

COVID-19: China and Beyond

Examining the impact of the COVID-19 crisis from China to Europe as we face the biggest crisis in a generation. What will the networks of the future look like post coronavirus?

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COVID-19: China and Beyond



Wesley Charnock

Editor-in-Chief

Routes



Hang Zhao

Business Development

Manager, China

ASM



Nigel Mayes

SVP Consulting &

Product Development

ASM



David Casey

Senior Network

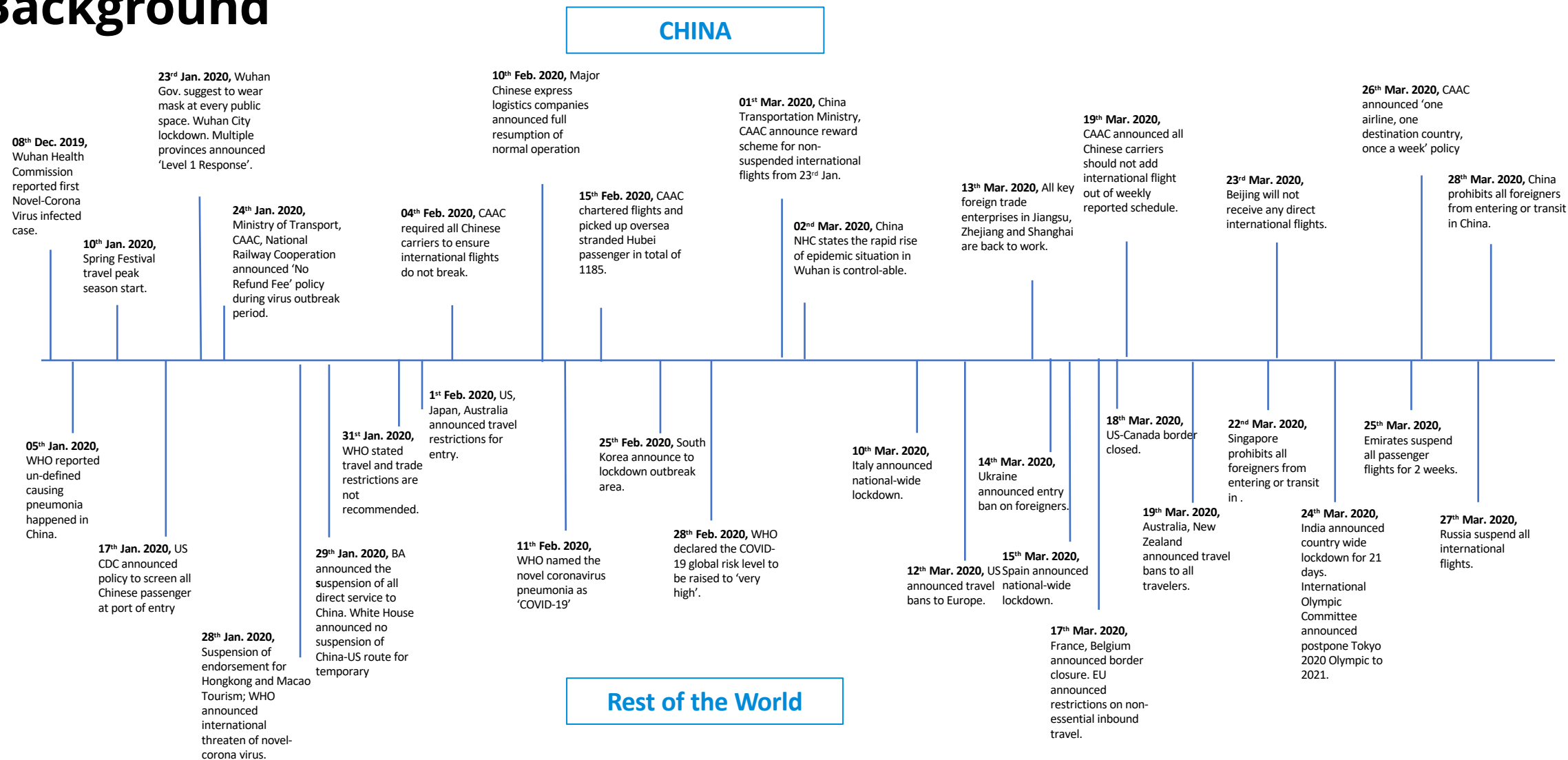
Planning Editor

Routes

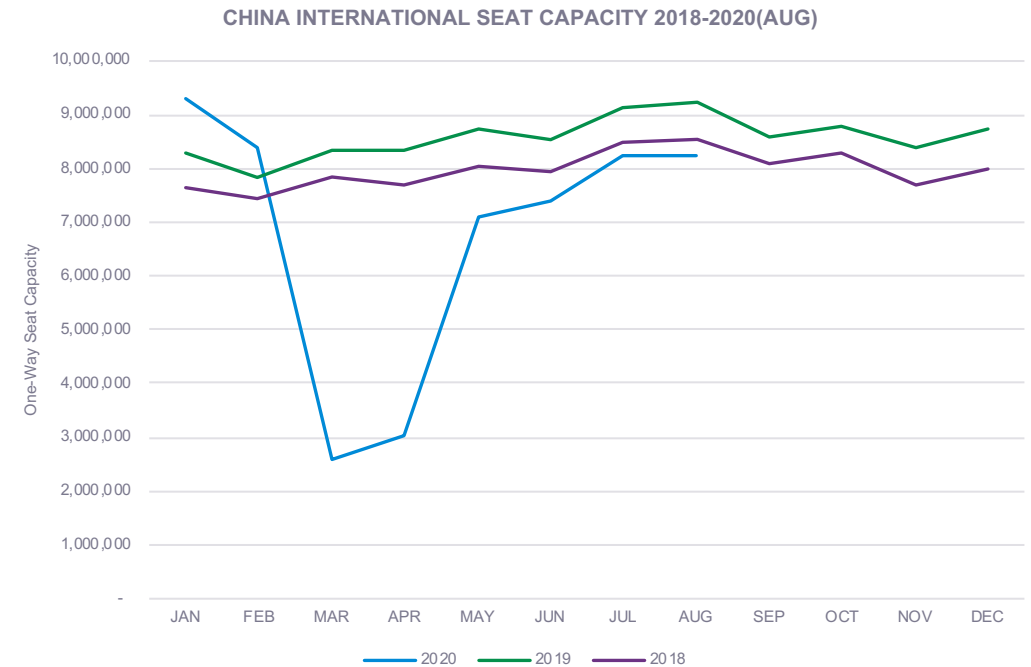
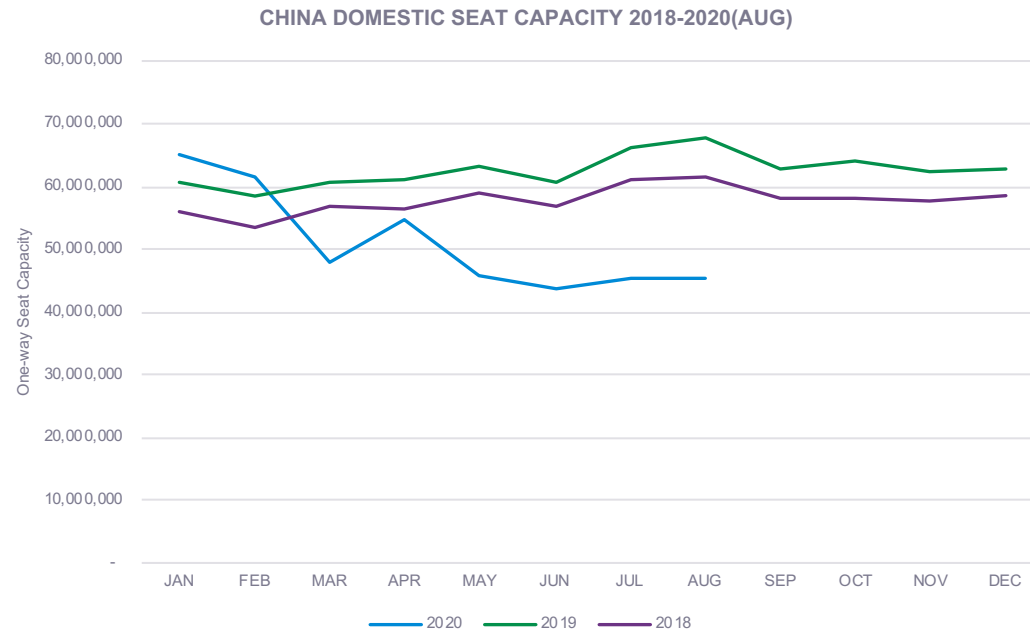
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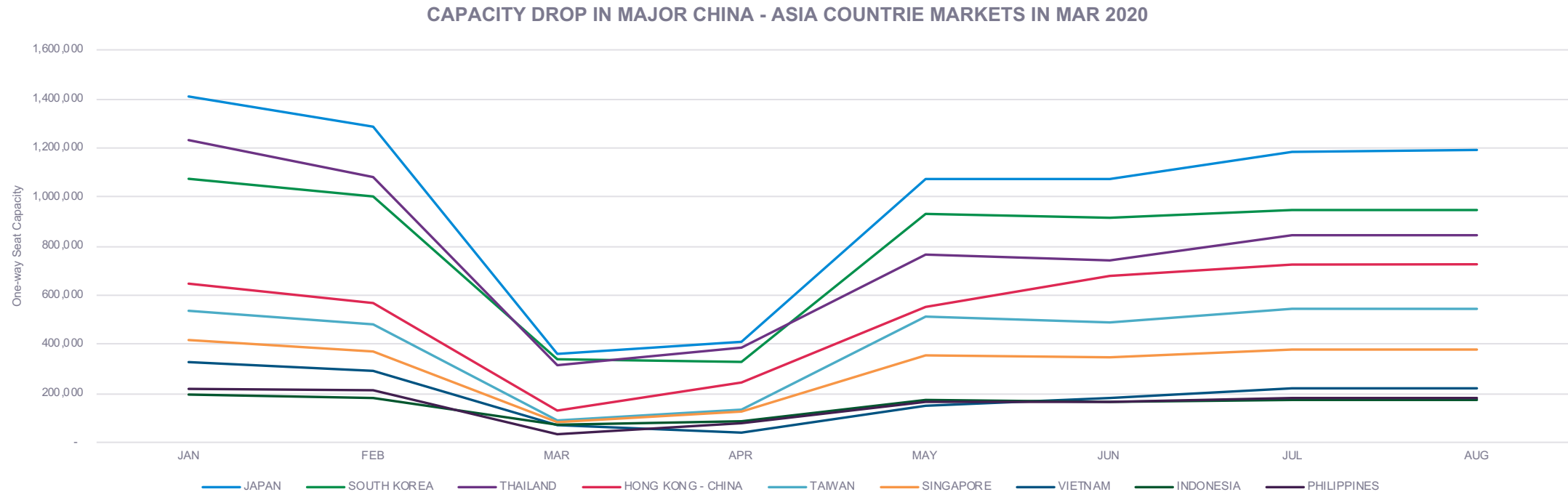


China Leads on the Capacity Drop Trend in Asia



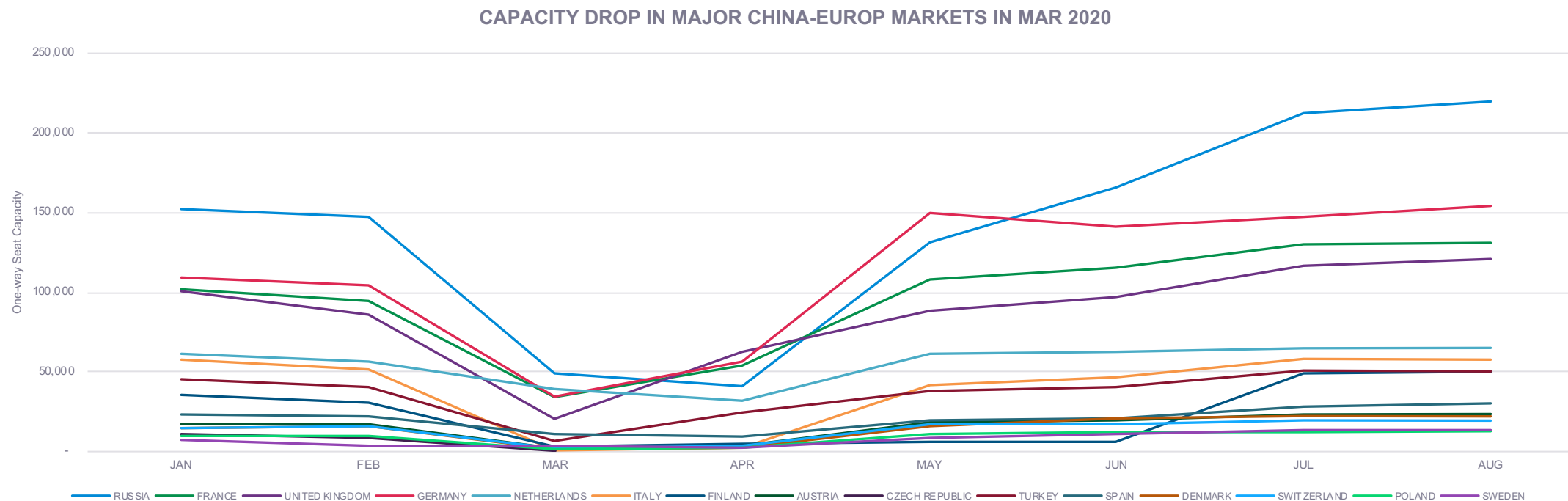
- Spring Festival peak travel season starts on 10th Jan.
- Capacity in March 2020 dropped, 22% on domestic, 69% on International.

China to Country Markets Capacity Drop in March 2020



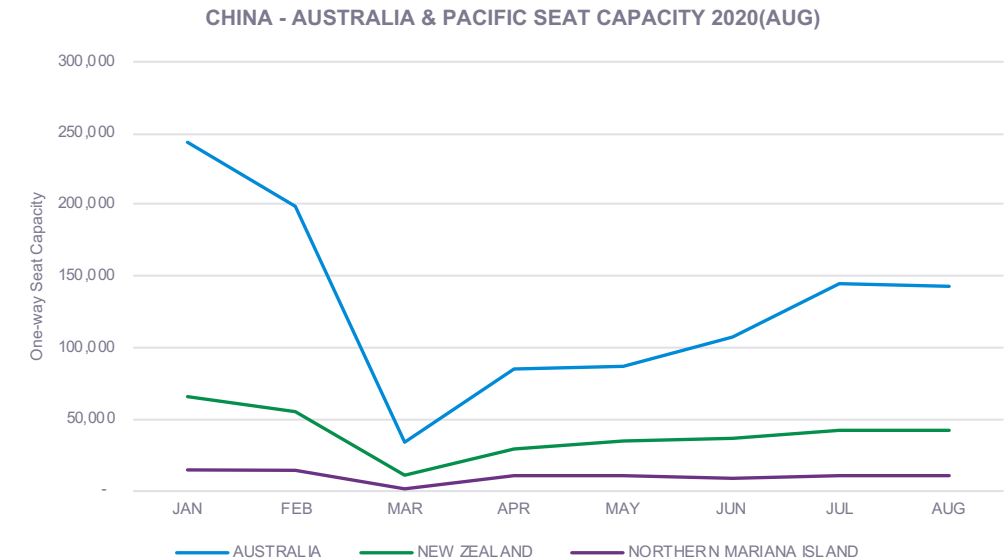
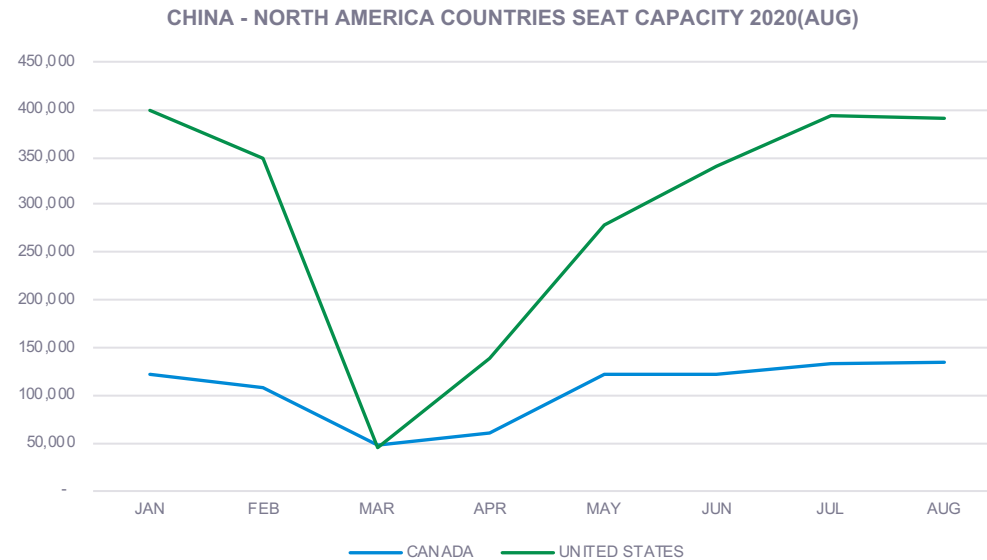
- 84% Cancellation on China to Philippines, -81% to Taiwan, -78% to Singapore, -77% to Hongkong, -76% to Vietnam.
- With the original big volume basis of China-Japan Market, it cancelled most seats number in this market (927,446) in March.

China to Country Markets Capacity Drop in March 2020



- 99% Cancellation on China to Italy, -97% to Hungary, -95% to Czech Republic, -90% to Finland and to Denmark.
- Considering the original market basis, It cancelled most seats on China-Russia market with 97,559 seats (-66%)

China to Country Markets Capacity Drop in March 2020



- 83% Cancellation on Australia, -80% to New Zealand and 89% to Northern Mariana Islands.
- 87% Cancellation on US market and -56% to Canada. There are 303,136 seats have been cancelled on China-US routes in March.

Chinese Airlines Struggle in Maintaining Original Capacity

CHINA MARKET AIRLINES CAPACITY 2020

Top 15 Chinese Airlines in Capacity Cancellation in Mar. 2020

	JAN	FEB	MAR	FEB vs. JAN	FEB to Mar Diff.	MAR vs. FEB	MAR to FEB Diff.
China Eastern	10,912,927	10,427,502	5,205,043	-4%	-485,425	-50%	-5,222,459
Shanghai Airlines	1,923,321	1,807,540	914,804	-6%	-115,781	-49%	-892,736
Hainan Airlines	4,074,842	3,843,546	2,183,276	-6%	-231,296	-43%	-1,660,270
China Southern	11,415,783	10,591,344	6,047,419	-7%	-824,439	-43%	-4,543,925
Shenzhen Airlines	3,546,017	3,359,992	2,176,683	-5%	-186,025	-35%	-1,183,309
China United Airlines	1,056,812	1,013,267	734,204	-4%	-43,545	-28%	-279,063
Air China	7,430,991	7,010,693	5,360,239	-6%	-420,298	-24%	-1,650,454
Lucky Air	1,337,774	1,268,738	995,814	-5%	-69,036	-22%	-272,924
Air Guilin	254,407	225,153	178,678	-11%	-29,254	-21%	-46,475
Shandong Airlines	3,000,829	2,792,868	2,269,100	-7%	-207,961	-19%	-523,768
Jiangxi Air	190,502	199,434	162,284	5%	8,932	-19%	-37,150
TianJin Airlines	1,572,192	1,483,550	1,217,526	-6%	-88,642	-18%	-266,024
Xiamen Airlines	3,516,090	3,287,622	2,726,393	-6%	-228,468	-17%	-561,229
Grand China Air	59,658	56,072	48,574	-6%	-3,586	-13%	-7,498
Tibet Airlines	657,398	624,569	546,295	-5%	-32,829	-13%	-78,274

- Among all Chinese Carriers, China Eastern has cancelled 50% of seat capacity in Mar compared with Feb. The company's fully owned sub, Shanghai Airline cancelled almost the same portion of seats capacity (-49%).
- Regarding on phone conversation with MU, they confirmed over 80% schedule flights has been cancelled during the period. Air China told me about 60% aircrafts of the Beijing Hub are grounded at the moment due to the cancellation of the flight.

Airport and Airline Movements



Flight CA936 arrival in Shanghai from Frankfurt on 12th Mar with 4 passenger has fever symptoms...

- Beijing Airports – No direct international flight receiving from 18th Mar. Test onsite and 14 days concentrate quarantine;
- Shanghai – Test on site, 14 days self/concentrate quarantine for all international passenger.
- Juneyao Airlines – Two tickets with same flight for one ticket fee charge (27th Feb – 31st Mar. 2020)

Government Policies

- No ticket (flight, train) refund fee charge from 28th Jan for ticket bought before the date.
- Transport Ministry, CAAC reward on international flights remains operation.
- CAAC postponed S20 schedule change date to 02nd MAY for all domestic schedules.
- CAAC encourage routes not to suspend on 04th Mar.
- CAAC not allowed international schedule added out of weekly reported schedules.
- State Government encourages joint reorganization of air cargo enterprises and logistics
- 26th Mar. CAAC announced 'One airline, One Destination Country, Once a week' policy.
- 28th Mar. China starts on prohibits all foreigners from entering or transit in China.

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