

AVIATION'S MID-YEAR CHECK IN

THURSDAY 24 JULY



WEBINAR

# SPEAKERS



**John Grant**

Chief Analyst, OAG

With a wealth of experience across the global aviation industry, John provides expert commentary on market developments for OAG, making connections between what the data is telling us and the trends and events occurring in the sector.



**Gary Bowerman**

Director, Check In Asia

Gary is Director of Check-in Asia, a travel intelligence and strategic marketing firm with bases in Hong Kong, Shanghai and Kuala Lumpur. He is an Asia travel analyst for Phocuswright and an Asia consumer trends analyst for Mintel. Gary co-hosts the South East Asia Travel Show podcast, and publishes a twice-monthly newsletter called Asia Travel Re:Set.



**Courtney Miller**

Founder & MD, Visual Approach

After nearly two decades in the industry, Courtney Miller has a breadth of experience spanning operations, sales, fleet and network planning, cargo planning, market forecasting, and data analytics. He is the Founder and Managing Director of Visual Approach, providing data and research to the aviation industry.



**Deirdre Fulton**

Partner, MIDAS Aviation

Deirdre is a partner in an aviation consultancy providing meaningful insight and analysis to clients around the world. She works closely with OAG on their data analysis and publications.



# TODAY'S DISCUSSION

As we pass the midpoint of 2025, join the live panel for an aviation recap and predictions for the second half of the year. We'll be taking a look at some of the world's largest markets and how they are responding to market dynamics.

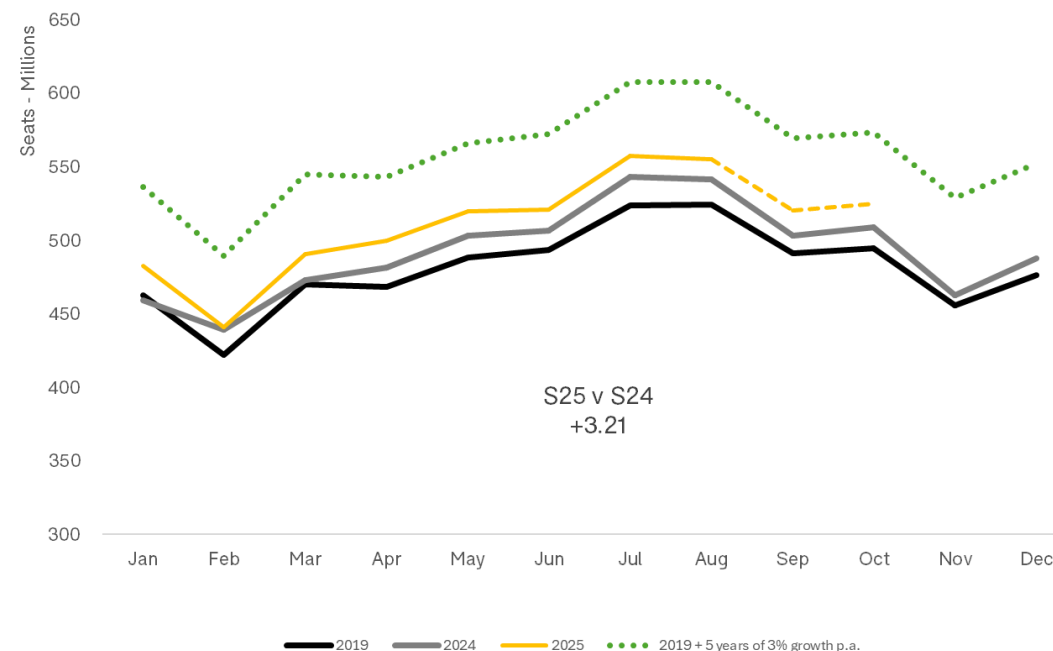
- In Asia, we'll explore whether Japan is reaching peak volumes
- Why has Thailand's capacity has dropped dramatically this year
- Is Vietnam's aviation market a rising star?
- Meanwhile, in the US, one of the world's biggest domestic markets, is more consolidation imminent? And is international travel demand finally softening?

We'll be taking questions as we go. Please use the chat function to ask your questions



# GLOBAL GROWTH TRENDS

- Capacity for this summer is expected to be 3.1% ahead of 2024, a little slower than we expected last month.
- For the year to date so far (Jan-Jul25), capacity is 3.1% ahead of the same months in 2024.
- If growth had continued at the underlying rate from 2019 to 2025, capacity would now be at 625m seats in July 2025, rather than 557m.
- The equivalent 'lost' daily flights in the month of July are almost 19,000.
- Globally, seasonality has actually increased slightly over the last 30 years, with July and August remaining the peak months for capacity



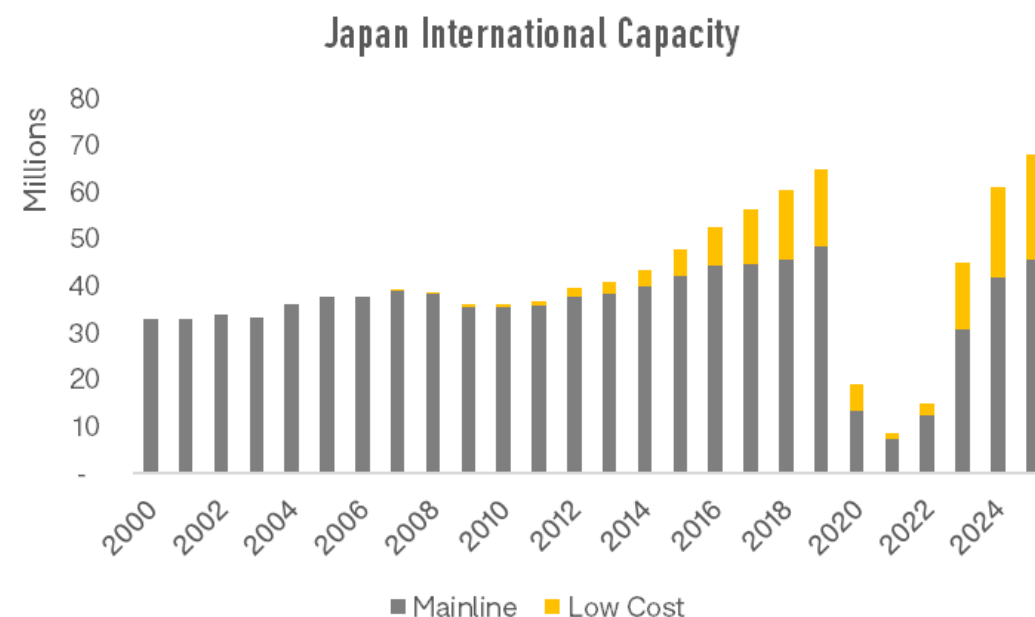
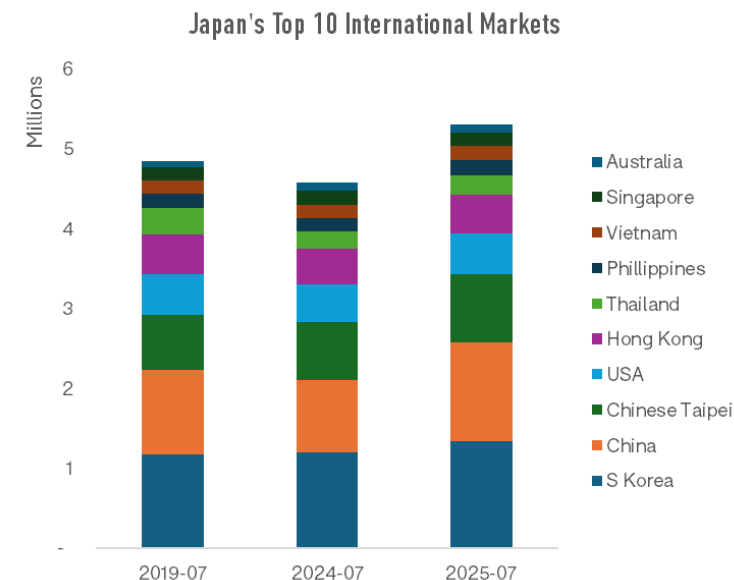
Global capacity seasonality for selected years

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1996	8.3%	7.8%	8.4%	8.1%	8.5%	8.4%	8.8%	8.7%	8.2%	8.4%	8.1%	8.4%
2005	8.1%	7.5%	8.3%	8.1%	8.5%	8.5%	8.8%	8.9%	8.4%	8.5%	8.1%	8.3%
2010	8.0%	7.4%	8.2%	8.1%	8.4%	8.5%	8.9%	9.0%	8.5%	8.6%	8.1%	8.4%
2015	7.9%	7.2%	8.2%	8.2%	8.5%	8.5%	9.1%	9.1%	8.5%	8.5%	8.0%	8.3%
2019	8.0%	7.3%	8.2%	8.1%	8.5%	8.5%	9.0%	9.1%	8.5%	8.6%	7.9%	8.3%
2025	8.0%	7.3%	8.2%	8.3%	8.6%	8.6%	9.3%	9.2%	8.6%	8.7%	7.4%	7.8%



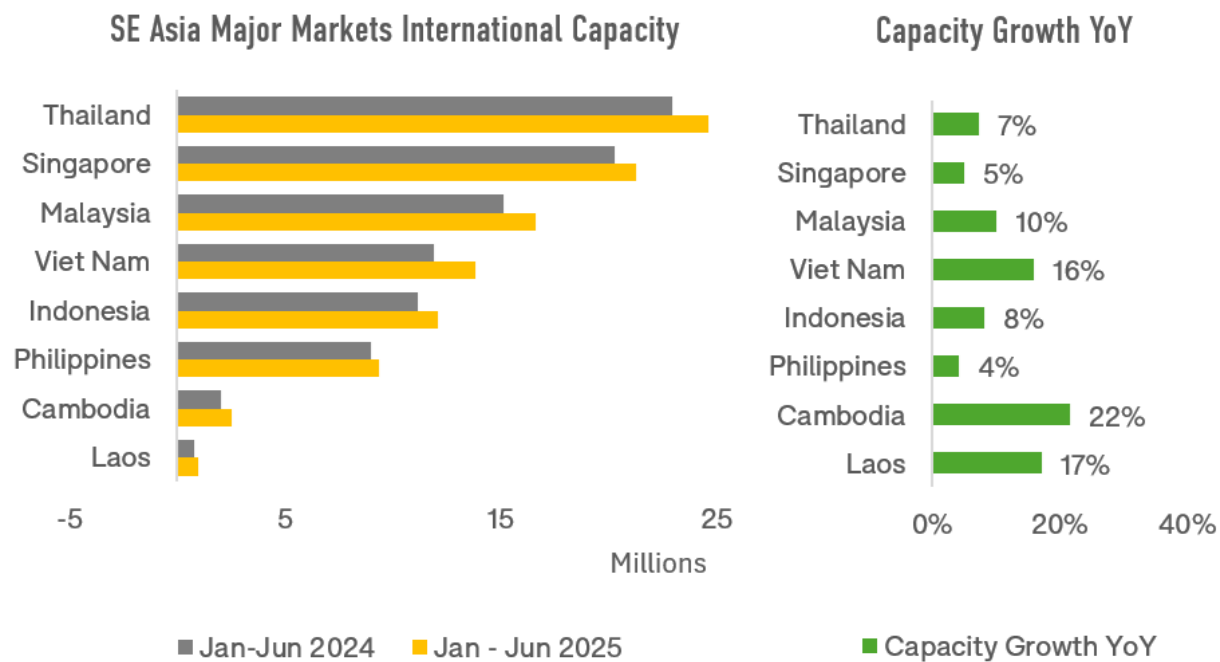
# HAS JAPAN REACHED ITS PEAK?

- International capacity growth has been a steady 3% p.a. since 2000. 25 years ago, just 21 airports in Japan had international services, with much of it clustered around Tokyo and Osaka which accounted for 83% of international seats and regional airports having 17% of capacity.
- Today, regional airports account for 25% of Japan's international capacity, and the growth rate has been faster, at 5% CAGR between 2000-2025 v's 3% at Japan's larger airports.
- In the last decade, growth has largely been added by LCCs
- Capacity has only recovered this year beyond 2019 levels by 6.2%
- Top 10 markets increase share, account for 88.3% of all Japan international seats, up from 85.8% in July 2019
- Strong growth from Australia, Chinese Taipei, China and S Korea vs July 2019

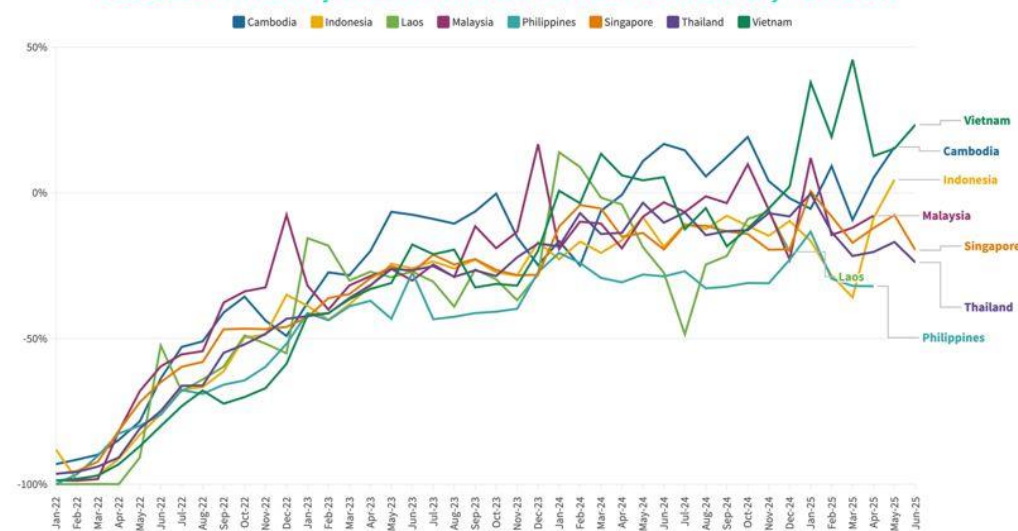




# SOUTH EAST ASIA HEADLINES



2022-25 Monthly International Arrivals % Recovery vs 2019



Data accurate as of 20 Jul 2025

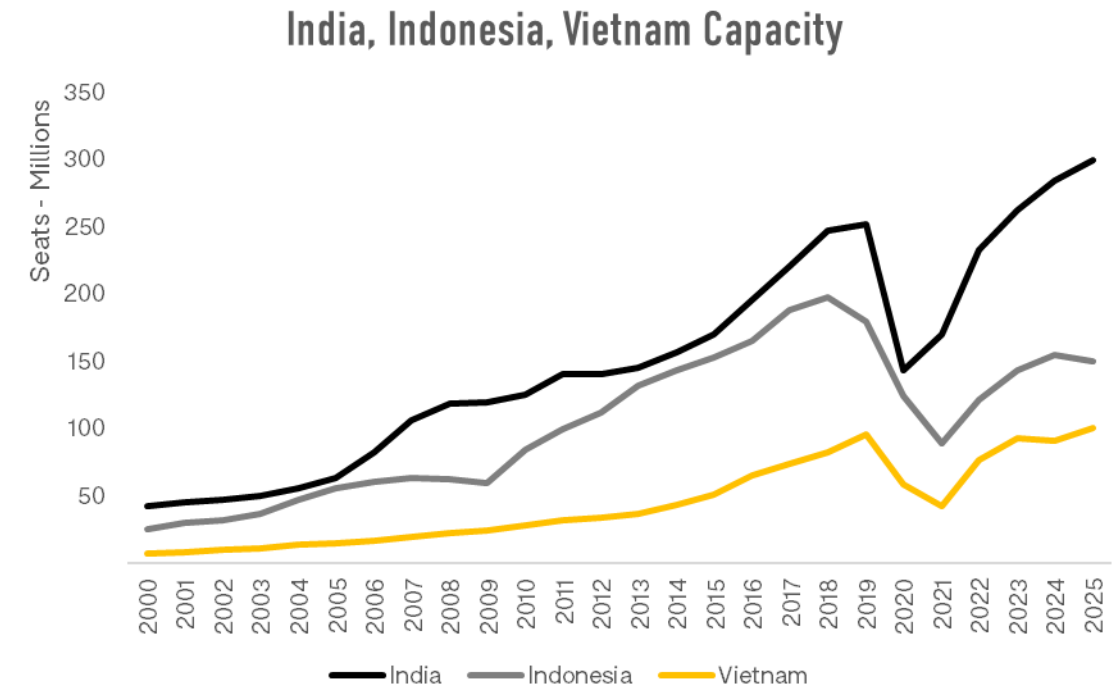
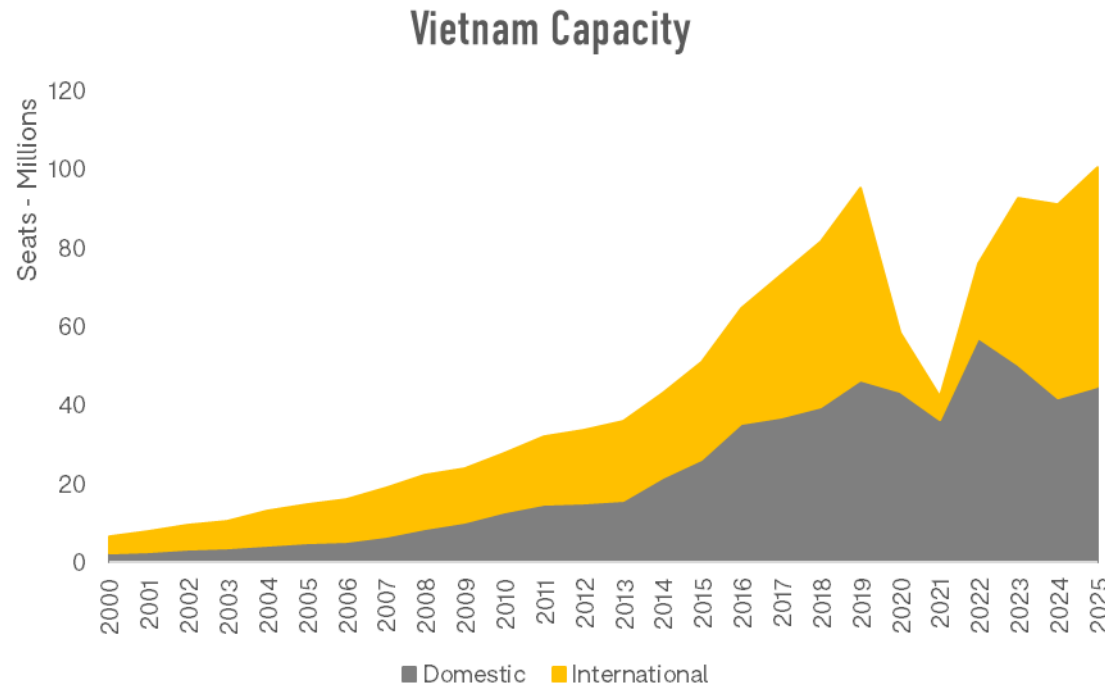
Source: Cambodia MoT, Indonesia MOTCE, Laos MICT, Malaysia MOTAC, Philippines DOT, Singapore STAN, Thailand MoTS, Vietnam VNAT

■ H1 international arrivals momentum slow for Singapore (8.3 million, +2% YoY), Indonesia (5.2 mil, -0.2% YoY), Thailand (16.7 million, -5% YoY) and Myanmar (500k, -17% YoY), whilst the Philippines' Jan-May 2025 arrivals struggle at -1.2% YoY. Vietnam is one of the few bright spots in H1 2025 with 10.7 million and +21% YoY growth.

- Some interesting results across some of SE Asia's major markets – capacity is by and large up, with some strong performances from Vietnam, up 16%, Malaysia, up 10% and Cambodia, up 22%
- This is not matched by the latest arrivals data for H1 2025, which shows that most markets are recording a fall in visitor arrivals, with the notable exception of Vietnam.



# VIETNAM GROWTH TAKES OFF

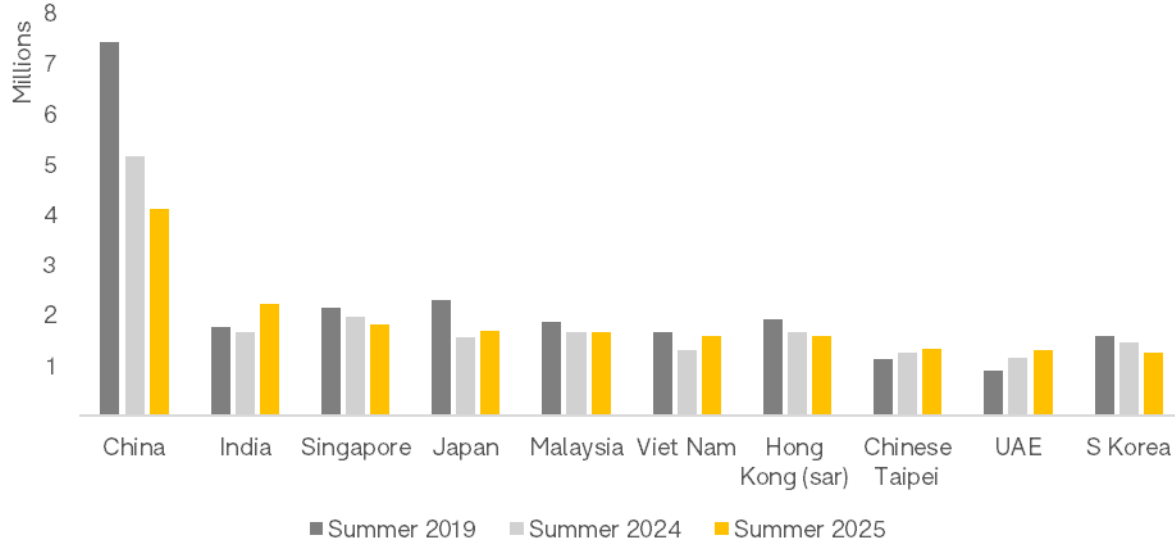


- Growth in Vietnam has been on a steady upwards trajectory since around 2011, with significant international growth taking place between 2010-19. In the 15 years from 2010-2025, growth has averaged 9%, despite the impact of the pandemic. Is this Vietnam's moment?
- Whilst growth has been strong, the market has taken time to recover from the impact of the pandemic, only recording capacity above 2019 levels this year.



# THAILAND TRENDS: BEHIND THE HEADLINES

Thailand Top 10 International Markets



Thailand International Capacity  
Summer 2025 v Summer 2024



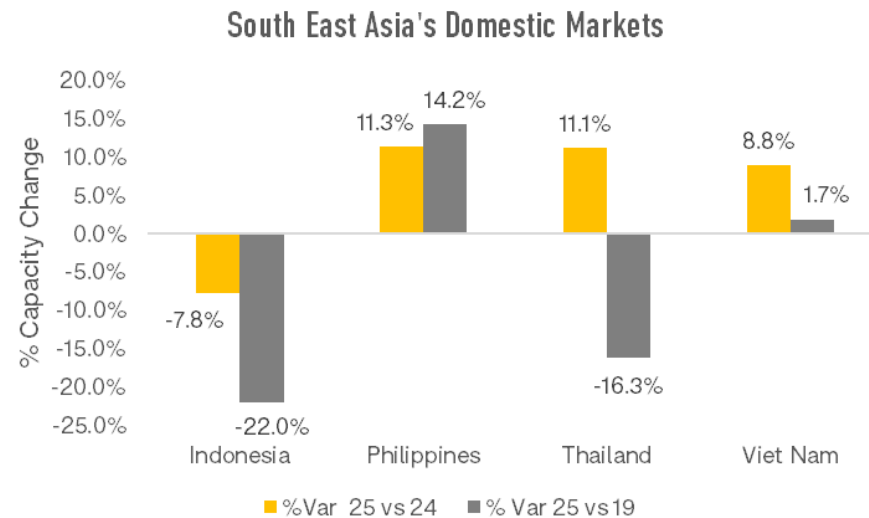
- Capacity from Thailand's biggest inbound market, China, has not yet returned to pre-pandemic levels (remaining 45% below), but has also fallen considerably on Summer 2024, by 20%. Is this the end of China's love affair with Thailand?
- The positive however is that Thailand appears to be diversifying source markets with strong growth this summer from India, Vietnam and Japan. Collectively, growth in other markets is more than offsetting the reduction in Chinese capacity.





# SOUTH EAST ASIA MARKET CHALLENGES

- There continue to be some challenges in Domestic market growth however in some of South East Asia's largest domestic markets.
- Domestic capacity for the first half of 2025 in both Indonesia and Thailand remains considerably behind 2019 levels, and Indonesia is also down year on year by almost 8%.



Negotiated tariff rates on Asia are trending within the 10-20% range

"Reciprocal" tariff rates; %

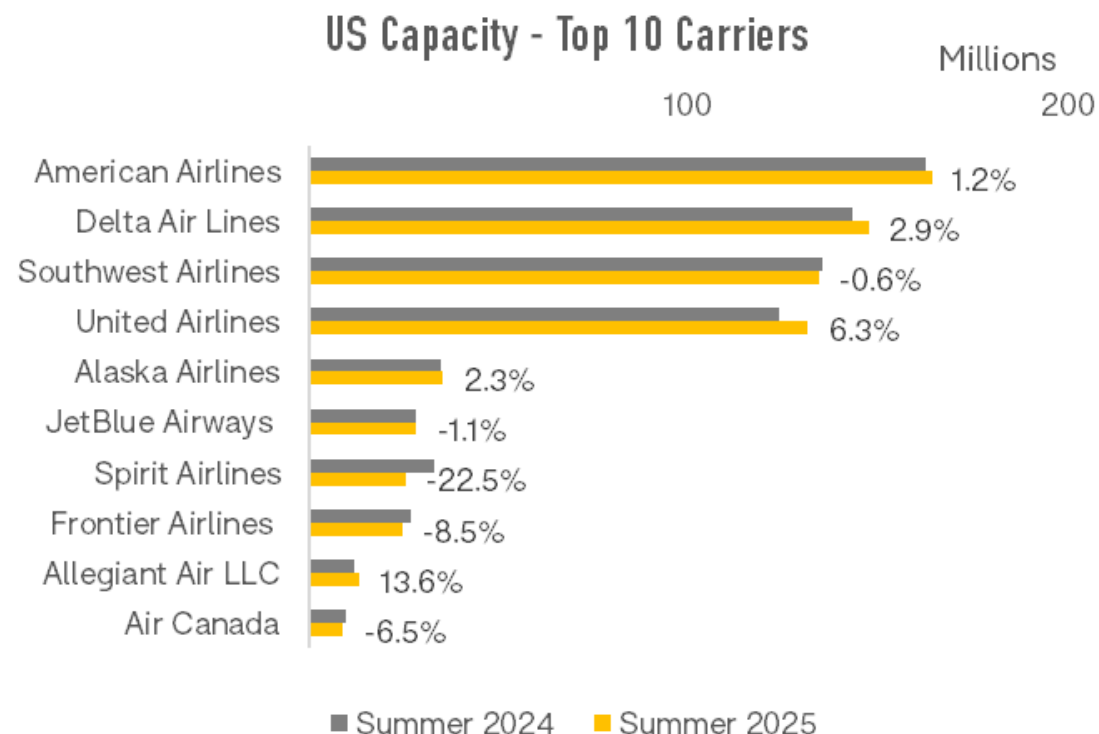
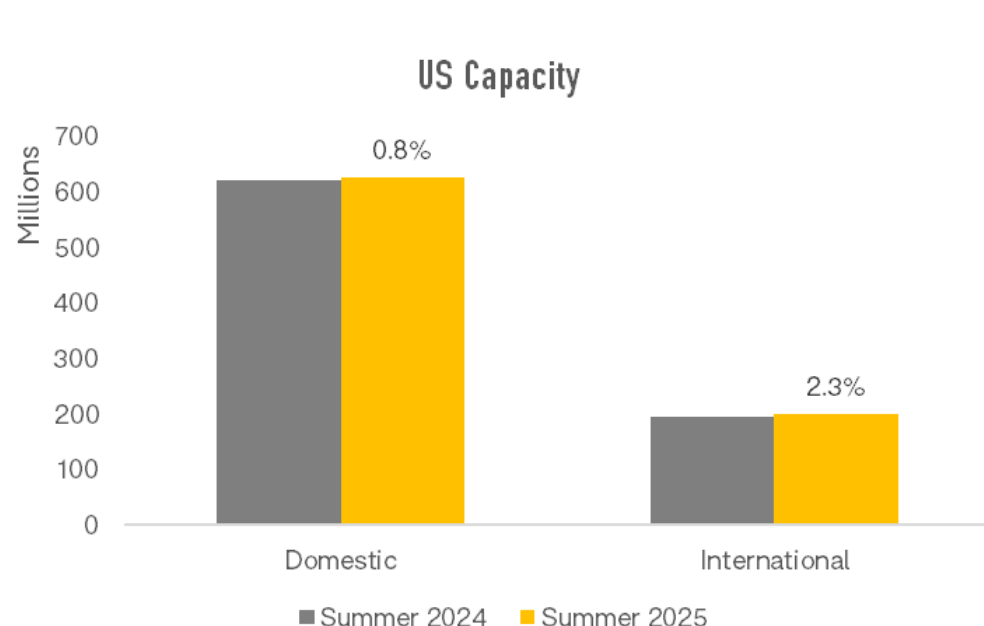
Country	Original reciprocal tariff	Threatened August 1st rate	Negotiated rate
Laos	48	40	n/a
Myanmar	44	40	n/a
Cambodia	49	36	n/a
Thailand	36	36	n/a
Bangladesh	37	35	n/a
Indonesia	32	32	19
Japan	24	25	15
Malaysia	24	25	n/a
South Korea	25	25	n/a
Philippines	17	20	19
Vietnam	46	n/a	20

Source: White House; EIU.

Note. Non-exhaustive list of countries. Vietnam had concluded its trade deal with the US before the new August 1st rates were threatened. Copyright © The Economist Intelligence Unit 2025. All rights reserved.



# US DOMESTIC MARKET SOFTENING?



- Domestic capacity in the US is pretty flat – although not contracting – this summer, with capacity growth of just 0.8%, compared to an increase of 2.3% on international.
- Looking at the Top 10 carriers (domestic and international capacity) shows mixed performance, from strong increases by United at +6.3% year on year with last summer, Delta up 2.9% and American a more steady 1.2% - whilst LCCs and ULCCs are struggling to deliver growth – with the exception of Allegiant, up 13.6%.

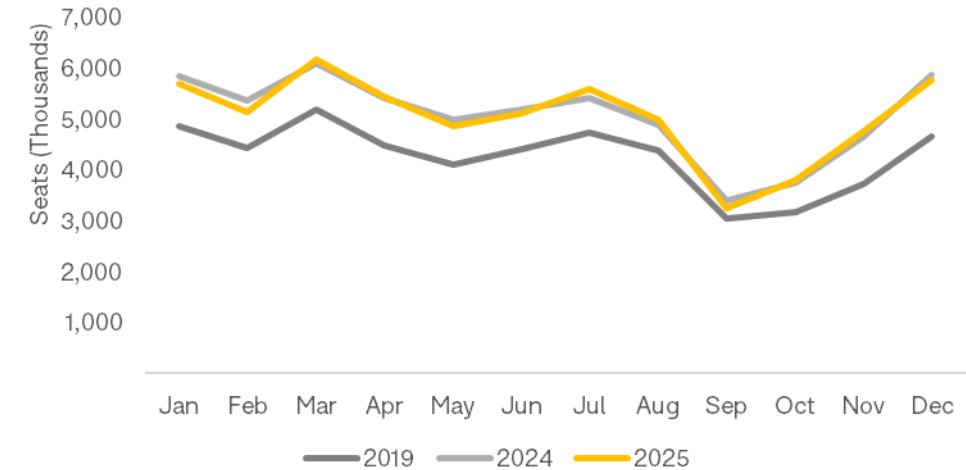


# CARIBBEAN DREAMS

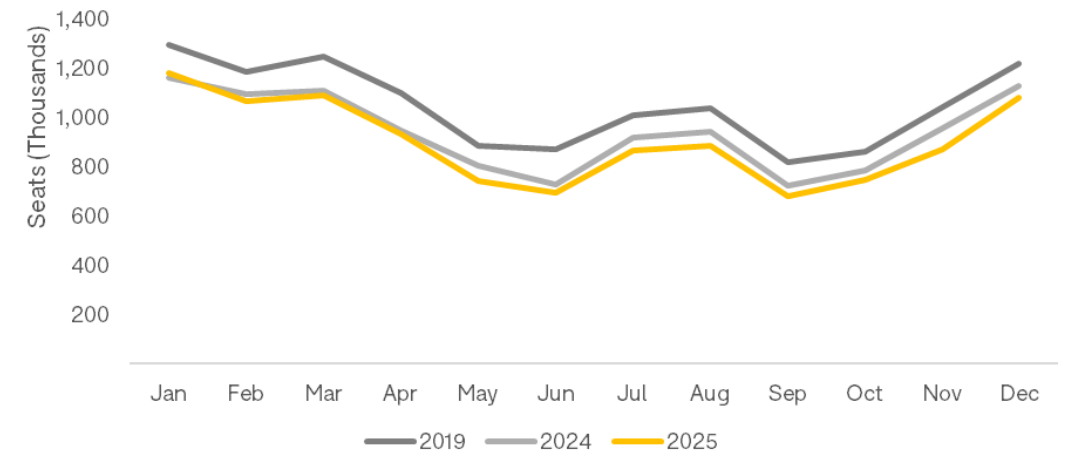
- The North America market to the Caribbean has increased to 60.57 million seats in 2025, a 18% increase on 2019 levels and similar to last year.
- The USA market is driving this growth with the market increasing by 20% compared to 2019,
- Canada accounts for 13% of the North America market to the Caribbean and is up 6% on 2019 but it is currently 3% behind last year.
- American Airlines, Frontier Airlines and United Airlines have had the biggest growth in the market in 2025 compared to 2019, increasing by 3.23m seats, 2.32m seats and 1.92 seats respectively.
- The UK to Caribbean market has a total of 2.66 million seats in 2025, 8% lower than 2024 at 2.90 million and 3% lower than 2019 at 2.76 million.
- The 2019 seats difference is driven by Virgin Atlantic dropping capacity by 29%, 206k seats and Thomas Cook dropping out of the market.
- The 2024 seats difference is driven by Virgin Atlantic dropping capacity by 17% and Euroairlines and Norse Atlantic UK pulling out of the market.



## North America - Caribbean

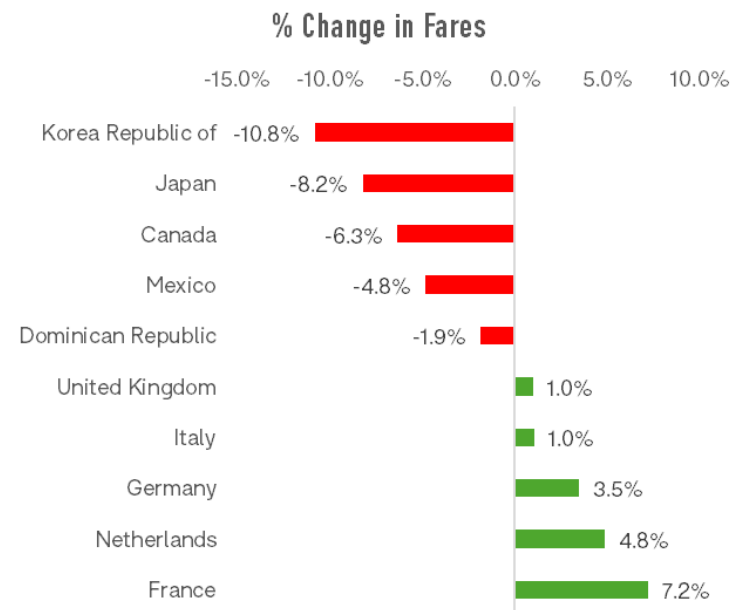


## Europe to Caribbean



# AIR FARES US MARKET TOP 10

	Average USD\$ Fare		
	2024	2025	% Change
Korea Republic of	1357	1211	-10.8%
Japan	1340	1230	-8.2%
Canada	269	252	-6.3%
Mexico	249	237	-4.8%
Dominican Republic	270	265	-1.9%
United Kingdom	697	704	1.0%
Italy	771	779	1.0%
Germany	837	866	3.5%
Netherlands	723	758	4.8%
France	720	772	7.2%



City Pair	Average USD\$ Fare		
	2024	2025	% Change
CHI-NYC	110	114	3.6%
ATL-NYC	124	133	7.3%
NYC-ORL	134	143	6.7%
LAX-NYC	219	213	-2.7%
MIA-NYC	135	140	3.7%
FLL-NYC	127	128	0.8%
DFW-NYC	141	146	3.5%
LAS-LAX	86	84	-2.3%
NYC-SFO	232	220	-5.2%
DFW-LAX	220	218	-0.9%



# AIR FARES – ASIA KEY MARKETS

Country To Country	Average USD\$ Fare		
	2024	2025	% Change
Indonesia - Malaysia	66	70	6.1%
Indonesia - Singapore	94	78	-17.0%
Malaysia - Singapore	69	76	10.1%
Singapore - Thailand	178	246	38.2%
Malaysia - Thailand	69	78	13.0%
Thailand - Vietnam	112	107	-4.5%
Philippines - Singapore	130	121	-6.9%
Malaysia - Vietnam	71	76	7.0%
Singapore - Vietnam	96	103	7.3%
Inbdonesia - Thailand	225	233	3.6%

	Average USD\$ Fare		
	2024	2025	% Change
Kuala Lumpur - Singapore	27	30	11.1%
Jakarta - Singapore	93	89	-4.3%
Bangkok - Singapore	157	140	-10.8%
Jakarta - Kuala Lumpur	55	62	12.7%
Denpasar - Singapore	93	76	-18.3%
Bangkok - Kuala Lumpur	85	91	7.1%
Manila - Singapore	116	108	-6.9%
Denpasar - Kuala Lumpur	76	69	-9.2%
Bangkok - Ho Chi Minh City	102	97	-4.9%
Bangkok - Manila	153	154	0.7%





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