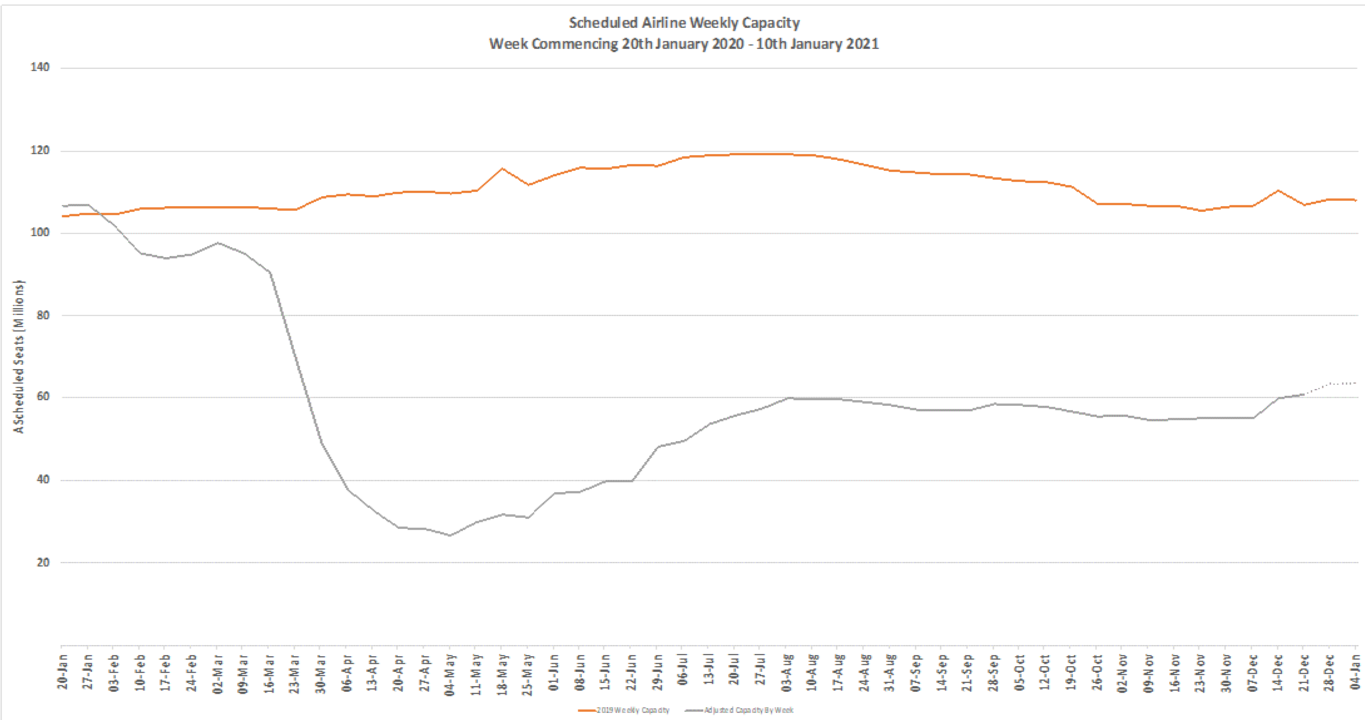
So Nearly Sixty-One Million…But Probably Not for Long

Coronavirus Capacity Update Week Forty-Nine: Nearly breaking through sixty-one million scheduled seats a week mark would seem like great news for the Xmas week, but the emergence of a new Covid-19 variant will already have airline planners dusting down another version of their networks. In the last twenty-four-hours further lockdowns have been announced in the UK, Australian domestic services to Sydney suspended and to date five European countries have suspended all flights from the UK until January; expect others to follow. Happy Xmas everyone!

Incredibly there are still some airlines optimistic for the holiday season as capacity is expected to grow another 1.4 million in the next week. The combination of closures announced in the last day will knock over half a million seats off that number alone. Cumulatively we are now at some 2.6 billion fewer seats than last year of which 1.4 billion are across international markets; a 67% drop over the year. Does anyone remember what a passport looked like?

Chart 1 – Scheduled Airline Capacity by Week Compared to Schedules Filed on 20th January 2020 & Previous Year



Source: OAG

Every week we have seen capacity change across the global regions; this week Eastern & Central Europe takes the prize for the largest percentage growth week on week with some 9.5% more capacity and around 175,000 more seats added. But as we have seen so many times before, one regions growth is another regions loss and this time the loser is Southern Africa with a 9.8% loss of capacity.

Western Europe remains bottom of the pile in terms of the percentage of lost capacity; at 65% below the early year levels the region is likely to see further reductions in the first quarter of 2021 as the new Covid-19 variant takes an unwelcome trip around Europe. Five of the seventeen regions are at less than 50% of their normal capacity; all they want for Xmas are their other seats...

As we head to the year-end North East Asia remains the single largest regional market, domestic capacity is set at 18.2 million which is just 3% below January's level; unfortunately, international capacity is only 11% of pre Covid-19 levels and as we know for most airlines those lucky international passengers are where the profit lies.

Table 1– Scheduled Airline Capacity by Region

Region	20-Jan	07-Dec	14-Dec	21-Dec	% Change Week on Week	% Change V's 20th Jan
Asia : North East Asia	25,178,594	18,914,831	18,751,483	18,939,551	1.0%	-24.8%
North America	22,644,121	11,740,939	13,304,328	13,766,456	3.5%	-39.2%
Europe : Western Europe	18,606,424	4,829,780	6,689,285	6,594,808	-1.4%	-64.6%
Asia : South East Asia	10,866,623	4,907,083	5,254,011	5,312,923	1.1%	-51.1%
Asia : South Asia	5,160,958	3,089,412	3,220,084	3,348,816	4.0%	-35.1%
Middle East	4,930,030	2,083,003	2,103,569	2,130,132	1.3%	-56.8%
Latin America : Lower South America	4,033,676	1,960,198	2,120,456	2,082,933	-1.8%	-48.4%
Europe : Eastern/Central Europe	3,701,241	1,558,096	1,834,109	2,008,504	9.5%	-45.7%
Latin America : Central America	2,444,383	1,535,032	1,725,212	1,768,007	2.5%	-27.7%
Southwest Pacific	2,835,574	1,313,975	1,465,700	1,518,297	3.6%	-46.5%
Latin America : Upper South America	1,737,713	859,018	899,868	899,955	0.0%	-48.2%
Latin America : Caribbean	987,106	490,029	602,489	642,685	6.7%	-34.9%
Africa : North Africa	1,055,486	392,909	460,846	491,029	6.5%	-53.5%
Africa : Eastern Africa	767,645	436,289	455,075	471,491	3.6%	-38.6%
Africa : Central/Western Africa	663,429	388,928	404,984	413,838	2.2%	-37.6%
Africa : Southern Africa	755,348	437,811	458,462	413,510	-9.8%	-45.3%
Asia : Central Asia	344,740	162,098	166,658	170,731	2.4%	-50.5%
Grand Total	106,713,091	55,099,431	59,916,619	60,973,666	1.8%	-42.9%

Source: OAG

No Western European country ranks in the top ten markets with France in twelfth position the highest-ranking country, it is likely that most European countries will fall faster than Arsenal have in recent weeks based on the latest Covid-19 news. China remains the largest country market and that will not change in the next few weeks. During 2021 we should expect the USA to get ever closer to the number one position probably claiming first position in the last quarter of the year.

Table 2- Scheduled Capacity, Top 20 Countries Markets

Row Labels	20-Jan-20	07-Dec-20	14-Dec-20	21-Dec-20	% Change Week on Week	% Change V's 20th Jan
China	16,882,726	15,193,718	15,061,588	14,997,317	-0.4%	-11.2%
USA	20,749,829	11,217,783	12,684,805	13,179,507	3.9%	-36.5%
India	4,255,510	2,636,105	2,755,228	2,868,858	4.1%	-32.6%
Indonesia	3,144,407	2,203,999	2,333,251	2,449,157	5.0%	-22.1%
Japan	4,121,355	2,258,741	2,241,104	2,438,734	8.8%	-40.8%
Brazil	2,842,645	1,616,798	1,758,003	1,721,835	-2.1%	-39.4%
Russian Federation	2,158,058	1,354,894	1,385,866	1,581,472	14.1%	-26.7%
Mexico	1,920,941	1,316,825	1,472,261	1,513,375	2.8%	-21.2%
Australia	2,058,708	901,922	1,042,589	1,089,348	4.5%	-47.1%
Viet Nam	1,564,476	1,020,888	995,939	997,976	0.2%	-36.2%
Thailand	2,097,513	941,743	945,921	965,648	2.1%	-54.0%
France	1,842,023	417,690	793,094	912,950	15.1%	-50.4%
Spain	2,226,308	699,752	934,064	901,904	-3.4%	-59.5%
United Kingdom	2,712,915	603,448	881,365	893,993	1.4%	-67.0%
Turkey	1,924,284	862,968	852,106	859,341	0.8%	-55.3%
Korea Republic of	1,823,750	835,206	810,174	849,922	4.9%	-53.4%
Saudi Arabia	1,344,926	594,566	612,189	613,235	0.2%	-54.4%
Italy	1,775,401	343,006	608,335	610,831	0.4%	-65.6%
United Arab Emirates	1,476,244	546,058	569,236	591,721	4.0%	-59.9%
Canada	1,884,093	514,550	608,318	583,008	-4.2%	-69.1%

Source: OAG

American Airlines has leapt ahead of Delta Air Lines providing a nice seasonal present for their management in part because Atlanta's favourite airline (well the advert says that!) have reduced capacity by some 8.3% offering some 251,000 fewer seats for all of those last-minute travellers rushing to book in the next few days; if only! Four of the top five airlines globally are US based reflecting the fact that there appear far fewer carriers in the country than the more fragmented Chinese market; airline consolidation can as we know make a real difference to a market.

Table 3- Scheduled Capacity Top 10 Airlines

Airline	20-Jan	07-Dec	14-Dec	21-Dec	% Change Week on Week	% Change V's 20th Jan
American Airlines	4,806,847	2,632,079	2,872,472	2,922,313	1.7%	-39.2%
Delta Air Lines	4,532,316	2,863,319	3,034,199	2,783,250	-8.3%	-38.6%
Southwest Airlines	3,788,421	1,936,938	2,388,980	2,669,437	11.7%	-29.5%
China Southern Airlines	2,877,703	2,579,549	2,489,375	2,510,410	0.8%	-12.8%
United Airlines	3,537,983	1,792,416	2,017,054	2,117,066	5.0%	-40.2%
China Eastern Airlines	2,715,809	2,103,344	2,094,833	2,058,124	-1.8%	-24.2%
Air China	1,881,825	1,597,663	1,576,659	1,544,575	-2.0%	-17.9%
IndiGo	1,813,944	1,277,616	1,351,680	1,415,712	4.7%	-22.0%
All Nippon Airways	1,374,456	950,098	951,319	1,052,960	10.7%	-23.4%
Ryanair	2,439,612	422,514	820,827	868,230	5.8%	-64.4%

Source: OAG

The seasonal holiday period is normally one for reflection on what happened in the year and a time to remember lost friends. Sadly, too many airlines have failed and too many professionals had their careers damaged by 2020; there are no happy memories or events this year, just a hope that perhaps things will have changed by June 2021.

There have however been some real heroes this year; the airline scheduling teams that have on a near daily basis adjusted their schedules and tried to keep the world flying and also the OAG team that have brilliantly managed to keep chasing carriers for updates and helping provide the data for analysts around the globe.

We are going to take a break now until the new year; enough is enough even for us! If you are still reading these weekly blogs, then thank you and hopefully you will find something more interesting to do in the coming weeks; eating chocolate, opening gifts or even the washing up would seem a better long-term option. Next year will be better than 2020; it can't be worse can it?

Meanwhile Happy New Year to you all.