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Asia-Pacific overview

Adrian Schofield
Senior Air Transport Editor – Asia-Pacific
Aviation Week Group

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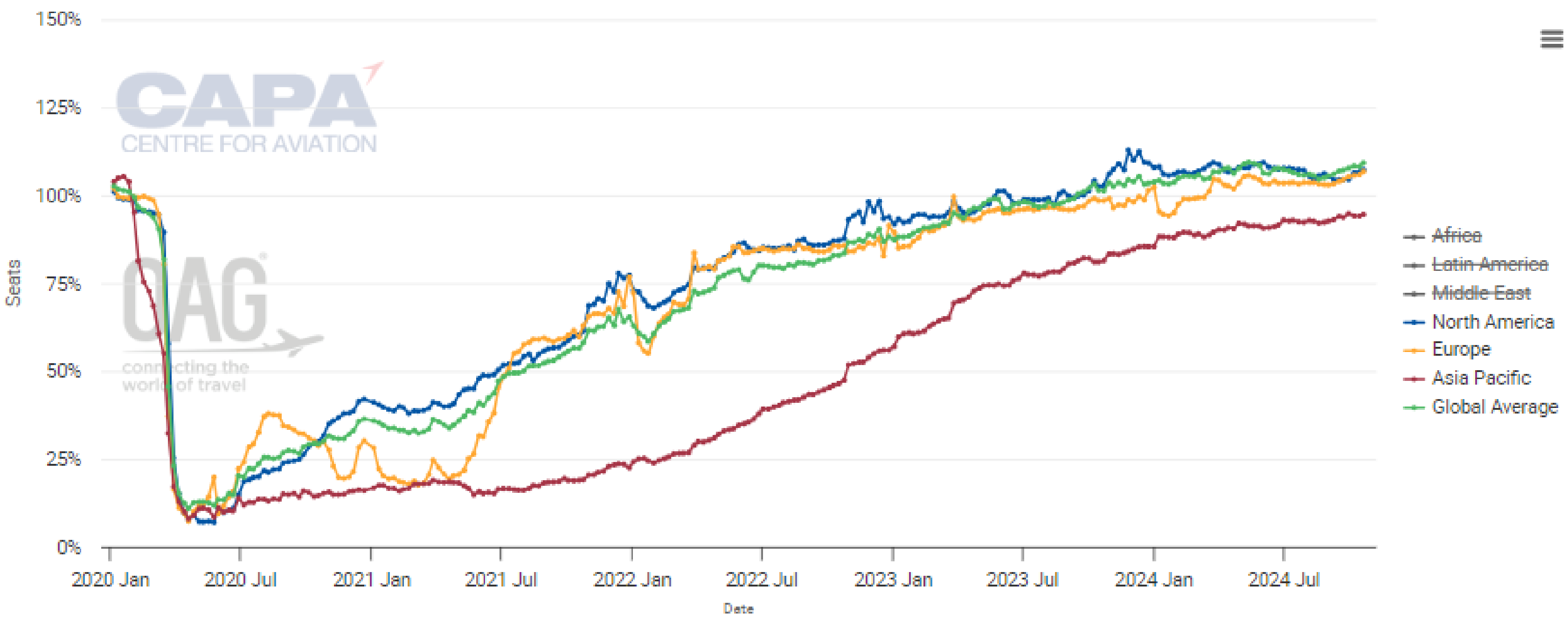
Asia-Pacific capacity recovery is still trailing

- Asia-Pacific international capacity is at 95% of 2019 levels
- Europe and North America are both at 107%
- Global average is 109%

International capacity recovery rates vs 2019 levels, by region

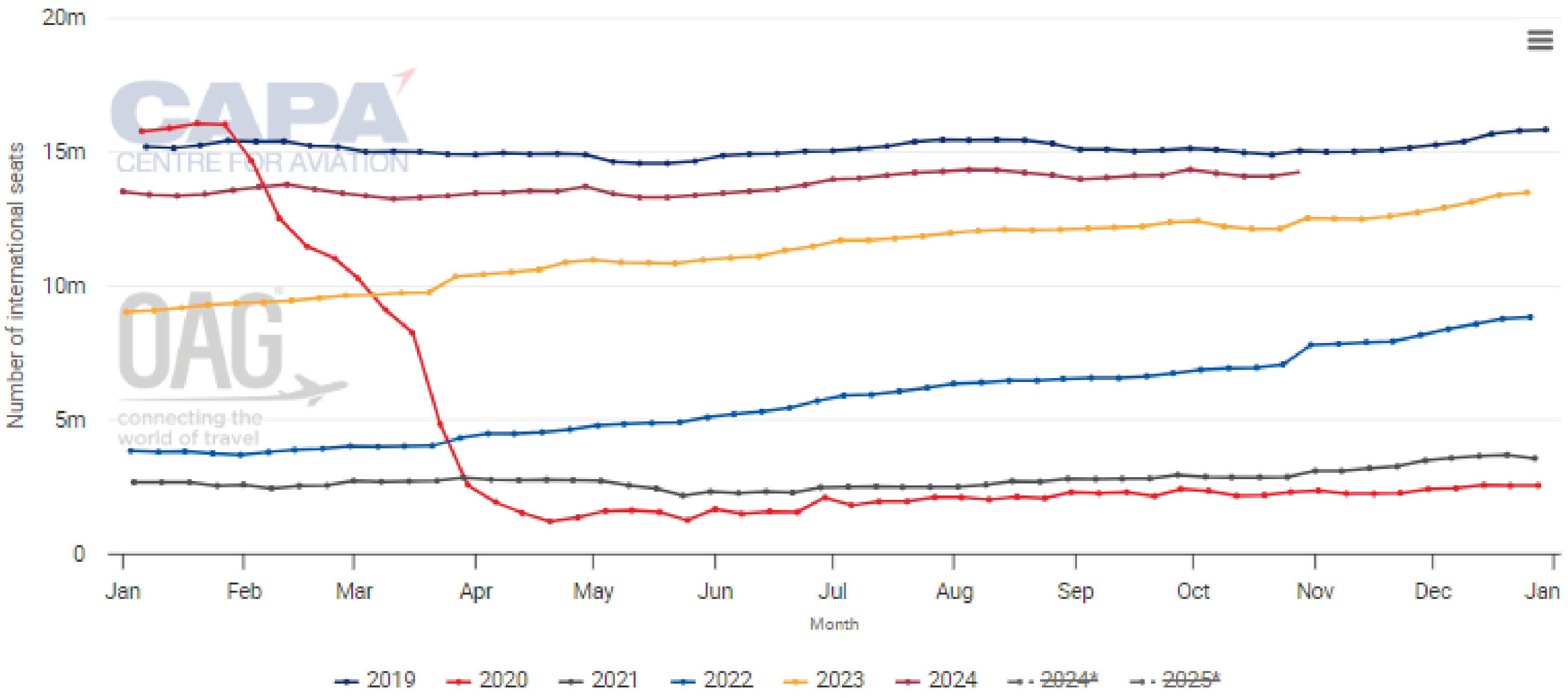


Source: CAPA and OAG

The region's recovery rate has flattened off

- Asia-Pacific international capacity has not closed the gap much in 2024
- Weekly seat capacity has only improved by 4% from Jan. 1
- Year-on-year improvement is 16%

Asia-Pacific international capacity by year (weekly seats)



Source: CAPA and OAG

Top-10 domestic routes are all in Asia-Pacific – again

- Four of the world's top 10 domestic routes are in China, three in Japan, one each in Australia, South Korea and Vietnam
- There were just two Chinese routes on the 2019 top-10 list
- The first non-Asia-Pac domestic route is Sao Paulo-Rio at no. 12

Top 10 domestic city pairs by weekly seats (global)

Rank	City pair	Weekly seats
1	Tokyo-Sapporo	255,924
2	Jeju-Seoul	247,779
3	Fukuoka-Tokyo	244,888
4	Shanghai-Beijing	223,940
5	Ho Chi Minh City-Hanoi	191,900
6	Chengdu-Beijing	187,204
7	Osaka-Tokyo	184,393
8	Shanghai-Shenzhen	180,528
9	Sydney-Melbourne	179,680
10	Beijing-Shenzhen	171,944

Asia-Pac still dominant in international Top 10

- Six of the top 10 are Asia-Pacific markets
- Similar to 2019 when seven of the top 10 were in Asia-Pacific
- Routes from Asia-Pacific cities to those outside the region are further down the list

Top 10 international city pairs by weekly seats (global)

Rank	City pair	Weekly seats
1	Seoul-Tokyo	153,149
2	Hong Kong-Taipei	128,228
3	New York-London	118,428
4	Singapore-Kuala Lumpur	117,370
5	Taipei-Tokyo	113,561
6	Osaka-Seoul	112,595
7	London-Dublin	108,503
8	Hong Kong-Bangkok	99,134
9	Dubai-London	92,044
10	Cairo-Jeddah	91,427

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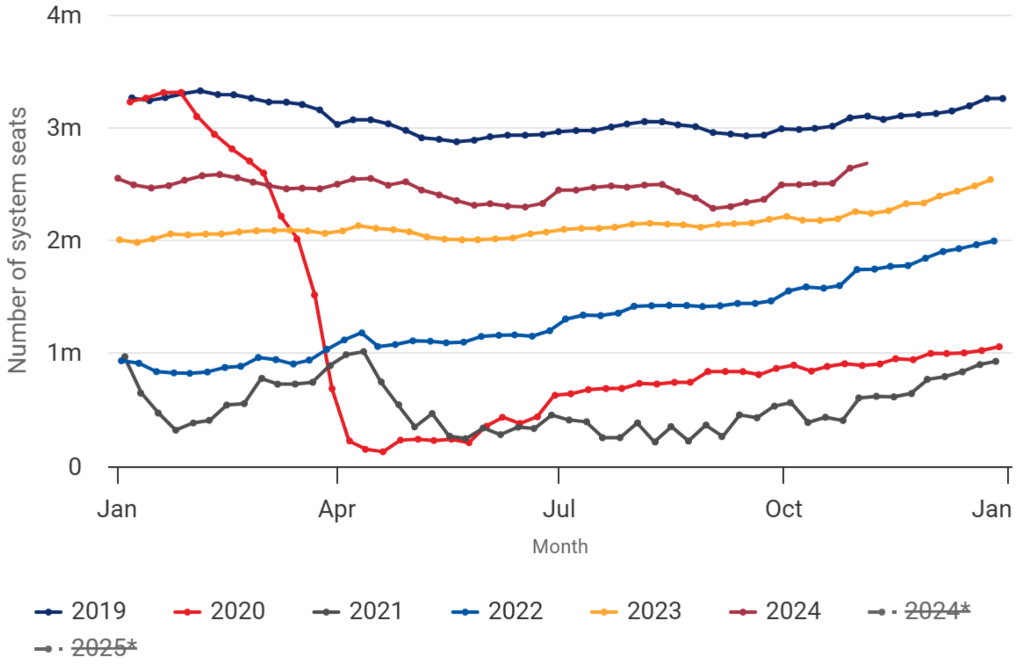
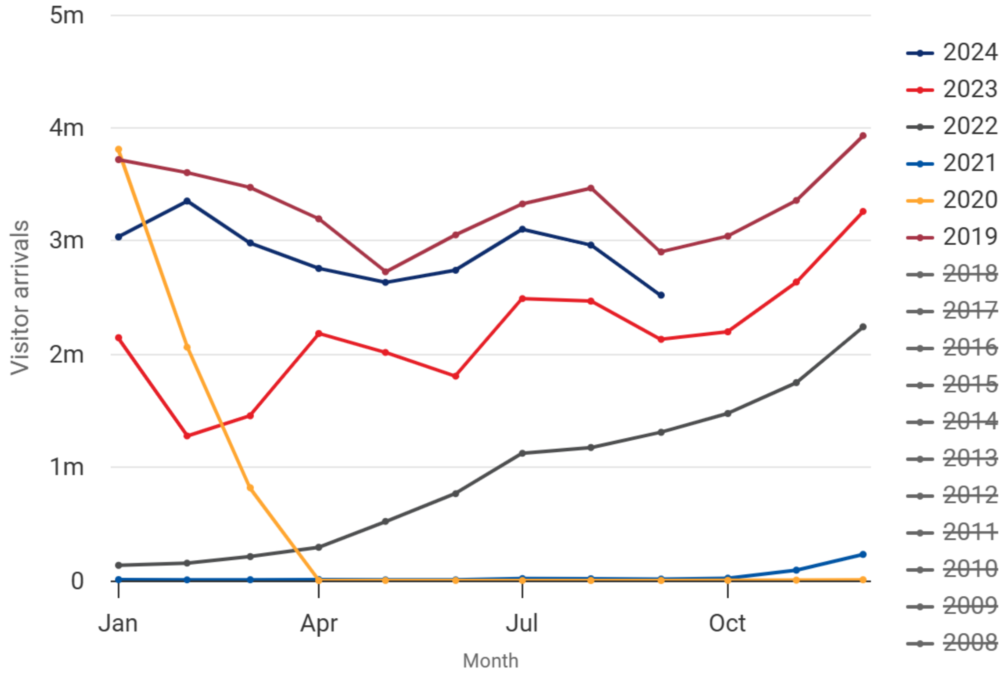
Thailand's international traffic is short of full recovery

Thailand international capacity (weekly seats)



Source: CAPA and OAG

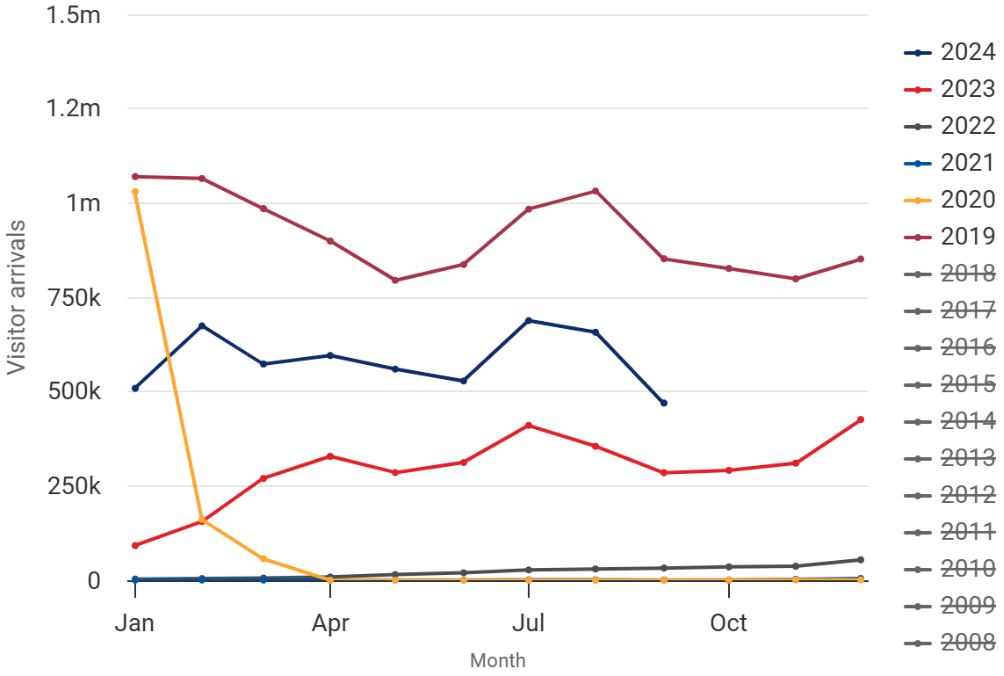
Thailand monthly visitor arrivals



Source: CAPA and Thailand Ministry of Tourism and Sport

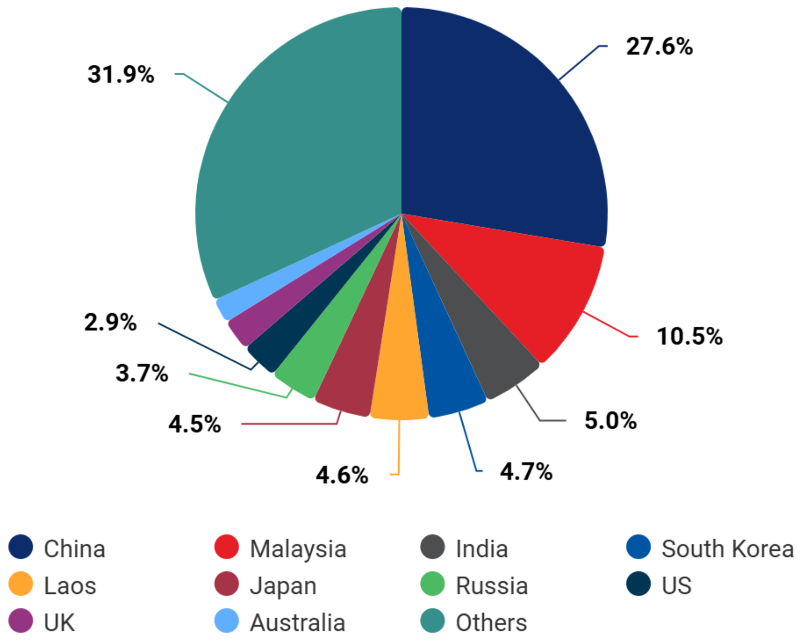
The key China-Thailand tourist flow has trailed the average

Thailand's monthly visitors from mainland China



Source: CAPA and Thailand Ministry of Tourism and Sport

Thailand annual visitors in 2019, by source market



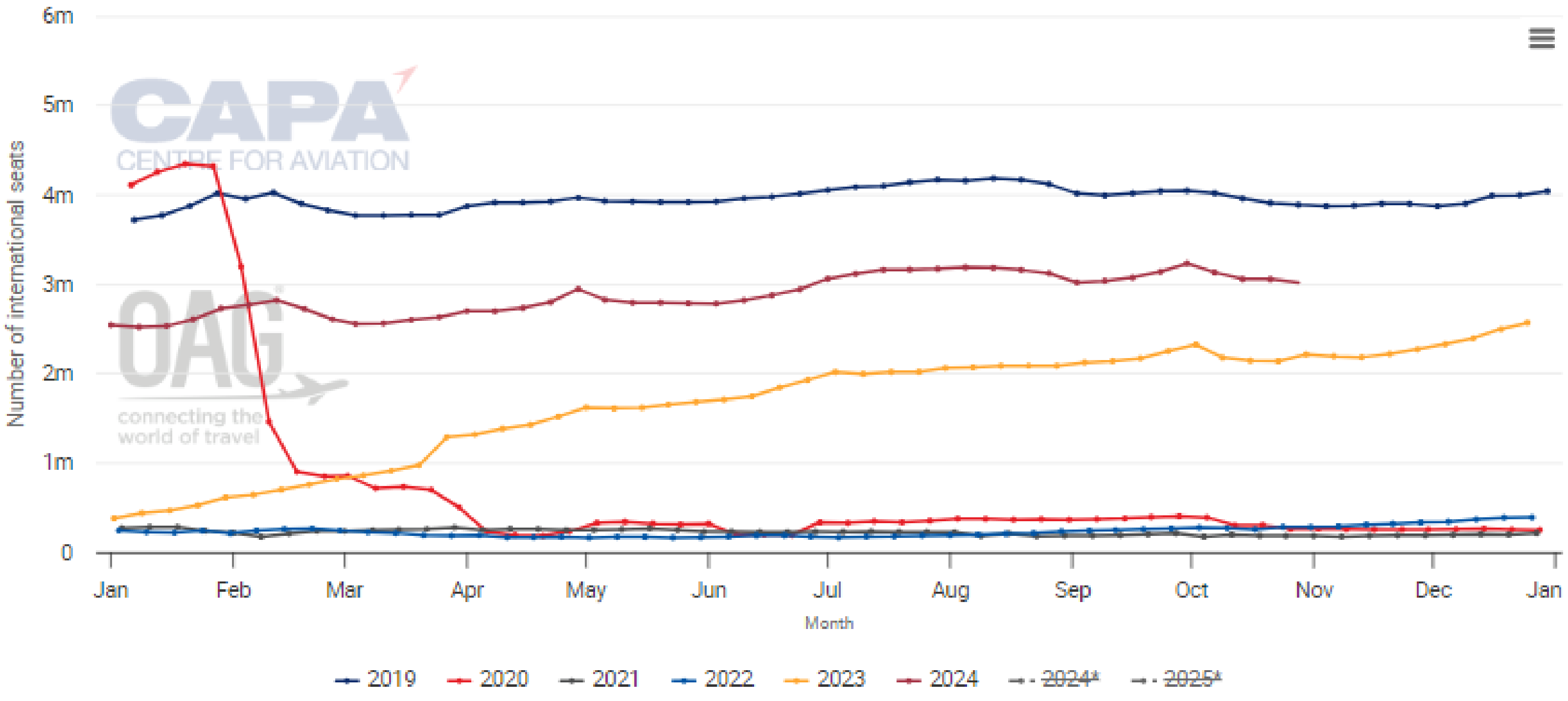
Source: CAPA and Thailand Ministry of Tourism and Sport

China's international recovery has been gradual

- Overall international capacity in Mainland China market is at 78% of 2019 levels

- The Big Three are higher – China Eastern 96%, Air China 95%, China Southern 86%

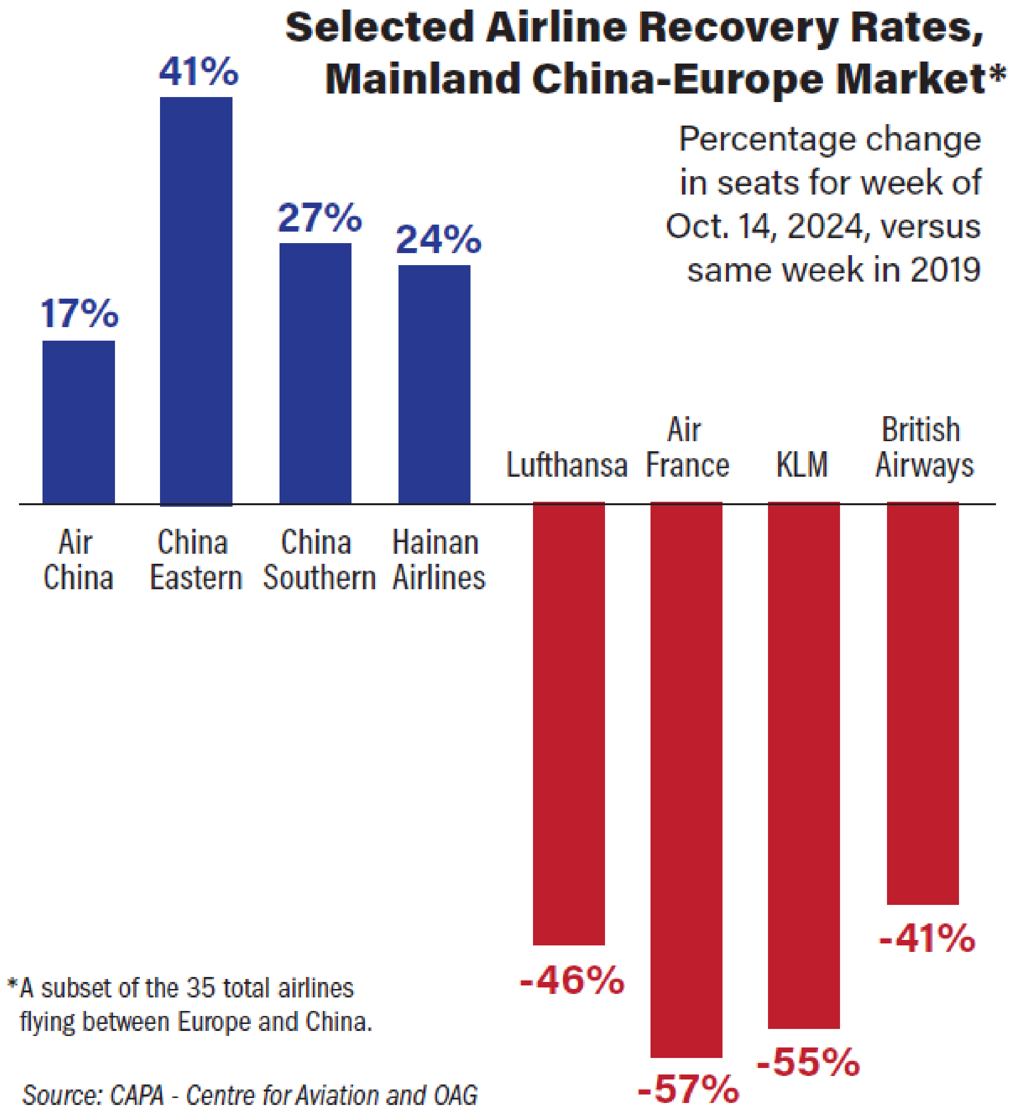
Mainland China international capacity by year (weekly seats)



Source: CAPA and OAG

Uneven recovery in China's international market

- Overall, Europe-Mainland China capacity has returned to 95% of 2019 levels
- Chinese airlines are higher than 2019, while European carriers are much lower



Top 10 airlines in Hong Kong market, week of Oct. 21, 2019

Rank	Airline	Capacity share
1	Cathay Pacific	33%
2	Cathay Dragon	16.2%
3	Hong Kong Airlines	8.9%
4	HK Express	5.9%
5	China Airlines	2.5%
6	Singapore Airlines	1.9%
7	Emirates	1.7%
8	EVA Air	1.7%
9	Cebu Pacific	1.7%
10	China Eastern Airlines	1.7%

Top 10 airlines in Hong Kong market, week of Oct. 21, 2024

Rank	Airline	Capacity share
1	Cathay Pacific	43.4%
2	HK Express	11.7%
3	Hong Kong Airlines	7.1%
4	China Eastern Airlines	3.2%
5	EVA Air	2.6%
6	Air China	2.3%
7	Cebu Pacific	2%
8	Greater Bay Airlines	2%
9	Singapore Airlines	1.6%
10	China Airlines	1.6%

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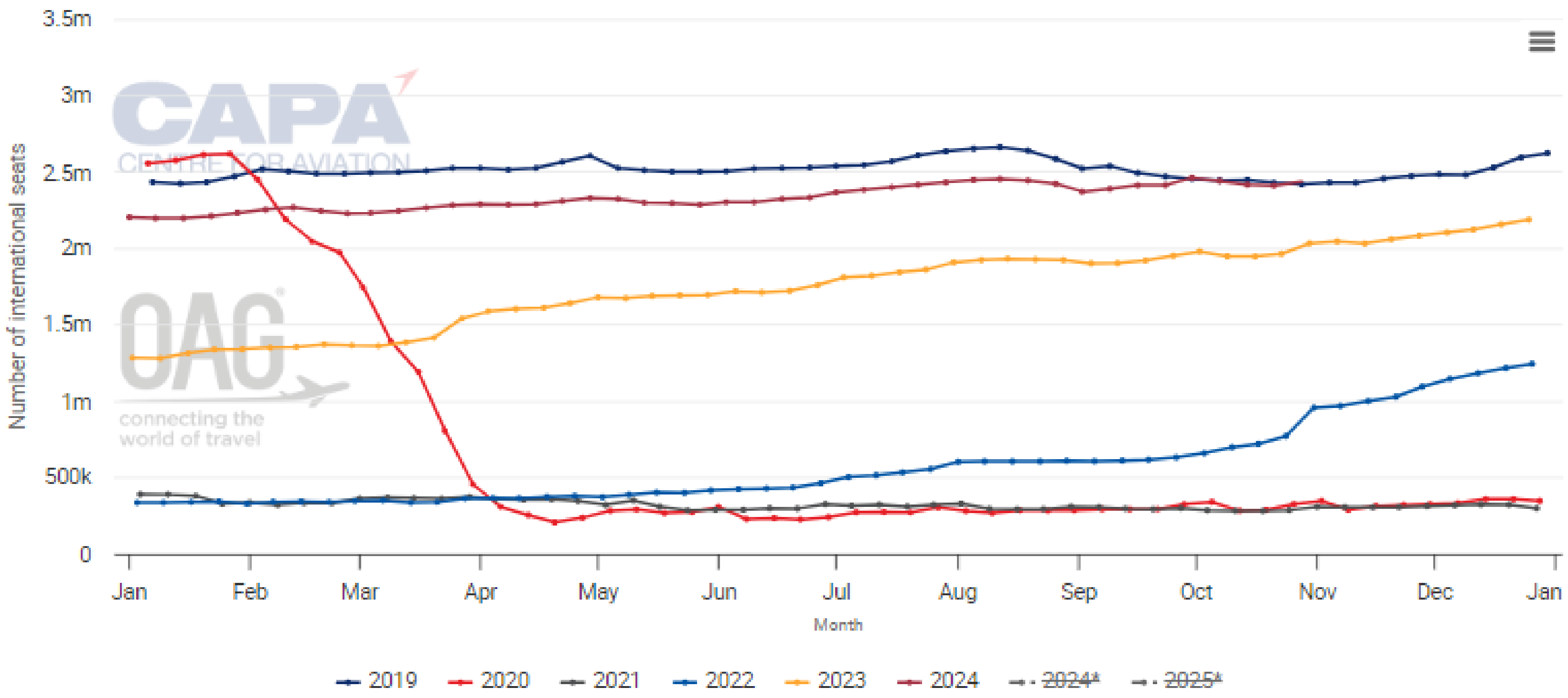
Japan’s international demand is still unbalanced

- Overall international capacity in the Japanese market is now touching 2019 levels

- Demand is heavily skewed towards inbound, with visitors up by 26% vs 2019 levels in September

Japan’s international capacity by year (weekly seats)



Source: CAPA and OAG

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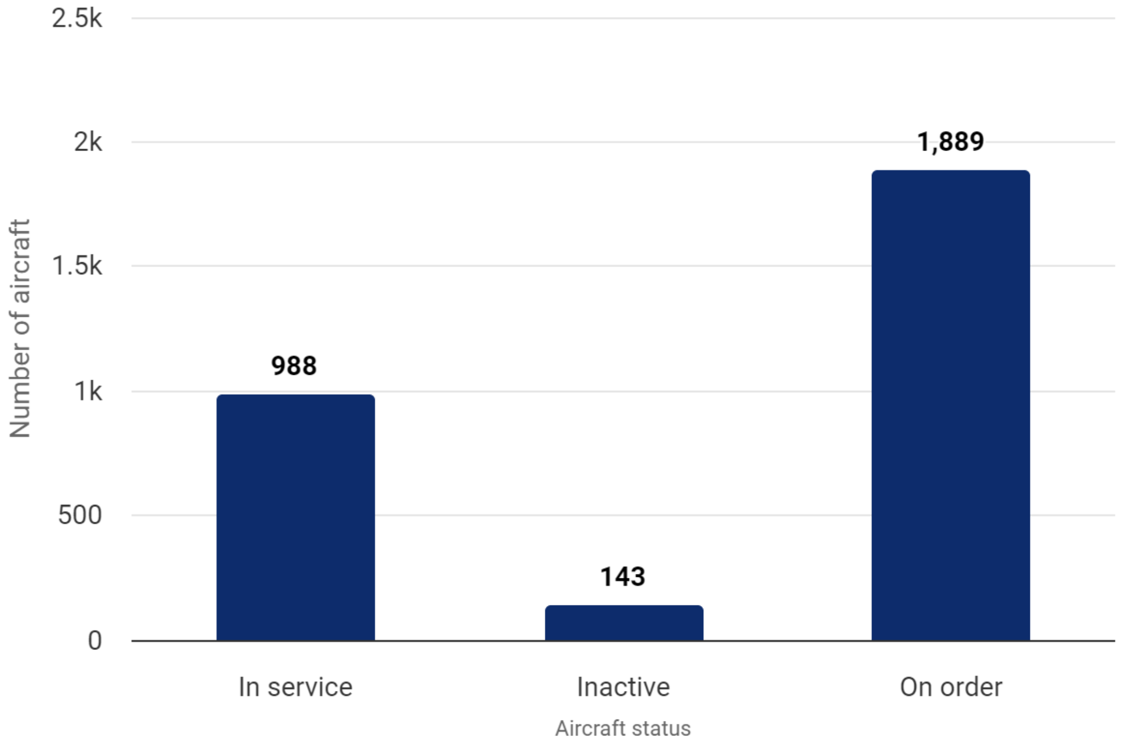
India's order backlog highlights growth potential

- India's international capacity is up by 26% vs 2019, and domestic is up by 12%
- Recent orders show confidence that market expansion will continue
- Orders are dominated by IndiGo and Air India, with smaller LCCs also ordering aircraft

Indian airlines' fleet status and orders

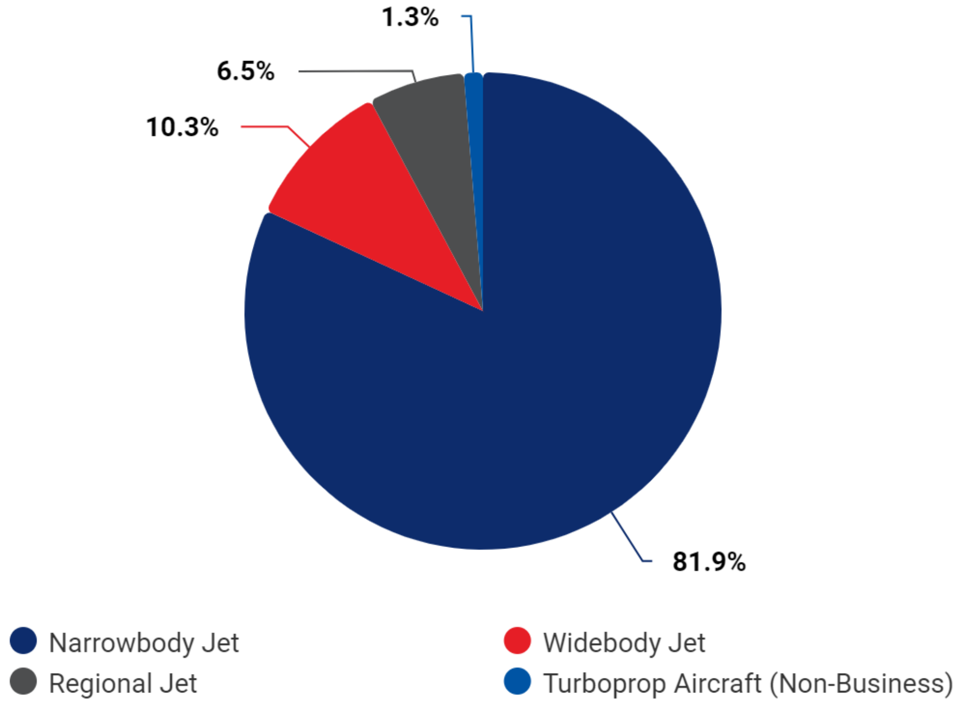


Source: CAPA fleet database

Asia-Pacific region has the largest order backlog

- Asia-Pacific airlines have 7,245 aircraft on order, versus 3,441 for North America and 3,550 for Europe
- Narrowbodies dominate the Asia-Pacific backlog, representing 82% of orders

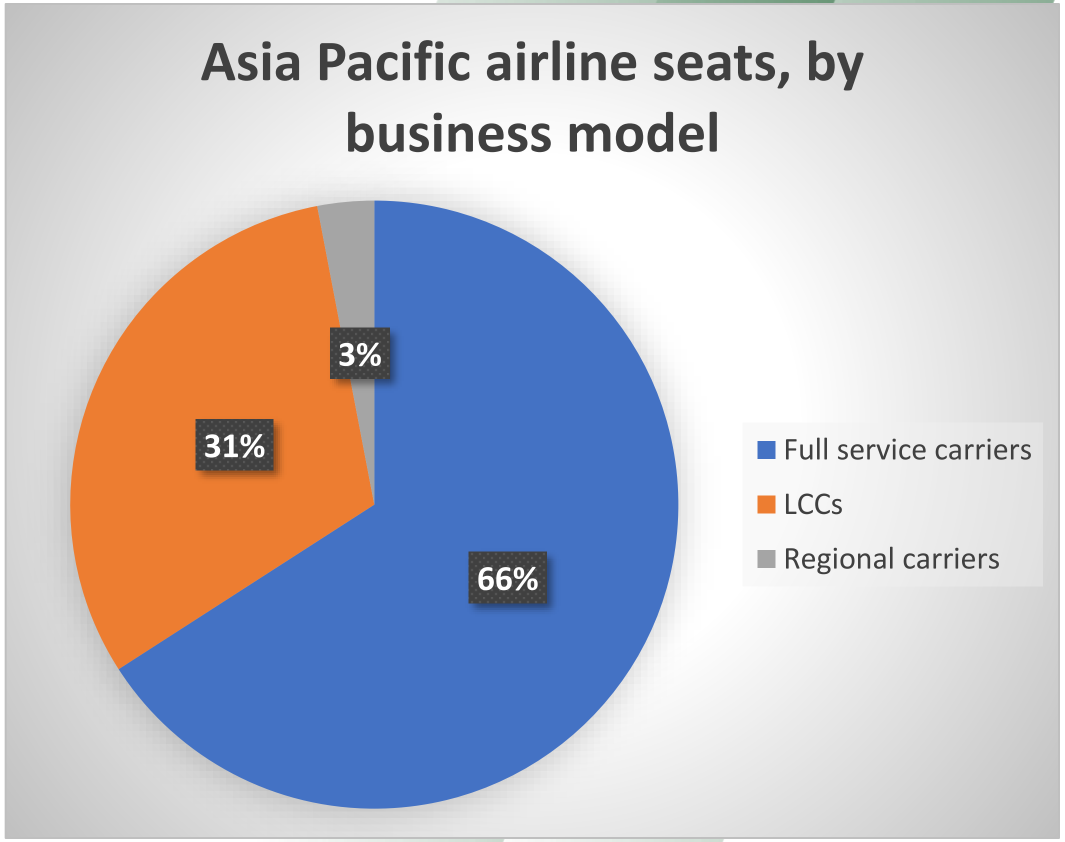
Asia-Pacific orders, by aircraft type



Source: CAPA fleet database

LCCs have a healthy share of Asia-Pacific market

- LCCs account for 31% of Asia-Pacific seat capacity, although this is lower than in North America (33%) and Europe (46%)
- Of the Asia-Pac sub-regions, South Asia has a 64% LCC share, and Southeast Asia 53%
- Trailing the region's average are Southwest Pacific with 18%, and Northeast Asia with 17%



Source: CAPA and OAG

Key dynamics to watch in Asia-Pacific

- Pre-pandemic comparisons will become much less relevant
- Supply chain constraints – will we see these easing?
- Aircraft availability (engines, MRO backlogs)
- Delivery delays and manufacturers' issues
- Macroeconomic and geopolitical factors
- Airline consolidation (India and South Korea)
- Outbound demand growth in mainland China and Japan markets

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Thank you !

Adrian Schofield
Senior Air Transport Editor – Asia-Pacific
Aviation Week Group

adrian.schofield@informa.com

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