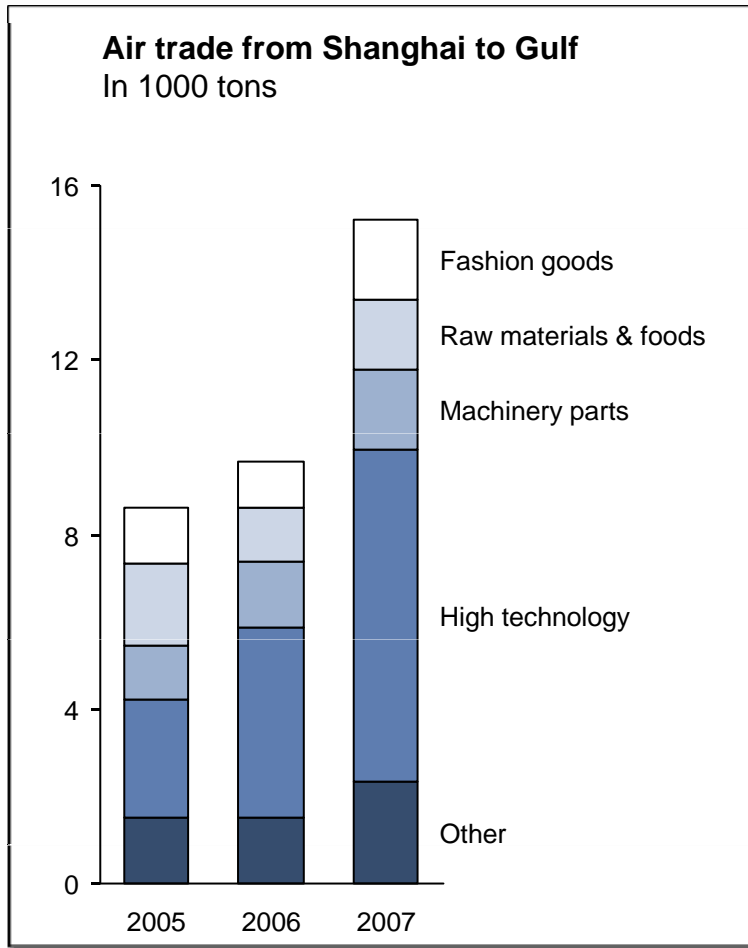
Source: Seabury Global Trade Database



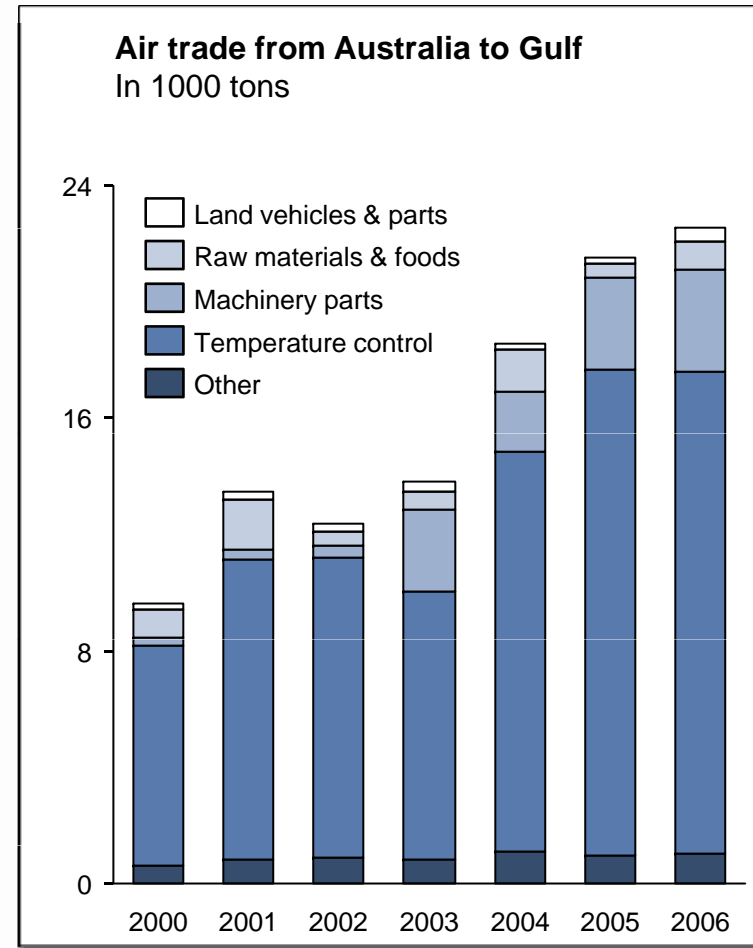
Source: Seabury Global Trade Database

Asia to Gulf

New opportunities arise from Eastern China and Australia



Source: Seabury Global Trade Database



Source: Seabury Global Trade Database

Hub role of the Middle East

- Gulf region dynamics: Europe and the USA

- Hub role of the Middle East

- Forecast for the region

Hub role of the Middle East

The Middle East is potentially a converging point for East-West and South-North traffic flows

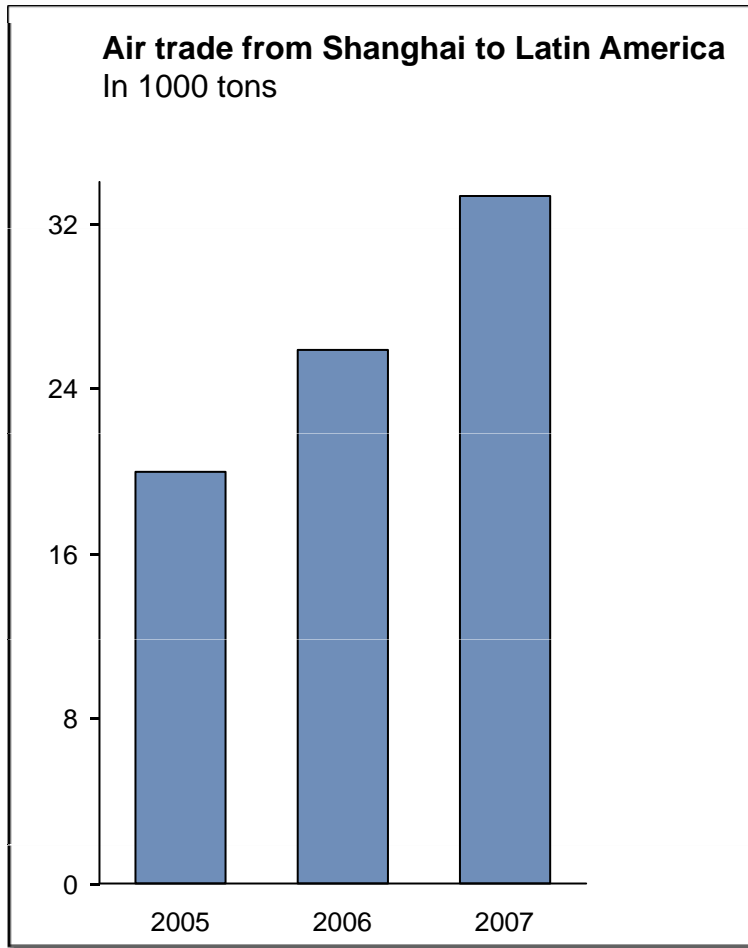


Route	Stretch 1	Stretch 2	Total flying time
TYO-LAX-SAO	TYO-LAX: 11½ hours	LAX-SAO: 11 ½ hours	23 ½ hours
TYO-DXB-SAO	TYO-DXB: 11½ hours	DXB-SAO: 13½ hours	25 hours

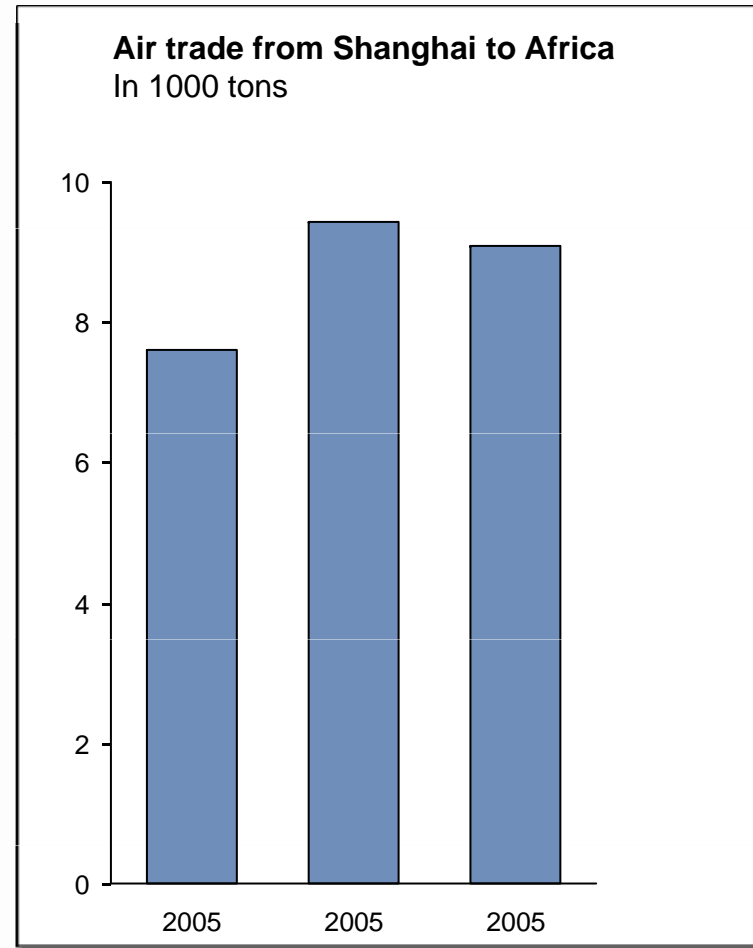
Source: Great Circle Mapper

Shanghai to South America & Africa

Shanghai to Latin America still growing with 30%+ rates, to Africa has stabilized



Source: Seabury Global Trade Database



Source: Seabury Global Trade Database

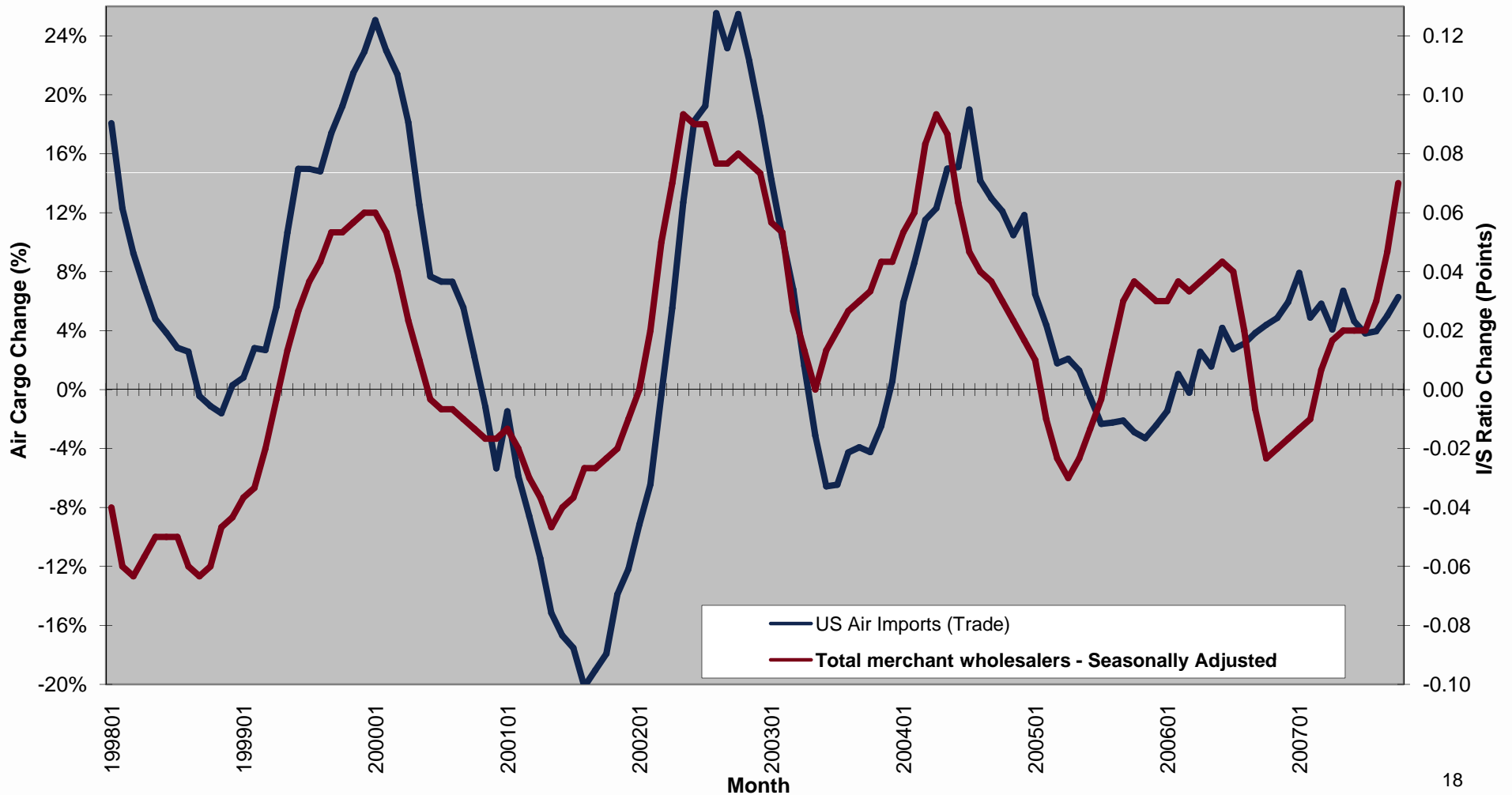
Forecasts

- Gulf region dynamics: Europe and the USA
- Hub role of the Middle East
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US inventory / sales ratio developments

US merchant wholesale IS ratio indicates increasing US air cargo imports

US Inventory/Sales Ratio and US Inbound Air Cargo
note: the I/S ratio series is inverted



Key leading indicators for the Gulf area

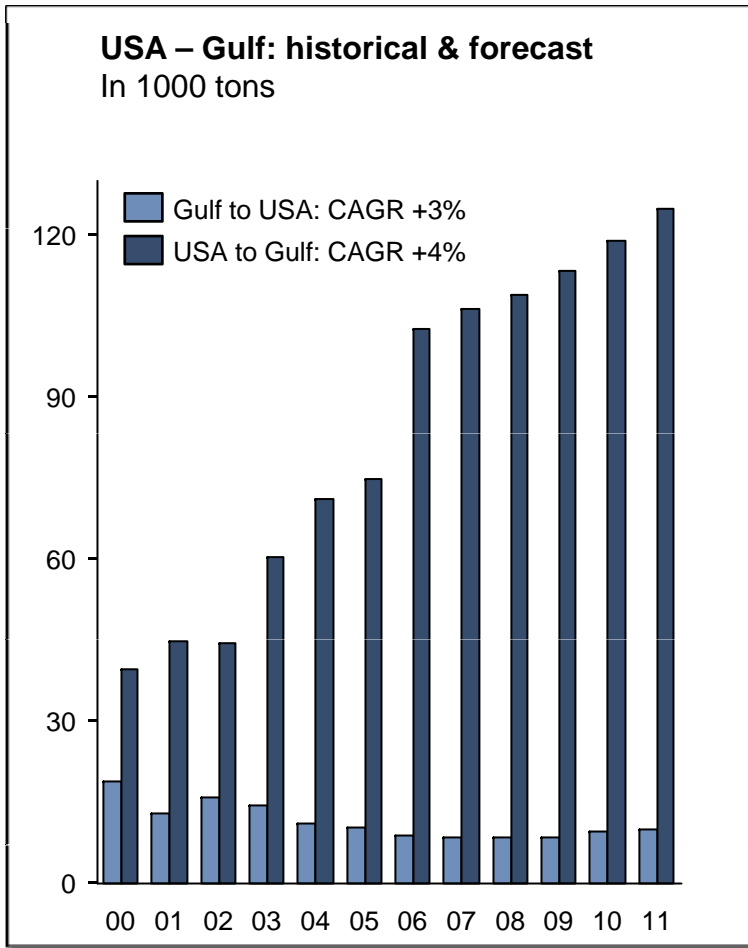
UAE's leading indicators give cause for increasing air cargo export and import growth

	Bahrain	Saudi Arabia	U.A.E.
GDP <i>(% real change pa)</i>	5.3%	4.3%	9.0%
Inward direct investment <i>(millions of USD)</i>	3,060	5,322	16,000
Inward direct investment <i>(% change pa)</i>	178%	15%	33%
Outward direct investment <i>(millions of USD)</i>	1,450	2,129	4,000
Outward direct investment <i>(% change pa)</i>	-13%	80%	6.7%
Money market interest rate <i>(%)</i>	5.1%	n/a	5.3%
Consumer prices <i>(% change pa)</i>	3.5%	2.2%	6.0%
Industrial production (2007) <i>(% change pa)</i>	5.5%	0.2%	5.1%

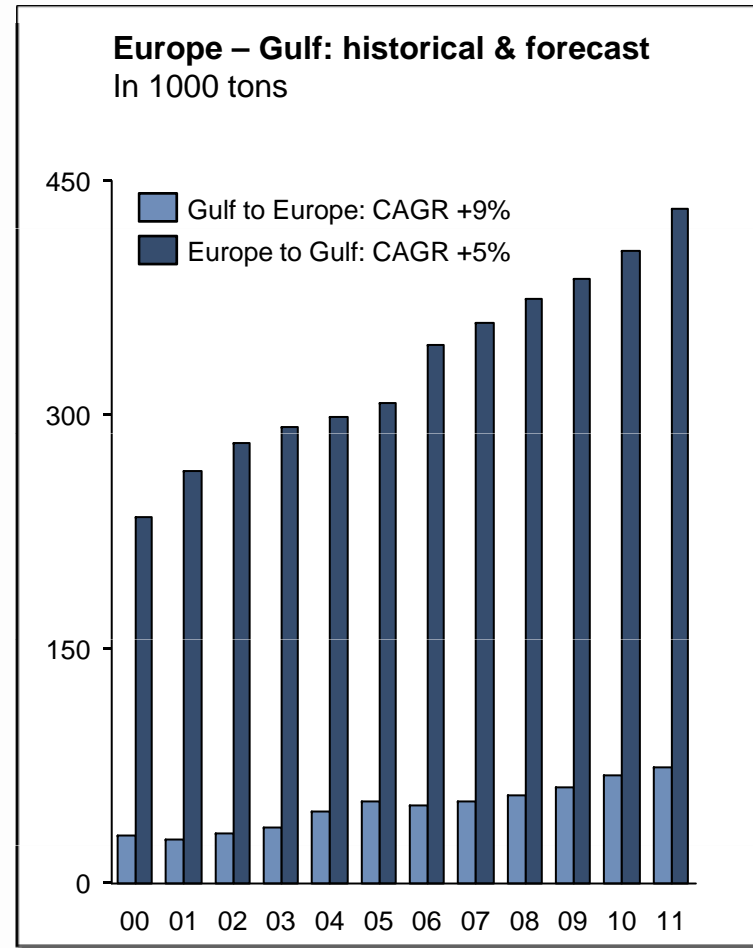
Source: EIU 2006 data & CIA World Fact Book

Air Cargo Forecast for the Gulf region

Europe and US air cargo flows to the Gulf are expected to grow around 4-5% per year



Source: Seabury Trade Forecast
CAGR is calculated for period: 2007-2011



Source: Seabury Trade Forecast
CAGR is calculated for period: 2007-2011

Contact details

For more information, please contact...

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