

CHINA AIR TRAVEL REPORT

November 2017

oag.cn



Low Cost Airlines - 10% of China's Capacity

Low-cost rising

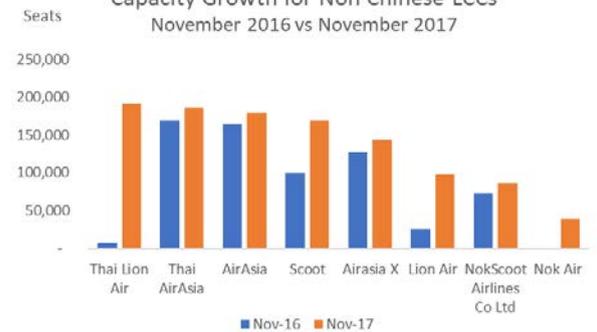
Low-cost airlines are the fastest growing part of the Chinese aviation industry, now comprising 10% of the total Chinese market. In November 2017 there were 22% more low cost airline seats in the market than in November 2016, equivalent to an additional 1.26 million more seats.

73% of the LCC capacity is domestic, and this has grown by 18% over the past year. International LCC capacity is growing faster, at 37% between November last year and November this year. This is comprised of Chinese LCC's which added 25% more international capacity, and non-Chinese LCC's which added 41% more capacity. Thai Lion Air, Scoot and Lion Air have made particularly large investments in the Chinese market in the past year.

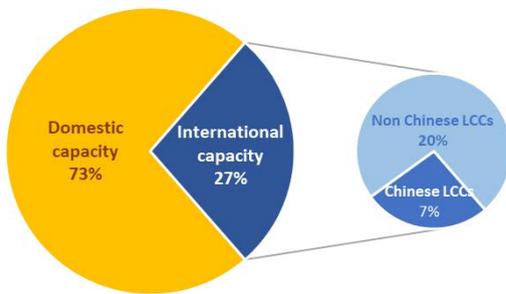
Capacity Growth for Chinese LCCs
November 2016 vs November 2017



Capacity Growth for Non Chinese LCCs
November 2016 vs November 2017



LCC Capacity in China - November 2017



Traffic shift from North East Asia to South East Asia

Passenger bookings

In the 12 months to August 2017, passenger bookings between China and the rest of Asia Pacific (excluding South West Pacific) grew by 1.9%. There were 822,000 more passengers flying between China and the countries of South Asia, South East Asia, North East Asia and Central Asia than in the previous 12 months.

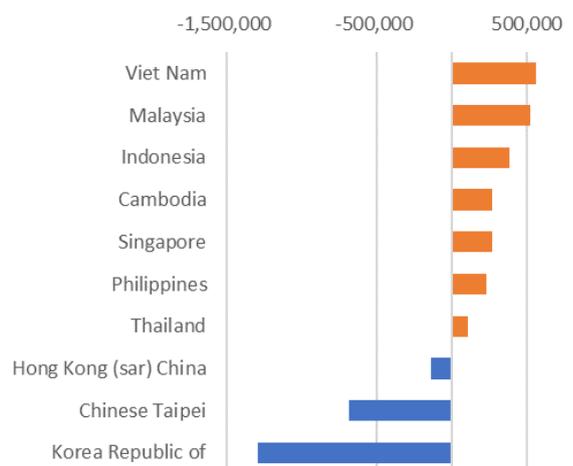
Nine countries saw increases or declines in traffic exceeding 100,000 passengers, with all the big increases to and from countries in South East Asia, while the declines were to and from North East Asia.

Vietnam saw the largest increase in traffic, with 47% more bookings, an increase of 567,000 passengers. South Korea saw the largest fall in bookings, with 1.3million fewer, a drop of 15%.

Source: OAG Traffic Analyser

Bookings to/from China

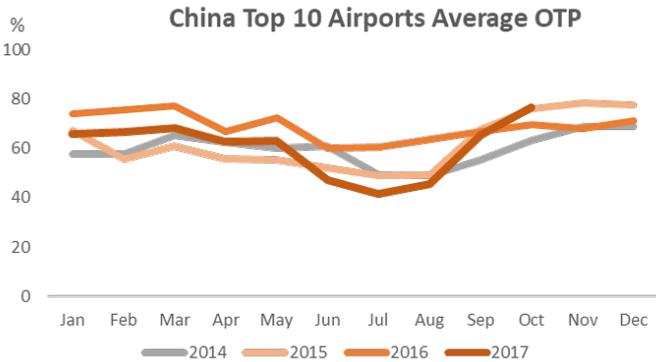
Countries with +/- 100,000 bookings in 12 months to August 2017 vs previous 12 months



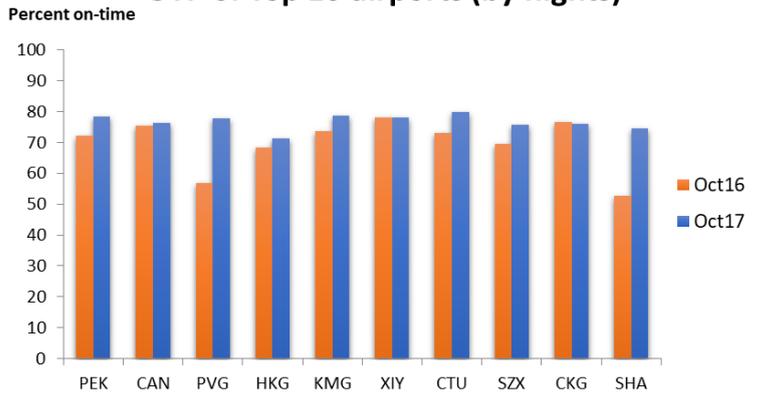
On-time performance

OTP at China's Top 10 airports in October exceeded, or was almost the same as, the OTP achieved in October 2016. Average OTP across the group was 76.7% in October, compared to 69.7% a year ago – a substantial improvement.

On-time performance usually improves with the winter schedule and this October appears to be no exception.



OTP of Top 10 airports (by flights)



Both Shanghai Pudong Airport (PVG) and Shanghai Hongqiao Airport (SHA) recorded significantly better on-time performance compared to last year, delivering OTP in line with other Top 10 airports.

Highest capacity growth this year

Capacity

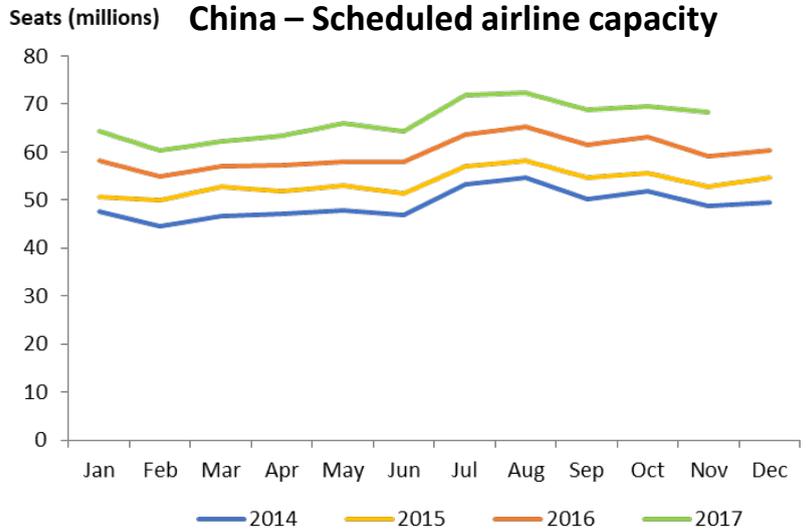
November saw the highest year-over-year increase in capacity this year, with 15.4% more scheduled airline seats available in the market than in November 2016.

The past 12 months have seen capacity grow by 11.2%, while the previous 12 months saw capacity growth of 11.7%. Continued growth at this pace would see the whole market double in size in less than 7 years!

The Top 10 Chinese airports contribute 40% of all capacity in China but they are growing slowest - a 'mere' 8.4% in November.

The next tier of airports, ranked 11th to 20th, grew at 17.8% and contribute 18% of all capacity. Airports which are ranked below 20th are growing fastest, with year-over-year growth of 24.2%.

China – Scheduled airline capacity



Source: OAG Schedules Analyser

Contact us — for more information please visit www.oag.cn or email us at contactus@oag.com

China: +86 10 5095 5960

Asia: T: +65 6395 5888

