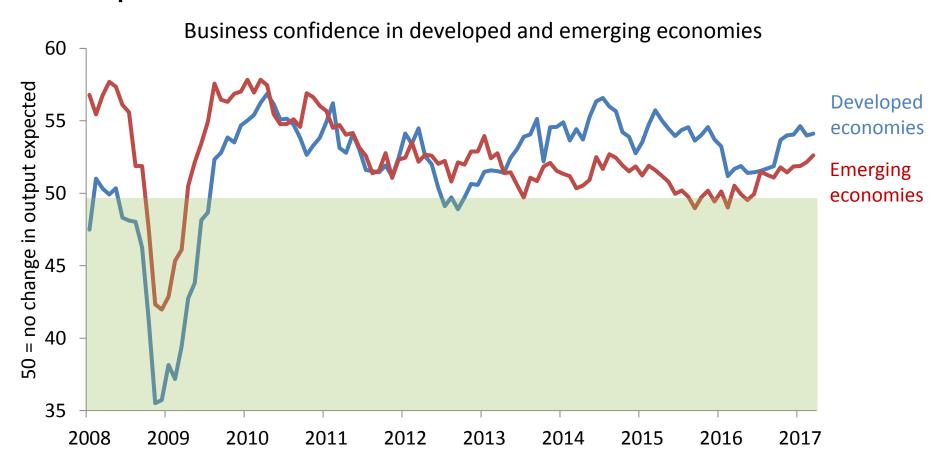
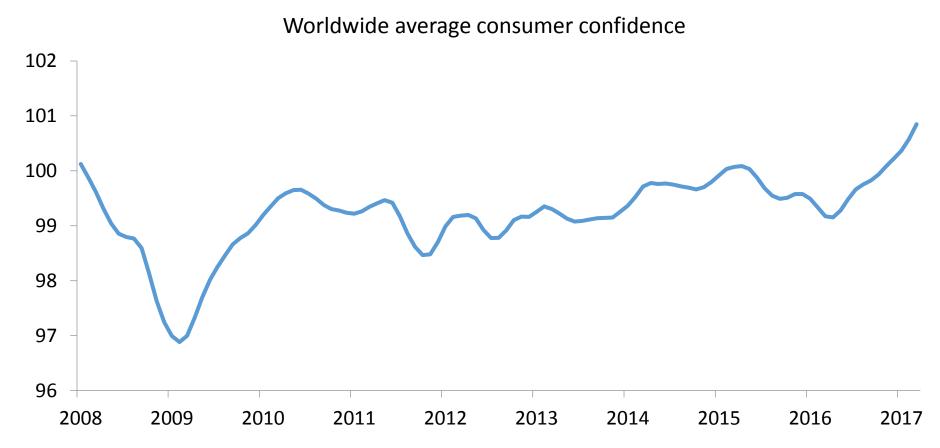


Widespread revival of business confidence



Source: IATA Economics using data from Markit

Consumers have become more confident too



Source: IATA Economics using data from Datastream

Perhaps surprisingly given political shocks



Donald Trump Vows to Rip Up Trade Deals and Confront China

The New York Times 28 June 2016

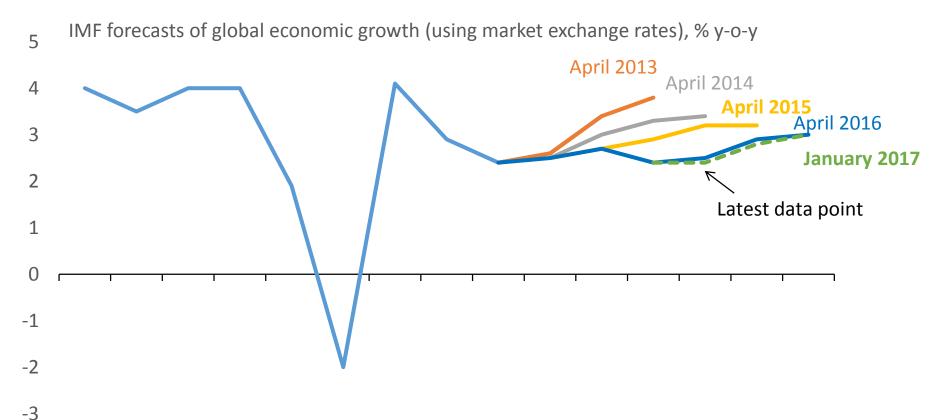
Across Europe, distrust of mainstream political parties is on the rise

Guardian 25 May 2016

Clamour for trade protectionism on rise: Arun Jaitley

CNBC 13 October 2016

Will the IMF economic growth forecast be right at last?

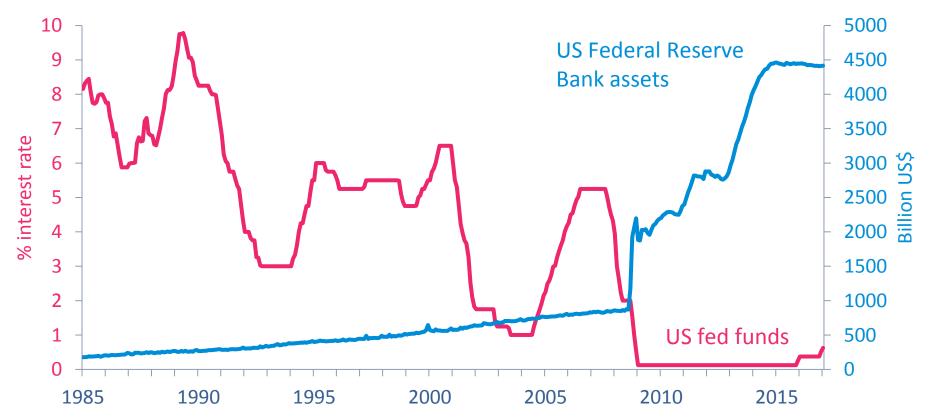


2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

Source: IMF World Economic Outlook databases

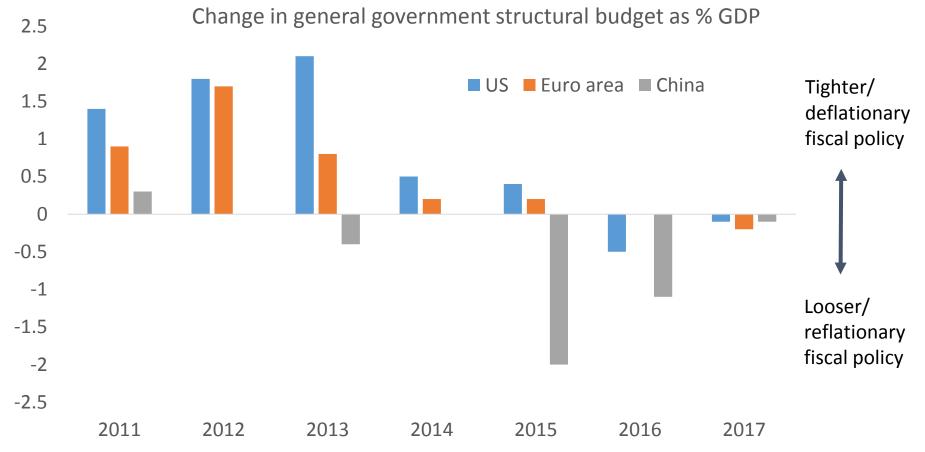
Monetary policy effectiveness is exhausted

US federal funds target rate and balance sheet assets



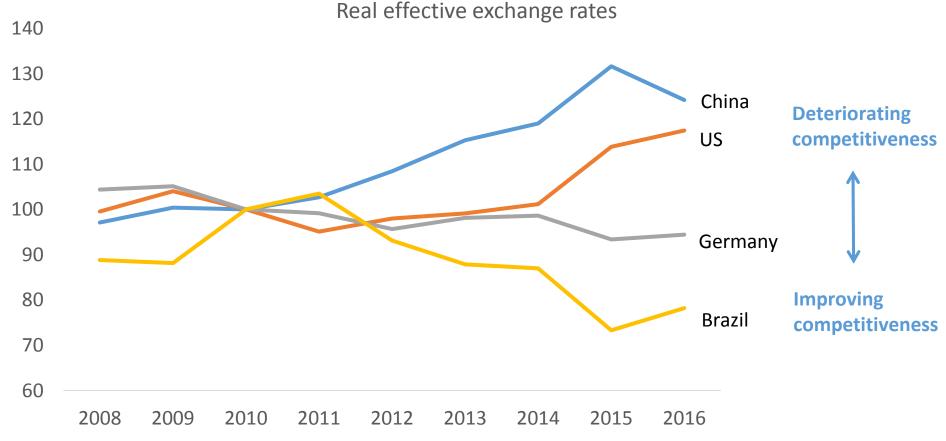
Source: IATA Economics using data from Haver

But fiscal policies recently became a stimulus to growth



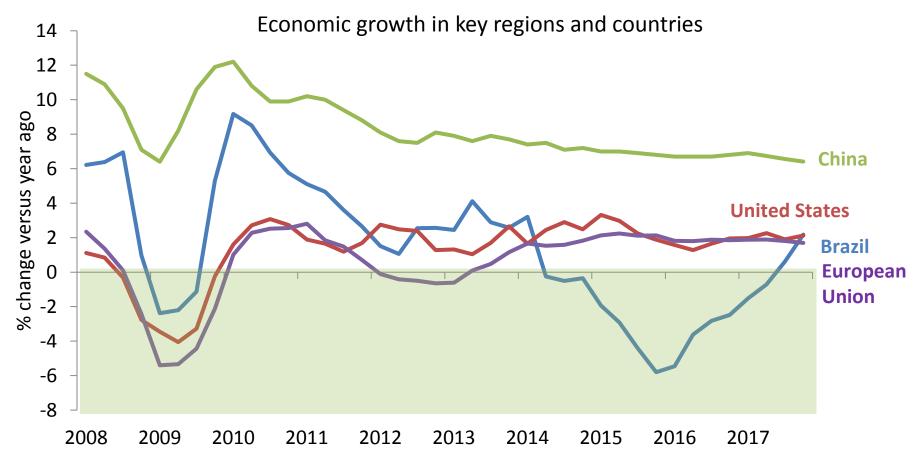
Source: IATA Economics using data from the IMF World Economic Outlook

Changes in trade competitiveness spread the recovery



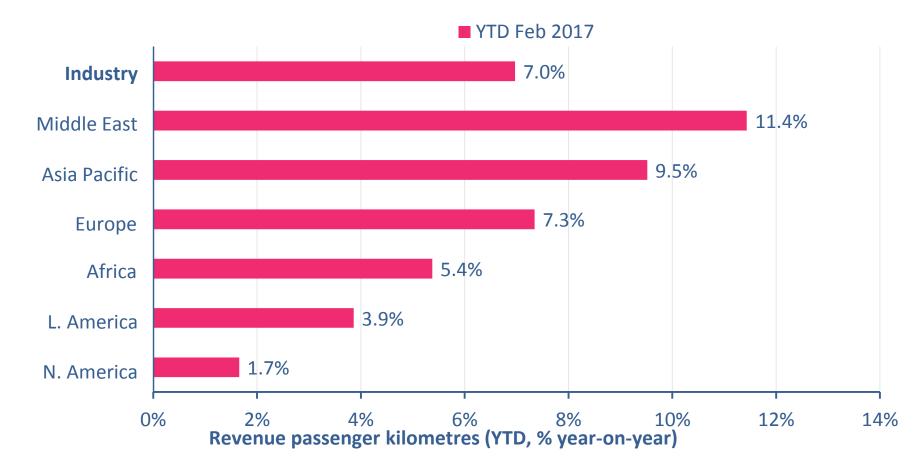
Source: IATA Economics using data from the World Bank

Economic growth converging in key regions



Source: IATA Economics using data from Oxford Economics

Strong start to the year, though Americas travel lagging



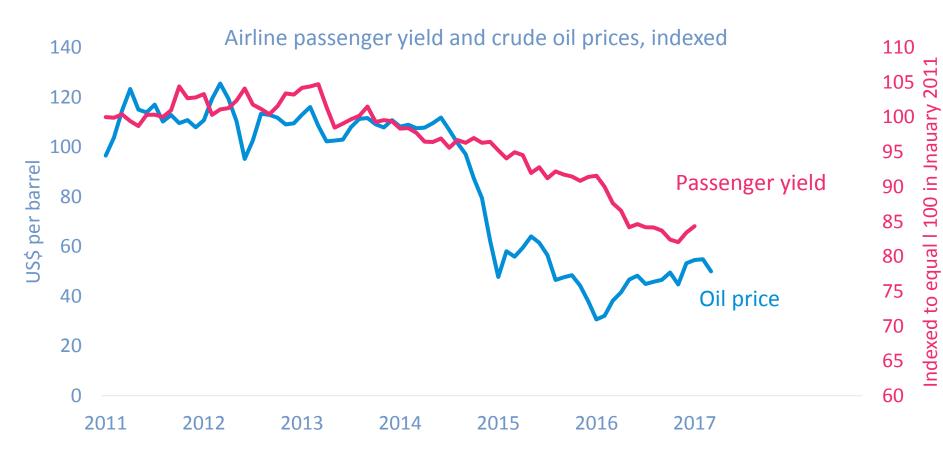
Source: IATA Economics using data from IATA Statistics

Cargo also strong, but again Americas lagging



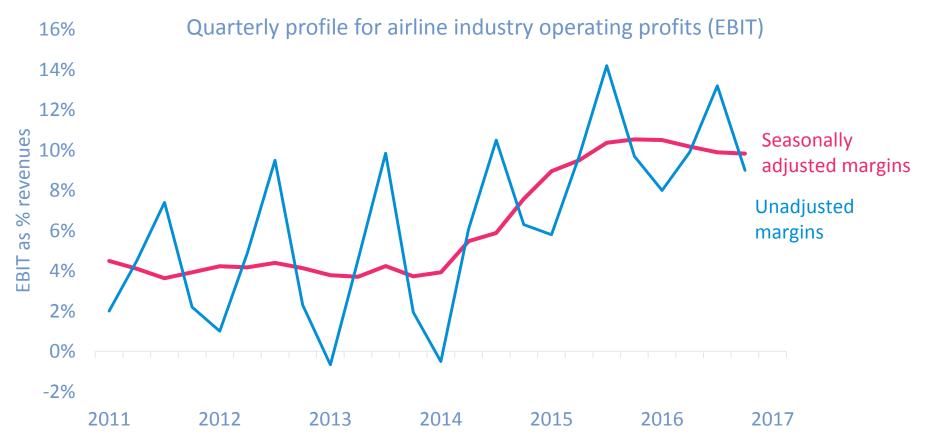
Source: IATA Economics using data from IATA Statistics

But profit margins are now being squeezed



Source: IATA using data from PaxIS+ and Haver

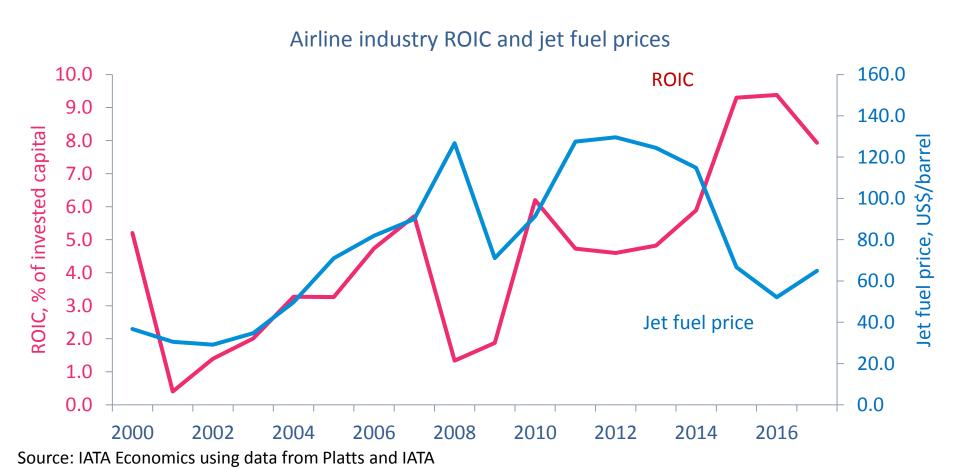
Industry profitability peaked a year ago



Return on capital lower this year but still good



It's partly fuel prices

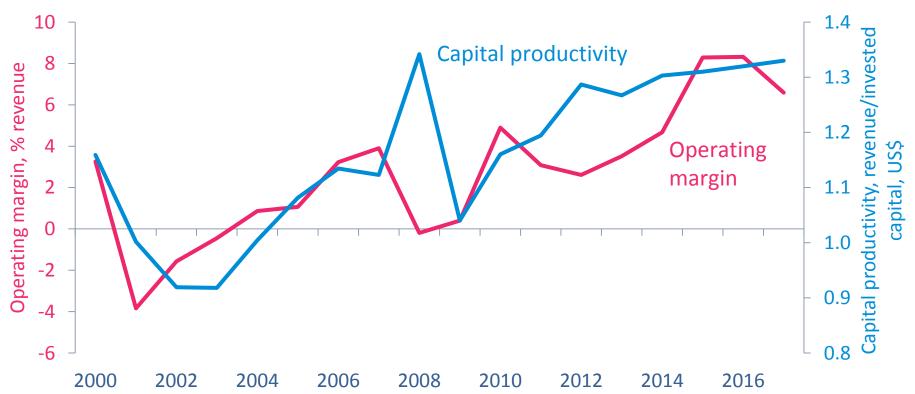


But also much better asset utilization

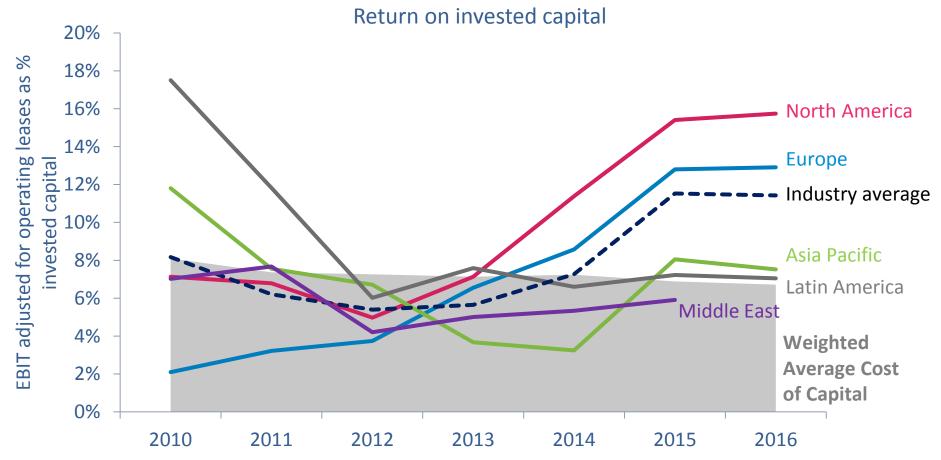


And capital has become much more productive



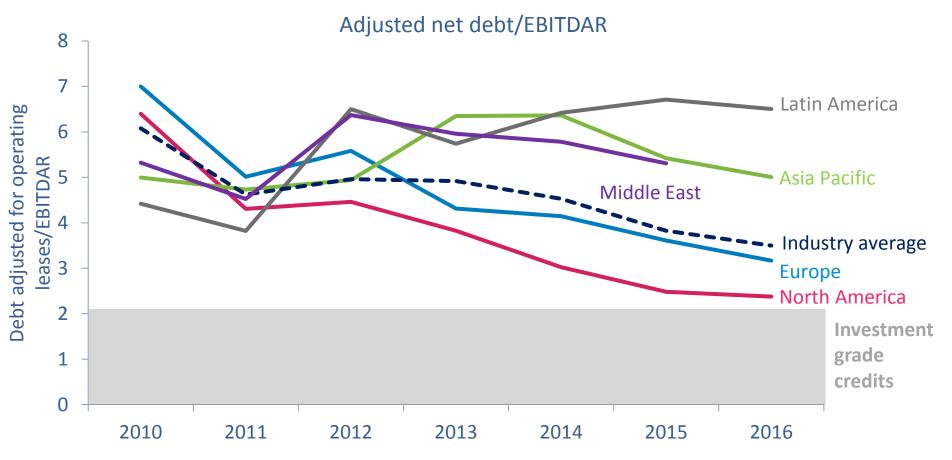


But performance is very different between regions



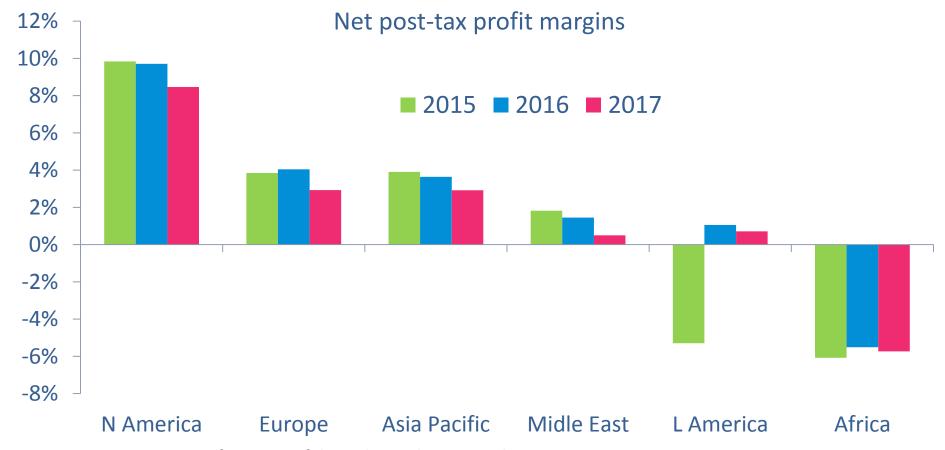
Source: IATA Economics using data from The Airline Analyst

Balance sheets show divergent degrees of resilience



Source: IATA Economics using data from The Airline Analyst

This year divergence narrows, but not by much



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