Study of International Air-Passenger Traffic in East and Southeast Asia

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1. Introduction

The capability of Japanese airports, including those in the Tokyo Metropolitan Area, must be enhanced because one of their most important purposes is to enhance international competitiveness by facilitating international air traffic according to the New Growth Strategy "Japan Revitalization Strategy" (cabinet decision on June 14, 2013). Because air-traffic demand forecasting will be essential to formulate aviation policy, several studies related to traffic demand forecasting have been conducted in the Airport Planning Division. The current method does not take into account traffic induced by the impact of the entry of LCCs entry. An analysis of the aviation market in East and Southeast Asia, where many LCCs started business, would play an important role in improving forecasting. So we analyzed recent international air-passenger traffic in East and Southeast Asia during 2005-2012.

There are no statistics which directly capture international air-passenger traffic. Instead, we used Capstats statistics (statistics of seat capacity provided by RDC Aviation) which accurately represent the current state of the aviation market in East and Southeast Asia.

2. Major Findings

The increase in traffic demand in East and Southeast Asia is remarkable and this trend is particularly strong in the ASEAN sphere. The increase in supply by LCCs is also remarkable. The following are major findings of this study.

① Total seat capacity inside all East and Southeast Asia in 2012 is 250 million. Since 2005, it has increased by 42.9% (the annual rate was 5.2%). In 2011-2012, it increased by 10.1%.

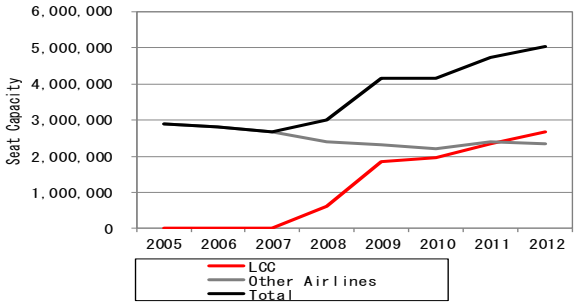
② The growth rate of seat capacity on the routes between Japan, Korea and China is lower than that of total seat capacities among East and Southeast Asian countries.

③ China has had the highest seat capacity in East and Southeast Asia since 2007. Seat capacity from/to China in 2012 has increased by 54.2%.

④ Regarding the growth rate of the seat capacity from/to respective airports inside East and Southeast Asia during 2005-2012, the annual growth rates in Hong Kong, Bangkok, Tokyo and Macau were less than 3.0%, which was less than the average of all East and Southeast Asia. On the other hand, the annual growth rates in Singapore, Seoul, Kuala Lumpur, Manila and Jakarta were more than 5.8%.

⑤ The route between Hong Kong and Singapore has the largest seating capacity of respective air-routes in the year 2005-2012. On the Jakarta-Singapore and Kuala Lumpur-Singapore routes, LCCs' seating capacity has significantly increased since 2009, and total seating capacity has also been boosted significantly (Figure).

Figure Seat Capacity between Kuala Lumpur and Singapore



3. Concluding Remarks

We could analyze and catch the trend of single track routes and LCC's routes which could never be analyzed thoroughly in previous studies. We are planning to conduct a similar study when other trends emerge in the near future.

[Sources]
TECHNICAL NOTE of NILIM No.744
http://www.nilim.go.jp/lab/bcg/siryou/tnn/tnn0744.htm