

REPORT: AIRLINES: NORTHEAST ASIA

What you need to know

September 2021

This report presents a roundup of what's been happening to airlines in Northeast Asia over the last month.

Major airlines

Air China

Passenger numbers slump

Passenger numbers at Air China fell 56% year-over-year to 3.2 million in August, reflecting a fall in domestic demand. The airline reduced available seat kilometer capacity by 41%, and with traffic falling by 53%, Air China recorded a 15.4 point drop in load factor to 58%.

Cathay Pacific

Demand at 5% of 2019 levels

Cathay Pacific carried 135,000 passengers in August. While this represented a 278% year-over-year increase, it was 95% below the number of passengers carried in August 2019. The airline increased capacity by 69% (to just 13% of its 2019 level). Revenue passenger kilometers rose 294%, but they were still 92% below August 2019 levels. As a result, the airline's load factor advanced 27 points to 46%.

China Eastern

Demand declines in August

China Eastern carried 3.55 million passengers in August. This was 58% lower year-over-year. The airline carried 3.51 million passengers on domestic routes and just 25,000 on international routes. With traffic falling by 56% on 42% less capacity, the airline's load factor dropped 17.5 points to 56%.

China Southern

Demand down sharply in August

China Southern Airlines and its subsidiaries saw passenger numbers decline by 55% year-over-year to 4.6 million. Traffic declined by 51% on a 41% reduction in capacity, resulting in a 13 point drop in load factor to 60%.

Hainan Airlines

Big fall in passenger numbers

Hainan Airlines and its subsidiaries carried 2.1 million passengers in August 2021, down 47% year-over-year. The group's passenger load factor fell 15 points to 62%, as a 45% fall in traffic outpaced a 32% cut in available seat kilometer capacity.

Draft reorganization plan released

Hainan Airlines has released a draft organization plan covering its own operations and those of 10 subsidiaries. Among CNY397 billion (US\$61.5 billion) in claims made by the company's creditors, the courts have recognized CNY161 billion. Hainan Airlines believes it possesses sufficient debt repayment resources to resolve all debts across the 11 airlines.

The draft plan must first be voted on at a creditors' meeting before it can take effect and be approved by the court.

Low-cost carriers

Spring Airlines

Passenger numbers drop in August

Chinese low-cost carrier Spring Airlines carried **1.5 million** passengers in August 2021. This was **27%** fewer than in **2020**. With the **23%** decline in revenue passenger kilometers outpacing the **18%** capacity cut, Spring sustained a drop in its passenger load factor to around **79%**.

Note

The information presented in this report represents the latest view as at September 29, 2021. We have carefully researched and checked the information contained. However, we do not guarantee or warrant the correctness, completeness or topicality of this article and do not accept any liability for any damage or loss as a result of the use of the information contained within this article.

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