

ASA – AFRA Conference

June 2026

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President
AVITAS, Inc.

The image features the iconic 'Welcome to Fabulous Las Vegas' sign, which is a large, diamond-shaped sign with a gold border and a red star at the top. The word 'WELCOME' is written in large, red, block letters across the top, with each letter inside a circular frame. Below this, the word 'TO' is in small blue letters, followed by 'Fabulous' in a blue script font, and 'LAS VEGAS' in large, red, block letters. At the bottom, 'NEVADA' is written in blue, block letters. The sign is set against a background of palm trees and a clear sky. In the background, the Mandalay Bay hotel is visible, with its name 'MANDALAY BAY' on the building. The sign also features the YESCO logo at the bottom.

STATE OF THE INDUSTRY

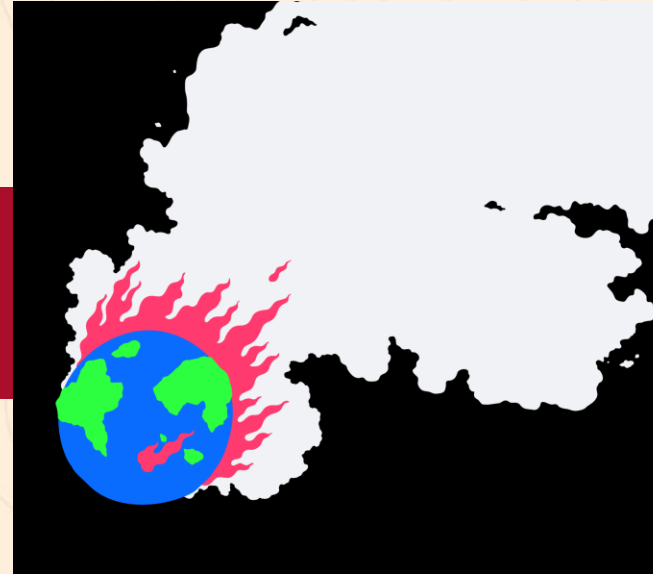
CHAOS AND CLARITY

WARS

LONG-TERM DEVELOPMENTS

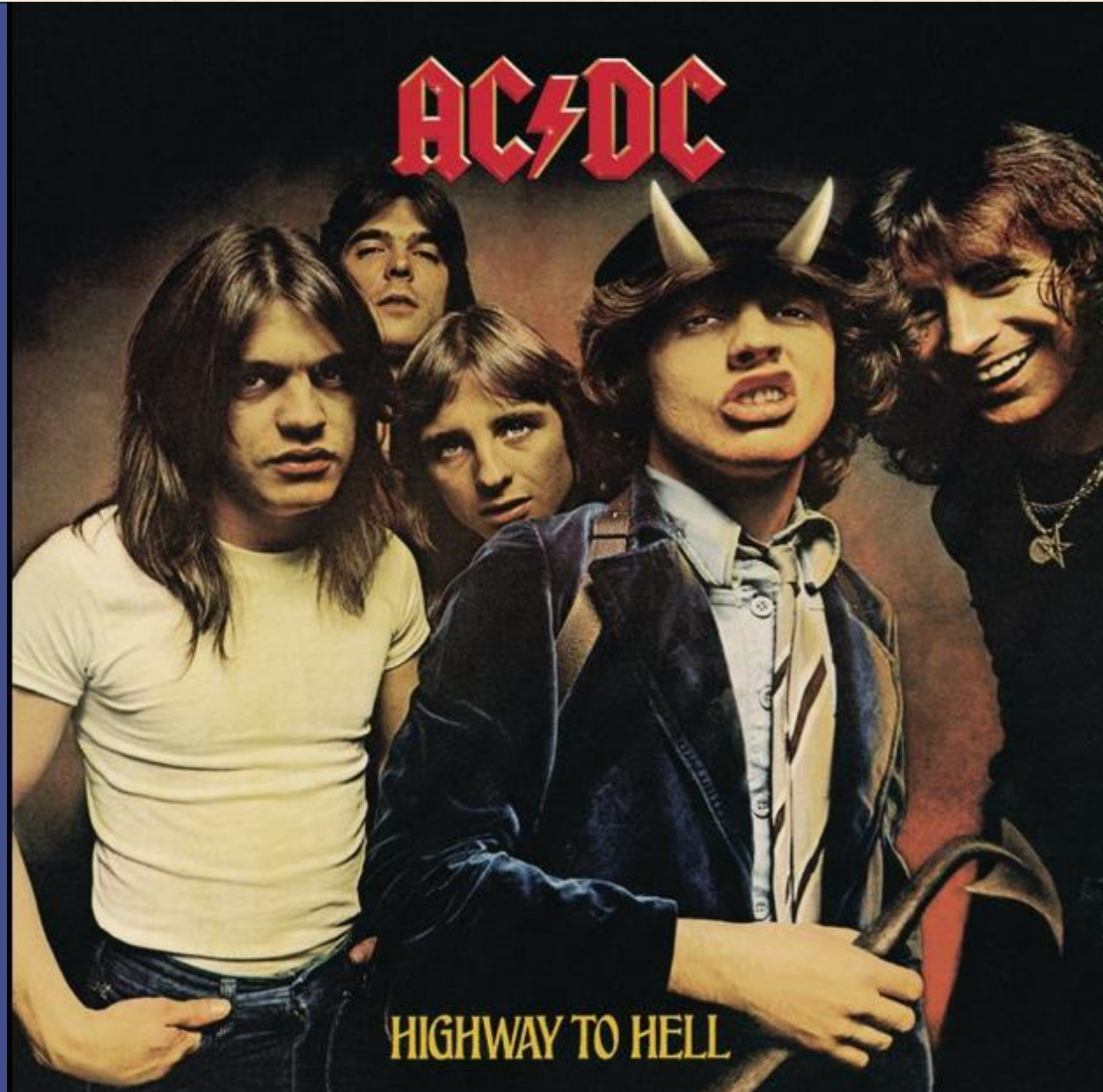
SUMMARY AND CONCLUSION

CHAOS AND CLARITY



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Current Chaos in Aviation

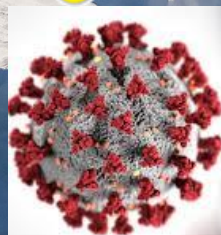


OUT OF STOCK

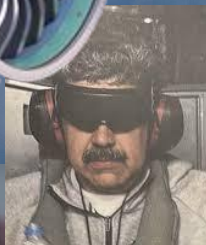


AOG
AIRCRAFT ON GROUND

WAIT



COVID-19
CORONAVIRUS DISEASE 2019



Attack on Iran

Shortages of:

- Aircraft
- Engines
- Skilled labor
- Material
- Parts
- MRO capacity

Reasons for supply chain problems include OEM policies that have hurt the commercial aerostructures market

- Airbus's Power8
- Boeing's PFS (Partnership for Success)

Engine Problems

Engines have become an increasingly important part of the industry, and new aviation programs have historically had teething problems.

Current engine issues:

- MRO capacity constraints
- Lack of availability of parts
- Material cost escalation
- Need for spares
- Reliability of new-gen engines

Why the rush?

- Occasional fuel price increases
- Incorrect assumption that oil prices would continue to increase forever

WARS



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It is an asymmetric war, with

- Different tolerances for pain
- Different objectives
- Different strengths



ILLUSTRATION: KAL

Upside-Down Strategy

- Traditional war – leaders die last
- Iran war – leaders die first

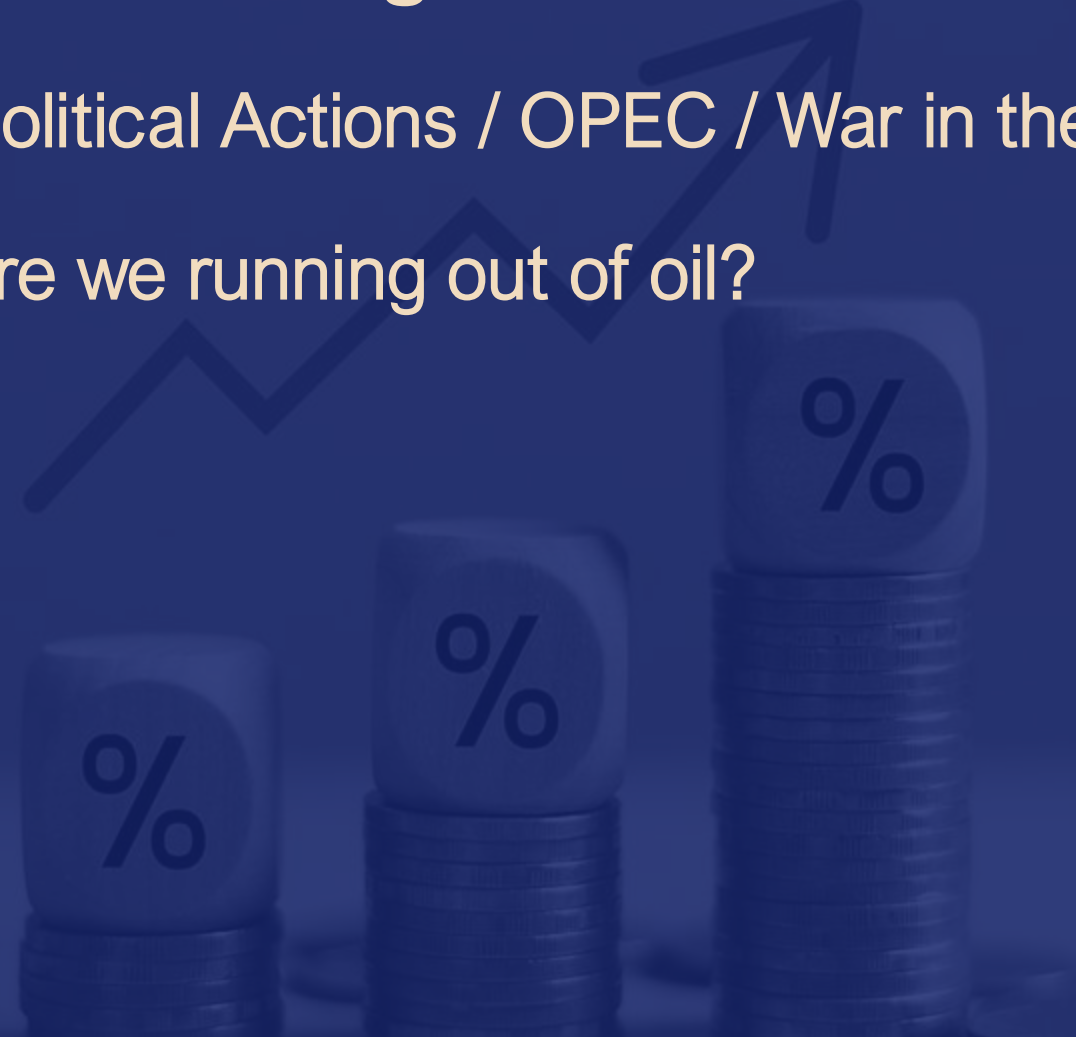
Who do we negotiate with?

- Started on February 24, 2022
- Planned for a short duration
- Expected it to be over in time for the Victory Day celebration on May 9, 2022, where Russians commemorate the Soviet Union's victory over Nazi Germany in 1945

- Written in 1880 by Tchaikovsky, commemorating the 1812 Russian defense against Napoleon's invading Grande Armée
- Napoleon entered a deserted and burning Moscow on September 14, 1812
- Waited 5 weeks for a peace proposal that never came
- Started to retreat in October but “General Winter” destroyed his army – lost 400,000 of his 600,000 troops



Short-Term versus Long-Term

- Short-Term: Political Actions / OPEC / War in the Middle East
 - Long-Term: Are we running out of oil?
- 

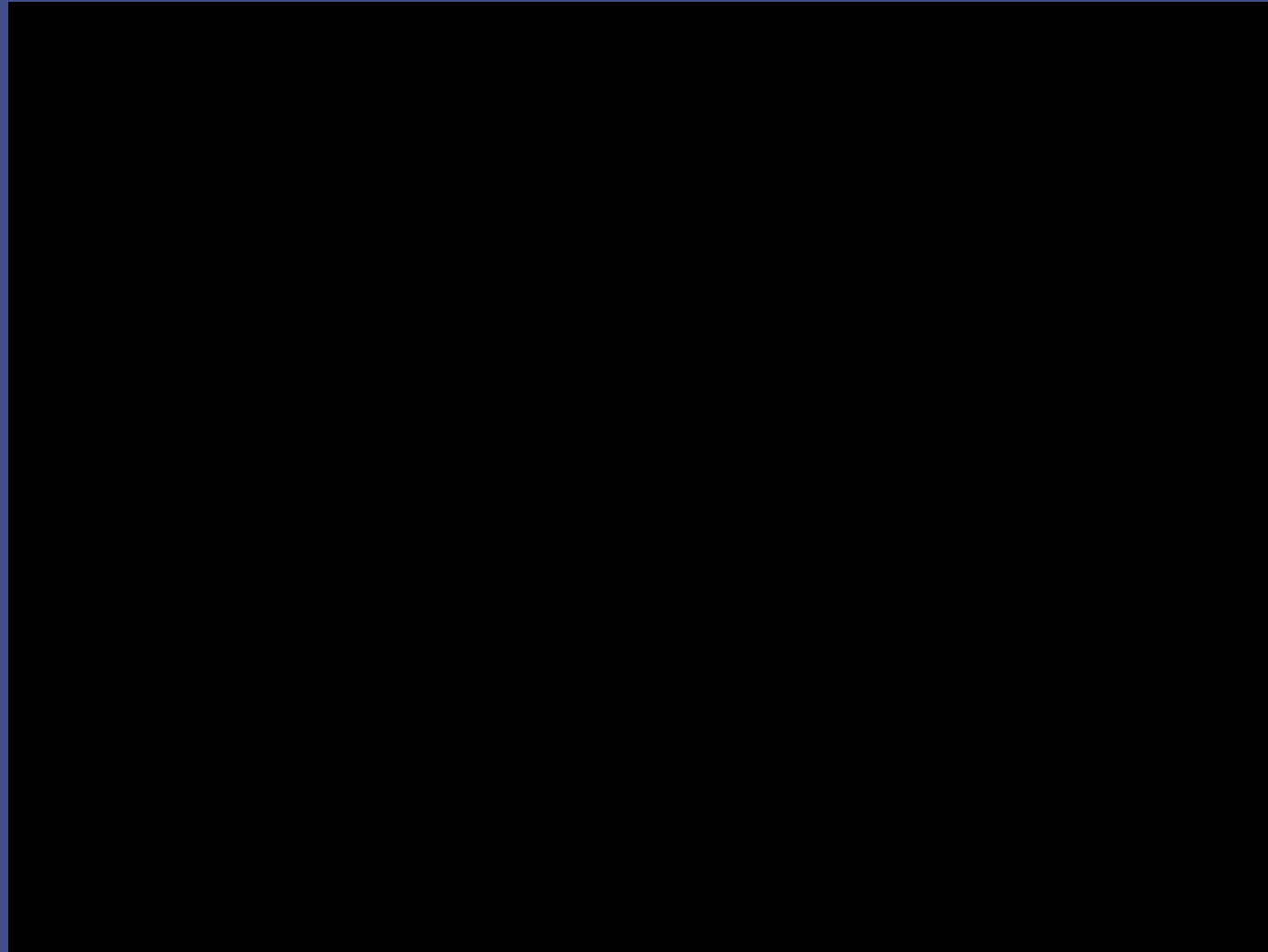


World Oil Reserves, Years of Supply 1954-2025



I Wanna Be Sedated

Song by Ramones



LONG-TERM DEVELOPMENTS



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The impact of the United States **globally**

- 25% of World GDP
- 19% of World RPKs
- 40% of Nobel Prize Recipients
- 16% of Olympic Medals
- Strength of U.S. Dollar:
 - 50% of international payments
 - 57% of global central bank currency reserves
- 4% of the World Population

What makes the U.S. great?

- Liberty
- Market economy
- Independent central bank
- Balance of power
- Local control / less central government
- Academic freedom
- Scientific basis for decisions

U.S. DOMINANCE WILL CONTINUE TO DIMINISH

THE ROLE OF THE U.S. DOLLAR WILL ALSO DIMINISH

U.S. WILL DECOUPLE FROM CHINA

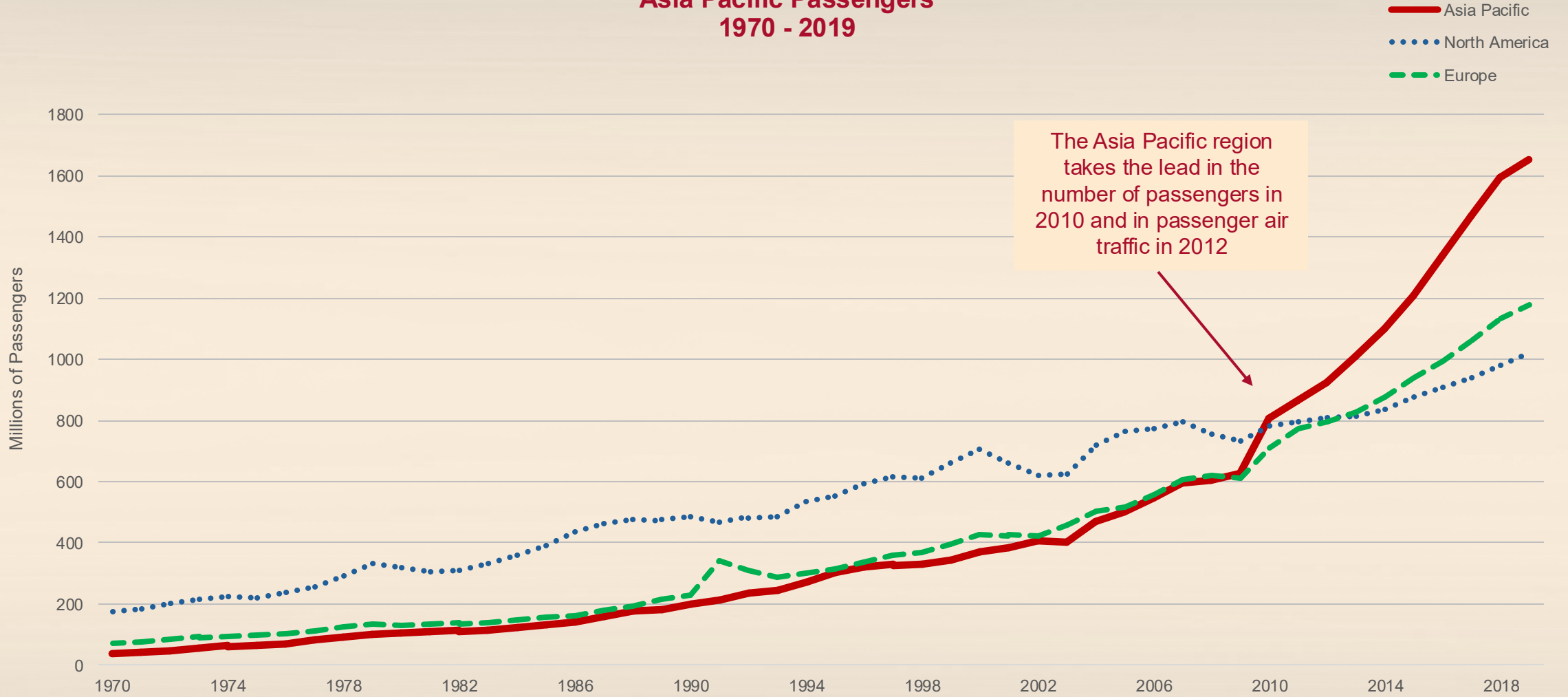
MILITARY SPENDING – EUROPE WILL SPEND MORE

**“THE FIRST STEP IS TO MAKE CONCESSIONS TO AMERICA.
THE SECOND IS TO LOOK ELSEWHERE.”**

South Korean Official

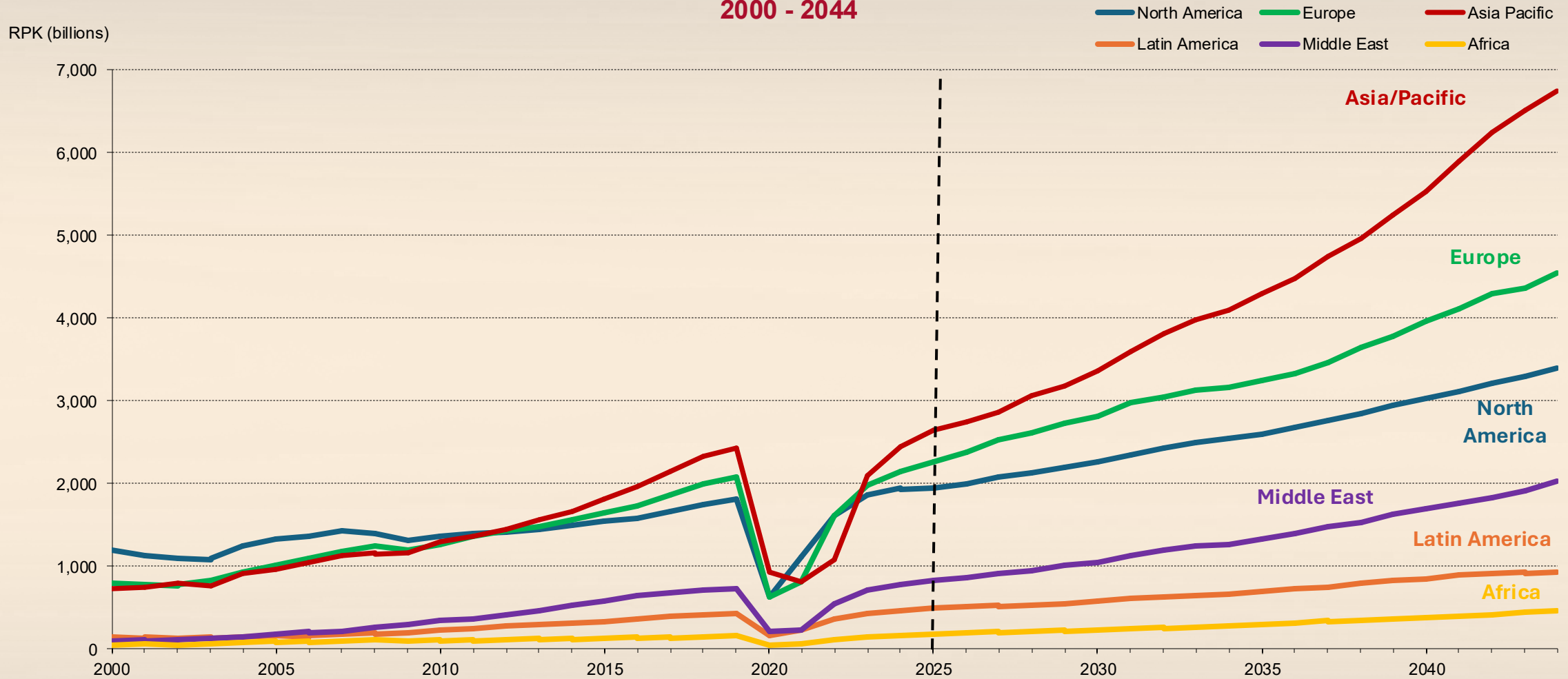
Source: The Economist, August 23, 2025

Asia Pacific Passengers 1970 - 2019

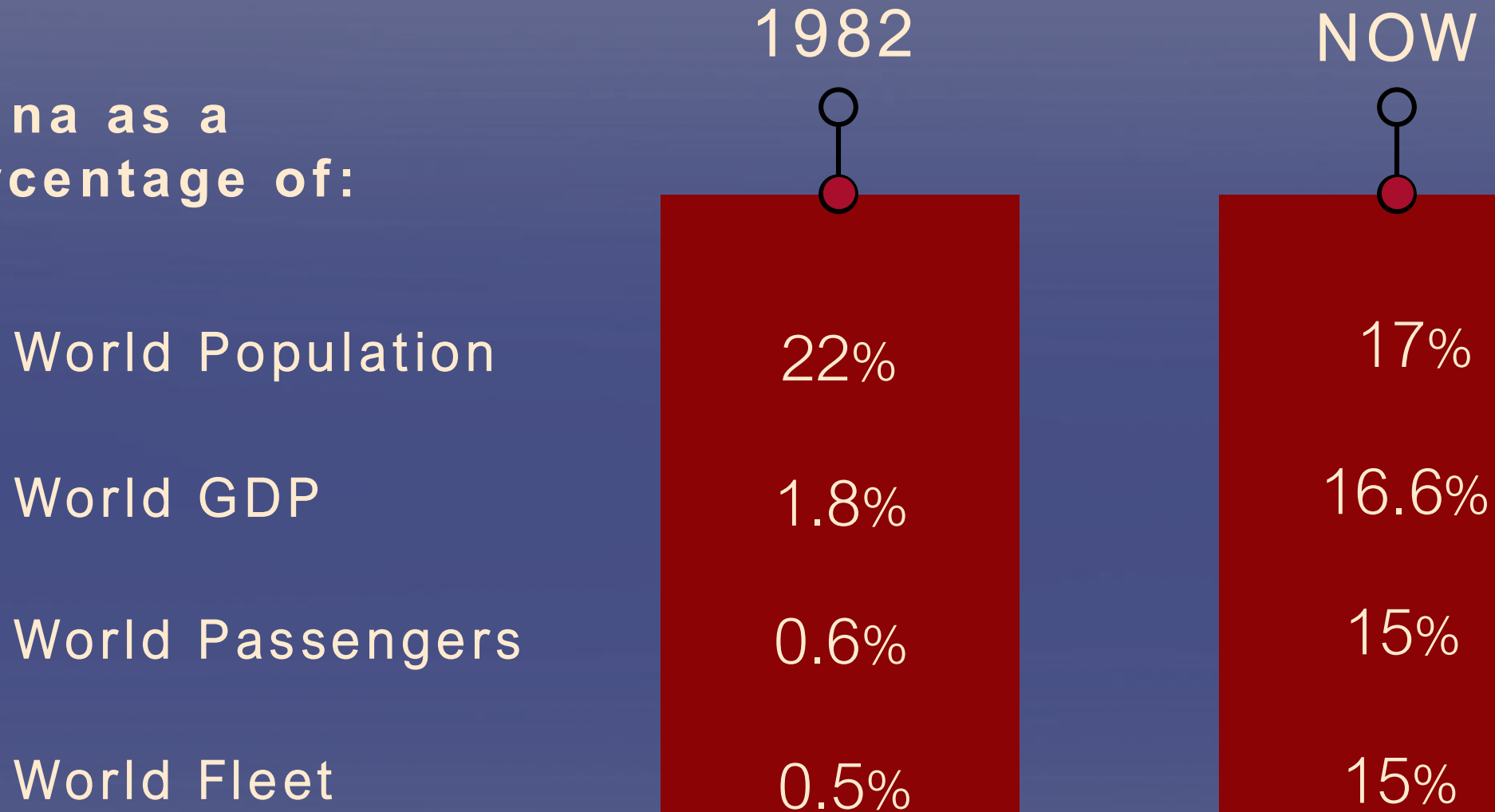


Asia's Dominance Expected to Continue

**World Airlines Passenger Traffic
2000 - 2044**



Sources: International Air Transport Association (IATA), AVITAS forecasts

**China as a
percentage of:**



DEMOGRAPHIC
FACTORS



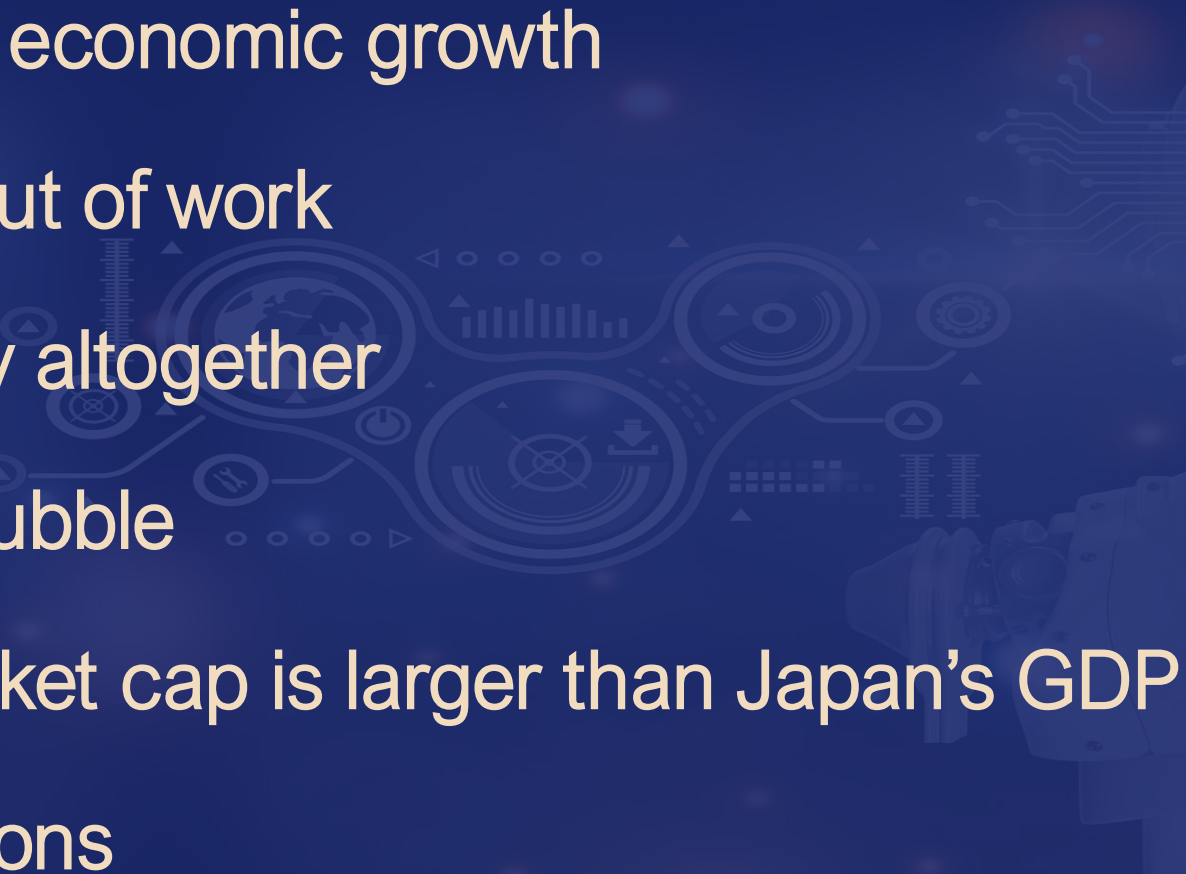
DEGLOBALIZATION



NEW ECONOMIC
POLICY (NEP)

Inflation is here to stay

- Move from efficiency to equality and stability
- Deglobalization (near-shoring, insourcing)
- Decarbonization
- Tariffs
- Artificial Intelligence (efficiencies, ends “rip-off” economy)

- Supercharge economic growth
 - Put millions out of work
 - End humanity altogether
 - Investment bubble
 - NVIDIA's market cap is larger than Japan's GDP
 - AI Hallucinations
- 

The U.S. will have a diminishing role

China will also have a diminishing role

Inflation is here to stay

Current problems in aviation are explainable

Consequences of the Iran War will take time to resolve

Life is uncertain – Carry chocolate at all times



Questions? Contact: Gurudude@AVITAS.com

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Presentation design powered by

The Zeevo logo features the word "zeevo" in a lowercase, sans-serif font. A horizontal blue line is positioned above the "ee" characters. The letter "o" is replaced by a solid orange circle. A small registered trademark symbol (®) is located at the bottom right of the "o".