

A Boeing aircraft, likely a 787 Dreamliner, is shown in flight against a dark blue background with a grid pattern. The aircraft is white with blue accents and is viewed from a low angle, looking up at the nose and cockpit. The wings and engines are clearly visible.

Manufacturers' Perspectives September 2012

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Strategic Regulatory Policy

Benefits to industry

- Need for change in aviation industry financing
- Asset-based lending and leasing
- Economic Impact Assessment of stakeholder benefits

Wide range of benefits to industry

Asset-based lending and leasing

- Basic idea – differentiate between
 - Risk of default
 - Risk of loss
- Reliance on asset value
- Asset-based financing principles
 - Clear security priorities
 - Prompt enforcement of remedies
 - Impact of insolvency on priorities/enforcement

Asset based financing principles to differentiate risk

Stakeholder benefits

- **Governmental Benefits**
 - Reduced pressure for government guarantees
 - Reduced risk to governments providing export credit
 - Enhanced privatization potential
 - Improved safety, export and employment interests



Reduces risk

Stakeholder benefits

■ Airline Benefits

- Enhanced access to funds and funding sources
- Reduced financing costs
- Enhanced airline fleet planning
- Increased operating efficiency
- Improved profitability
- Enhanced lessee legal rights



Increases access to capital

Stakeholder benefits

- **Financier, Lessor, and Investor Benefits**

- Less risk
- Enhanced security
- Increased returns
- Higher valuations



Improves risk - return ratio

Stakeholder benefits

- **Aircraft/Engine Manufacturer and Supplier Benefits**
 - Expanded markets
 - Improved sales
 - Higher employment levels
 - More advanced engine practices
(enhancing engine leasing)



Expands aircraft market

Cape Town Treaty


Eligible for OECD discount

Panama 28 JUL 03 	Ethiopia 21 NOV 03 
Nigeria 16 DEC 03 	Pakistan 22 JAN 04 
Oman 12 MAR 05 	Malaysia 2 NOV 05 
Senegal 9 JAN 06 	Angola 30 APR 06 
Indonesia 16 MAR 07 	Luxembourg 27 JUN 08 
Singapore 28 JAN 09 	New Zealand 20 JUL 10 
Tajikistan 31 MAY 11 	Norway 20 DEC 10 
Rwanda 28 JAN 10 	

Yet to be reviewed by ECA

Afghanistan 25 JUL 06 	Mongolia 19 OCT 06 
Cape Verde 26 SEPT 07 	India 31 MAR 08 
Bangladesh 15 DEC 08 	Kazakhstan 21 JAN 09 
Tanzania 30 JAN 09 	Togo 27 JAN 10 
Jordan 31 AUG 10 	Malta 11 OCT 10 
Brazil 30 NOV 11 	Ukraine 31 JULY 12 

Qualifying declarations not adopted

USA 28 OCT 04 	Ireland 23 AUG 05 
Colombia 19 FEB 07 	Mexico 31 JUL 07 
Albania 30 OCT 07 	Saudi Arabia 7 JUN 08 
Cuba 28 JAN 09 	Aruba 17 MAY 10 
Netherlands Antilles 17 MAY 10 	Cameroon 8 JAN 11 
Belarus 28 JUN 11 	Latvia 8 FEB 11 
Russia 25 MAY 11 	

Qualifying declarations, but implementation issues

Kenya 13 OCT 06 	South Africa 18 JAN 07 
UAE 29 APR 08 	Turkey 23 AUG 11 

Evaluated by ECA, under consideration by OECD

China 3 FEB 09 
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Ensuring proper declarations and implementation

Cape Town Treaty delivers value today

- US Ex-Im Bank exposure fee reduction
- OECD Sector Understanding on Export Credits for Civil Aircraft (ASU) endorses Cape Town Discount



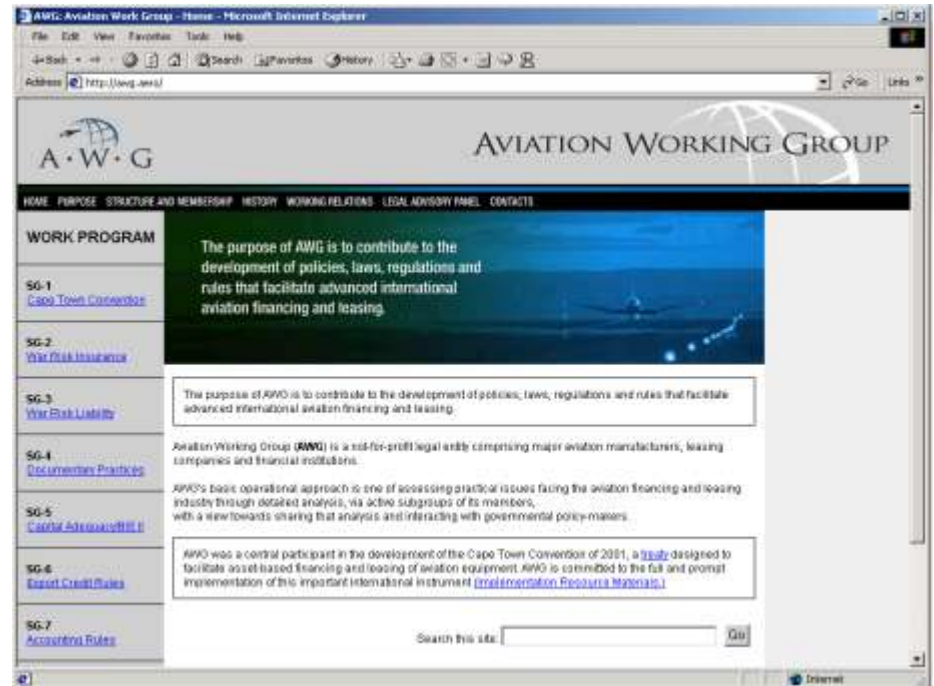
~10 airlines and leasing companies have saved over \$100M on more than 100 Boeing aircraft



Ex-Im and OECD leading the way for widespread practical application

Advocating within Japan

- Develop a ratification plan
- Identify steps
- Aviation Working Group: valuable resource for technical support
- For more information, go to: www.awg.aero



Many resources to assist with ratification

Working Together

