Economics Panel

Aircraft Supply and Demand and Financing Markets

International Titanium Association Conference
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2008 to 2014 – What a Ride!

- ITA 2008 – Financial crisis rapidly unfolding – Lehman failure right before conference
- ITA 2009 – Real stresses still exist – capital markets effectively closed for aircraft / airline needs, lots of worry about a “Funding Gap” due to lack of bank debt for aircraft deliveries
- ITA 2010-2012 Slow recovery of the economy, traffic keeps growing, financial markets stabilizing- aircraft orders and deliveries still building
- 2013 - 2014 State of the World
  - Record Aircraft orders and deliveries
  - Stock market right at record highs
  - Capital markets wide open for airlines (EETC’s)
  - Fiscal / monetary / geopolitical risks elevated
  - Central bank actions largely credited for preventing ongoing recession, but creating other imbalances
EX/IM Bank (and why you should care)

- EX/IM bank is the official export credit agency of the USA
- Its charter from Congress expires Sep 30th, and it has become a political football
- Boeing exports are the largest use of EX/IM bank guaranties
- Arguments on both sides:
  
  **Pro:**
  - Other countries have export credit available, so why handicap US businesses by stopping EX/IM?
  - EX/IM is profitable, and returns money to the treasury, though taxpayers do face risks.

  **Con:**
  - It is corporate welfare for the big companies that need it least – “Crony Capitalism”
## Supply and Demand Debate – Push or Pull from Retirements?

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Ascend Data: Number of retirements last 4 quarters- western built passenger jets