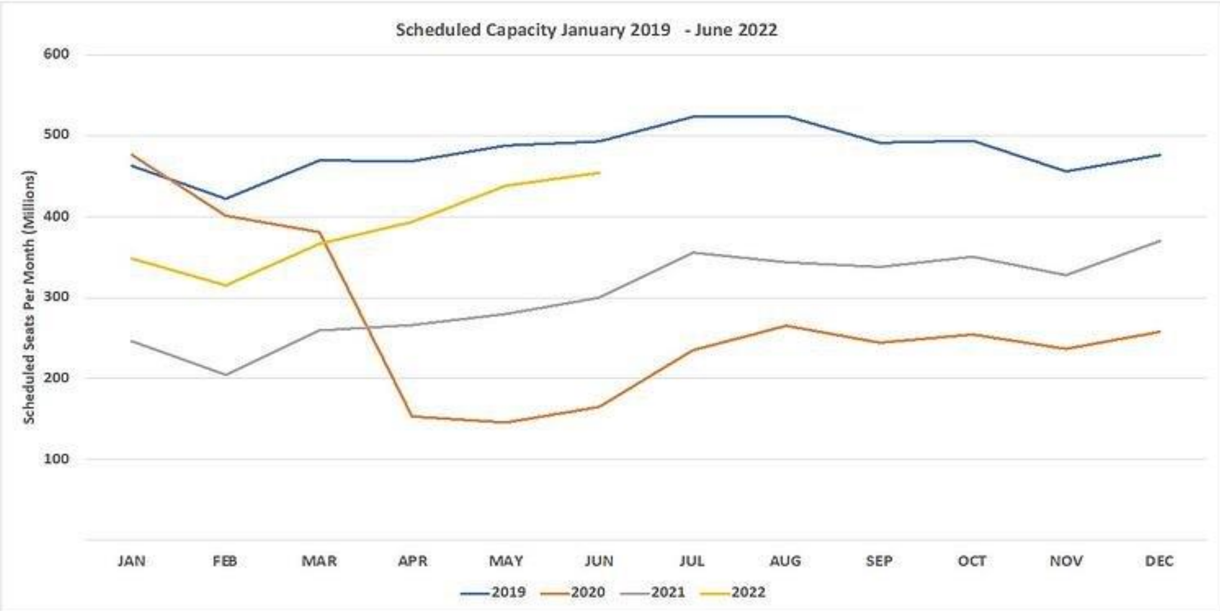
European Airlines Lead First Quarter Recovery: Three Regions Now Above 2019 Capacity Levels

OAG, 04 April 2022

As we finish the first quarter of the year, global capacity has remained above 80 million seats this week despite a further downturn in China, where cities continue to be locked down as the authorities grapple with a few thousand cases of domestic Covid-19.

Last week we saw a significant amount of capacity being removed for the rolling three month forward period as airlines responded to a combination of events, and some carriers eased back on capacity growth with the expectation of squeezing yields higher to combat the increasing costs of oil. Fortunately, this week it seems that, at least in the medium to longer term, airlines are now settling down on capacity changes with another 4.2 million seats added for May and June. April does however remain a bit of a problem, as some six million more seats were removed for the remainder of the month in the last seven days; it may just be that some airlines have realized that there is an Easter Holiday looming! There is no doubt that the 'yellow worm' of 2022 is edging ever closer to the 2019 base, but as for catching up by year end; probably as much chance as Brighton scoring in open play before December.

Chart 1 - Weekly Capacity Changes by Region, Forward Quarter



Source: [OAG]()

Western Europe continues to see very strong growth week on week, which appears to have caught some airports off guard judging by the lengths of security queues. The challenges of operating airports with staff shortages and increasing Covid-19 cases cannot be underestimated. Western Europe is now at around 88% of the 2019 level and with some further growth coming in the next few weeks, it may creep to less than 10% below normal, who would have expected that in the dark days of late January this year?

North East Asia, well China in truth, continues to slip down the rankings with another 1.2 million seats dropped, and the region is now down at only 60% of pre Covid-19 levels, in the good times; the 'Golden Triangle' of traffic between China, Japan and South Korea represented a very large and profitable market; with China closed, those other countries are struggling to recover as well.

As the global market recovers, we are also now seeing some regional markets breakthrough their 2019 levels. South Asia is booming, with India driving the region. Both Central America and Upper South America are also now above par, but in percentage terms all are surpassed by Central/Western Africa, which is now at 19% above 2019. Central/Western Africa has been a strong performer in 2022, consistently close to and above historic levels of capacity with a combination of new airlines building networks in the region; absolute numbers may remain modest compared to other parts of the world, but it's good to see any region growing again.

Table 1 – Scheduled Airline Capacity by Region

Region	25-Mar-19	23-Mar-20	21-Mar-22	28-Mar-22	% Change Week on Week	% Change V's 23rd March 2020	% Change V's W/C 25th March 2019
North America	24,167,378	22,236,625	21,213,186	21,371,868	0.7%	-3.9%	-11.6%
Europe : Western Europe	20,753,932	7,595,264	15,242,272	18,286,292	20.0%	140.8%	-11.9%
Asia : North East Asia	23,047,939	13,782,879	15,131,520	13,946,846	-7.8%	1.2%	-39.5%
Asia : South East Asia	9,825,582	6,177,093	5,463,316	5,676,062	3.9%	-8.1%	-42.2%
Asia : South Asia	4,560,468	4,245,635	4,739,438	4,991,288	5.3%	17.6%	9.4%
Middle East	4,835,318	2,580,466	3,827,566	3,919,134	2.4%	51.9%	-18.9%
Latin America : Lower South America	3,668,518	2,677,617	2,972,888	2,924,237	-1.6%	9.2%	-20.3%
Europe : Eastern/Central Europe	3,717,990	2,176,139	2,535,340	2,500,692	-1.4%	14.9%	-32.7%
Latin America : Central America	2,311,139	2,040,677	2,372,297	2,396,672	1.0%	17.4%	3.7%
Southwest Pacific	2,783,794	2,187,186	1,772,583	1,951,361	10.1%	-10.8%	-29.9%
Latin America : Upper South America	1,607,404	1,011,930	1,785,223	1,646,430	-7.8%	62.7%	2.4%
Africa : North Africa	1,003,719	324,464	872,019	879,262	0.8%	171.0%	-12.4%
Latin America : Caribbean	1,003,515	792,343	828,608	824,295	-0.5%	4.0%	-17.9%
Africa : Central/Western Africa	555,402	433,020	635,302	660,133	3.9%	52.4%	18.9%
Africa : Eastern Africa	703,853	489,580	578,793	587,541	1.5%	20.0%	-16.5%
Africa : Southern Africa	800,530	519,899	529,930	561,788	6.0%	8.1%	-29.8%
Asia : Central Asia	356,109	129,181	299,458	277,185	-7.4%	114.6%	-22.2%
Grand Total	**105,702,590**	**69,399,998**	**80,799,739**	**83,401,086**	**3.2%**	**20.2%**	**-21.1%**

Source: OAG

At this point, rather than repeat the usual top 20 country markets, which are always interesting but equally change little from week to week, we have looked at the top twenty fastest recoveries by country market since January 2022. To avoid a small Island topping the table, we have applied a qualifying criteria to the market sizes, so apologies in advance to places such as Equatorial Guinea, Eswatini and the Cook Islands.

The top 20 list is dominated by European countries, with a combination of nearly all lockdown restrictions being removed and the change to Summer programs from most airlines accounting for some quite considerable improvements. The United Kingdom has seen the largest recovery in percentage terms (+41%) in Europe but not far behind are Greece and Portugal.

Vietnam is however the country with the largest capacity recovery over the last three months, with a 53% improvement and some 1.1 million seats being operated. It is also good to see Singapore also reopening, not least because I am on a flight there at the moment, with a 38% recovery in the last twelve weeks things are certainly improving for the market and connecting traffic is once again rebuilding through the airport.

There are unfortunately still some eighty-six country markets where capacity has declined compared to the first full week of January for different reasons. China currently stands at minus 37% and Hong Kong at minus 36%; in Hong Kong there are apparently plans to reduce the requirements for quarantine on arrival from three to two weeks; that will make a huge difference to the attraction of the destination, not! If, just if, Chinese capacity was this week at the same levels as in January, then we would be looking at a global capacity position of close to 86 million seats a week…sadly 'ifs' and 'buts' count for nothing.

Table 2 - Scheduled Capacity, Top 20 Country Growth Markets, W/C 3rd January V's W/C 4th April

Country	01-Apr-19	03-Jan-22	28-Mar-22	04-Apr-22	% Change Week on Week	% Change V's 1st April 2019	% Change V's W/C 3rd January 2022
Viet Nam	1,333,176	719,408	1,064,225	1,101,766	3.5%	-17.4%	53.1%
United Kingdom	3,459,606	1,996,748	2,721,243	2,812,657	3.4%	-18.7%	40.9%
Singapore	806,767	238,505	324,869	329,392	1.4%	-59.2%	38.1%
Greece	473,497	358,071	441,811	488,099	10.5%	3.1%	36.3%
Philippines	1,141,496	519,431	688,299	699,460	1.6%	-38.7%	34.7%
Portugal	694,479	509,243	660,069	684,032	3.6%	-1.5%	34.3%
Denmark	474,945	276,719	343,491	369,640	7.6%	-22.2%	33.6%
Germany	3,087,419	1,574,005	1,956,446	2,100,926	7.4%	-32.0%	33.5%
France	2,311,941	1,406,160	1,775,932	1,857,572	4.6%	-19.7%	32.1%
Norway	823,128	570,408	728,734	748,098	2.7%	-9.1%	31.2%
Spain	3,034,055	2,238,667	2,707,842	2,923,446	8.0%	-3.6%	30.6%
Ireland Republic of	446,635	323,788	416,351	420,796	1.1%	-5.8%	30.0%
Belgium	424,773	279,792	340,640	356,218	4.6%	-16.1%	27.3%
South Africa	590,314	355,582	442,774	444,722	0.4%	-24.7%	25.1%
Sweden	636,412	335,512	409,310	417,012	1.9%	-34.5%	24.3%
Italy	2,272,641	1,698,743	2,006,463	2,084,818	3.9%	-8.3%	22.7%
Switzerland	748,076	490,615	565,908	579,073	2.3%	-22.6%	18.0%
Thailand	1,974,114	791,665	859,776	918,029	6.8%	-53.5%	16.0%
Austria	452,072	275,663	304,292	317,110	4.2%	-29.9%	15.0%
Australia	2,053,883	1,480,054	1,541,249	1,676,061	8.7%	-18.4%	13.2%

Source: OAG

Looking at the scheduled airline data in the same way as country markets then, EasyJet are the standout winner in terms of capacity recovery, although some of their low-cost competitors would argue that they were slow off the mark at the beginning of the year. Nevertheless, almost doubling capacity in twelve weeks is no mean feat, especially when going from one million to nearly two million seats a week; they just don't all have to fly over my house please! British Airways are in second place in the recovery chart, although again they were notably slow in restarting services as they waited for their IT systems to boot up, again, and again and again it seems.

Looking at week on week capacity growth amongst the list of top twenty, then Vueling are the standout performer with a 28% increase in capacity across their network, which in essence is all their growth since January, all in one week! Five airlines in the list are now operating more capacity than in the same week in 2019, Ryanair have been ahead of the curve for some time and are now joined by others including JetBlue and Spirit.

Table 3 – Top 20 Scheduled Airlines

Airline	01-Apr-19	03-Jan-22	28-Mar-22	04-Apr-22	% Change Week on Week	% Change V's 1st April 2019	% Change V's W/C 3rd January 2022
Easyjet	2,157,178	1,073,348	1,971,651	1,983,761	0.6%	-8.0%	84.8%
British Airways	1,243,308	740,933	940,937	1,006,254	6.9%	-19.1%	35.8%
Vueling Airlines	805,066	603,088	603,206	773,752	28.3%	-3.9%	28.3%
Deutsche Lufthansa AG	1,835,966	999,512	1,193,233	1,281,688	7.4%	-30.2%	28.2%
Ryanair	3,139,479	2,820,951	3,567,114	3,580,785	0.4%	14.1%	26.9%
Iberia	615,019	512,256	598,640	616,416	3.0%	0.2%	20.3%
Southwest Airlines	4,269,351	3,382,947	3,833,936	3,827,435	-0.2%	-10.4%	13.1%
Avianca	693,083	534,910	600,208	605,118	0.8%	-12.7%	13.1%
JetBlue Airways Corporation	1,032,682	959,895	1,020,775	1,064,452	4.3%	3.1%	10.9%
Alaska Airlines	1,101,176	951,630	1,046,384	1,049,951	0.3%	-4.7%	10.3%
Emirates	1,469,316	913,986	1,014,237	995,071	-1.9%	-32.3%	8.9%
Air France	1,134,518	851,871	909,425	918,568	1.0%	-19.0%	7.8%
Delta Air Lines	4,696,142	3,801,114	4,086,046	4,055,773	-0.7%	-13.6%	6.7%
Spirit Airlines	805,436	893,335	946,114	948,037	0.2%	17.7%	6.1%
Spring Airlines	472,140	636,840	675,000	675,000	0.0%	43.0%	6.0%
Turkish Airlines	1,530,581	1,470,543	1,571,031	1,555,743	-1.0%	1.6%	5.8%
Qatar Airways	937,064	743,893	782,960	779,319	-0.5%	-16.8%	4.8%
Lion Air	725,968	798,811	837,144	828,179	-1.1%	14.1%	3.7%
United Airlines	3,861,967	3,234,616	3,285,598	3,308,978	0.7%	-14.3%	2.3%
KLM-Royal Dutch Airlines	833.172	650.992	661.870	661.388	-0.1%	-20.6%	1.6%

Source: OAG

The airline industry is definitely in recovery mode in most parts of the world as witnessed by a combination of security queues, more capacity, new routes and intriguingly more and more aviation related conferences all taking place at the same time. The next few weeks should prove to be extremely busy for many airlines, which certainly isn't something we have commented on in the last two years.