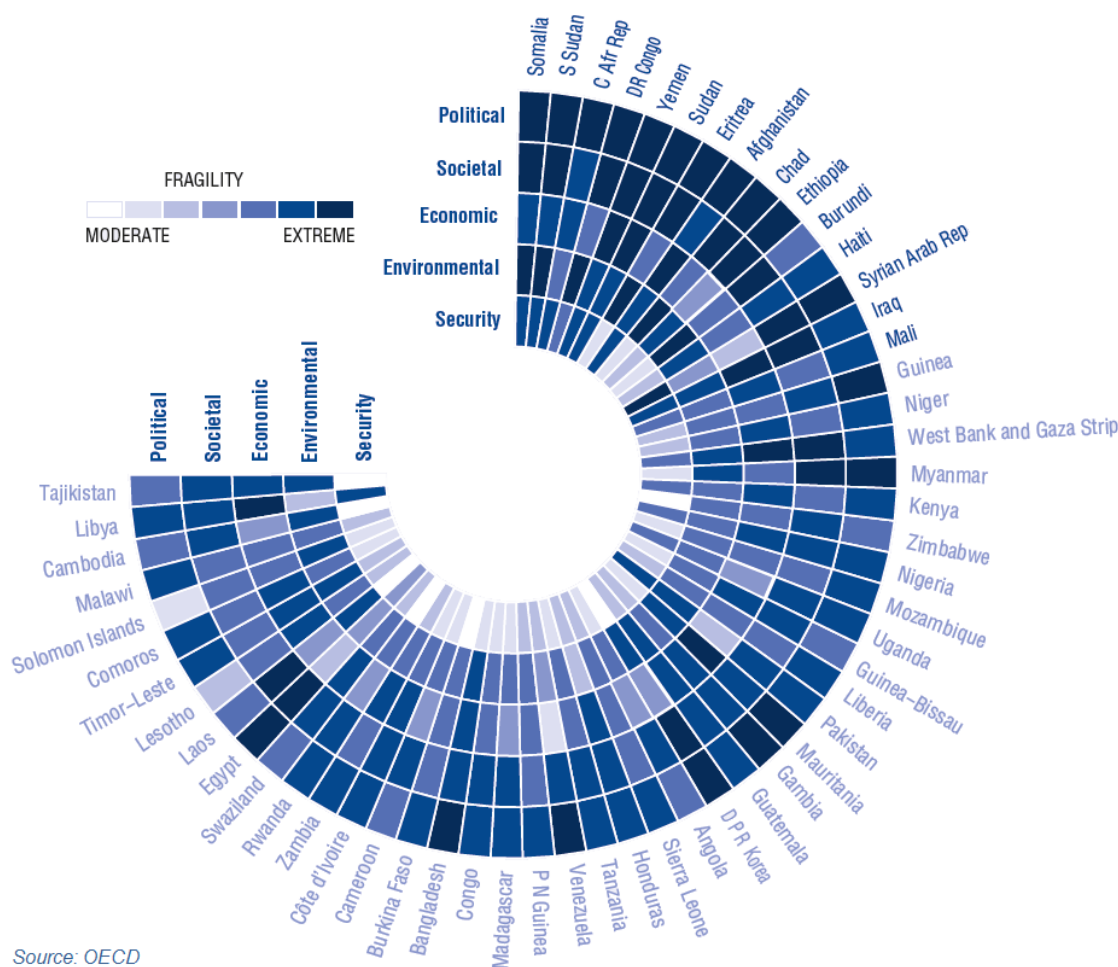




IATA ECONOMICS' CHART OF THE WEEK

2 DECEMBER 2016

FRAGILE VS FAST GROWING – CAN THE CIRCLE BE SQUARED?



- This week the OECD released its annual [States of Fragility](#) report. Fragility is defined as the combination of exposure to risk and insufficient coping capacity of the state, system and/or communities to manage, absorb or mitigate those risks. The OECD adopts a multidimensional framework to fragility, incorporating Political, Societal, Economic, Environmental, and Security considerations.
- Many of the countries identified in this week's graphic are emerging market economies – across Africa/Middle East, Asia Pacific and Latin America – and the various country-specific issues relating to the different dimensions of fragility are often well known. From a purely air transport industry perspective, these issues may be manifest in a variety of challenges including blocked funds, infrastructure, safety, regulation and/or taxes and charges.
- At the same time, the emerging markets are also typically those with the strongest potential for growth in air transport demand over the next twenty years. However, simply having potential is not enough to guarantee that it will be fulfilled. Indeed, charts such as this highlight some of the challenges that must be overcome – by policy-makers and the industry alike – to help to deliver the potential growth in air transport and the associated benefits that this can bring to the individual country and the broader region.

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