

REPORT: AIRLINES: NORTHEAST ASIA

What you need to know

February 2023

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

Major airlines

Air China

January passengers rise by more than a half

Air China carried 6.78 million passengers in January, **54%** more than in the same month in 2022. With traffic boosted by 62% on 38% extra capacity, its passenger load factor rose by 10.3 points to **70%**.

All Nippon Airways (ANA)

Scope for three main brands outlined

ANA has set out its plans for the three airline brands in the ANA Group. Mainline ANA will focus on restoring its global route network from its Tokyo hubs at Haneda and Narita. Low-cost carrier Peach will specialize in short- to medium-haul international routes from Osaka Kansai and Tokyo Narita. New value-based unit Air Japan, which will launch at some point between October 2023 and March 2024, will operate medium-haul routes from Narita to destinations in Southeast Asia.

Cathay Pacific

Significant growth in passenger numbers in January

During January, Cathay Pacific carried 1.03 million passengers. This represented a **41 times** increase on the number carried in January 2022. Revenue passenger kilometer traffic surged by 3,807% year-over-year. With capacity increased by 1,717%, Cathay Pacific posted a 46.4 point load factor improvement to **87%**.

China Eastern

Strong growth in January demand

China Eastern reported a **37%** year-over-year rise in January passenger numbers to 6.9 million. After increasing capacity by 17%, a 43% rise in traffic ensured a 12.2 improvement in load factor to **68%**.

China Southern

Strong growth boosts January load factor

January passenger numbers at China Southern rose by **41%** year-over-year to 9.43 million. The airline increased capacity by 25%. Traffic grew by 45%, pushing the load factor up 9.65 points to **73%**.

Japan Airlines (JAL)

Strong traffic growth posted for December

During December 2022, JAL Group increased domestic passenger numbers by **27%** year-over-year to 2.82 million. With revenue passenger kilometers rising by 29% on 8% extra capacity, the airline's domestic load

factor rose by 12 points to **71%**. On international routes, JAL carried 454,000 passengers, up 323% year-over-year. Its international passenger load factor jumped by 39 points to **73%**.

Profits return in Q4 2022

JAL Group increased fourth quarter 2022 revenue by **86%** to ¥387 billion (US\$2.7 billion). It posted a net profit of ¥18.4 billion (\$129 million), which was much-improved on 2021's ¥23.4 billion net loss.

Korean Air

EU deepens probe into merger with Asiana

The European Commission is to carry out an in-depth investigation into the proposed merger between Korean Air and Asiana. It's concerned that the deal may reduce competition in both passenger and cargo markets between Europe and South Korea.

Q4 profits down despite rise in revenue

Fourth quarter revenue at Korean Air increased by **28%** year-over-year to W3.6 trillion (US\$2.7 billion). Passenger revenue improved by **339%** to W1.66 trillion, although cargo revenue fell by **29%** to W1.55 trillion. The airline's operating profit dropped by **26%** to W520 billion (US\$383 million).

Brisbane to be reinstated

During **April**, Korean Air plans to reinstate services to Brisbane, introducing **five weekly** flights from Seoul.

Other airlines

Asiana

Q4 profits down despite higher revenue

Fourth quarter 2022 revenue at South Korean carrier Asiana increased by 15% year-over-year to W1.55 trillion. However, the airline's operating profit dropped by 42% to W124 billion (\$95.5 million), as higher fuel prices and unfavorable currency movements offset stronger international revenues.

Extra international frequencies added during March

Asiana will strengthen its international flight schedule from Seoul Incheon during March. On South and Southeast Asian routes, it will increase service to Da Nang to **seven** per week on **March 10**, to Delhi to **three** per week from **March 26**, and to Taipei to double **daily** from **March 1**. Asian will also resume flights to Cebu with **four weekly** flights starting from **March 15**. On Japanese routes, Tokyo Narita and Osaka will be served thrice-daily. There will also be three daily flights from Seoul Gimpo airport to Tokyo Haneda.

In Europe, London will be served daily, Paris six times per week, Rome four times per week, and Barcelona three times per week.

China Airlines

Rome service to resume

Taiwanese carrier China Airlines will resume **thrice-weekly** flights from Taipei to Rome on **March 26**.

Eva Air

Summer schedule expansion planned

Taiwanese carrier Eva Air will increase frequency on certain routes this summer. Services to Chicago, Los Angeles and San Francisco will gradually return close to pre-pandemic levels at **seven**, **three** and **21** flights per week respectively.

From [May 15](#), Eva Air will also increase service frequency between Taipei and Milan from two to four flights per week.

Hainan Airlines

Strong growth in January passenger numbers

Chinese carrier Hainan Airlines carried nearly 4.32 million passengers in January, up [68%](#) year-over-year. Its passenger load factor jumped by 9.8 points to [80%](#).

Taipei and Bangkok services restarting

Hainan Airlines has resumed [twice-weekly](#) services from Haikou to Bangkok and started [thrice-weekly](#) flights to Phuket from Guangzhou. It will also restart services between Beijing and Taipei from [March 24](#), offering [four weekly](#) flights between the two capitals.

Hong Kong Airlines

Beijing services starting

Hong Kong Airlines will start [four-times weekly](#) service from Hong Kong to Beijing Daxing International airport from [March 15](#).

Juneyao Air

Rome service to resume

Chinese full-service airline Juneyao Air carried 1.5 million passengers in January. This was up [22%](#) year-over-year. On a 10% rise in capacity, the airline's revenue passenger kilometers jumped by 31%, propelling its load factor up 11.6 points to [74%](#).

Shandong Airlines

Losses sharply deeper in 2022

Chinese carrier Shandong Airlines estimated its annual net losses deepened from 2021's CNY1.81 billion to CNY6.2-7.6 billion (US\$918 million-1.13 billion) in 2022. It has blamed the poor performance on the continuation of the pandemic, high oil prices and the depreciation of the renminbi.

Low-cost carriers

Jeju Air

Annual losses reduced in 2022

South Korea's Jeju Air lifted annual sales in 2022 by [157%](#) to W703 billion. It reduced operating losses from W317 billion in 2021 to W178 billion (US\$140.3 million).

Jetstar Japan

Nagoya-Manila service resuming

Jetstar Japan will relaunch flights from Nagoya Chubu airport to Manila from [March 26](#), initially offering a [daily](#) service. It already flies daily to Manila from Tokyo Narita.

Jin Air

Losses reduced in 2022

South Korean carrier Jin Air increased annual sales by 140% in 2022 to W594 billion. It managed to reduce net losses from W133.6 billion to W45 billion.

Peach Aviation

New Taipei service starting

ANA-owned low-cost carrier Peach Aviation will launch [daily](#) flights to Taipei Taoyuan from [March 27](#). And from [August 1](#), it will resume flights from Osaka to Kaohsiung after a break of three and a half years.

Skymark Airlines

Profits return

For the nine-month period ended December 31, 2022, Japanese carrier Skymark increased operating revenues by 75% to ¥62.6 billion. It also rebounded from 2021's ¥11.3 billion loss to record a ¥3.4 billion (US\$25.8 million) operating profit.

Spring Airlines

January load factor improves despite drop in demand

Chinese carrier Spring Airlines carried more than 1.51 million passengers in January. This was [12% less](#) than in the same month in 2022. However, by cutting capacity by 22% while traffic dipped by 6.3%, the airline was able to lift its load factor by 14 points to [85%](#).

T'way Air

Surge in sales helps to reduce losses

Annual sales at South Korean airline T'way Air jumped by [145%](#) year-over-year to W526 billion. The company managed to reduce operating losses by 29% to W105 billion (US\$82.8 million).

The information presented in this report represents the latest view as at February 28, 2022. 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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