



Outlook for Air Transportation

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AVIATION WEEK
NETWORK

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CAPA
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By Informa Markets

Agenda

- Aviation Week Network introduction
- State of recovery
- Industry forecast
- Key markets review
- Supply chain challenges
- A word on sustainability

About Aviation Week Network



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Aviation Week Network is the largest multimedia information and services provider for the global aviation, aerospace, and defense industries, serving 1.7 million professionals globally.

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Regional COVID-19 Recovery Compared to 2019



Regional COVID-19 Recovery Compared to 2019



Source: CAPA - Centre for Aviation and [OAG](#)

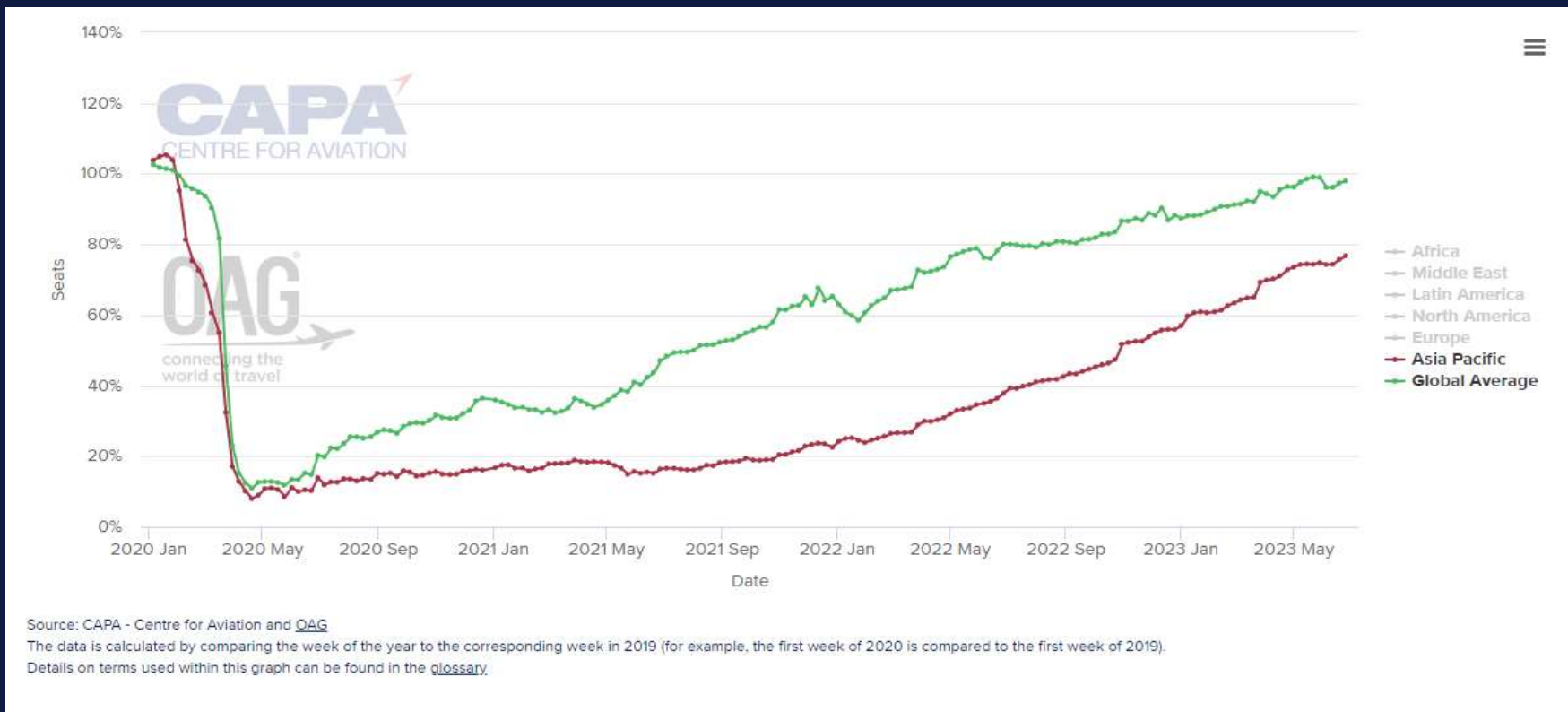
The data is calculated by comparing the week of the year to the corresponding week in 2019 (for example, the first week of 2020 is compared to the first week of 2019).

Details on terms used within this graph can be found in the [glossary](#).

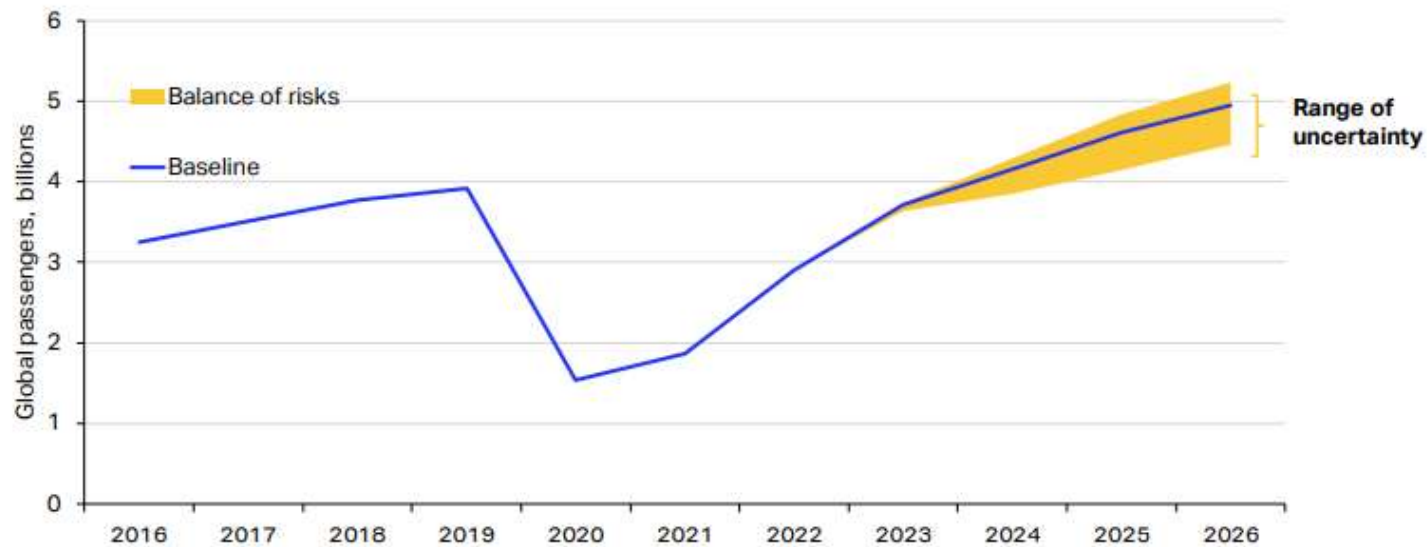
Regional COVID-19 Recovery Compared to 2019 - Domestic



Regional COVID-19 Recovery Compared to 2019 - International



Passenger Traffic Expected to Recover in 2024



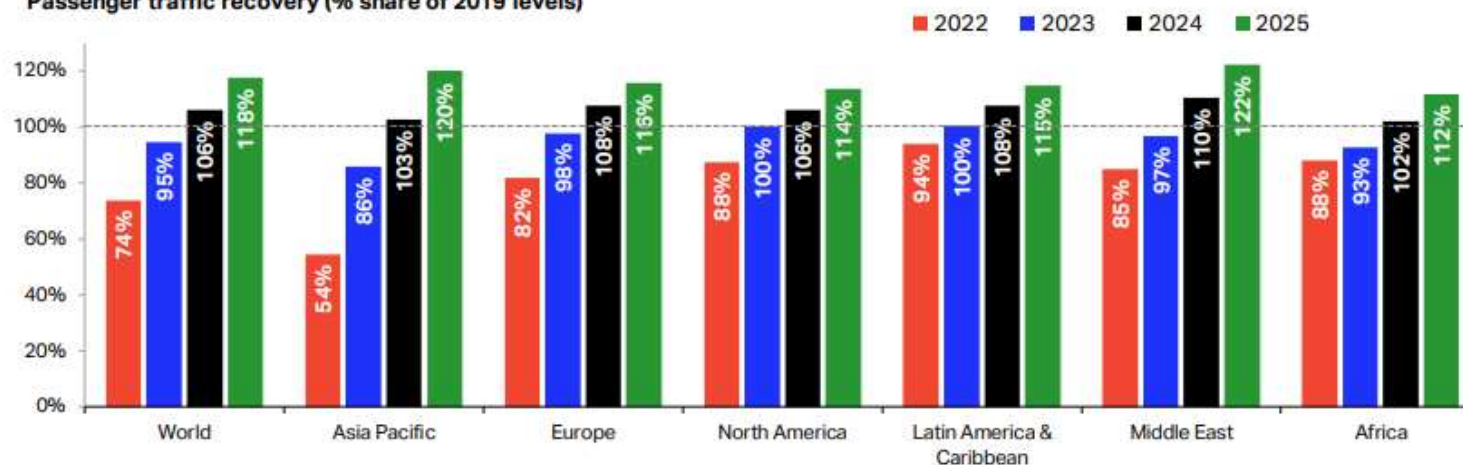
Source: Tourism Economics/IATA Sustainability and Economics



Forecasted Recovery Time Table by Region

Forecast upgrades reflecting recent developments
North America and Latin America to recover in 2023, ASPAC in 2024

Passenger traffic recovery (% share of 2019 levels)



Recovery year

2024

2024

2024

2023

2023

2024

2024

Source: TourismEconomics/IATA Sustainability and Economics Air Passenger Forecasts as of March 2023



Every Region Has Improved From 2022, 2023 is Promising

Yet, airlines just make USD 2.25 per passenger on average




| | USD bn |
|---------------|--------|
| North America | 11.5 |
| Europe | 5.1 |
| Middle East | 2.0 |
| Africa | -0.5 |
| Latin America | -1.4 |
| Asia Pacific | -6.9 |

Forward Booking Data by Region

2023 v 2022 Booking Data:

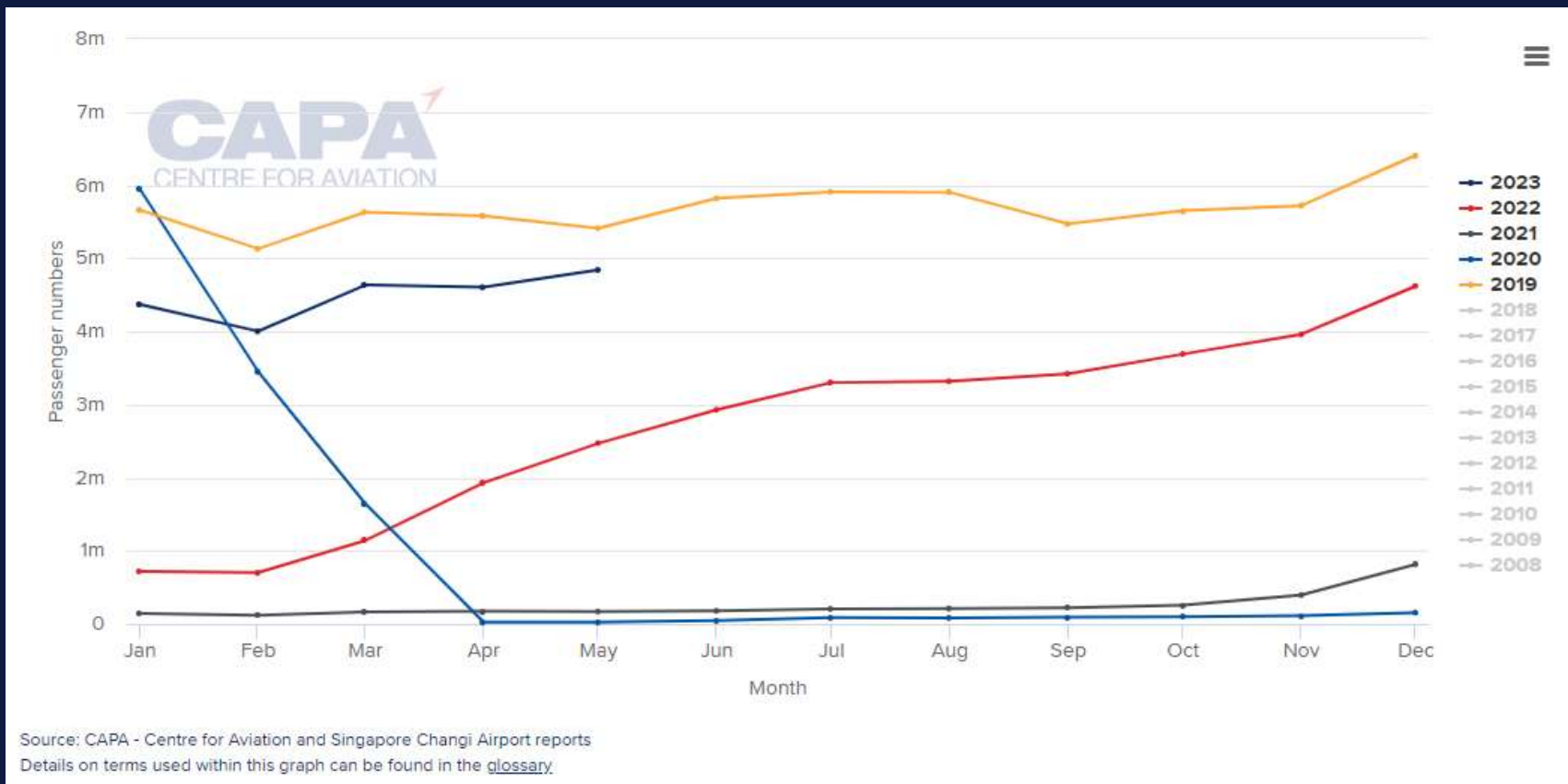
- Asia Pacific (+128%)
- Middle East (+17%)
- Europe (+22%)
- Africa (+21%)
- Latin America (+20%)
- North America (+13%)



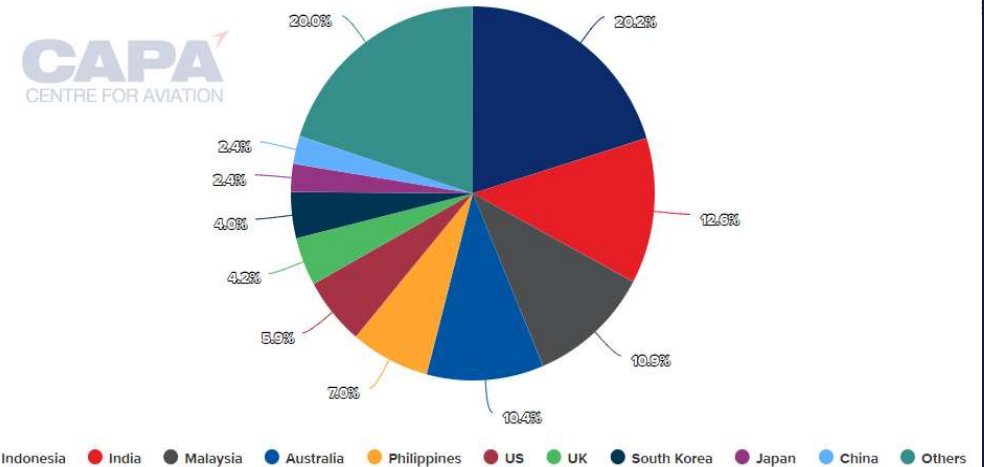
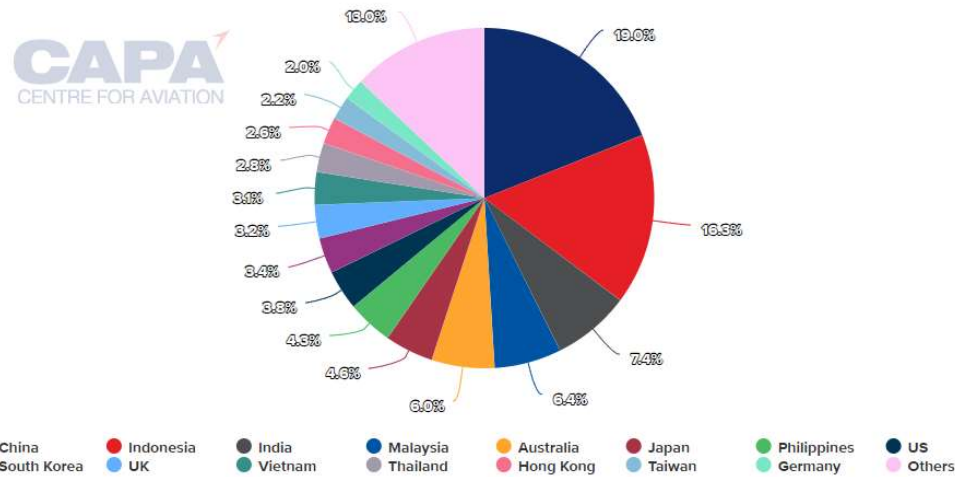
Airline Financial Performance in 2023 Beating Expectations

- Around **4.35 billion** people are expected to travel in 2023, which is closing in on the 4.54 billion who flew in 2019; An expected average passenger load factor will reach **80.9%** for 2023, which is very near the 2019 record performance of 82.6%
- Cargo revenues to fall sharply but will remain above 2019
- Stronger profitability is supported by several positive developments

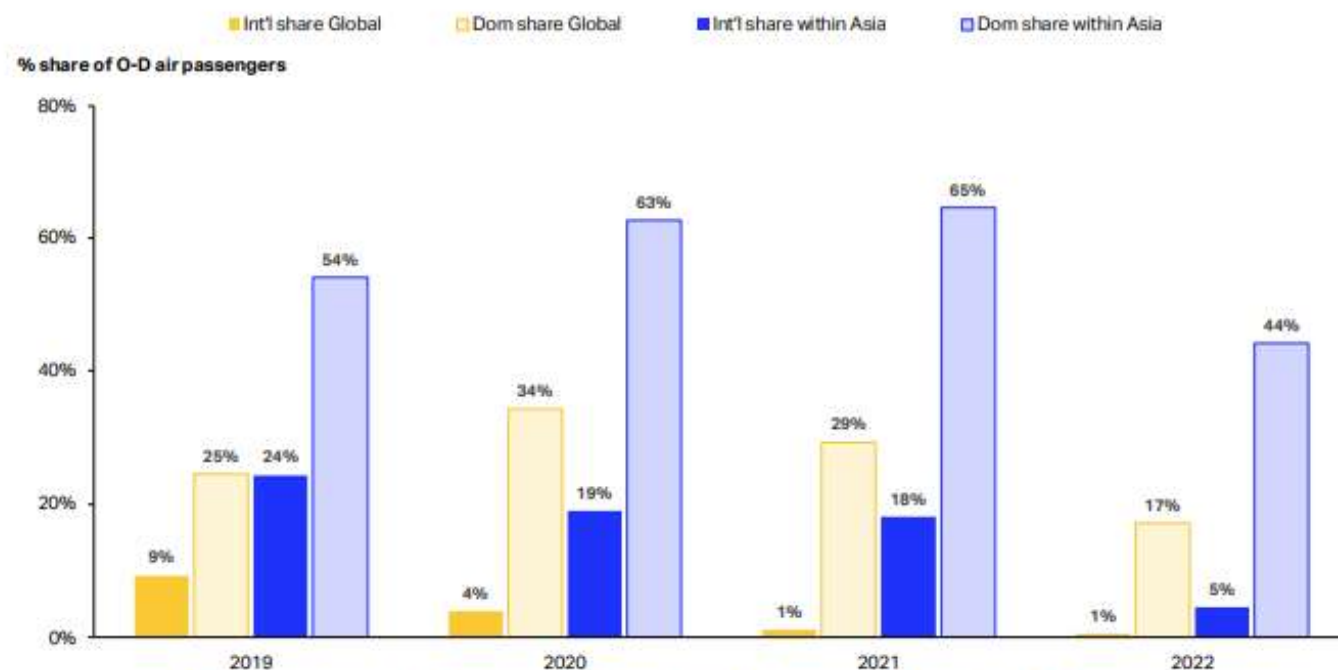
Singapore Changi Airport Monthly Traffic



Singapore Visitor Arrivals by Market: 2019 vs. 2022



Shares of China's Aviation Market in Global and Asia



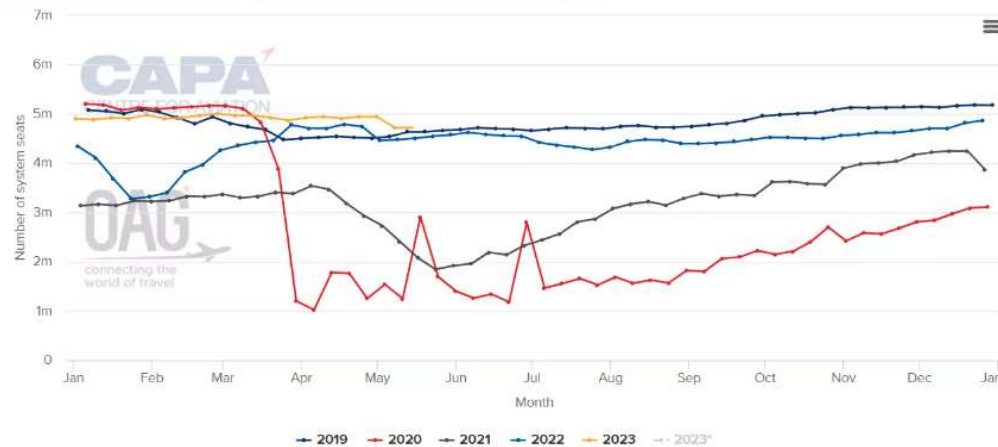
Source: IATA Sustainability and Economics, using data from DDS for inbound and outbound origin-destination (O-D) passengers

Note: Based on OAG data, scheduled seat capacity shares of China in 2019 were 9% of global international, 22% of global domestic, 17% of international within Asia, and 51% of domestic within Asia.



How Does India's Air Travel Development Compare with China's?

India's systemwide capacity, as measured in weekly seats, 2019-2023



Source: CAPA - Centre for Aviation and OAG

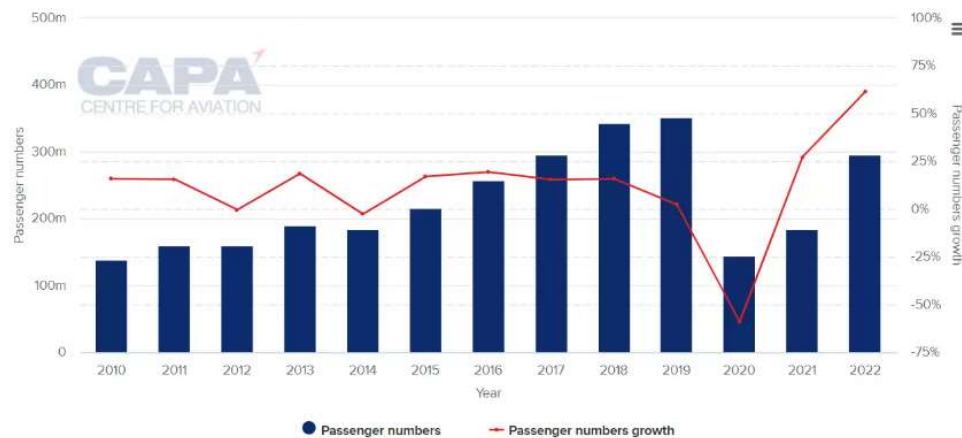
Mainland China's systemwide capacity, as measured in weekly seats, 2019-2023



Source: CAPA - Centre for Aviation and OAG

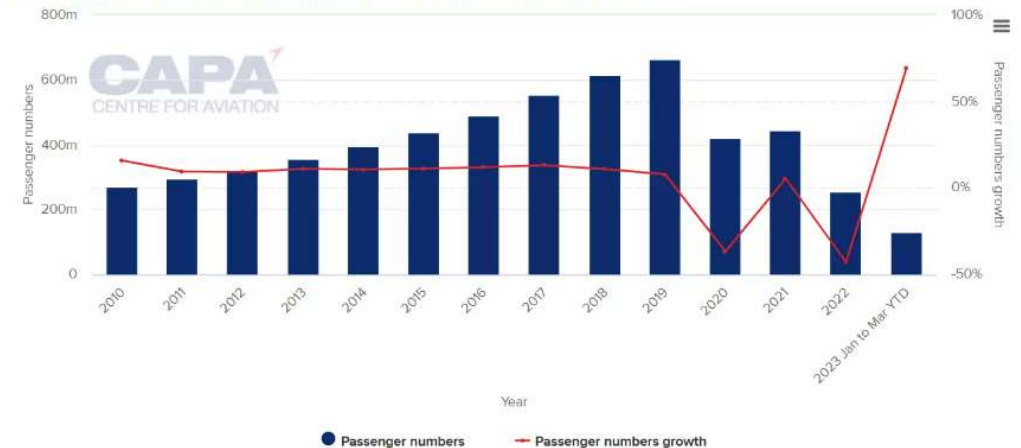
How Does India's Air Travel Development Compare with China's? (Cont'd)

Airports Authority of India: annual passenger totals, with annual growth rate, 2010 to 2022



Source: CAPA - Centre for Aviation and Airports Authority of India

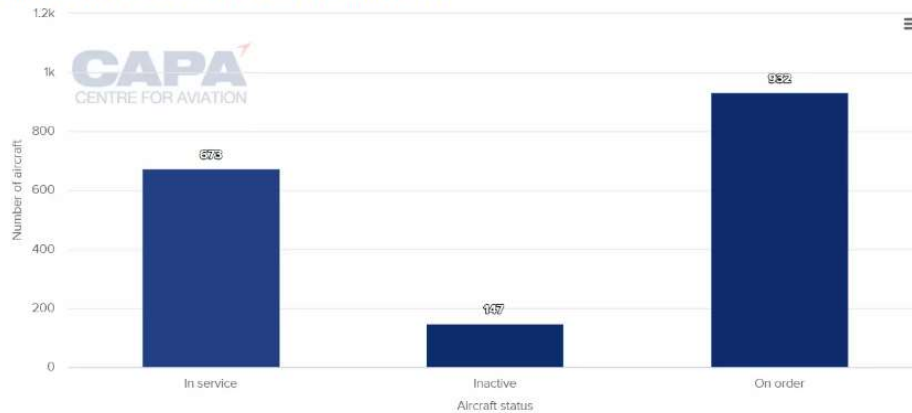
CAAC: annual systemwide traffic, with annual growth rate, 2010 to 2023 YTD



Source: CAPA - Centre for Aviation and CAAC

How Does India's Air Travel Development Compare with China's? (Cont'd)

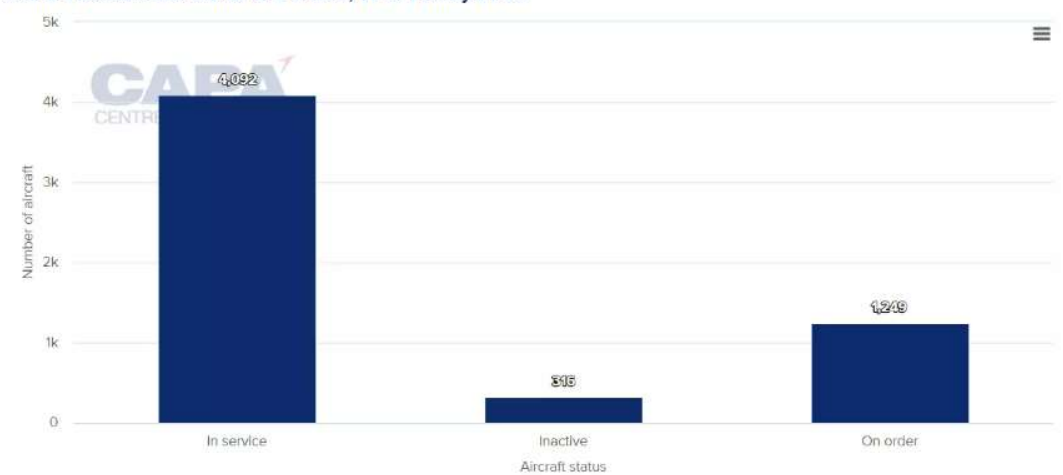
India's aircraft fleet status and orders, as of 15-May-2023



Source: CAPA - Centre for Aviation Fleet Database

In contrast, China has more than 4,000 aircraft in service. While this dwarfs India's active fleet, the order numbers are not too far apart when the Air India orders are included.

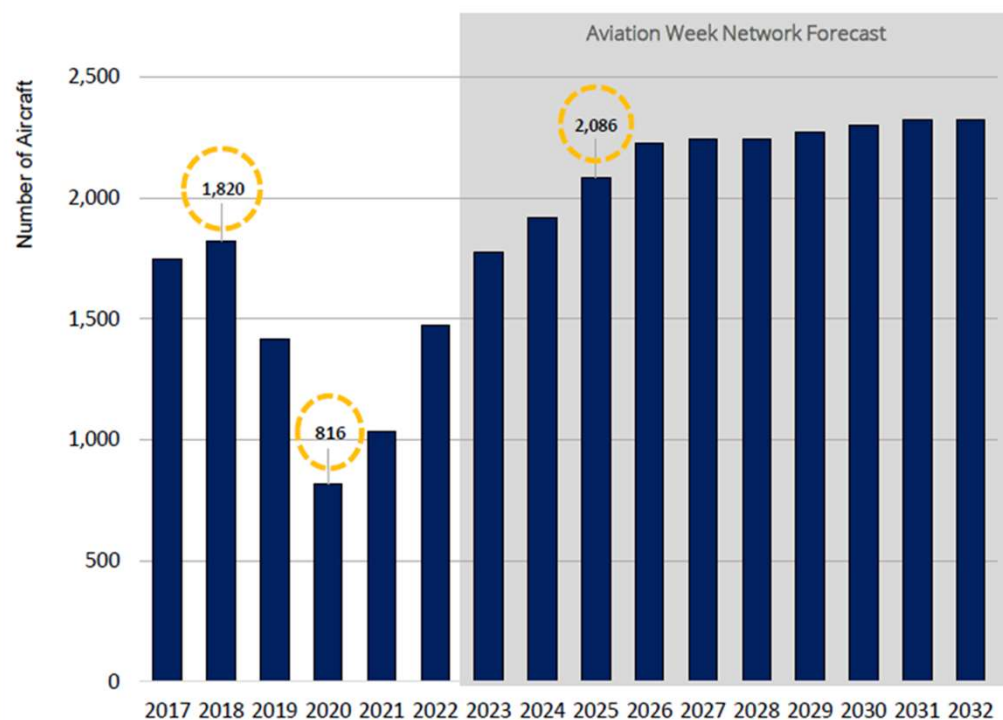
China's aircraft fleet status and orders, as of 15-May-2023



Source: CAPA - Centre for Aviation Fleet Database

Aviation Week Network: Commercial Forecast, Deliveries

4,341 (20%) in Asia-Pacific

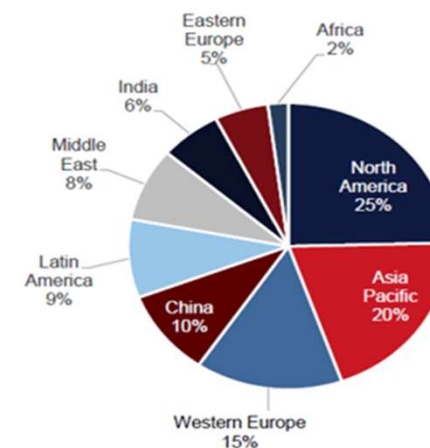
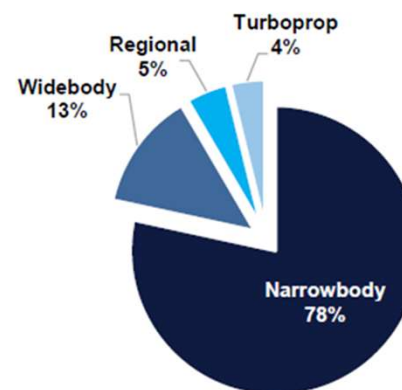


Source: 2023 Commercial Aviation Fleet & MRO Forecast, Fleet Discovery, Aviation Week Network, Copyright 2022.

Highlights

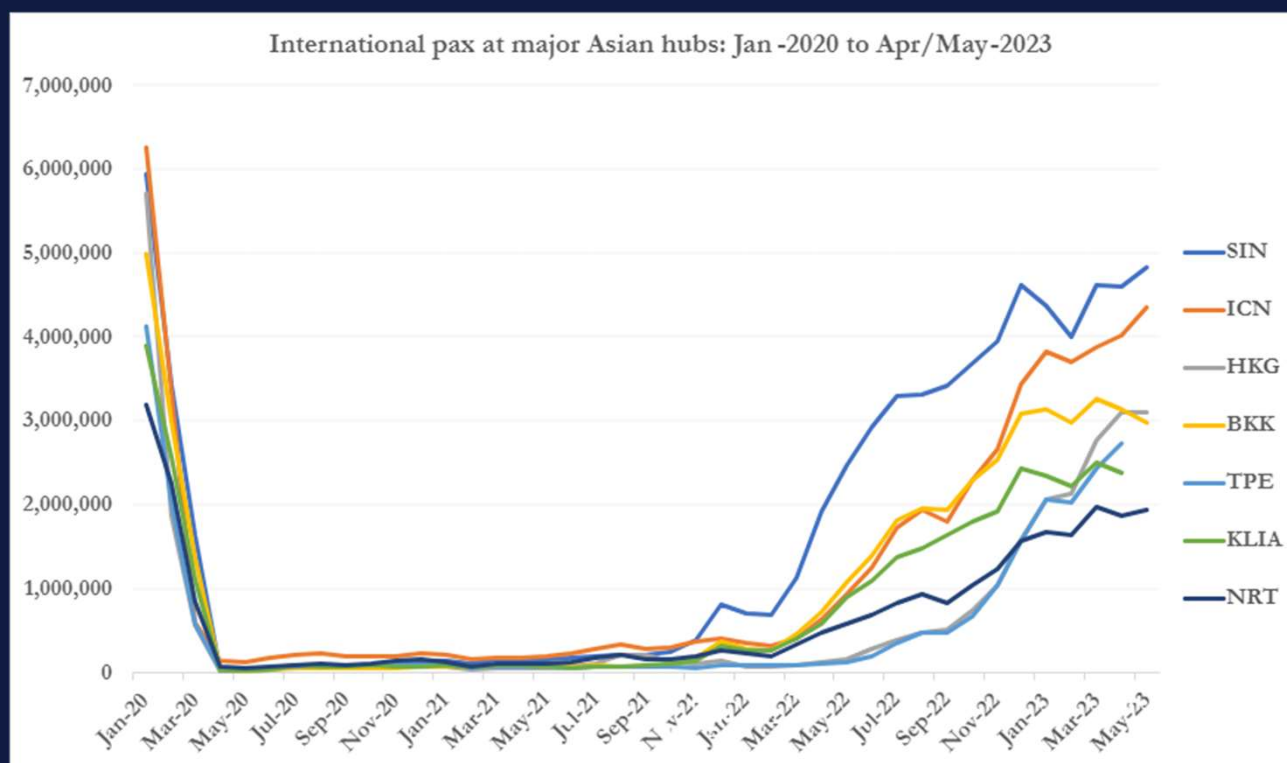
- +21,700 new deliveries over 10-year 2023-32 forecast period.
- Over 2,000 annual deliveries from 2025 onwards.
- Narrowbodies lead recovery efforts. Airbus A320 outpaces Boeing 737.
- New programs added since last year: A350F, 777-8F, ARJ21F
- Narrowbody share is 78% vs. 13% share for widebodies – a decline for widebodies.

2023-32 Share of Deliveries



Major Asian Hubs – Varied Recoveries

Singapore Changi leads recovery among major hubs in Asia



- **SIN:** 93 airlines currently, 32M PAX traffic in 2022 (82% of pre-COVID connectivity)
- **ICN:** 62% of pre-COVID levels by end 2022; Air Premia and T'Way expanding widebody operations
- **BKK:** 11.2M tourists in 2022 (40M in 2019). First Chinese tourists on 6-Feb
- **KLIA:** 62% of pre-COVID levels by end 2022
- **NRT:** service 88 airlines now, 15.4M PAX traffic in 2022, 65% down from 2019 levels
- **HKG:** 70% of pre-COVID tourists forecast by Q1, 2024
- **TPE:** forecast 15-20M PAX in 2023, up from 5.4M in 2022 and 0.9M in 2021



Supply Chain Challenges

- Delivery agreements
- Difficulties getting spare parts

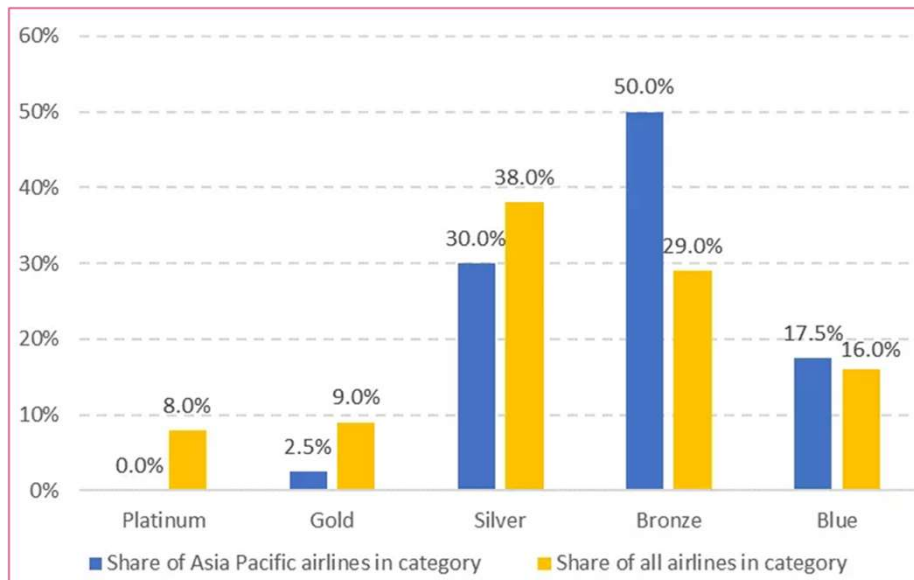
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A Word on Sustainability...

- 95% of APAC consumers / 86% of APAC corporate travel managers interested in sustainable travel options
- 70% of APAC consumers are 'overwhelmed' when thinking how to become a sustainable traveller
- “NO” APAC Airlines in the CAPA Platinum Category; 1 in Gold, 14 in Blue





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