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2014 to 2033 market forecast

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Summary

	Seats	Aircraft deliveries 2014-2023	Aircraft deliveries 2024-2033	Total aircraft deliveries
Small regional jets	60-90	1100	580	1680
100-seat jets	91-120	1350	2170	3520
Total regional jets	60-120	2450	2750	5200
Narrow body jets	121-199	9720	10540	20260

In a scenario as dynamic as the regional aviation market, we believe it is essential to monitor the evolution of existing aspects of the business, as well as to identify and analyze new market trends.

The market has evolved rapidly in the last two years, both in terms of aircraft type and geographical distribution. In this publication we offer our general overview of the market. A brief focus on specific regions around the world is available at superjetinternational.com/market-forecast

Situation until 2014

Fuel consumption

Over the last 10 years fuel consumption has risen 12.3% to 73 billion gallons despite a corresponding increase in average price per gallon.

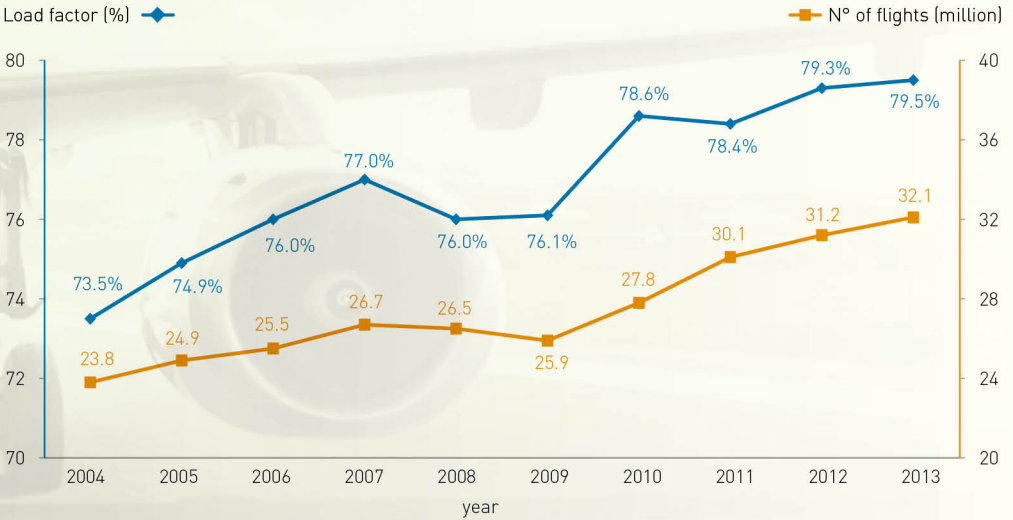
[source :RAA]



Load factor vs. number of flights

Demand for air travel has continued to increase over the last 10 years. In the same period the load factor has also continued to grow, reaching a record average value of 79.5% in 2013 – a double-digit increase compared to 2004.

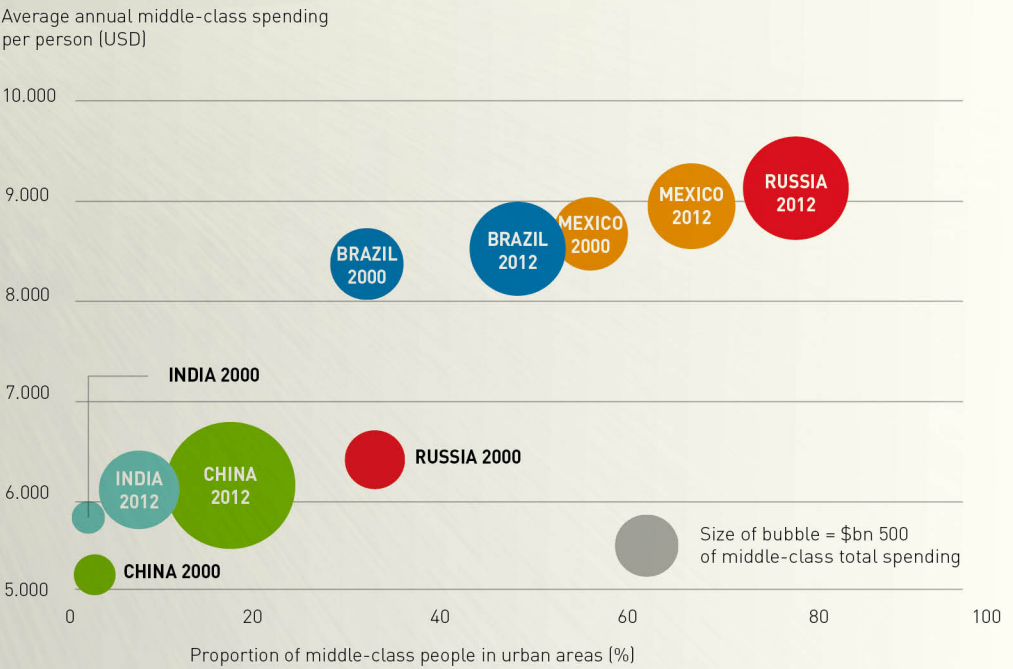
[source : IATA]



Middle-class levels in emerging markets

The global shift of wealth has led to the creation of a new urbanized middle class in the emerging markets. The expected growth in per capita GDP will generate a significant increase in demand for seats.

[source : OECD]



2014-2033: 5200 new deliveries

World 60-120 seat market share

Over the next 20 years SJI foresees a large demand for 100-seat regional jets due to the increase in frequencies, ongoing changes in the existing airline business, and the creation of new regional networks in developing markets. Latin America and the East will increase their share of new deliveries, while internal market regulations in North America favour smaller regional jets.

Europe

drivers:

- Rightsizing
- Direct replacement
- Economic growth of East European countries

Russia & CIS

drivers:

- High average fleet age
- Integration of new networks
- Emerging CIS economies

North America

drivers:

- Scope clauses
- Recovered and healthy economy
- High average fleet age

Latin America

drivers:

- High RPK growth
- Growing population
- Subsidies to regional aviation

Asia & Pacific

drivers:

- Growing middle class
- New infrastructure
- Subsidies to regional aviation

Africa & Middle East

drivers:

- Growing GDP
- Investments
- Intra-Africa integration

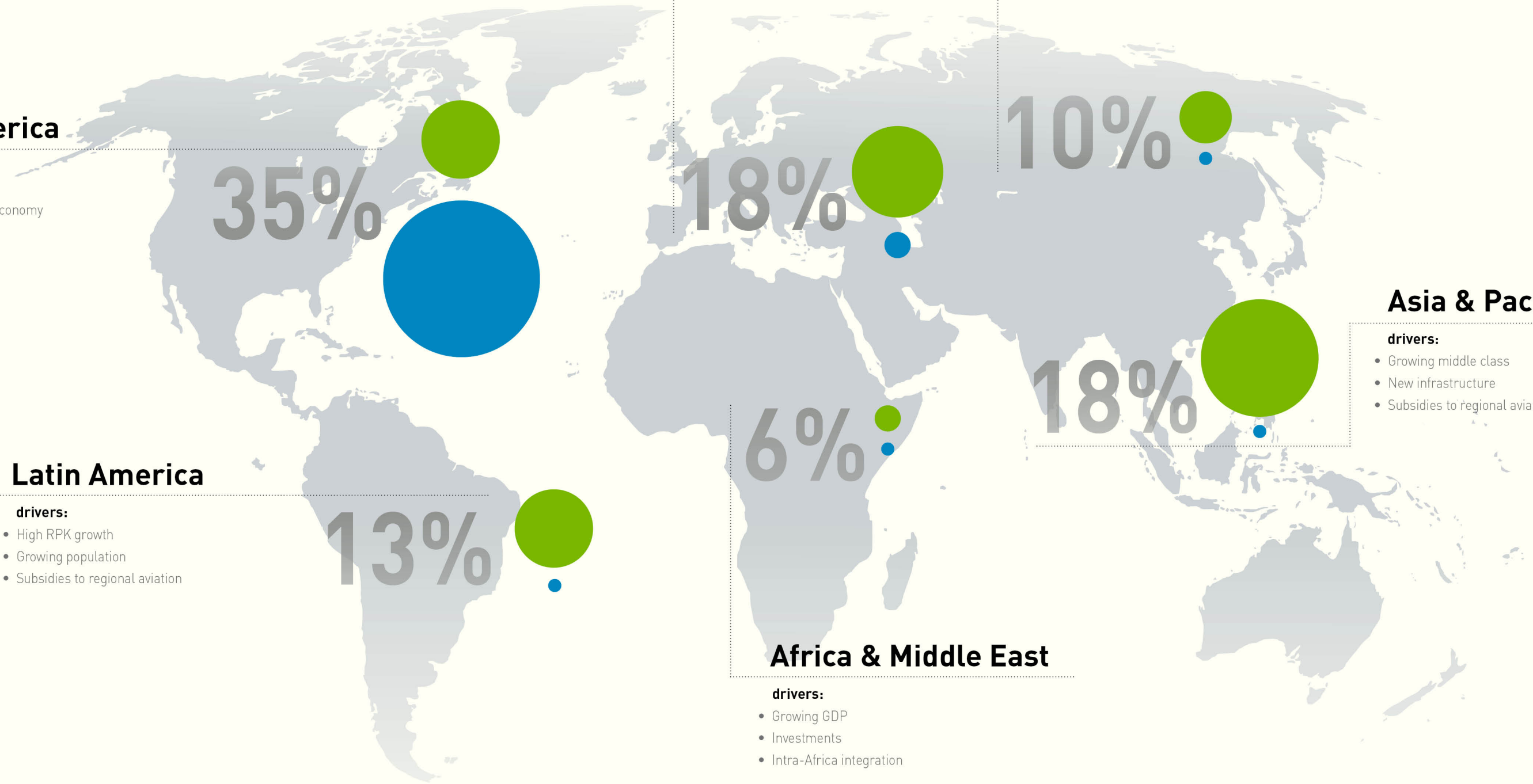
division of market share:



Small Regional Jet
60-90 seats



100-Seat Jets
90-120 seats



What will the general world situation be by 2033?

8.7 billion

World population

+4.2%

World GDP y-o-y growth

+5.5%

RPK y-o-y growth

+4.8%

ASK y-o-y growth

80-120 USD/gallon

Fuel price

60%

of current fleet replaced

What will happen to the 100-seat market?

100-Seat market

75%

of regional routes will be under 500 nm

300+

New regional airports built in the next 10 years

+30%

Increase of regional jet frequencies 10-Y

+30%

Regional jet production rate

1:4

Regional jet : Narrow body in fleet

~80%

Load factor on regional routes