

*The Hong Kong Polytechnic University
Department of Logistics and Maritime Studies
Research Seminar*

**Market Potential and Barriers for Liberalization
- An analysis of the aviation market in Central Asia**

by

**Dr Xiaowen FU
Associate Professor in Aviation and Maritime
Institute of Transport and Logistics Studies
The University of Sydney Business School
The University of Sydney**

**Date: 21 February 2017 (Tuesday)
Time: 10:30am-11:30am
Venue: R502, Shirley Chan Building
The Hong Kong Polytechnic University**

(Conducted in English)

Abstract:

Aviation services are particularly important to the five land-locked countries in Central Asia, because there is no close substitute for this travel mode due to the tyranny of distance. Despite growth in international trade volumes in the region and the OBOR initiatives proposed by the Chinese government, the aviation markets in the Central Asia countries, namely Uzbekistan, Kazakhstan, Turkmenistan, Tajikistan, Kyrgyzstan, remain underdeveloped and skewed excessively toward Russia. This study investigates the airline entry pattern, aviation demand and yields using observed industry data spanning from 2007 to 2015. Econometric estimates for domestic and international markets are subsequently benchmarked, so that market potential can be identified and aviation service level in counterfactual liberalized markets can be computed. Our modelling results suggest huge market potential for airlines to develop the Central Asia – China aviation market in terms of serviceable routes, elastic demand and high airline yield. These findings are in sharp contrast to the industry reality that the Central Asia – China market has lagged the market developments to Turkey and UAE during the sample period. Policy and managerial implications are provided at the end of the presentation.

Bio:

Dr. Xiaowen Fu is an Associate Professor in the Institute of Transport and Logistics Studies, the University of Sydney. He obtained his Ph.D. degree from the Sauder School of Business, University of British Columbia in 2006. He subsequently served as an Assistant Professor, Associate Professor (with tenure) in the department of logistics and maritime studies in the Hong Kong Polytechnic University, and as a Senior Lecturer in the University of Sydney Business School, respectively. His main research area is transport economics which covers issues such as competition policy and government regulation, efficiency benchmarking, transport demand modeling and industrial organization. He has been the principal investigator of 15 research grants, and published 40 journal articles to achieve an H-index of 13. He has been the guest editor of 5 journal special issues, and organized more than 5 major international conferences in the capacity of conference chair. He is on the editorial boards of two journals, and is an editor of the journal of Transport Policy, associate editor of the book series "Advances in Airlines Economics" (Emerald) and co-editor of the Vol 7 of the same book series.

Dr. Fu has provided advisory and economic modeling services to organizations such as the Boeing Commercial Aircraft, New Zealand Commerce Commission, Australian Competition and Consumer Commission, Government of British Columbia in Canada, Australian Competition Tribunal, Hong Kong Civil Aviation Department, Hong Kong Transport and Housing Bureau, Japan Rail (East), Civil Aviation Administration of China and OECD. He is a member of the Air Transport Research Society (ATRS), International Maritime Economists Association (IAME), the World Conference of Transportation Research (WCTR) and the American Economics Association.

Please email to irene.lam@polyu.edu.hk for enquiries.

All are welcome!