

# Hello Tomorrow, Hello World

*Emirates Flight Plan 2021*

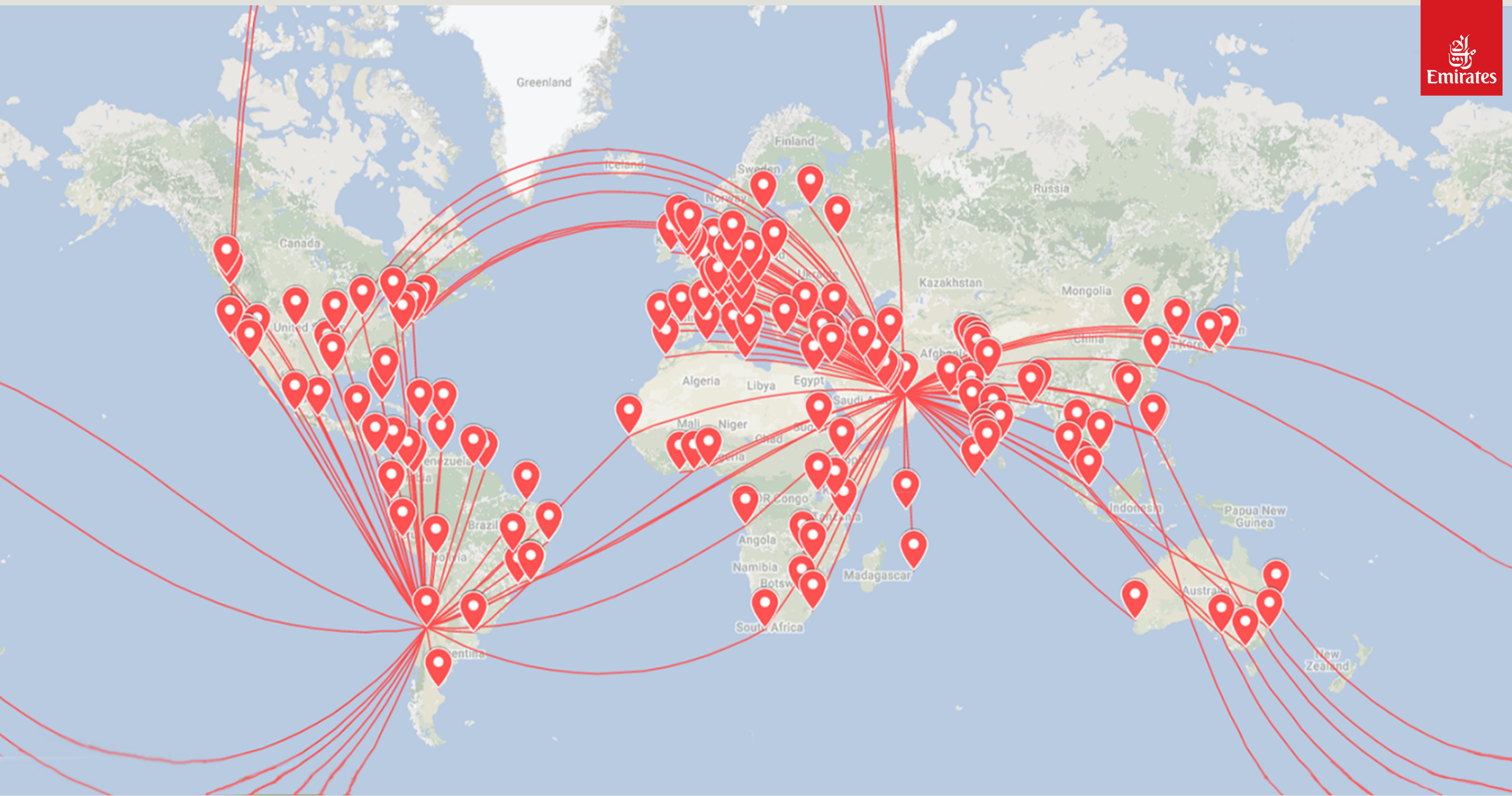


Dennis Wong, Andrew Stearns, Kim Perdue & Arthi Ganapathi











# SWOT Analysis

## Strengths

Connections Oriented Strategy

Emerging Markets Focused

Flexible Global Hub Model



UNTAPPED

UNDER-SERVED

UNLOADED

TIMELINE

FINANCIALS

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# SWOT Analysis

## Strengths

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## Weaknesses

- Higher Ticket Prices
- High Depreciation & Operating Costs
- Global Marketing & Sales Cost

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## Opportunities

- Emerging Market Growth
- Expand Existing Routes
- Cargo Industry Growth



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## Threats

- Rise of Other Gulf Airlines
- Competitors Copying
- Not in Alliance





# SOLUTION

## UNTAPPED

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NewRoute to Chile

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# SOLUTION

## UNTAPPED



NewRoute to Chile

## UNDER-SERVED



Route Extension to Iceland

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# SOLUTION

## UNTAPPED



NewRoute to Chile

## UNDER-SERVED



Route Extension to Iceland

## UNLOADED



Cargo Increase in China





# UNTAPPED

*New Route to Chile*

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# South America



**GDP**      **Airport Capacity**      **Tourism**      **Political Stability**      **Weather**

**Argentina**

**Brazil**

**Chile**

Red	Yellow	Green	Red	Yellow
Red	Red	Yellow	Yellow	Yellow
Yellow	Yellow	Green	Green	Green

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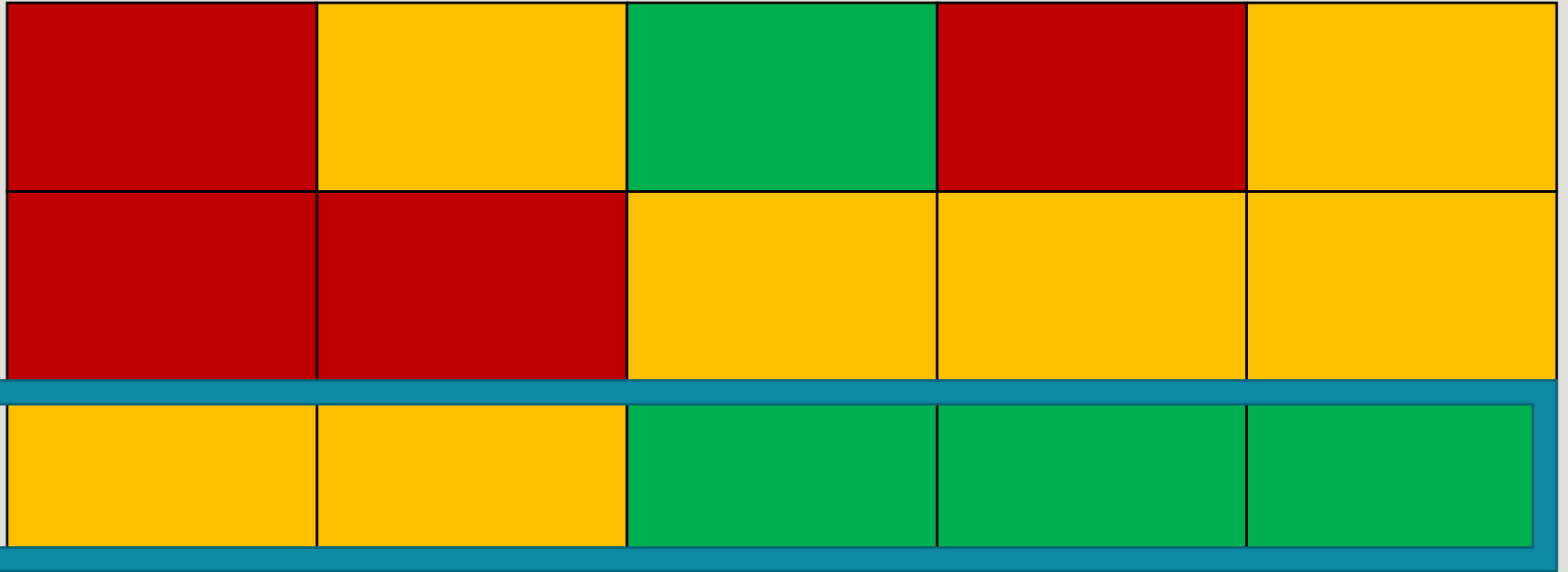
# South America

GDP      Airport Capacity      Tourism      Political Stability      Weather

Argentina

Brazil

Chile



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# Risks & Mitigation



## Airport Capacity

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# Risks & Mitigation



**Airport  
Capacity**



**Price**

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# Risks & Mitigation



**Airport  
Capacity**



**Price**



**Competitors**

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# Risks & Mitigation



**Airport  
Capacity**



**Price**



**Competitors**



**Natural  
Disasters**

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# UNDER-SERVED

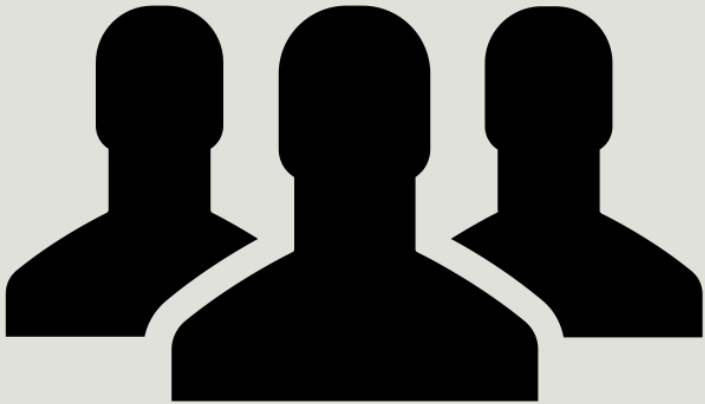
*Expanding Your Reach*

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# Iceland

## Demographics



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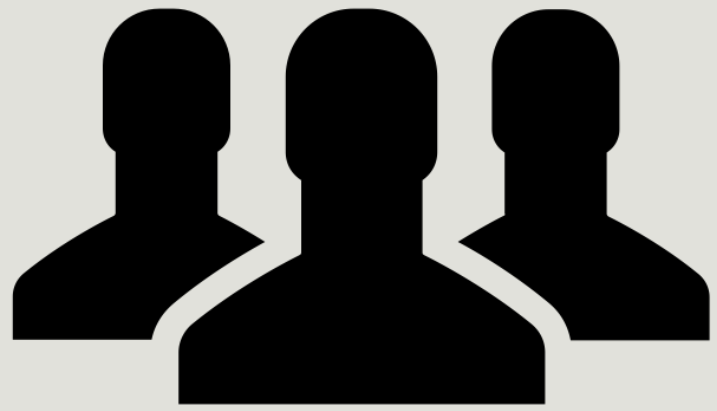




# Iceland

## Demographics

## Politics



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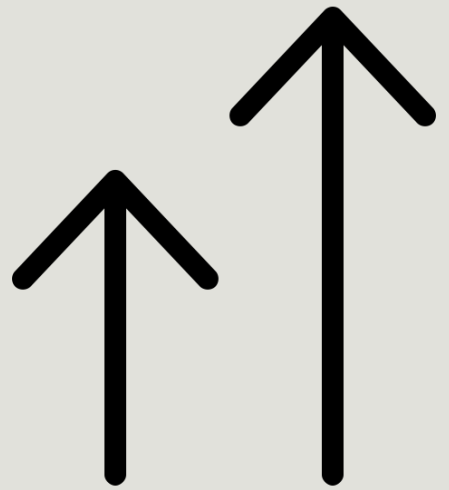
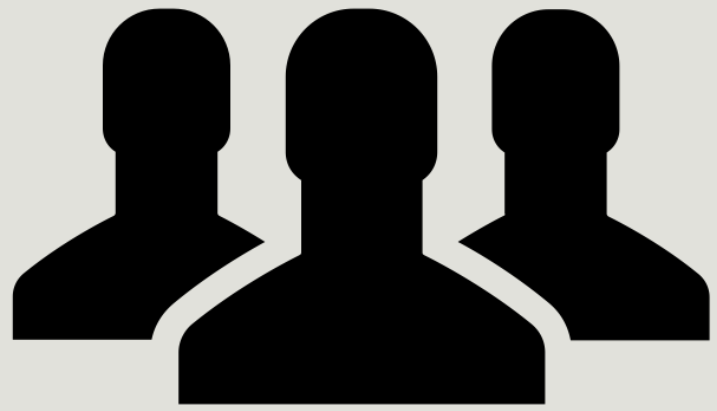


# Iceland

## Demographics

## Politics

## Growth



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# Partners



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# Partners



jetBlue

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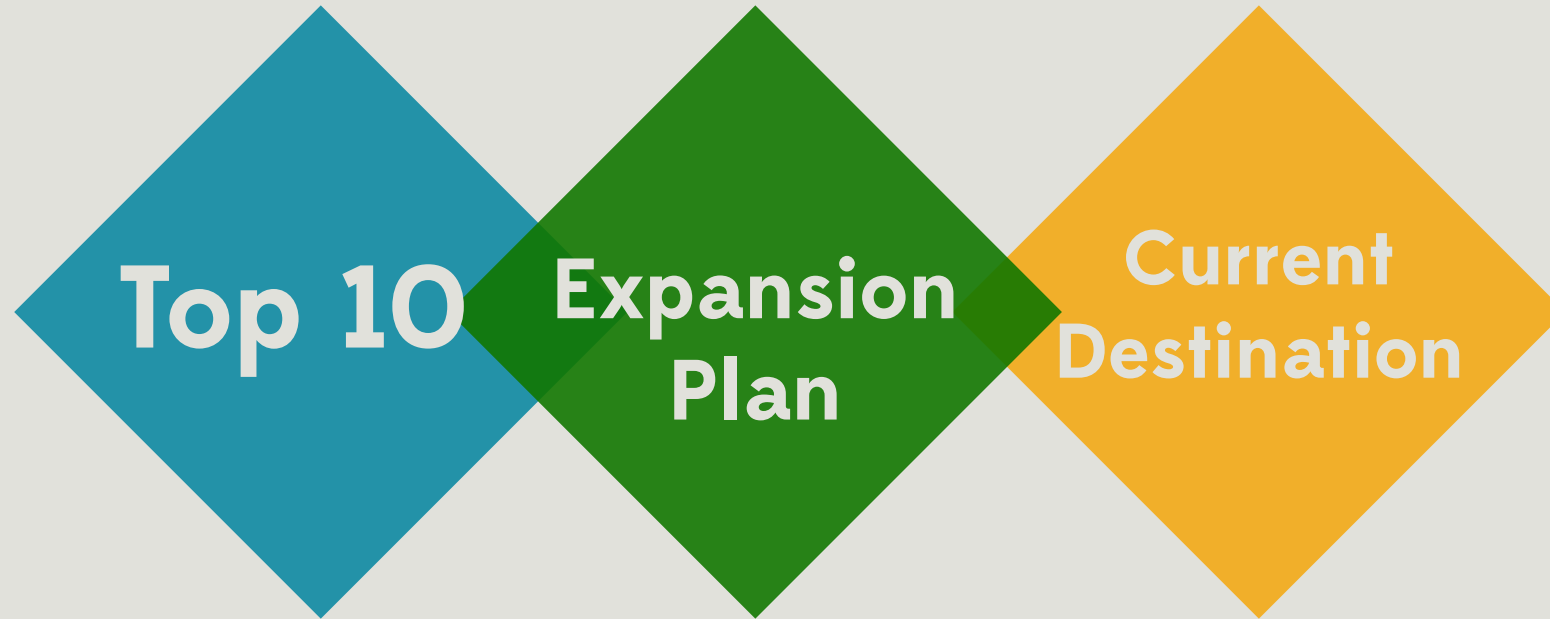
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# Frankfurt



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# Risks & Mitigation



**Demand**

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# Risks & Mitigation



**Demand**



**Plane Size**

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# Risks & Mitigation



**Demand**



**Plane Size**



**Geography**

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# UNLOADED

*Expanding cargo into Asia*

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# Cargo

	Network Efficiency	E-Commerce Facing	Strong Global Reach	Upwards Revenue Trends
FedEx				✓
UPS	✓	✓		
DHL			✓	✓
Emirates	✓	✓	✓	✓

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# Cargo



	Network Efficiency	E-Commerce Facing	Strong Global Reach	Upwards Revenue Trends
<b>FedEx</b>				✓
<b>UPS</b>	✓	✓		
<b>DHL</b>			✓	✓
<b>Emirates</b>	✓	✓	✓	✓

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# Asia



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UNLOADED

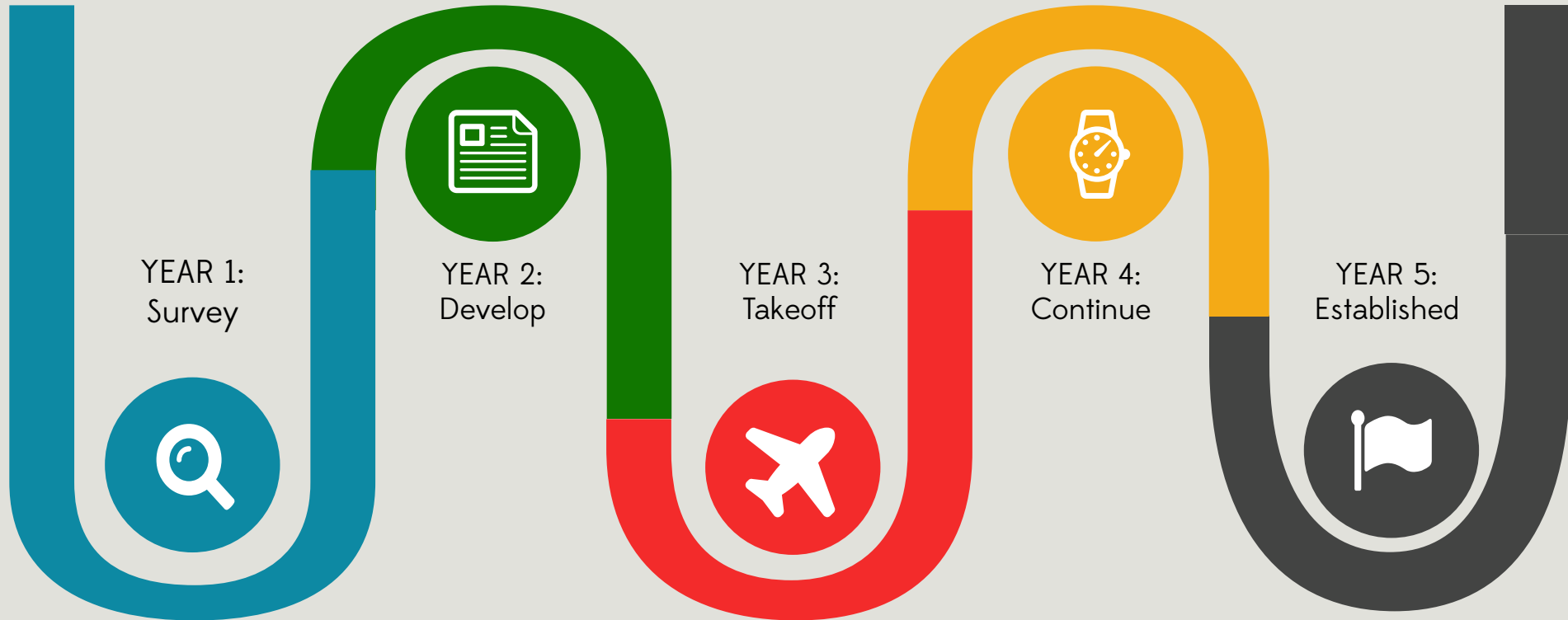
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# Timeline 2017-2021



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# FINANCIALS

*Projections Until 2021*

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# Chile Hub Process

**\$180  
Million**

**\$20 Million  
Recruit**

**\$200  
Million Total**

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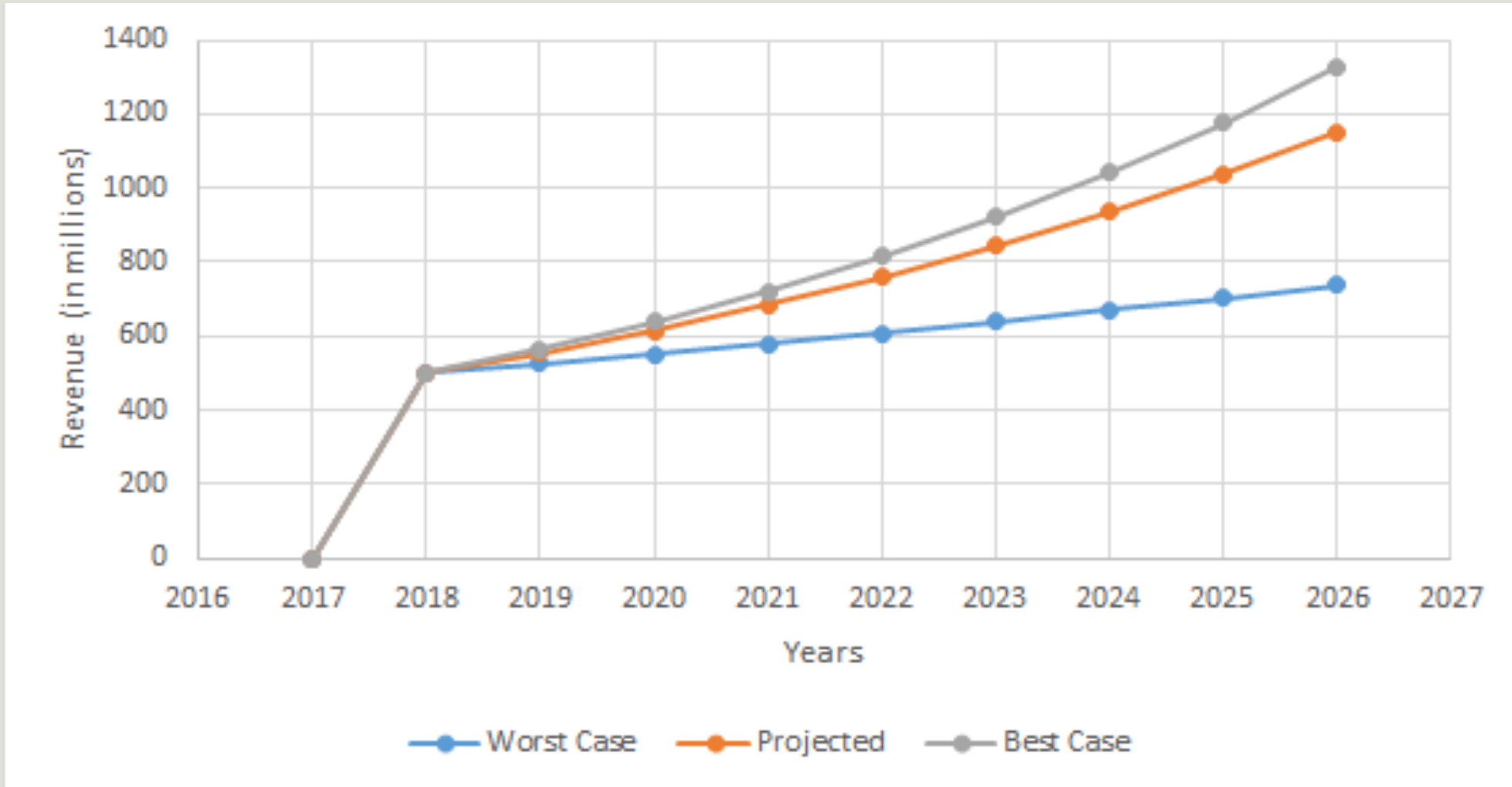


# Revenue Growth South America

**Best  
Case: 13%**

**Projected:  
11%**

**Worst Case:  
5%**



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# Parcel Growth China

China Parcel Growth	
Worst Case =	0.1
Projected =	0.275
Best Case =	0.4



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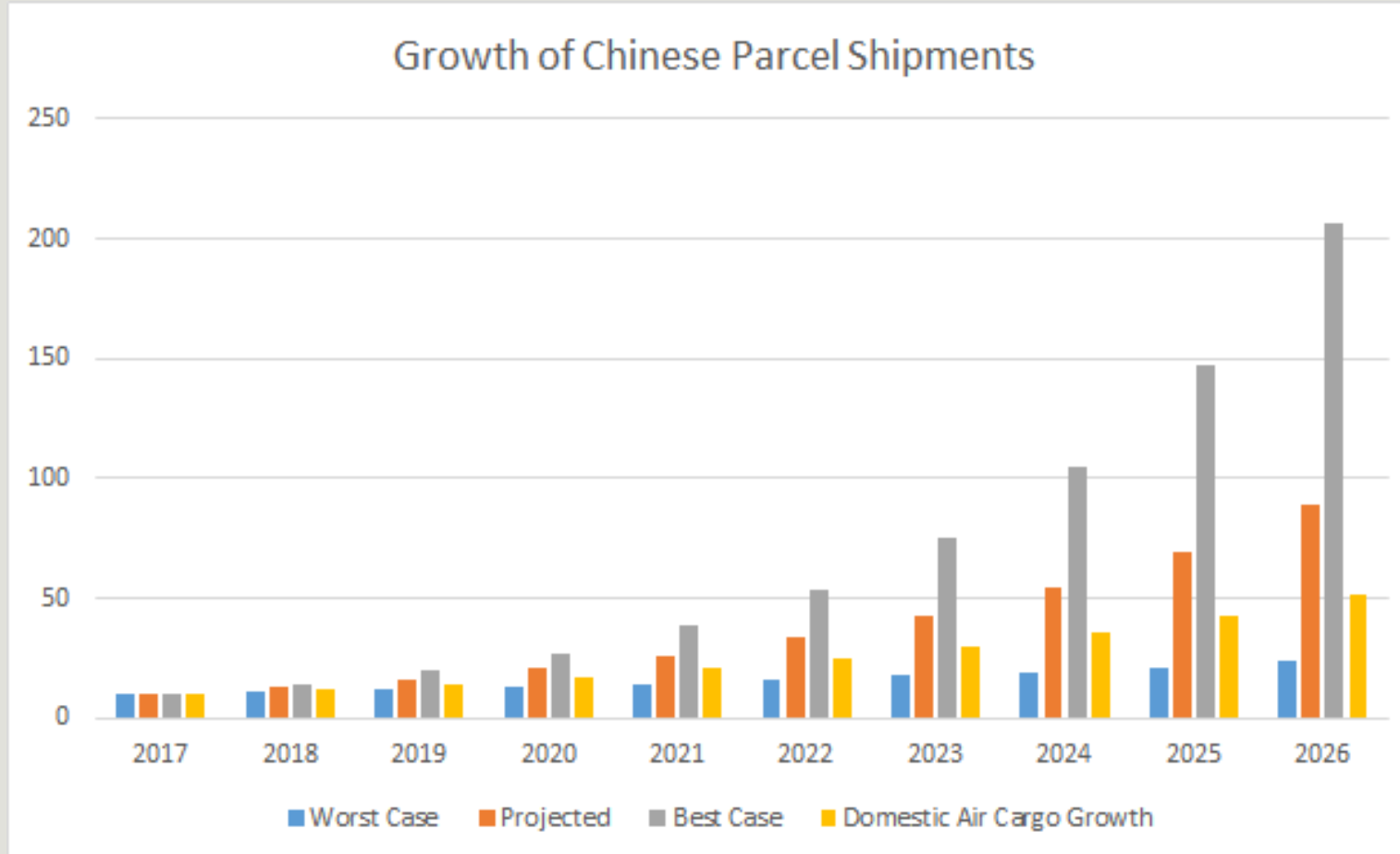
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# Air Cargo Growth China



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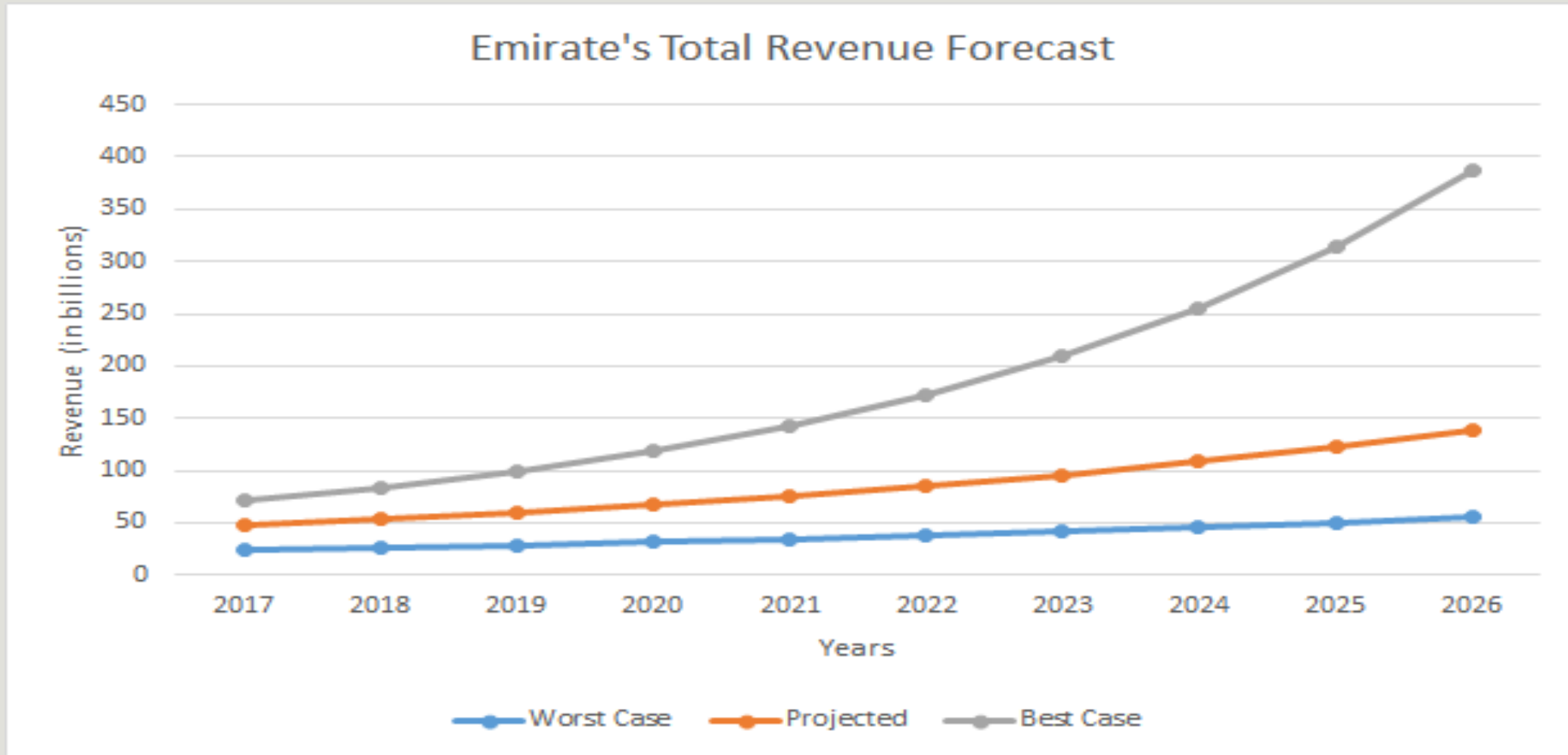
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# Long Term Revenue



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# Conclusion



## UNTAPPED



NewRoute to Chile

## UNDER-SERVED



Route Extension to Iceland

## UNLOADED



Cargo Increase in China

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# APPENDIX

Map	Risk Chile	Risk Iceland	Fleet Stats
SWOT	Iceland 3 Part	China Matrix	Current Destination
Solution	Iceland Partner	Timeline	Extended Timeline
Chile Matrix	Frankfurt Airport	Number	Average Price
Fleet Ages	CASK vs. LCC	Landing Comparison	Cost Fuel
Cost Fuel	Cargo Infographic	Dubai Airport	Keflavik Airport

# Current Emirates Destinations

## North America

*11 Destinations*



## Europe

*22 Destinations*



## South America

*3 Destinations*

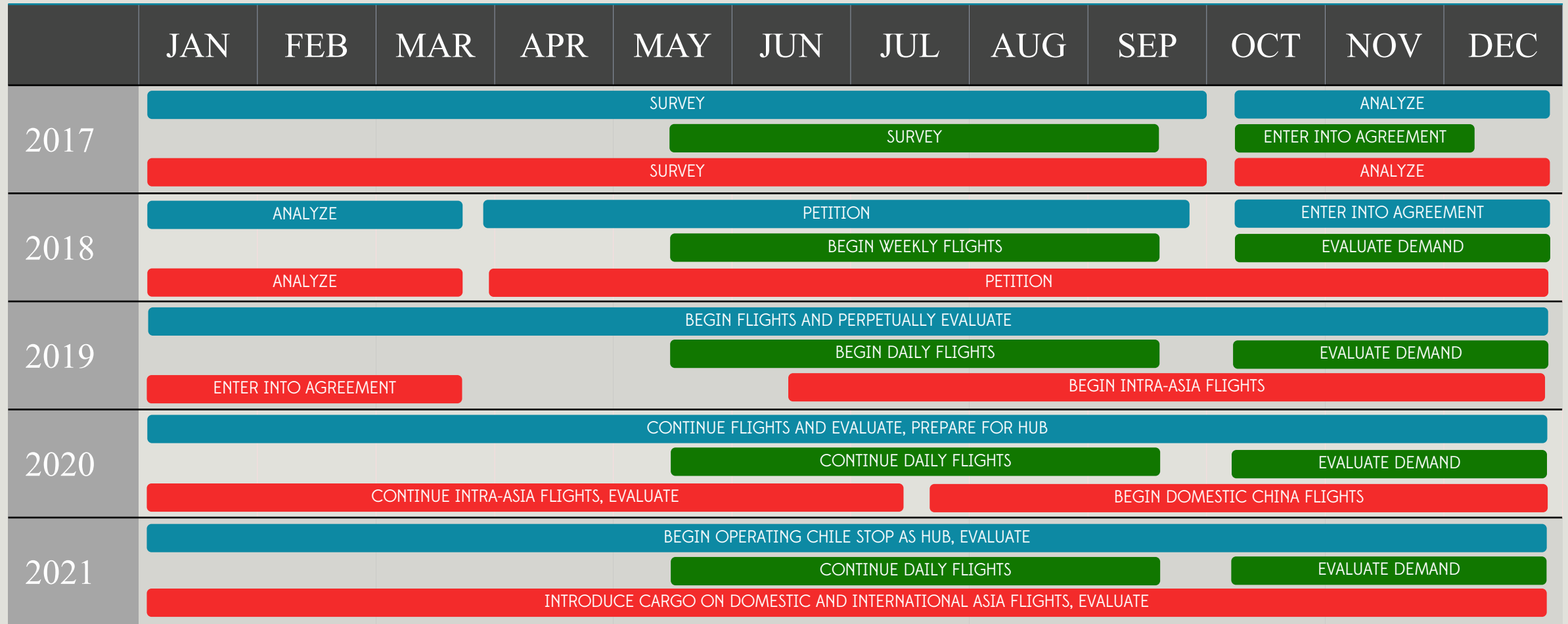


## Asia

*21 Destinations*



# Timeline



# Country Analysis – North America

## Canada

- Previous issues with Canada
- 2014 signed partnership
- Potential new location in Vancouver or Calgary
- Utilize new Hub in Chile

## US

- Oversaturated Market
- Too many competitors

# Country Analysis – Central America

## Belize

- New hot tourist spot for US
- 2 main airports
- Low on sun map
- Not enough capacity to be a hub for large airline
- Seems like stable political system

## Aruba

- Already has hubs in airports
- Partner JetBlue already flies there
- Fastest growing Caribbean destination
- State of the Netherlands

# Cost of Fuel Calculation

Fuel Costs: One way, Frankfurt to Reykjavik, full passenger load (777 300ER)

2.695 liters per passenger per 100 kilometers

Assuming 429 seats,  $2.695 * 429 = 1156.155$  liters per 100 km

Distance from Frankfurt to Reykjavik = 1,475.92 mi, or 2375.263 km

$(2375.263 \text{ km} / 100 \text{ km}) * 1156.155 \text{ liters per 100 km} = 27461.722 \text{ liters}$

Assuming fuel costs for Germany as of Oct 28, 2016, \$61.90 USD per barrel

One barrel = 159 liters, cost per liter =  $61.9/159 = \$0.389$  USD per liter

$0.389 \text{ USD per liter} * 27461.722 \text{ liters} = \mathbf{\$10,682.610 \text{ USD per trip}}$



# Average Price for Similar Flight Duration, Roundtrip



Only Emirates Pricing,  
Dubai - Kabul (~3hr)

Return → ↓ Depart	Wed 11/23	Thu 11/24	Fri 11/25	Sat 11/26	Sun 11/27	Mon 11/28	Tue 11/29
Tue 11/22 ✓	\$466	\$466	\$365	\$365	\$352	\$352	\$352
Wed 11/23 ✓	\$466	\$466	\$480	\$365	\$352	\$352	\$352
Thu 11/24 ✓	--	\$480	\$485	\$485	\$365	\$365	\$365
Fri 11/25 ✓	--	--	\$485	\$484	\$480	\$365	\$365
Sat 11/26 ✓	--	--	--	\$480	\$466	\$466	\$352
Sun 11/27 ✓	--	--	--	--	\$466	\$466	\$466
Mon 11/28 ✓	--	--	--	--	--	\$466	\$466

Return → ↓ Depart	Wed 2/15	Thu 2/16	Fri 2/17	Sat 2/18	Sun 2/19	Mon 2/20	Tue 2/21
Tue 2/14 ✓	\$466	\$466	\$365	\$365	\$352	\$352	\$352
Wed 2/15 ✓	\$466	\$466	\$480	\$365	\$352	\$352	\$352
Thu 2/16 ✓	--	\$480	\$484	\$493	\$365	\$365	\$365
Fri 2/17 ✓	--	--	\$485	\$485	\$480	\$365	\$365
Sat 2/18 ✓	--	--	--	\$480	\$466	\$466	\$352
Sun 2/19 ✓	--	--	--	--	\$466	\$466	\$466
Mon 2/20 ✓	--	--	--	--	--	\$466	\$466

Only Icelandair Pricing,  
Frankfurt - Reykjavik (~3hr)

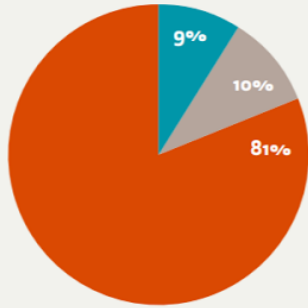
Return → ↓ Depart	Wed 11/23	Thu 11/24	Fri 11/25	Sat 11/26	Sun 11/27	Mon 11/28	Tue 11/29
Tue 11/22 ✓	\$757	\$757	\$757	\$649	\$450	\$450	\$371
Wed 11/23 ✓	🔍	\$757	\$757	\$757	\$450	\$450	\$371
Thu 11/24 ✓	--	🔍	\$757	\$757	\$450	\$450	\$371
Fri 11/25 ✓	--	--	🔍	\$631	\$450	\$450	\$371
Sat 11/26 ✓	--	--	--	🔍	\$450	\$450	\$371
Sun 11/27 ✓	--	--	--	--	🔍	\$649	\$649
Mon 11/28 ✓	--	--	--	--	--	🔍	\$649

Return → ↓ Depart	Wed 2/15	Thu 2/16	Fri 2/17	Sat 2/18	Sun 2/19	Mon 2/20	Tue 2/21
Tue 2/14 ✓	\$312	\$395	\$312	\$395	\$312	\$312	\$312
Wed 2/15 ✓	🔍	\$395	\$312	\$395	\$312	\$312	\$312
Thu 2/16 ✓	--	🔍	\$312	\$395	\$312	\$312	\$312
Fri 2/17 ✓	--	--	🔍	\$378	\$312	\$312	\$312
Sat 2/18 ✓	--	--	--	🔍	\$312	\$312	\$312
Sun 2/19 ✓	--	--	--	--	🔍	\$312	\$312
Mon 2/20 ✓	--	--	--	--	--	🔍	\$312

# Keflavik Airport

## REASON FOR TRAVELING

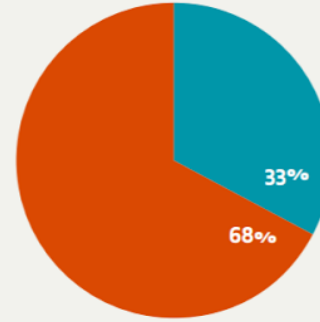
- BUSINESS
- OTHER
- LEISURE



Source: ASQ Survey 2015

## CONNECTING AT THIS AIRPORT

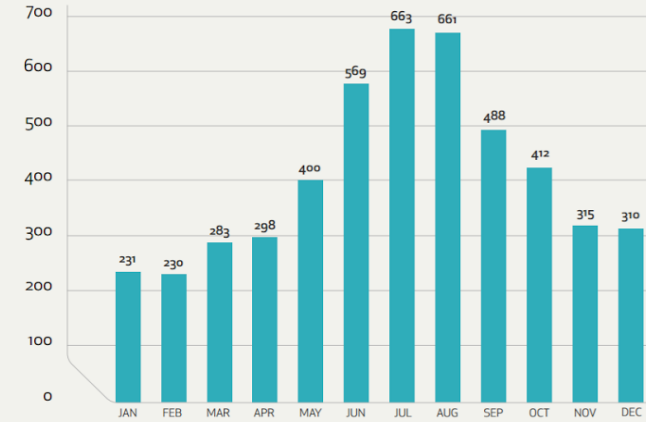
- YES
- NO



Source: ASQ Survey 2015

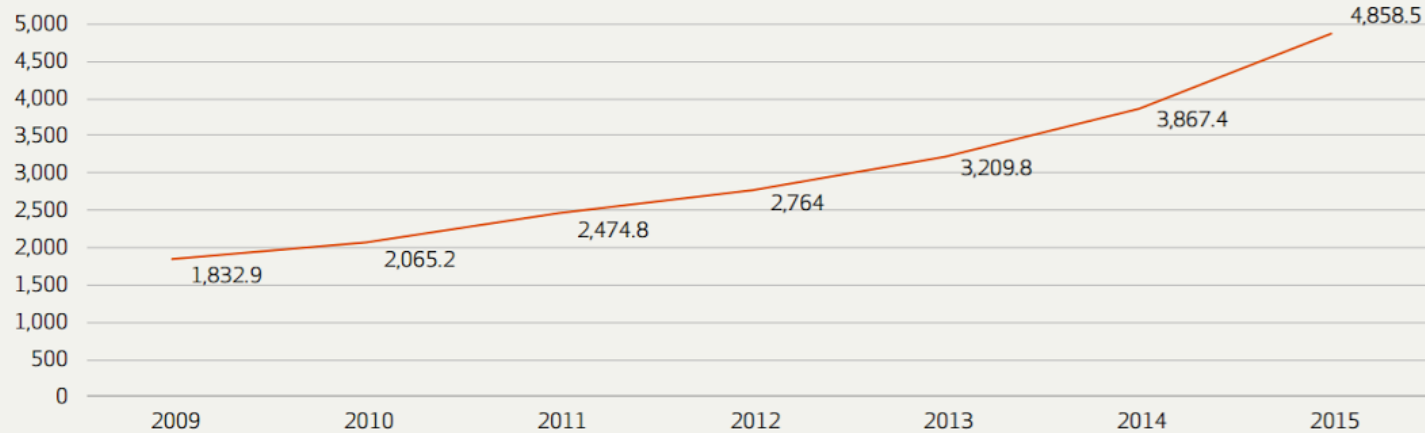
## PASSENGERS PER MONTH

THOUSANDS



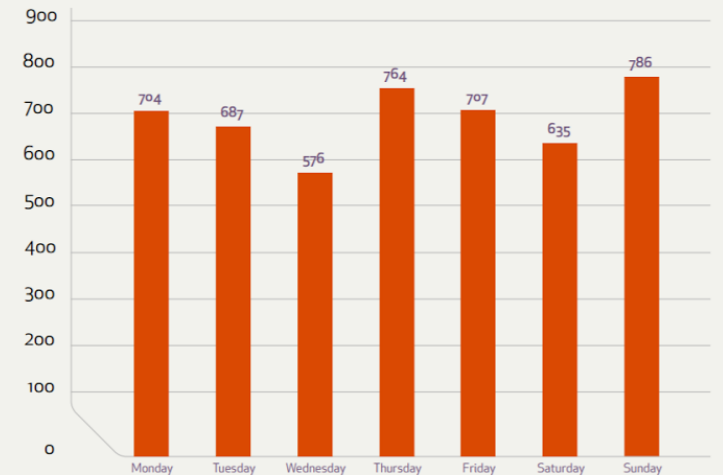
## ANNUAL PASSENGERS

THOUSANDS



## PASSENGERS PER WEEKDAY

THOUSANDS



# Al Maktoum International Airport

Opened  
2010

Originally  
Cargo

60%  
Seasonal  
Charter  
Planes

**Emirates**

- Using for Big Cargo Hub
- 45 Locations

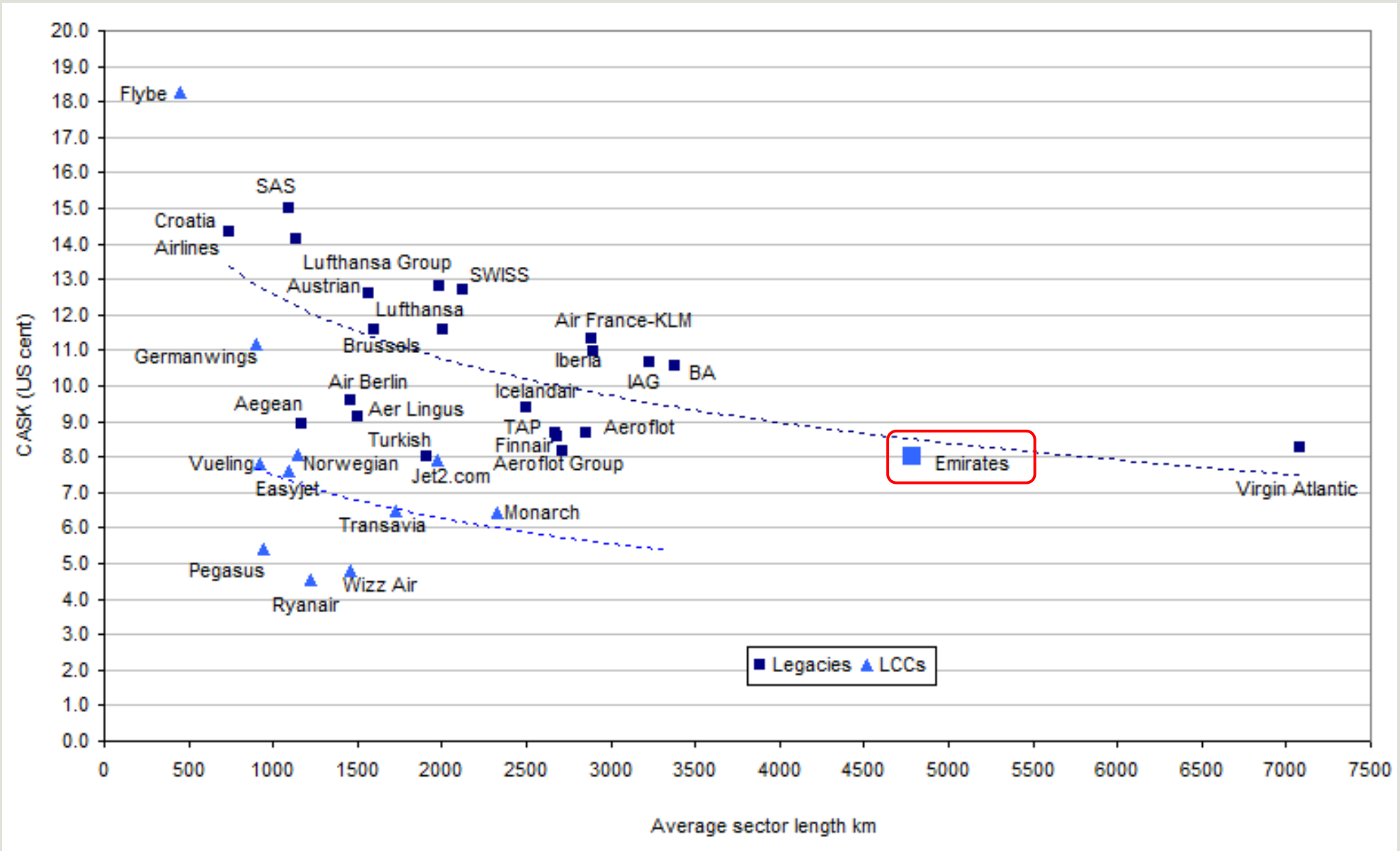
# Emirate's Fleet Statistics

Aircraft	In Service	Orders	Passengers				Notes
			F	C	Y	Total	
Airbus A380-800	85	57 <sup>[5]</sup>	14	76	399	489	Largest operator of the Airbus A380-800.
			14	76	427	517	
			0	58	557	615	
Boeing 777-200LR	10	—	8	42	216	266	
Boeing 777-300	8	—	12	42	310	364	
Boeing 777-300ER	123	28 <sup>[6]</sup>	8	42	310	360	Largest operator of the Boeing 777-300ER 5 aircraft to leave the fleet and move to Rossiya Airlines in 2017 <sup>[7]</sup>
			0	42	386	428	

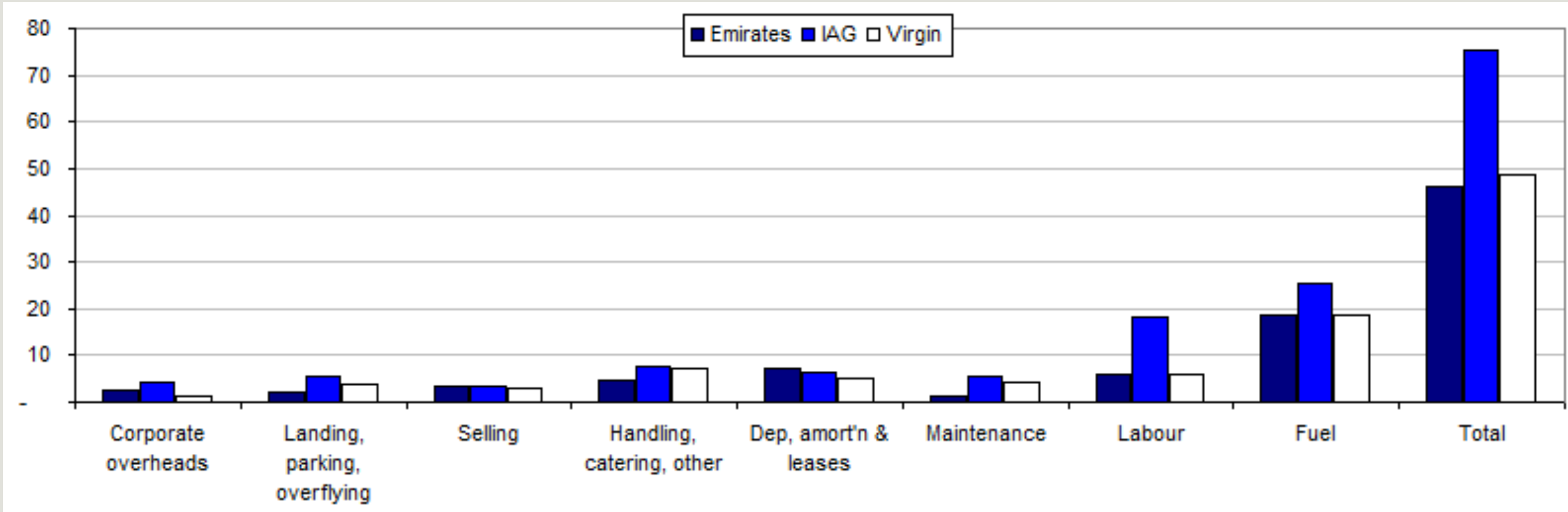
# Projected Revenue South America

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	(in millions)
Worst Case	0	500	525	551.25	578.8125	607.7531	638.1408	670.0478	703.5502	738.7277	
Projected	0	500	555	616.05	683.8155	759.0352	842.5291	935.2073	1038.08	1152.269	
Best Case	0	500	565	638.45	721.4485	815.2368	921.2176	1040.976	1176.303	1329.222	

# Emirates Unit Cost CASK Analysis vs. LCCs & Legacies



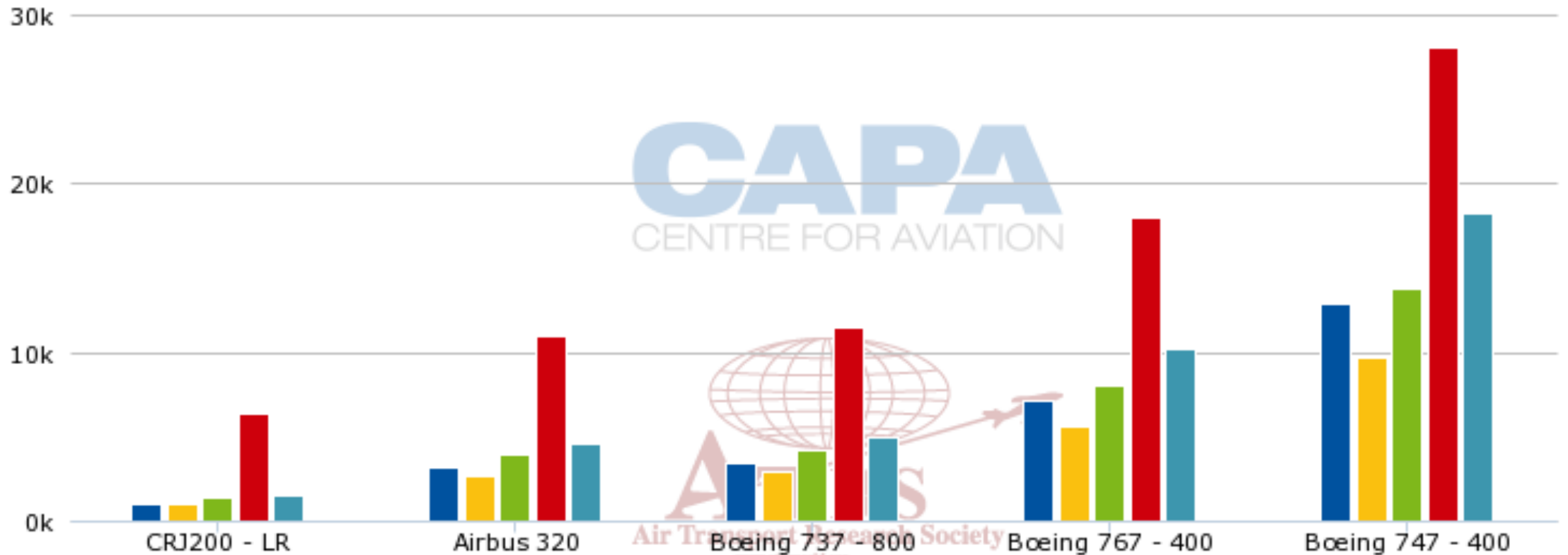
# Emirates Unit Cost CATK Analysis



# Landing and Terminal Charge Comparison

CAPA  
CENTRE FOR AVIATION

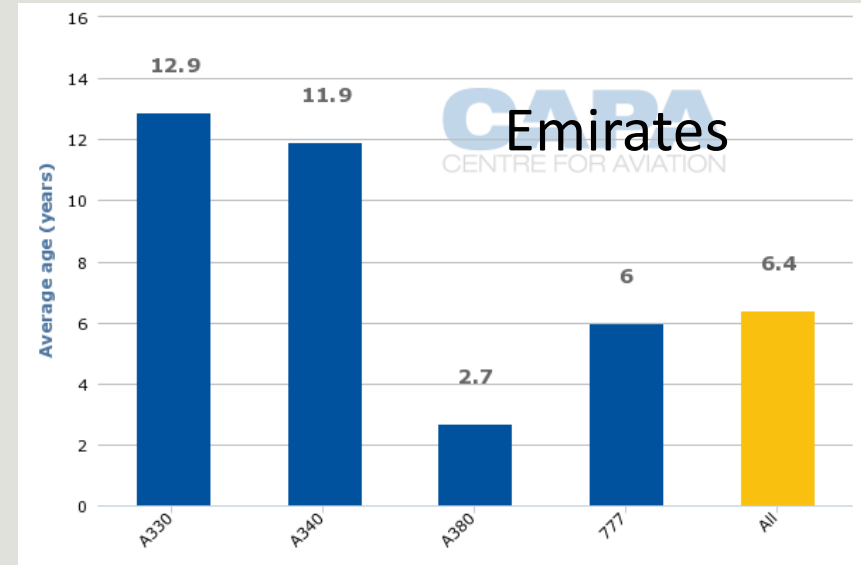
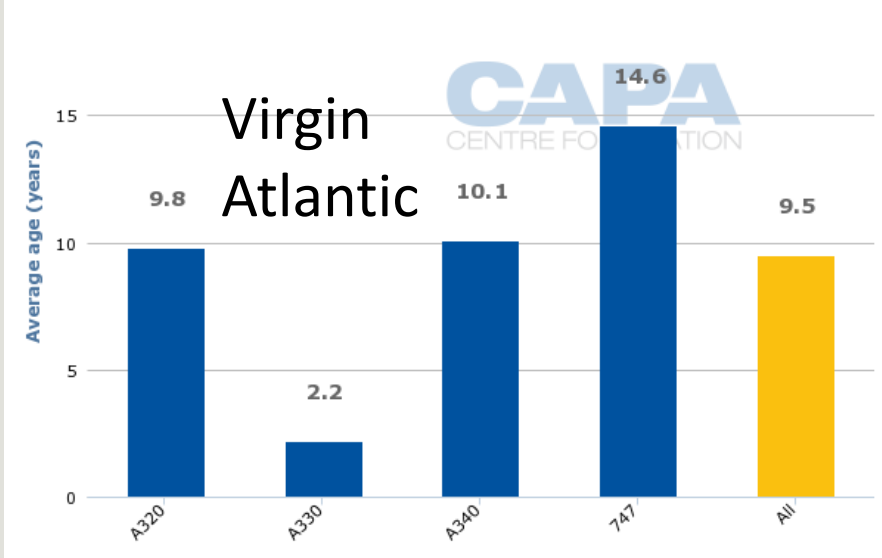
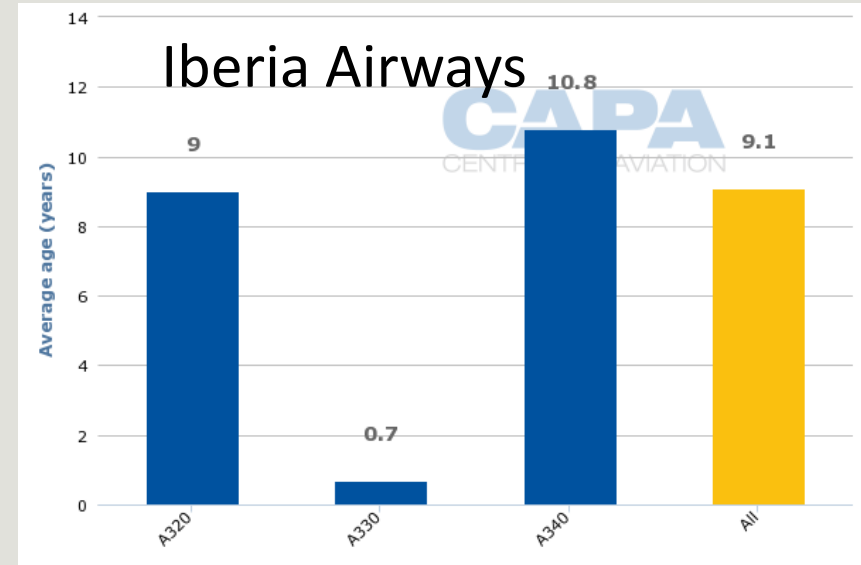
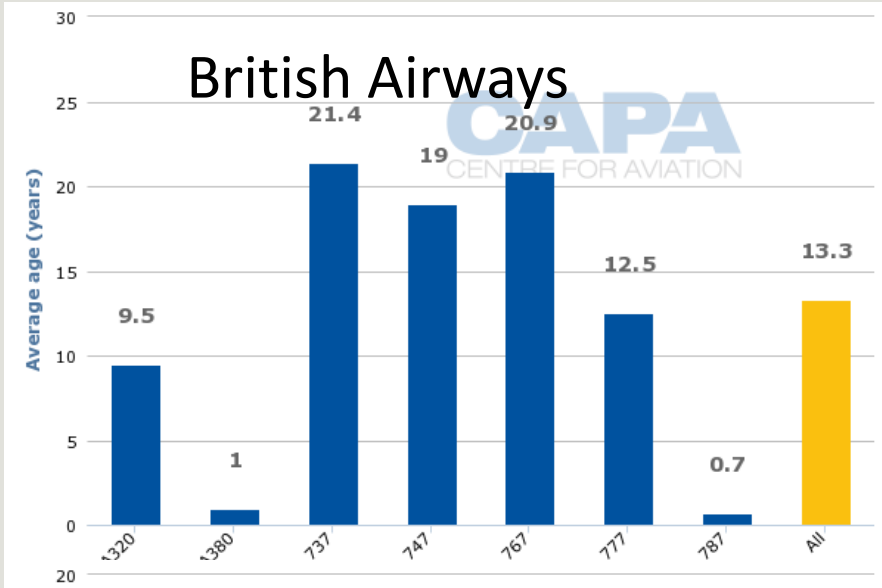
Air Transport Research Society  
www.atsr.org



Amsterdam Airport Schiphol   Dubai International Airport   Frankfurt Airport   London Heathrow Airport  
Paris Charles De Gaulle Airport



# Comparison of Average Fleet Ages



# Cargo Infographic

