

CHINA

AIR TRAVEL

REPORT

March 2018

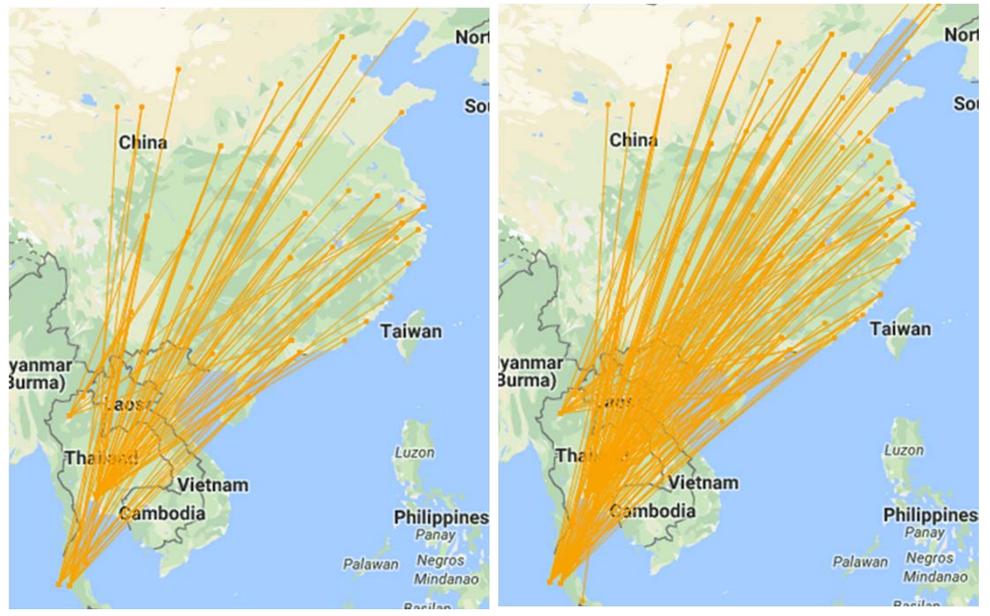


China's love of Thailand

Rapid rise in city-pairs served

Just three years ago, in March 2015, there were 69 city-pair routes served between China and Thailand. That number has more than doubled to 148 in March 2018. Over the past 3 years, Thailand has surged ahead of Japan, the Republic of Korea and Chinese Taipei in terms of city-pair connections from China. The routes are concentrated in a handful of destinations in Thailand. There are only 9 destinations served between China and Thailand, with a concentration around Bangkok (BKK), Phuket (HKT), Chiang Mai (CNX) and Krabi (KBC). Of the 148 city-pairs, 117 serve these 4 cities.. In contrast, there are 57 cities in China with direct air service to Thailand reflecting the nature of this Chinese outbound market. Just 3 Chinese cities have flights to as many as 7 Thai cities, but most only have operations to a few Thai tourist destinations.

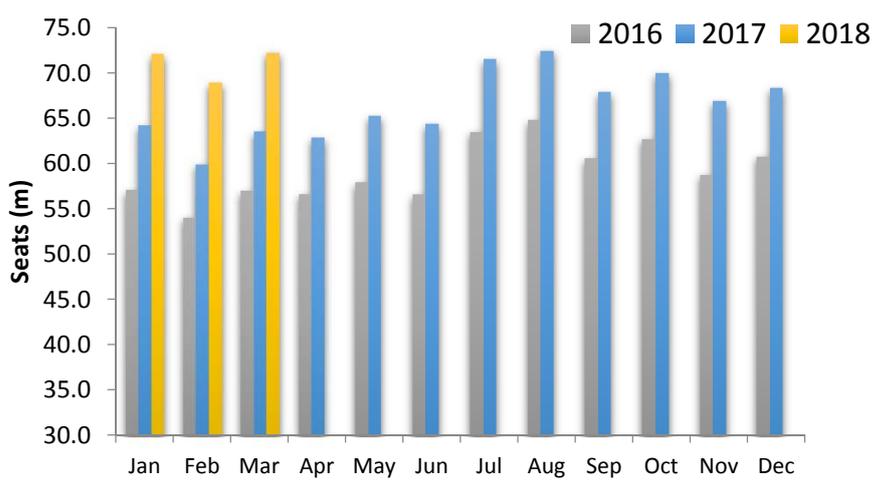
City Pairs Served between China and Thailand March 2015 March 2018



Source: OAG Mapper

Capacity

China – Scheduled airline capacity



Source: OAG Schedules Analyser

25 million more seats in Q1

Seat capacity for the first quarter of 2018 is up by 25 million compared to the first quarter of 2017, growth of 14%. Carriers will operate 213.3 million seats to, from and within China in the first three months of 2018.

Of China's biggest airports, Chongqing (CKG) is leading the way with 17.3% more seats this March than last year. Shenzhen (SZX) is experiencing strong growth too, with 10.9% more seats in March than last year.

In line with the recent trend, China's mid size and smaller airports are growing fast too, with average growth outside the Top 10 of 37%.

There are now 21 airports in China handling 1 million or more seats per month, compared to 18 this time last year.

On-time performance

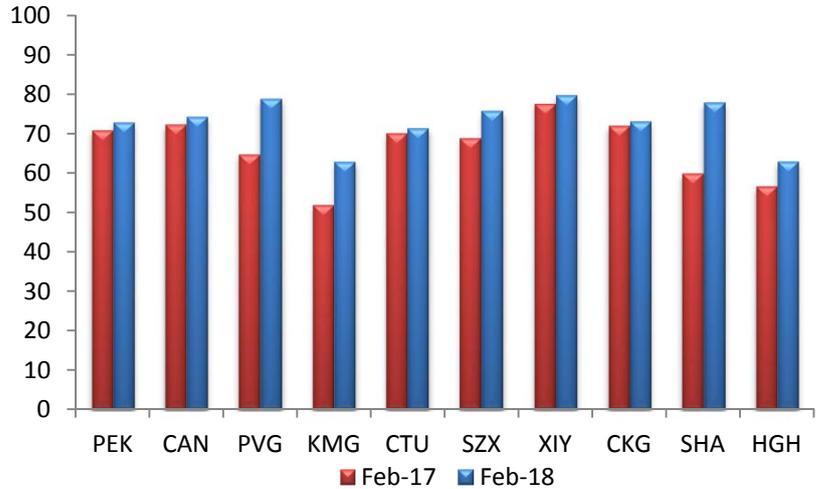
All of China's Top 10 biggest airports saw OTP improve in February 2018 v's February 2017, despite the Chinese New Year holiday in mid February.

The greatest improvements came at Shanghai Hongqiao (SHA) which saw OTP increase to 77.9%, making it third highest of the Top 10. Shanghai Pudong (PVG) also saw a marked improvement to OTP, increasing by 14 percentage points to reach 78.9% of flights arriving and departing on time. Xiamen (XIY) is the best performing of the Top 10 with 79.7% of flights operating on time.

Special mention to Chongqing which also managed to improve OTP despite handling 11% more flights this February than last, with OTP of 73%.

Percent on-time

OTP of Top 10 airports (by flights)



Source: OAG Flight Status Database

Alliance share at top airports

SkyTeam and Star Alliance lead the way

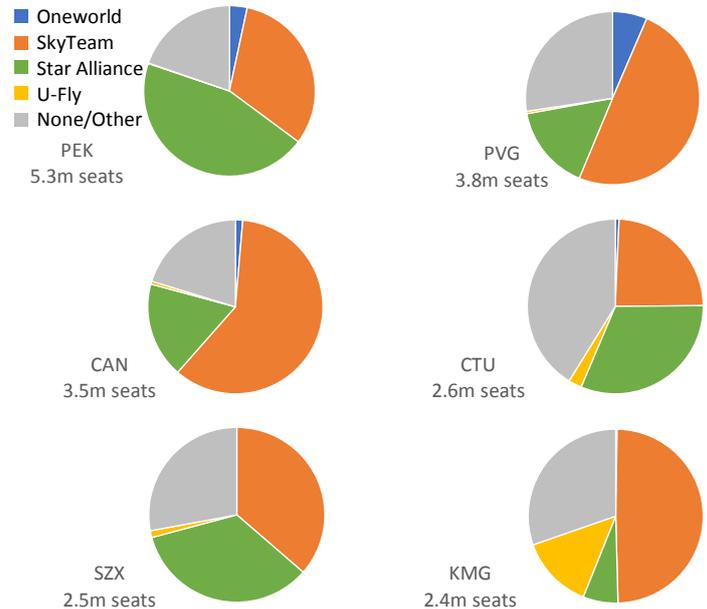
While Oneworld has a small presence at Beijing Capital Airport (PEK) and Shanghai Pudong Airport (PVG), it is SkyTeam and, to a lesser extent, Star Alliance which dominate at the largest airports in China.

Star Alliance is the largest alliance at Beijing with 45% of capacity in March 2018, and also at Chengdu (CTU) where it has a 32% share of capacity.

SkyTeam dominates at Shanghai Pudong with a capacity share of 50%, as well as at Guangzhou (CAN) where it operates 60% of capacity, Shenzhen (SZX) where it has 36% of seats, and at Kunming (KMG) where its seat share is 49%.

The U-Fly Alliance has a strong share at Kunming with 14% of seats, and a small share of seats at Chengdu.

Each of the top 6 airports in China have between 20% and 41% of capacity unaligned, with the largest unaligned capacity at Chengdu.



Source: OAG Schedules Analyser

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