



For immediate release

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## News

### Maintaining Air Links in Japan Crisis

Geneva - The International Air Transport Association (IATA) reiterated its support and efforts to maintain safe and efficient air links with Japan in the aftermath of last week's earthquake and tsunami. IATA also issued its first assessment of the potential impact of the crisis on global air transport.

"The thoughts and prayers of the air transport industry are with the Japanese people at this most difficult time. In times of crisis, air transport takes on a critical role. Our members are rising to the challenge of bringing relief supplies, equipment and people to Japan as well as connecting families affected by this tragedy," said Giovanni Bisignani, IATA's Director General and CEO.

#### IATA's Role and Actions

IATA has mobilized its resources to support the aviation industry in several critical areas including:

- **Settlement Operations:** IATA manages \$20 billion in industry settlements annually in the Japan market. Our Tokyo office remains open and the settlement system is functioning normally.
- **Fuel:** Some key fuel infrastructure facilities in Japan have been damaged. Most Japanese airports have fuel supplies for the next 10 days. IATA is coordinating actions among airlines to maximize existing fuel supplies, including voluntary tankering of jet fuel. IATA is also briefing airlines and officials on industry agreed rationing regimes should supply shortages arise.
- **Coordinating Information:** IATA is working with the Japanese Government and major United Nations and industry organizations (International Civil Aviation Organization, World Health Organization, International Maritime Organization, International Atomic Energy Agency, World Meteorological Organization and Airports Council International) to ensure that its 230 member airlines have the best medical and operational advice.
- **Regulatory measures:** IATA is tracking regulatory measures being imposed by governments around the world for flights and passengers arriving from Japan. A full list of regulations will be on [www.iata.org](http://www.iata.org).

"The combination of crises and issues facing Japan is truly unprecedented. For aviation, global standards and coordinated efforts will provide the needed solutions as we move through this difficult time. IATA stands ready to assist in any way possible to ensure continued safe and efficient air transport," said Bisignani.

#### Financial impact on global aviation

It is too early to assess the long-term impact of the Japanese tragedy on the global air transport industry. However, understanding the structure of the Japanese air transport industry does give insight on the potential short-term impact of a major slowdown in Japanese air travel.

"Japan is an important link in global air transport. The \$62.5 billion Japanese aviation market represents 6.5% of worldwide scheduled traffic and 10% of the industry's revenues. A major slowdown in Japan is expected in the short-term. And the fortunes of the industry will likely not improve until the effect of a reconstruction rebound is felt

in the second half of the year,” said Bisignani.

Japan’s 83 million passengers per year domestic market (\$19 billion in revenues) is the most exposed. Internationally, the top 10 international markets connecting to Japan are:

Market	Annual Passengers (millions)	Annual Revenues (\$ billion)	Market	Annual Passengers (million)	Annual Revenues (\$ billion)
US	9.2	\$10.5	Thailand	2.3	\$1.6
China	8.6	\$6.5	France	1.0	\$1.5
South Korea	9.6	\$3.1	Germany	0.9	1.5
Chinese Taipei	4.2	\$2.3	UK	0.7	\$1.1
Hong Kong	3.2	\$1.9	Australia	1.3	\$1.1

The most exposed market to Japanese operations is China where Japan accounts for 23% of its international revenues. Taiwan and South Korea are equally exposed with 20% of their revenues related to Japanese operations, followed by Thailand (15%), the United States (12%), Hong Kong (11%) and Singapore (9%). France is the most exposed European market at 7%, followed by Germany (6%) and the United Kingdom (3%).

The extent to which these travel markets weaken will be largely shaped by what happens to the Japanese economy. Many economists are suggesting that once reconstruction begins the economy will rebound, but the length of the current downturn will depend critically on developments in the nuclear power situation. .

Japan produces 3-4% of global jet fuel supply, some of which is exported to Asia. Some of this refinery capacity has been lost due to damages caused by the earthquake. This supply restriction could lead to higher jet fuel prices.

- IATA -

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**Notes for Editors:**

- IATA (International Air Transport Association) represents some 230 airlines comprising 93% of scheduled international air traffic.
- You can follow us at <http://twitter.com/iata2press> for news specially catered for the media.

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