IS ASIA PACIFIC THE WORLD'S MOST COMPETITIVE AVIATION MARKET?

Exploring Key Trends and Strategies
in North and Southeast Asia

February 2025

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Exploring Key Trends and Strategies in North and Southeast Asia

This white paper delves into the dynamic aviation market of Asia, with a particular focus on North and Southeast Asia. Exploring how carrier strategy has evolved, we review the latest positions for the region's major airlines, their network structures, and their performance.

For Asia's aviation industry, 2025 marks a pivotal year of development. Services across the region remain highly competitive, with operating margins for many carriers perilously thin. While generating revenue and maintaining cash flow are vital priorities, IATA's latest global market forecast for 2025 underscores the challenge: profitability per passenger in Asia is less than one-third of the global average, with a net profit per passenger of just US$1.8 - barely enough to cover the cost of a coffee. These stark realities raise pressing questions about capacity, connectivity, pricing, and profitability, which we explore in depth throughout this white paper.

The Asia Pacific Aviation Landscape – Setting the Scene

The ASPAC (Asia Pacific) region is home to some of the largest airlines in the world, as highlighted in the OAG Takeoff report.

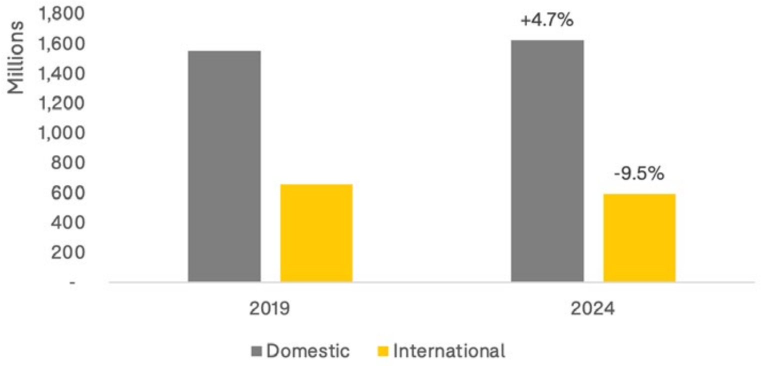
Three of China's major carriers - Air China, China Eastern, and China Southern - rank within the Top 10 globally. Additionally, India's IndiGo and Japan's All Nippon Airways (ANA) are listed among the 20 largest airlines worldwide. While these carriers benefit from large domestic markets, they also operate significant international networks, solidifying their global presence.

In 2024, the ASPAC region had largely shook off the lingering effects of the Covid-19 pandemic, particularly in terms of overall capacity. By the end of the year, total capacity for the region surpassed 2019 levels, finishing 0.5% above the last full year unaffected by the pandemic. While this recovery lags slightly behind the global capacity trend - which saw a 2.4% increase above 2019 capacity levels - crossing this significant threshold is undoubtedly positive news for the Asia Pacific aviation industry and its broader ecosystem.

The overall position in the region is boosted by strong growth in Asia's big domestic markets, whilst international capacity still remains almost 10% behind 2019 levels.

Asia Pacific's Post-Pandemic Recovery

Airline Capacity (seats) 2019 vs 2024



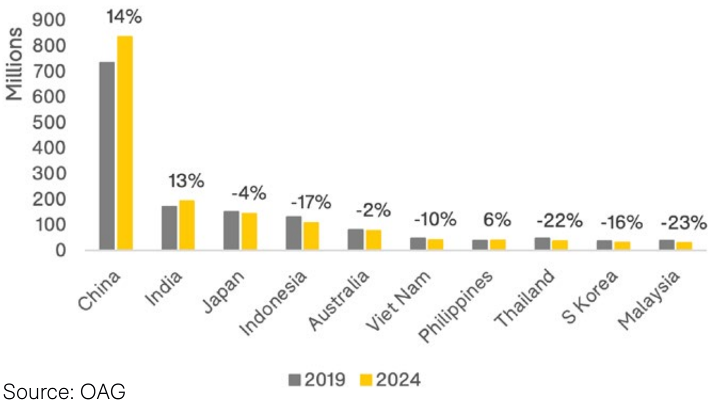
Source: OAG

Homeward Bound – The Vital Role of Asia's Domestic Markets

The importance of domestic markets in Asia cannot be overstated. They include some of the largest markets in the world and some of the busiest domestic routes. In 2024, just over one in three airline seats in the Asia Pacific region operated within the Chinese domestic market. With over 835 million seats in 2024, the Chinese domestic market dominates in the region and is the second largest domestic market in the world, after the United States. The geography of China is largely behind the size of the domestic market, despite the growth of high-speed rail. China's domestic market is four times the size of Asia's next largest domestic market, India, and currently the fastest growing of the markets around it.

Asia Pacific's Domestic Markets

Airline Capacity (Seats) Percentage Change 2019 vs 2024



Source: OAG

Domestic capacity has recovered well following the pandemic and is now 14% above 2019 levels. As is often the case, the Chinese domestic market is characterized by the presence of three big airlines, who account for 42% of the market. Through a combination of their own and associate airline services, they completely dominate and serve the market. This dominance means that LCC (low-cost carrier) penetration in China's domestic market is still very low, with just 12.8% of capacity operated within China on LCCs. This has increased, although only marginally from the 11.6% LCC share in 2019.

Beyond China, there are three other very large domestic markets in Asia Pacific, all with over 100 million seats in 2024. They are India, Japan and Indonesia and the current volume and varying growth rates of these markets have differing drivers. India, a booming market in aviation terms, is experiencing rapid growth as the economy transitions from developing to emerging, and the airline landscape appears to have shaken off the boom and bust of previous decades.

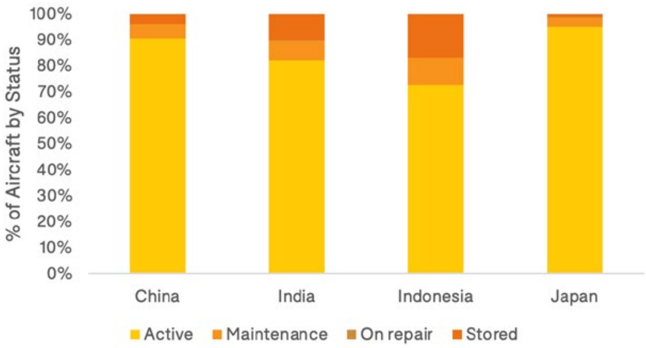
India's aviation industry is dominated by IndiGo, the Indian LCC success story who secured 62% of India's domestic capacity by 2024. Air India is the second largest carrier with a market share of 28% domestically, including their subsidiary carriers, Air India Express and Vistara who joined the Air India group at the end of 2024. Compared to China's LCC capacity share, the position in India is reversed, with 78% of capacity in 2024 operated by LCCs (of which IndiGo has the dominant share).

Whilst China and India have recovered from the effects of the pandemic - in terms of demand for domestic air travel - Japan and Indonesia's domestic markets lag further behind, perhaps for different reasons.

Domestic capacity in Japan remains 4% behind 2019 and the combination of a mature aviation market, an ageing population and faltering economy meant that the days of strong domestic growth are likely behind it. By contrast, Indonesia's domestic market offers significant potential. There is a young and growing population, strong GDP growth and a new Government which has ambitions to move Indonesia up the global rankings to become the fourth largest economy by 2045. Domestic air capacity has not however returned yet to pre-pandemic levels, remaining stubbornly below 2019 levels, ending 2024 at 17% behind.

One of the contributing factors is the significant share of aircraft currently unavailable for operations in Indonesia. There are a potential 617 operational aircraft across the country's fleet (all carriers), with just 443 recorded as being in service. The fact that 27% of the potential aircraft supply is either out for maintenance or being stored is undoubtedly having an impact on the ability for carriers to deliver capacity growth in Indonesia's domestic market.

Asia Pacific's Four Largest Domestic Markets: Aircraft Fleet Availability in 2024



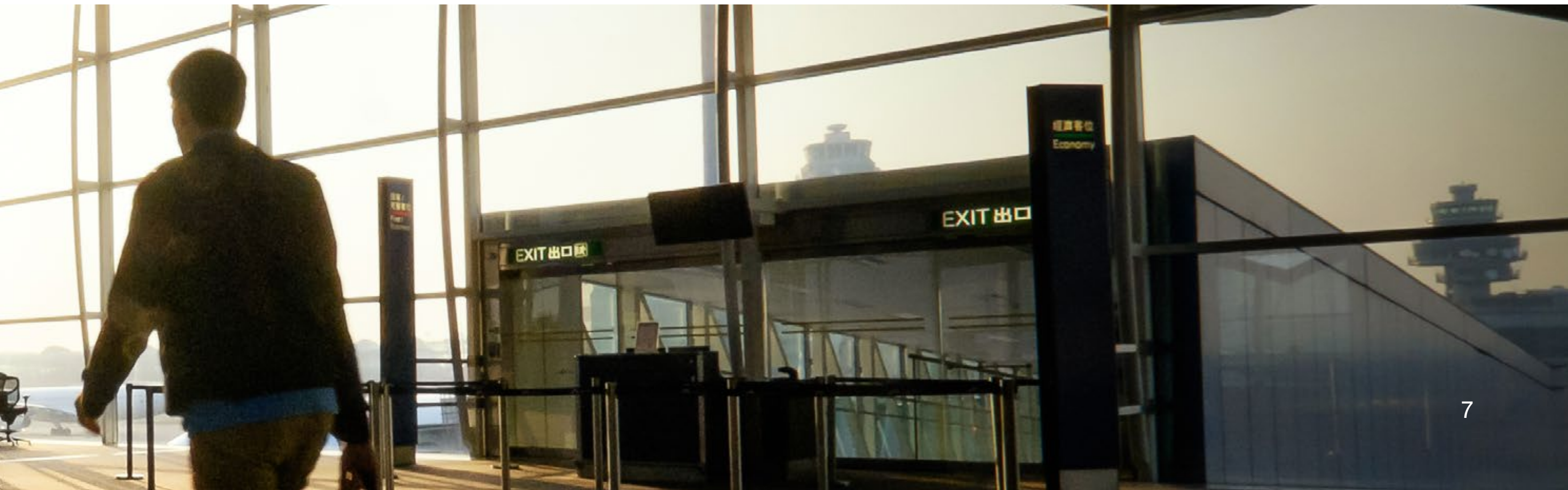
Source: ch-aviation

Indonesia's aircraft share that is out for maintenance, repair or in storage is much higher than the share of unavailable aircraft in other large domestic markets:

- China's is just 9%,
- Japan's 5%,
- India's a little higher at 18% (as IndiGo continues to be affected by the ongoing Pratt and Whitney engine issue).

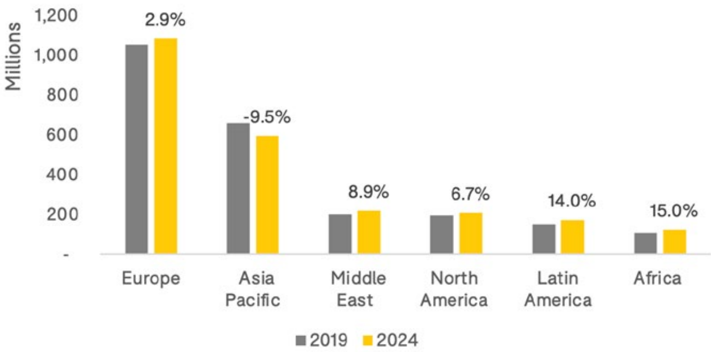
Moving Beyond Borders: Regional Flows

Although less than half the size of the region's domestic market, international air capacity plays an important role connecting travelers to other countries within the region and beyond, for business, leisure and visiting friends and relatives. In 2024, international air capacity in Asia Pacific reached 594.8 million seats, representing a 9.5% decline compared to 2019 levels. While international air capacity in the region has not yet recovered fully from the impact of the pandemic, it remains the second largest international market in the world, accounting for 1 in every 4 international seats globally.



Asia Pacific's International Capacity Share by Region

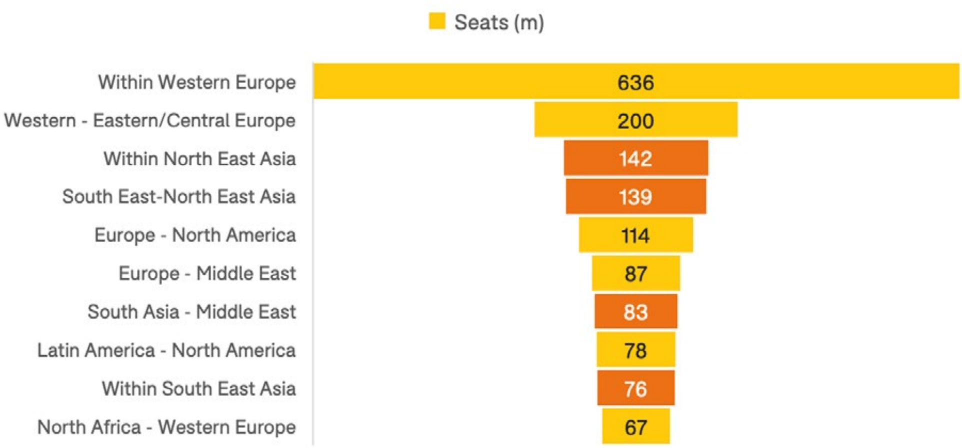
Airline Capacity (Seats) Percentage Change 2019 vs 2024



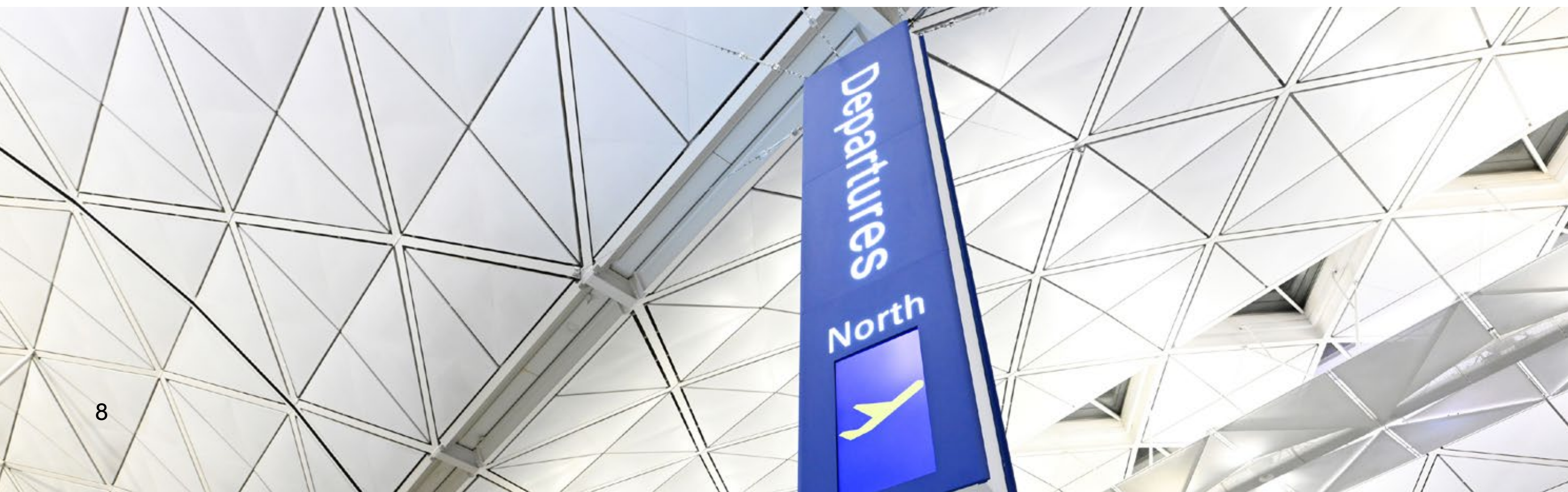
Source: OAG

Some of the largest regional air flows in the world exist within Asia Pacific, serving North and Southeast Asian travelers. The top 10 region pairs account for 68% of global capacity, with four of these pairs operating either fully within the Asia Pacific region, or have routes which start or end their journey there.

Top 10 International Region Pairs in 2024



Source: OAG



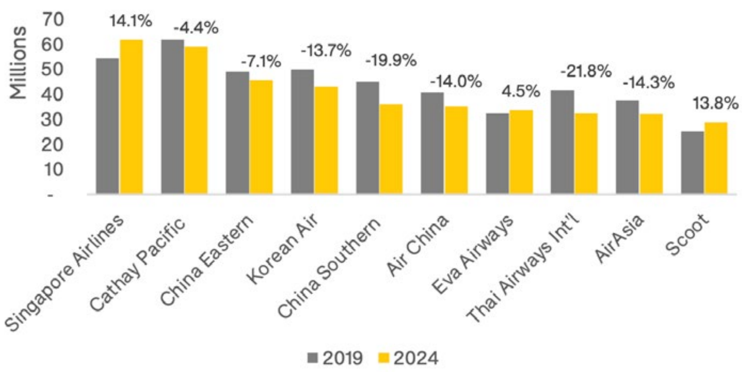
Asia's Airlines: Going from Strength to Strength

The airlines leading the way in the Asia Pacific region in terms of international seat capacity range from Singapore Airlines who is largest in the region with 62m seats in 2024, to Scoot with 28.8m. All the region's main carriers feature in this list, with the three Chinese majors in 3rd, 5th and 6th place respectively. Of this carrier group, only 3 of the top 10 have seen capacity recover beyond their 2019 levels. Singapore Airlines is most recovered, with capacity in 2024 14.1% above 2019. Scoot (part of the wider Singapore Airlines Group) is very close behind with an increase of 13.8% in capacity.

Despite being one of the last markets to reopen and facing significant challenges during the pandemic, Cathay Pacific has made a strong comeback, successfully completing its two-year rebuilding journey. In 2024, the airline carried over 28 million passengers, reflecting a 30.7% year-on-year growth. Its low-cost subsidiary, HK Express, emerged as the world's fastest-growing airline, increasing flight operations by 46% compared to the previous year. As the Group's airlines reach 100% of pre-pandemic flight capacity from January 2025, they remain committed to enhancing Hong Kong's position as a premier international aviation hub by expanding their network and services for both passengers and cargo as they strive towards reaching 100 destinations worldwide in 2025. Leveraging its strategic location, Hong Kong continues to hold its position as the world's busiest cargo hub.

Asia Pacific's Top 10 Largest Airlines

By International Capacity (Seats)

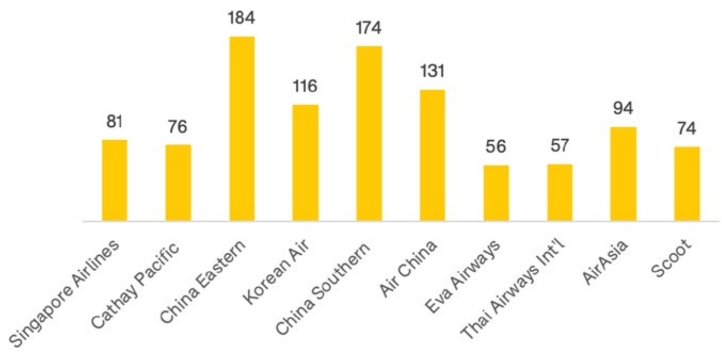


Source: OAG

The only other carrier in this group to have capacity return to pre pandemic levels is EVA Airways, the Chinese Taipei based carrier. Thai Airways International remains farthest behind their 2019 position, with capacity down by 21.8% in 2019.

Number of International Routes at ASPAC's Largest Airlines

Based on Routes Operated in 2024

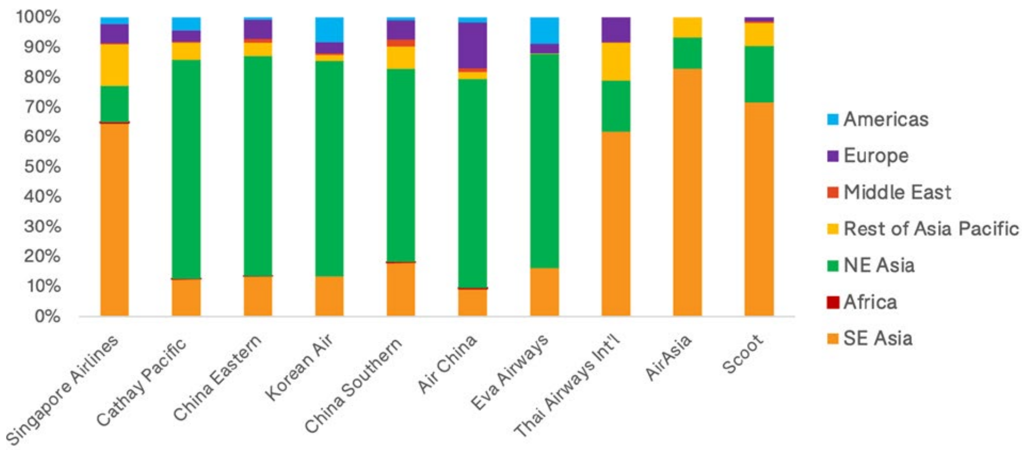


Source: OAG

In terms of their respective international networks, the Chinese majors have the largest volume of international routes with China Eastern serving 184 destinations. Beyond China, Korean Air operates to most destinations, 116 in 2024. EVA Airways has the smallest international network of this group, with 56 destinations in 2024.

The main focus of many of these carriers networks are other destinations within ASPAC with North East and Southeast Asia accounting for much of their capacity in 2024.

Capacity Share by Region

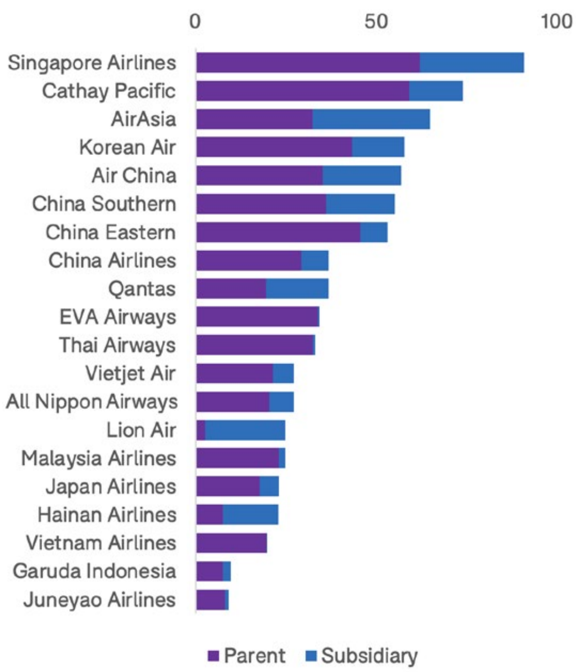


Source: OAG

Covering All Bases – Product and Brand Differentiation Abounds in Asia

While the level of competition within the ASPAC region is higher than in other markets, it is also unique in having intense competition within airline groups themselves. Learning from market developments in North America and Europe with the emergence of low-cost airlines at the turn of the century, the major legacy carriers in the ASPAC region moved very quickly to establish both low-cost airlines for both strategic and commercial purposes that in turn have evolved and reshaped to meet the changing market conditions.

Top 20 International Airline Group Seat Capacity in 2024 (Millions)



Source: OAG

From a size and scale perspective, the top 20 airline groups in the Asia Pacific region account for 83% of international capacity in 2024. The Singapore Airlines Group is largest with 9% of international capacity in 2024. The carrier group with the highest share of capacity operated by subsidiary carriers is the Lion Air group where the majority of capacity is operated by group carriers, specifically Batik Air Malaysia which accounts for 54% of group international capacity. AirAsia is also high in terms of subsidiary share – with 50% of all international capacity operating on Thai AirAsia, Indonesia AirAsia, Philippines AirAsia and AirAsia Cambodia.

When no-frills carriers gained momentum in Europe and America around the turn of the century, it was understandable that skepticism arose about whether Asia would follow suit. While Europe and America were benefitting from numerous cities in close proximity that can be linked profitably by low-cost carriers, Asia presented a different challenge.

The region's major cities were often separated by vast distances, making the LCC model less viable for many routes. Compounding this, stricter regulations on international air-rights further complicate the potential for regional LCCs. At the time, these factors led to the conclusion that the emergence of a truly regional LCC in Asia was unlikely.

However, AirAsia being the pioneers of low-cost travel with its slogan, "Now everyone can fly" defeated the critics and have proved to be a successful model for others to emulate. The first airline with dual-brand strategy in the ASPAC region was started by Qantas with Jetstar founded in 2003 in response to the threat posed by Virgin Blue. This was closely watched by other Asia carriers with Singapore Airlines Group entering the foray in 2012 with the establishment of Scoot, whilst Cathay Pacific Group announcing its takeover of HK Express for US$628 million from HNA Group in March 2019.

In 2024, there were twenty-three airline groups or families throughout the ASPAC region that appear to fall into three broad categories.

ASPAC Airline Groups by Category

Segment Type	Regional Domestic	International	Dual Brand
Number of Groupings	Eleven	Two	Ten
Examples Of Parents	AIR CHINA 中国国际航空公司 malaysia airlines EVA AIR	AirAsia Lion air	ANA CATHAY PACIFIC SINGAPORE AIRLINES JAPAN AIRLINES QANTAS
Selected Children	深圳航空 Shenzhen Airlines firefly UNI AIR 立榮航空	AirAsia AirAsia X Batik air	peach HK express scoot JetAsia Jetstar ZIPAIR

Source: OAG

The Regional Domestic Segmentation Model

There is no doubt that in some of the larger countries in the ASPAC region, there are social and cultural nuances that can be leveraged to appeal to specific consumers segments. These nuances can manifest in subtle ways, such as the use of local dialects, distinctive uniform styles, or culturally significant colors and imagery. In other cases, they can influence more tangible factors such as tailored network operations and the selection of specific aircraft types deployed on particular routes.

The size and scale of this sort of regional segmentation can vary considerably; Air China for instance as a "parent" airline has four major "children" with two of those airlines (Shenzhen and Shandong) both operating more than 35 million scheduled seats in 2024; making them larger than AirAsia and within the top fifty largest global airlines in their own right.

When regional carriers operate as part of a larger parent organization, they present a unique set of operational, performance, and career development challenges for the entire group. These challenges often revolve around areas such as profitability, market positioning, and on-time performance. Interestingly, smaller regional carriers are often better equipped to respond to dynamic market conditions, offering agility that larger parent airlines sometimes struggle to match.

While small may very well be beautiful, it's all relative - in the case of Shenzhen Airlines within the Air China Group a 45 million annual seats constitutes small!

The International Segmentation Model

While ASEAN (Association of Southeast Asian Nations) open skies has liberalized markets throughout ASPAC, requirements for operating licenses, bi-lateral approvals and compliance with foreign investment requirements have resulted in a number of airlines establishing international joint ventures to secure their position in a market. Amongst these carriers are AirAsia (Capital A Berhad) who as a "parent" have created four such operations in Thailand, Indonesia, the Philippines and Cambodia although in the case of the Cambodia operation, just two aircraft are registered locally.

International segmentation allows for a degree of local product identity but perhaps more importantly is seen to be investing in that country creating local employment and building economic wealth amongst locals which makes for popularity over the long-term.

International segmentation can however be risky, a sudden change of political direction in a country can quickly destabilize the operation and leave the parent exposed to a rogue child airline carrying the brand but operating in a different manner to initially envisaged when the operation was launched. This may explain why only two examples of this model have been successfully established across ASPAC.

The Dual Brand Segmentation Model

Perhaps the most common form of segmentation is by product offering and specifically between the legacy and low-cost airline segments. The initial basis of this type of segmentation was to distance the premium brand (and frequently its higher costs) with new market opportunities where both required service and cost levels need to be lower. Eliminating distribution costs, agency commission, adjusted terms and conditions for employees and creating e-commerce platforms for ancillary revenue generation are all potential advantages for the segmentation model. Perhaps the most strategic reason for this type of venture however is to block competition and notionally exert some influence over the wider market by a degree of control over the real competition in the market.

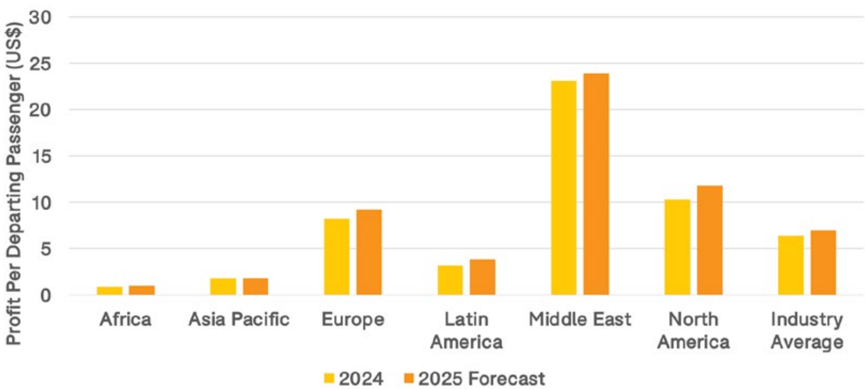
For instance, a "parent" company such as Japan Airlines through its four low-cost "children" can offer a mix of long-haul (ZIPAIR Tokyo) and domestic LCC (Jetstar Japan) services that fill almost all the market needs without blocking competition. But, in a market as conservative and cautious as Japan, a spread of carrier and product range already meets the needs of nearly every travel segment, and breaking into that market for a new start up becomes a real challenge.

Competitive Markets, but at What Price?

Despite the strong recovery in aviation demand, capacity constraints, and ongoing struggles with a fractured supply chain, we have to recognize that for many airlines the return on capital is marginal and over an economic cycle frequently negative. Long-term sustainable profitability has been elusive for most airlines and cracking this challenge is one of the biggest issues we face in the coming years alongside sustainability. Competition is good, it encourages innovation, creates new markets and brings connectivity to all corners of the world but low air fares are unlikely to provide a stable growth environment for airlines around the world.

The latest IATA report "A World with Lower Oil Prices"[1] examines key costs and revenue considerations. While some costs, such as oil, could decrease in 2025 others such as labor and the costs of borrowing, aircraft maintenance and meeting Sustainable Aviation Fuel (SAF) requirements paint a fragile picture where record industry expectations for 2025 could turn down at any moment. In 2019, the industry achieved a net profit margin of 3.1% and in the last ten years has failed to realize a margin of more than 5%; simply put a basic savings account could earn more than running a billion-dollar airline. In 2024, the results and 2025 forecast IATA have summarized the profit per passenger and the results however analysed highlight the disparity that exist amongst airlines trading in a global market.

Airline Profitability Per Departing Passenger (US$)



Source: IATA

[1] https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-december-2024/

Some of the key takeaways are stark reminders of how exposed and fragile the aviation sector is, and this is on the back of what have been described as some of the best years for financial performance. The average profitability per passenger in 2024 was US$6.4 so around the price of a cup of coffee in many markets, that is expected to rise to US$ 7.0 through 2025 but the range by region is stark and it is worth reflecting on a few potential market conditions.

- **Middle East:** Profitability per passenger is currently extremely attractive at US$23.10 although once Riyadh Air and the rapid LCC sector growth is fully scaled, that may fall as supply potentially exceeds demand.

- **North America:** Profitability of US$10.3 per passenger may look solid enough but there were some ninety-two domiciled airlines and only a handful of very big airlines contributed to that profit which makes for a bleak picture of the wider market.

- **Europe:** Similarly a profit per passenger of US$8.2 in 2024 covers the cost of the coffee but again disguises a range of very successful airlines, of which low-cost carriers contributed a large share and two legacy groupings that beat the market while ”peer” carriers and some airline groups produced disastrous results as their home markets suffered from a set of poor economic conditions and consumer confidence.

- **ASPAC (Asia-Pacific):** And finally profitability per departing passenger was less than one third of the industry average and the amongst the lowest levels globally so whilst superficially the ASPAC region appears dynamic, full of growth and opportunity we have to ask is it actually set for sustainable growth, can it deliver acceptable returns for its airline operators or is the market too competitive for its own good?

Competition Landscape of Asia Pacific Carriers

Using OAG's global aviation data, we conducted an in-depth analysis to evaluate competition levels in the ASPAC market. By applying a series of criteria, we aimed to determine not just how competitive the market is, but also whether this competition is positive or negative from the perspective of both consumers and operators.

Comparison of the largest fifty international markets globally and the number of airlines operating on each of those routes provides a headline level of insight into where the most consumer choice exists. The table below highlights for all of the major regions, key metrics for the largest fifty international services operated in 2024 and reveals just how competitive ASPAC is compared to other markets.

On all three variables ASPAC scores first; with the highest levels of daily frequency and at a level of nearly twice any other market, a higher number of scheduled airlines operating those flights and interestingly a higher capacity per flight reflective of the wide-bodied operations of some of those airlines. From a consumer perspective, these metrics are impressive and it's interesting how they compare in a more scientific measurement of competition.

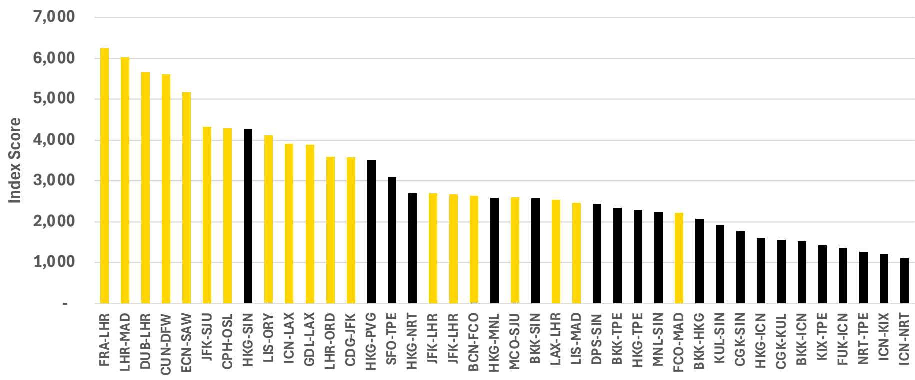
	ASPAC	Europe	Latin America	Middle East	North America
Av. daily frequency	32	24	14	19	15
Av. no of carriers per route	9.6	3.9	5.6	5.5	6
Av. seats per flight	239	190	195	232	201

Source: OAG

In many industries the Herfindahl-Hirschman Index (HHI) is used as a calculation of market concentration or competitiveness. In aviation, it is frequently used by aviation authorities to determine the impact of a potential airline merger or application for a joint venture on the consumers choice. Using production as the key criteria the index calculates a score ranging from 10,000 where a market is extremely concentrated through to 100 which would represent a highly competitive industry. Since the aviation sector is very capital intensive it is very unlikely to ever see a score of below 1,000. However, when applied across various routes and airlines, the HHI provides a more authoritative assessment of market structure and offers valuable insights into the potential impact of any changes in the competitive landscape.

Analyzing a basket of major international routes highlights exactly how competitive the ASPAC is compared to North American and European markets where factors such as available airport capacity, number of airlines operating and availability of closely located competing routes can have an influence. However, accepting those points, of the twenty international routes in ASPAC analysed, all but one **Hong Kong – Shanghai (HKG-PVG)** have a HHI score of less than 3,000 and whilst by definition this would be considered in other industries as highly concentrated compared to the European and North American markets reviewed, shows a higher level of competition.

Herfindahl-Hirschman Index (HHI) Selected International Markets 2024



Source: OAG

Fluctuations in Supply and Demand

A market's competitiveness is frequently reflected in airfares and their responsiveness to changes in both supply and demand. In the last twelve months the ASPAC region has been continuing its recovery with both supply and demand growing particularly on international routes. We compared capacity growth for the two hundred largest international routes in the ASPAC market and average selling airfares between 2023 and 2024.

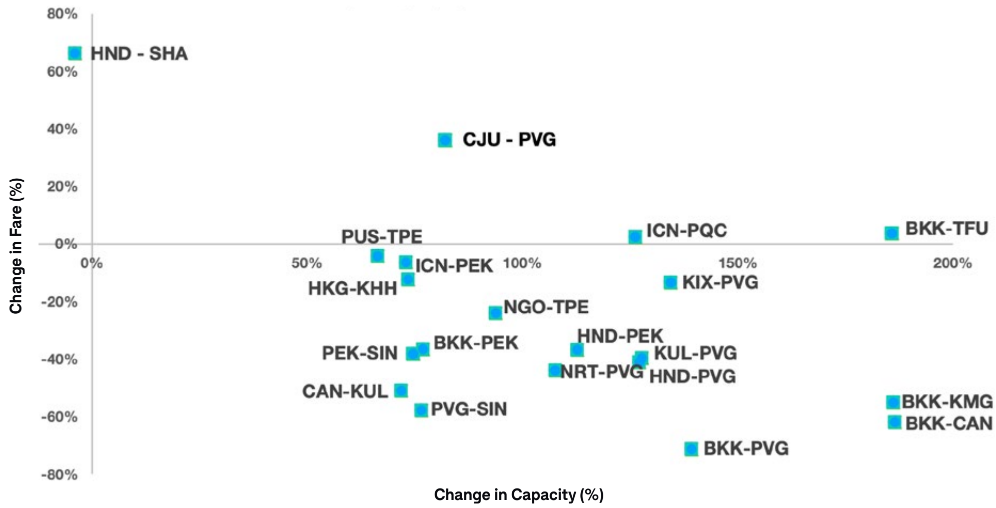
Typically, the expectation is that once capacity is added average fares will fall in the short to medium term as the market adjusts to the new capacity. Airlines will then typically pursue an increase in total revenue generated and in some cases a return to those original fares once the market has rebalanced.

After analyzing over 200 international routes within the ASPAC market we summarized the findings by focusing on the twenty largest capacity increases and the twenty largest capacity cuts between 2024 and 2023. This analysis provides valuable insights into the elasticity of the market.

Across the sample of twenty capacity growth markets presented below, half saw capacity increase by double compared to 2023 as markets reopened while the remaining ten markets saw at least a 50% increase in capacity year on year.

In all but three of the highlighted routes average fares fell significantly and in many cases by more than twenty percent with the **Bangkok – Shanghai (BKK-PVG)** route seeing a 71% reduction in average fares year on year. With an 82% increase in capacity year on year the **Jeju – Shanghai (CJU-PVG)** route also delivered a 36% increase in average fares highlighting how strong demand was for the route; it should also be noted that the average fare increase resulted in a 9% increase on the 2019, pre-pandemic fare levels.

Capacity Growth and Average Airfares on the 20 Largest Growth Markets in the ASPAC Market (2023–2024)

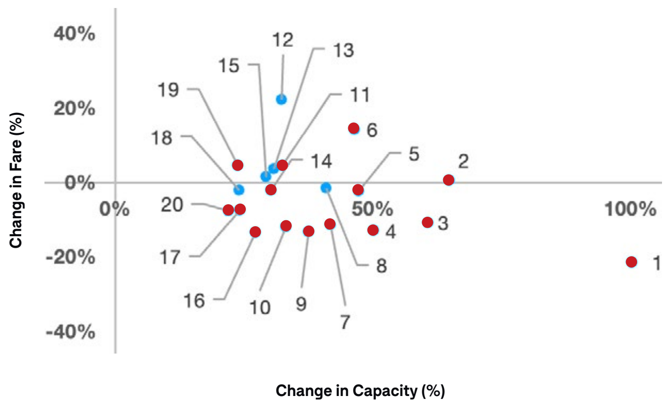


Source: OAG

For comparative purposes we also tracked the changes in capacity and average fares across the top twenty international routes in North America and Europe where the recovery from the pandemic is further advanced. In both markets capacity growth between 2024 and 2023 was more restrained resulting in average fares falling less than has been observed in the ASPAC region.

The most extreme North American market capacity change on **Seattle – Taipei (SEA-TPE)** a doubling of capacity only resulted in a 22% reduction in fares and on some routes, capacity increases actually resulted in higher average fares; **Auckland – Los Angeles (AKL-LAX)** for example saw 46% more capacity, and a 14% increase in average fares.

Capacity Growth and Average Airfares on the 20 Largest International Routes in the North American Market (2023–2024)

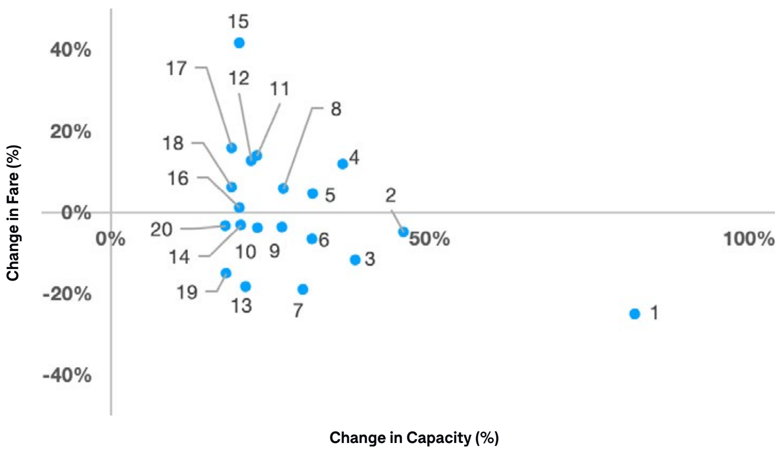


Number	Route
1	SEA-TPE
2	MNL-SFO
3	HKG-LAX
4	HKG-SFO
5	HND-JFK
6	AKL-LAX
7	HKG-YVR
8	GUA-LAX
9	SFO-TPE
10	HKG-JFK
11	HNL-NRT
12	MDE-MIA
13	DEN-YVR
14	ATL-ICN
15	SEA-YYC
16	HND-HNL
17	ICN-YVR
18	ORD-YYZ
19	BOS-CDG
20	ICN-SFO

Source: OAG

In the European market where the largest twenty growth markets on international routes are all short-haul sectors, eight of the twenty routes saw average fares increase alongside the growth in capacity. A 32% increase in capacity on **Barcelona – Milan Malpensa (BCN-MXP)** for instance still resulted in a 5% increase in average fares while 20% more capacity on **Berlin – Zurich (BER-ZRH)** saw a 42% increase.

Capacity Growth and Average Airfares on the 20 Largest International Routes in the European Market (2023–2024)



Number	Route
1	AYT-SVO
2	FCO-LIS
3	ATH-FRA
4	IST-LGW
5	BCN-MXP
6	MAD-MXP
7	BCN-LHR
8	ATH-IST
9	AGP-BRU
10	MAD-VCE
11	BER-VIE
12	BOG-MAD
13	ECN-SAW
14	ATH-MXP
15	BER-ZRH
16	AGP-AMS
17	FCO-MAD
18	CDG-MAD
19	FRA-LIN
20	HAM-PMI

Source: OAG

Aligning capacity growth to demand and keeping average fares in balance is a challenge at the best of times. When a market is rebuilding after an event such as a global pandemic, sudden and large increases in capacity on routes is to be expected. However, our analysis suggest that average fares have been significantly disturbed by those capacity changes in the ASPAC region offering some very attractive fares for consumers. Our expectation for 2025 is that further capacity growth will be limited as capacity discipline resumes, and accordingly as demand rebuilds then average fares are likely to stabilize as has been the case in other major markets around the world.

Is This Asia's Reset Moment?

Five years on from the start of the global pandemic that rocked the aviation industry, the ASPAC region is still impacted by the events of the last few years. Like many other markets, a full recovery back to 2019 levels and indeed beyond remains just out of reach for some airlines, although 2025 and beyond looks far more promising.

In other parts of the world the pandemic provided a moment of reset, airlines adjusted networks, daily frequencies were no longer always required and technological advancements such as the A321XLR are shaping slightly different networks.

Capacity discipline—whether deliberate or enforced—has been central to recovery in mature markets. While new entrants have emerged, most airline operators remain the same, albeit with clearer strategic directions for the future.

While the profit margins per passenger carried in mature and fully recovered markets such as North America and Europe are improving on a return on capital employed (ROCE) basis the results are still wafer thin given that capacity discipline that has held in recent years.

The recovery in ASPAC shows parallels to global trends with one notable exception; the levels of capacity discipline and growth returning to the market. The 2020 global pandemic was aviation's reset moment, the once in a lifetime opportunity for airlines to review their strategies, adopt perhaps more profit-based thinking and deliver at least acceptable results for their shareholders; at least in some markets. The ASPAC market is currently on the edge of that reset opportunity and too much capacity growth too quickly already appears to be resulting in air fares falling; perhaps to a point where profits are compromised. Balancing supply to demand and costs to revenue have never been more critical in the ASPAC market. Our data and analysis have highlighted some of the key challenges that need to be faced in 2025 and beyond.

Only time will tell if airlines in the Asia Pacific can achieve the same margins and results as their counterparts in other regions. However, if today's opportunity is missed, attaining similar levels of performance may require even tougher decisions and strategic pivots in the future.

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ABOUT OAG

OAG is a leading data platform for the global travel industry offering an industry-first single source for supply, demand, and pricing data.

We empower the global travel industry with high-quality, relevant datasets covering the whole journey from planning to customer experience.

Headquartered in the UK, with operations in the USA, Denmark, France, Germany, Singapore, Japan, China, and Lithuania.

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