

PERSPECTIVES OF THE AVIATION INDUSTRY- INTERVIEW WITH ANDREAS STARIBACHER, MANAGIG PARTNER AT CENTURION AUSTRIA

Marton: Hi Andreas, thank you for the opportunity to meet today to discuss your experience in the aviation sector. I am aware that you've been dealing with the aviation sector for very long. After the disruption of the pandemic, we know that cargo is strong and uninterruptedly growing, but what about commercial airlines? Could you please give us a snapshot on the global airline industry as of today?

Andreas: Centurion has been active in advising the aviation sector for many years and I am very happy to give our perspective of that industry.

M: Comparing pre-pandemic and current commercial airline performance, it is visible that Europe is still lagging behind the pace of US market recovery. Andreas, do you see any major changes on the horizon of the European market?

A: The pandemic has hit the aviation world exceptionally hard and - depending on which part of the world we are looking at - recovery is still far away. Based on the number of passenger in Europe, we are still only around 50 % of the pre-pandemic level. This of course, is split evenly, but rather the holiday travel over the summer has recovered better; the long range and the business travel is still far behind.

The on demand executive travel is recovering much better and the second half in 2021 will be very healthy for that sector.





M: Global oil prices have been dynamically increasing, translating into higher kerosene costs, weighing down the financial performance rebound of airlines. How do stakeholders cope with this?

A: Global oil prices are certainly a big issue; some carriers are covered by fuel forwards; however that does not last for too long. We expect - if prices for fuel remain high – a reflection in higher ticket prices. However if aviation fuel is taxed under the "Fit for 55" plan as proposed by the European Commission fuel for the commercial carriers will also be more expensive in the long and medium run.

M: I'm curious, how does aviation, as a sector approach the question of long-term sustainability and striving for being greener? Do you see any good examples?

A: The Aviation Industry has invested for some time in "alternate fuel". This effort will not really lead to a "green solution" in the short run, the most efficient way to reduce emissions are modern equipment especially modern airplane engines. Electricity via sun collectors has been tried for small non-commercial airplanes and battery operated training aircrafts are already on the market. Based on today's knowledge commercial usage of battery power for airplanes is presently not available, since the battery output for any longer flight means such a heavy load that it is not feasible to produce such an airplane. Alternative combustion systems might be of help, however not in the short or medium time available. Maybe we will have private pilots educated in battery powered air planes in the short future; for international flights it will not be there in foreseeable future.

M: Thank you, Andreas.

A: Thanks for the time and the chance to furnish you with some inside into the world of aviation.



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