



CHINA Aviation Analysis

YE September 2016

Prepared by the Aviation Team
December 2016

CHINA Aviation Analysis

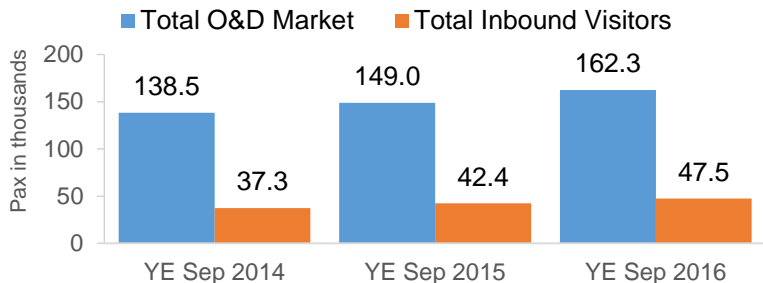
YE September 2016



Overview

China

Total O&D Market for WA vs Inbound Visitors to WA



Source: DIBP

Chinese visitation to WA has grown year-on-year with a CAGR of 13% over the last three years. Growth has been largely due to an increase in visitation for the purpose of holiday.

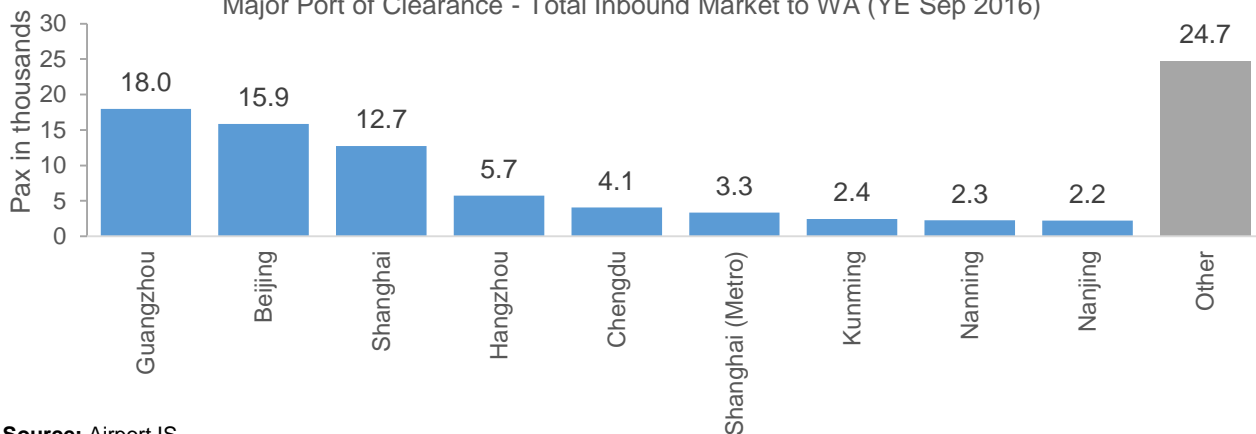
YoY Growth Rates	Total O&D	Inbound Visitors
YE Sep 2015	8%	14%
YE Sep 2016	9%	12%

Major Ports of Clearance

- The majority of inbound traffic to Perth from China originates from 3 major cities: Guangzhou (20%); Beijing (17%) and Shanghai (14%).

China

Major Port of Clearance - Total Inbound Market to WA (YE Sep 2016)



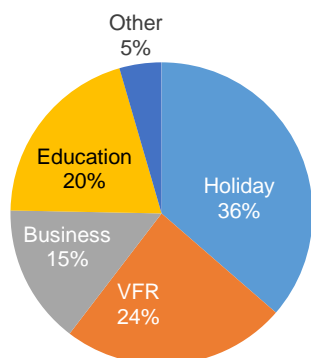
Source: Airport IS

Main Purpose of Visit

- For Chinese inbound visitors to WA, the main purpose of travel is holiday (36%), followed by VFR (24%) and education (20%). Business travel also had a sizeable share (15%).

China

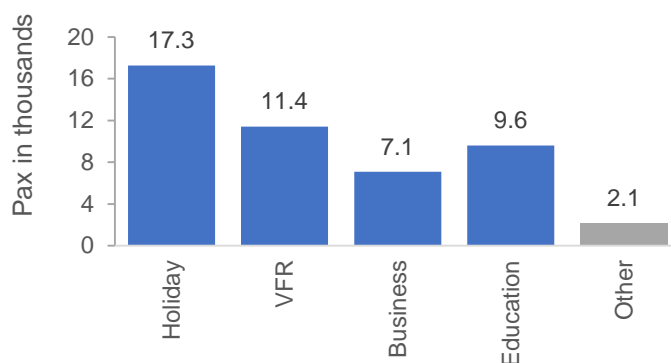
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



Source: DIBP

China

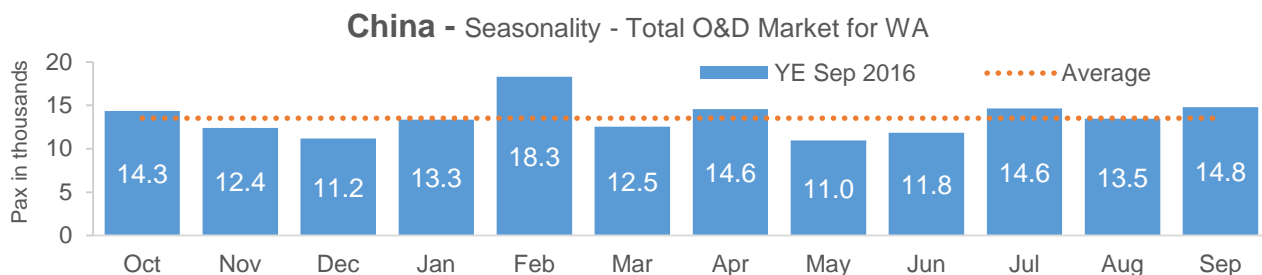
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



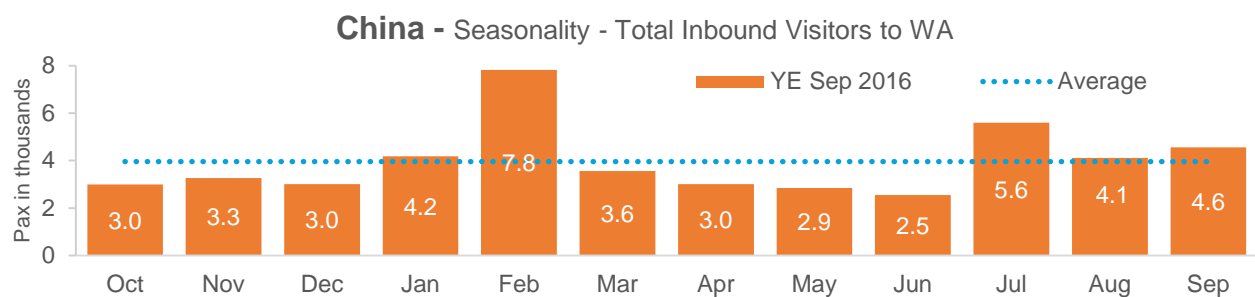
Source: DIBP

Seasonality

- In 2016, Chinese New Year was on 8 February, and as expected February was the peak travel month with 18,300 passengers for the total O&D market and 7,800 Chinese visitors.
- For inbound visitors, this was followed by July 2015 (5,600), supported by additional capacity and promotional sales activity from China Southern when it commenced its fourth weekly service from Guangzhou to Perth.



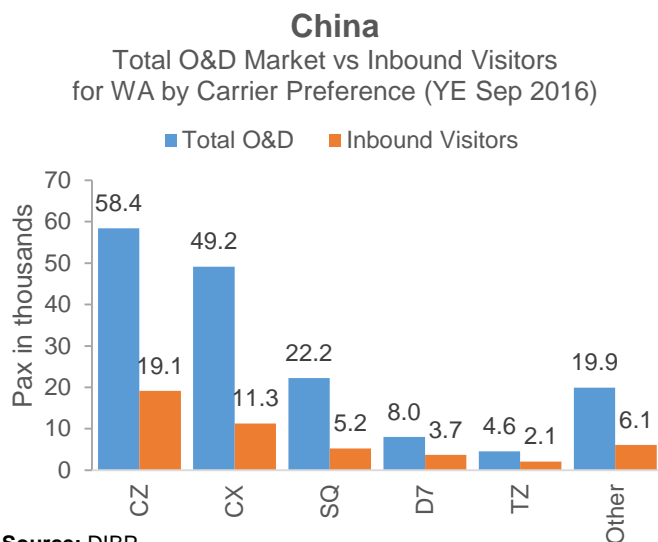
Source: DIBP



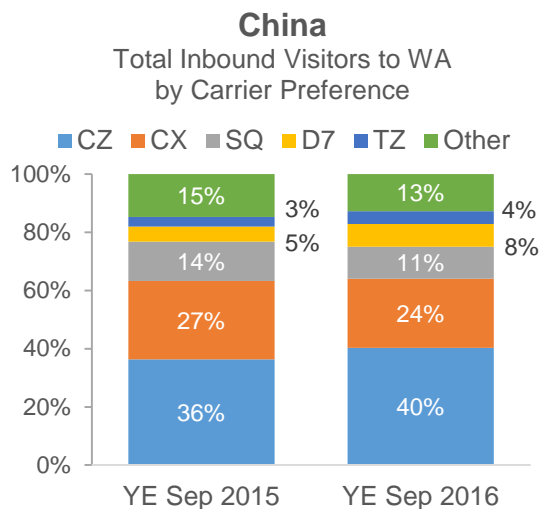
Source: DIBP

Preferred Carriers

- In YE September 2016, China Southern maintained their position as the preferred carrier for total O&D traffic between China and WA and grew their passenger traffic by 22%. Again, this can in part be attributed to the increase to four flights per week from mid-July 2015 as well as the improved product with the launch of the Boeing 787 Dreamliner from February 2015.
- Although Cathay Pacific has lost market share in the China market, the airline continues to achieve high load factors on its services of 85% and above, and shows only a slight decline in total O&D passenger numbers (-0.7%).



Source: DIBP

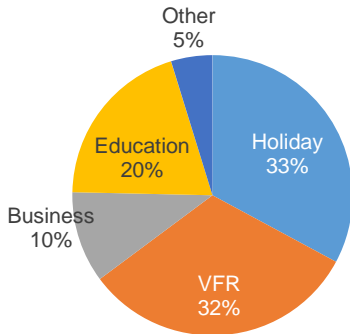


Source: DIBP

Seasonality and Purpose of Travel Detail for Preferred Carriers

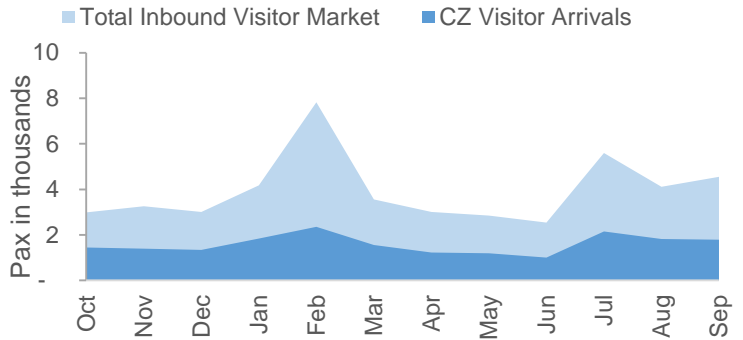
China Southern

China – CZ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

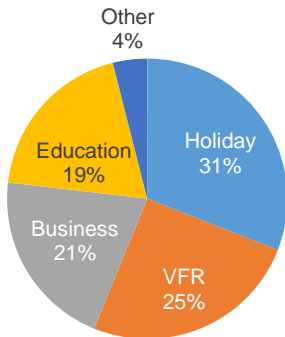
China - Total Market vs CZ
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016

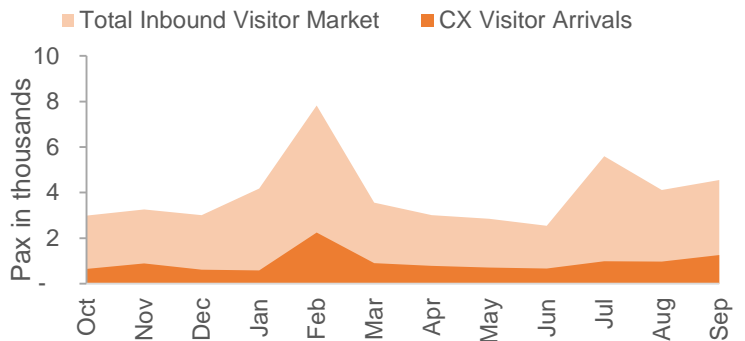
Cathay Pacific

China - CX
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

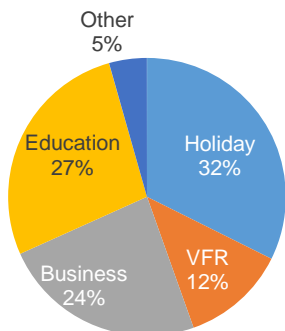
China - Total Market vs CX
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016

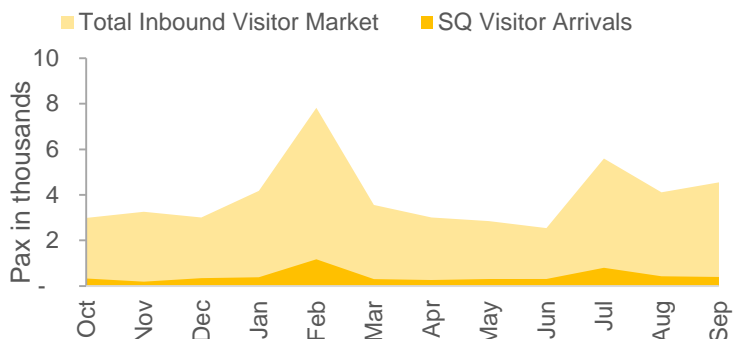
Singapore Airlines

China - SQ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

China - Total Market vs SQ
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016



HONG KONG Aviation Analysis

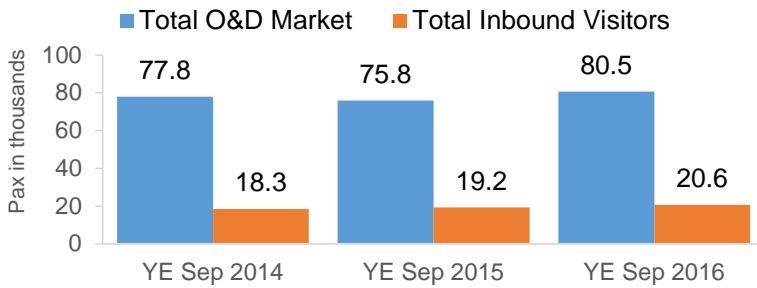
YE September 2016

Prepared by the Aviation Team
December 2016

Overview

Hong Kong

Total O&D Market for WA vs Inbound Visitors to WA



Source: DIBP

Hong Kong visitation to WA has been growing year-on-year with a CAGR of 6% over the last three years.

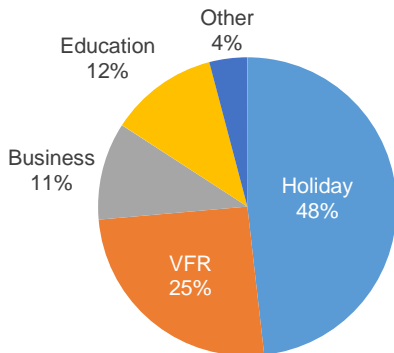
YoY Growth Rates	Total O&D	Inbound Visitors
YE Sep 2015	-3%	5%
YE Sep 2016	6%	7%

Main Purpose of Visit

- Approximately half of inbound visitors from Hong Kong travelled to WA for the main purpose of holiday (48%), while a quarter for VFR (25%).

Hong Kong

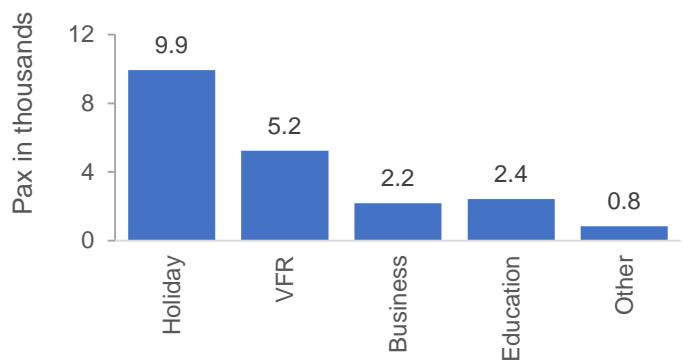
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



Source: DIBP, YE Sep 2016

Hong Kong

Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)

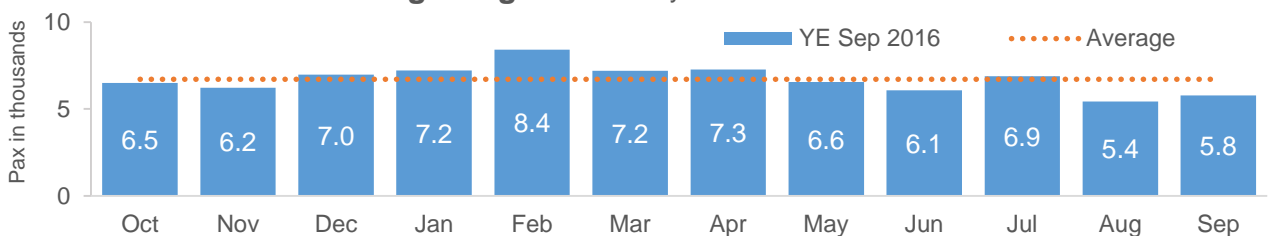


Source: DIBP, YE Sep 2016

Seasonality

- For the total O&D market, peak travel months were December 2015 to April 2016, ranging between 7,000 and 8,400 passengers.
- Looking at the inbound visitor segment, February 2016 was the peak travel month (2,900), lining up with Chinese New Year holidays.

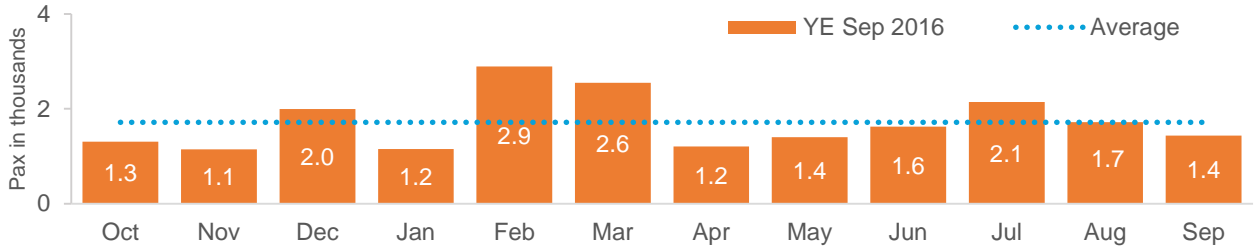
Hong Kong - Seasonality - Total O&D Market for WA



Source: DIBP, YE Sep 2016

Seasonality

Hong Kong - Seasonality - Total Inbound Visitors to WA



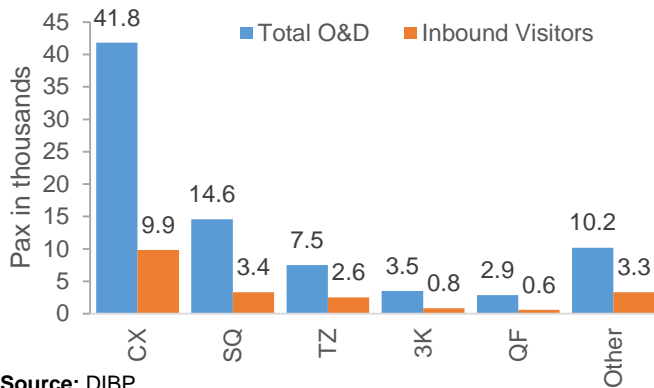
Source: DIBP, YE Sep 2016

Preferred Carriers

- Cathay Pacific was the lead carrier for both total O&D and inbound visitor markets to WA.
- Looking at the inbound visitor segment, Cathay Pacific held 50% market share and saw a 3% year-on-year increase in passenger numbers. This was followed by Singapore Airlines with 16% market share and 15% passenger increase.

Hong Kong

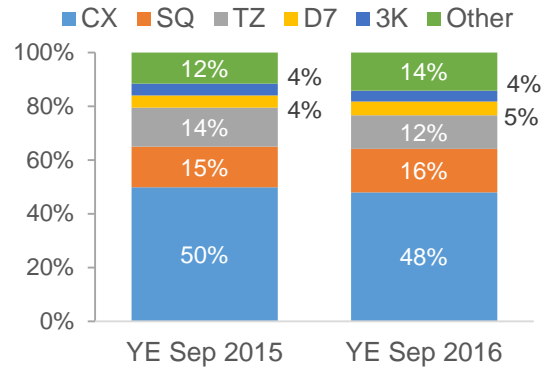
Total O&D Market vs Inbound Visitors for WA by Carrier Preference (YE Sep 2016)



Source: DIBP

Hong Kong

Total Inbound Visitors to WA by Carrier Preference

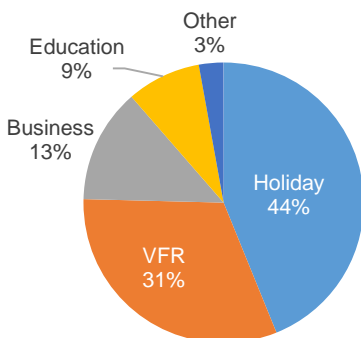


Source: DIBP

Seasonality and Purpose of Travel Detail for Preferred Carriers

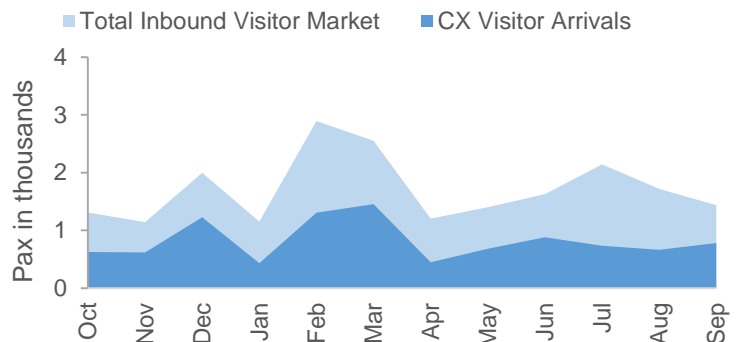
Cathay Pacific

Hong Kong - CX
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Hong Kong - Total Market vs CX
Seasonality for Inbound Visitors to WA

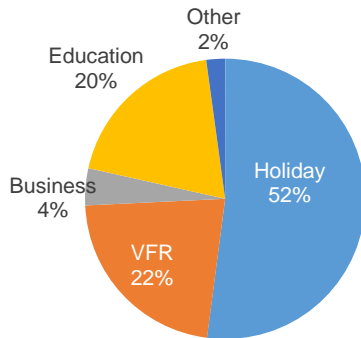


Source: DIBP, YE Sep 2016

Seasonality and Purpose of Travel Detail for Preferred Carriers

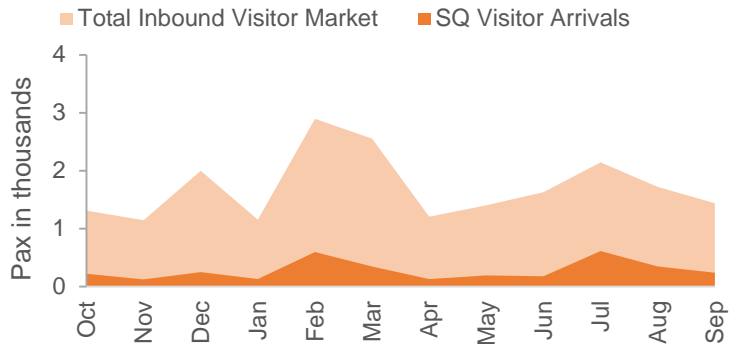
• Singapore Airlines

Hong Kong - SQ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

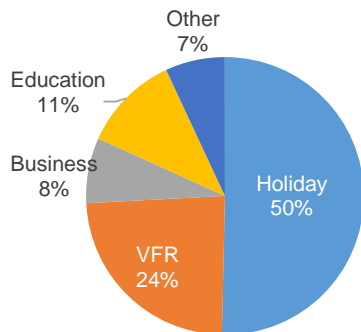
Hong Kong - Total Market vs SQ
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016

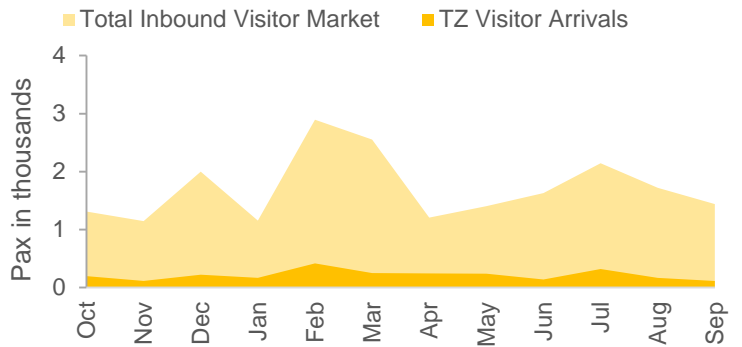
• Scoot

Hong Kong - TZ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Hong Kong - Total Market vs TZ
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016



INDONESIA Aviation Analysis

YE September 2016

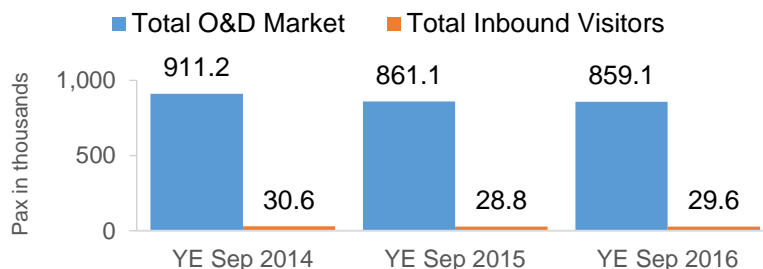
Prepared by the Aviation Team
December 2016

Overview

- The total O&D market is strong as Bali is the leading outbound holiday destination for Australian residents. However, in YE September 2016, total O&D passenger numbers remained steady.
- This can be attributed to the suspension of flying for three months due to the volcanic ash cloud (July, August and November). As they were in close succession it had a potential flow on effect with people pulling back from travel due to the uncertainty.

Indonesia

Total O&D Market for WA vs Inbound Visitors to WA



Source: DIBP

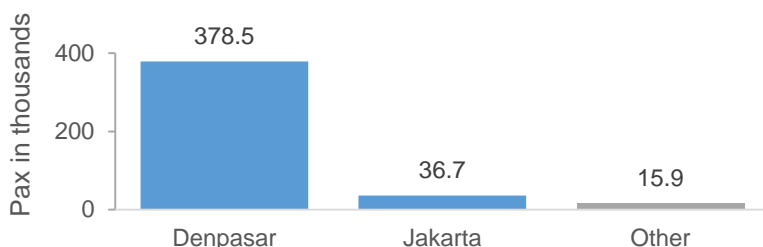
YoY Growth Rates	Total O&D	Inbound Visitors
YE Sep 2015	- 5%	- 6%
YE Sep 2016	0%	3%

Major Ports of Clearance

- The majority of inbound passengers (Australian residents and international visitors) to Perth from Indonesia originated from Denpasar (88%) and Jakarta (9%). This is largely skewed by the amount of capacity to Denpasar per week (approx. 59) compared to Jakarta (4).

Indonesia

Major Port of Clearance - Total Inbound Market to WA (YE Sep 2016)



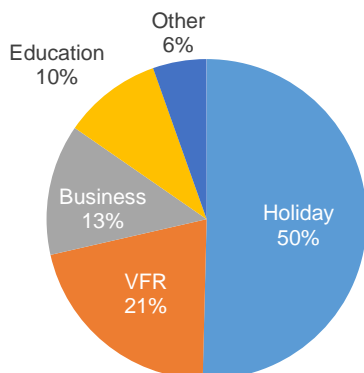
Source: Airport IS, YE Sep 2016

Main Purpose of Visit

- Looking at the inbound visitor segment, half travelled to WA for the main purpose of holiday (50%), followed by VFR (21%). Travel for business (13%) and education (10%) also held sizeable share.

Indonesia

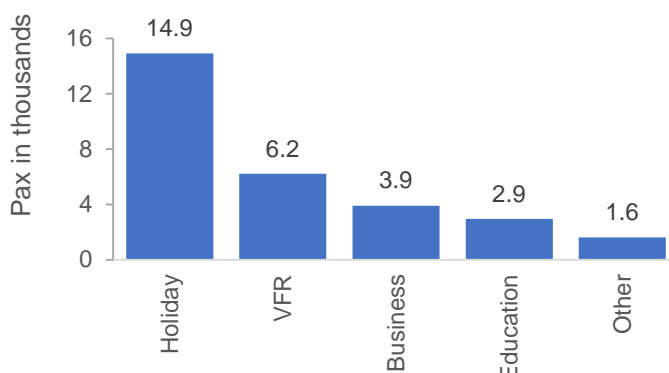
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



Source: DIBP, YE Sep 2016

Indonesia

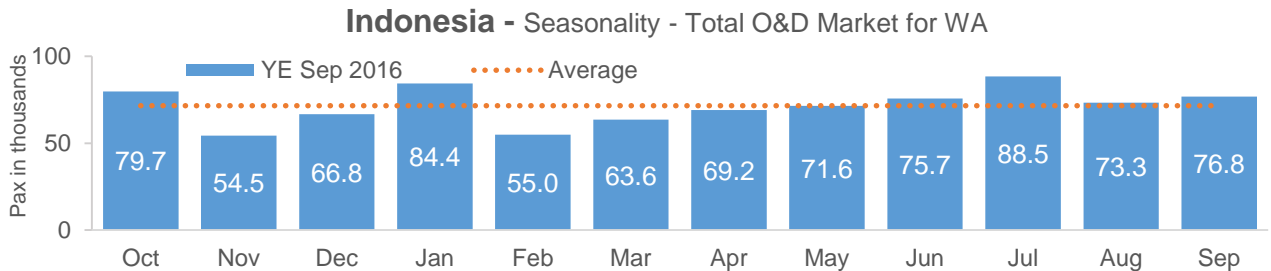
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



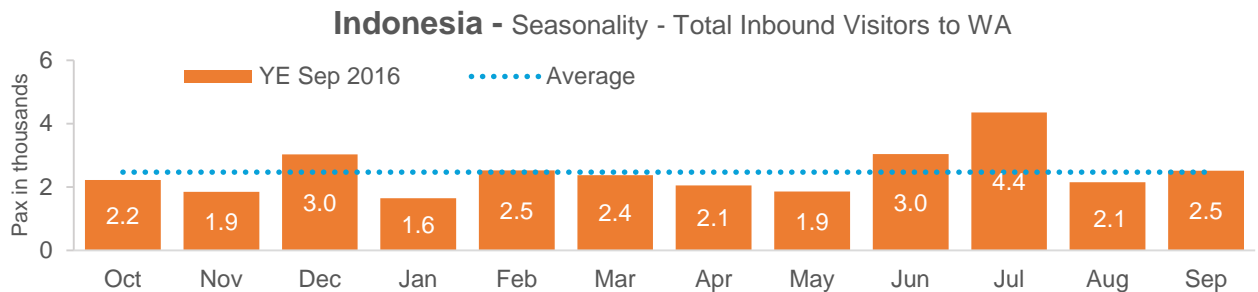
Source: DIBP, YE Sep 2016

Seasonality

- For Indonesia – Perth in YE September 2016, the peak travel months for the total O&D market was July 2016 (88,500). This was followed by January 2016 (84,400) and October 2015 (79,700).
- For Indonesian inbound visitors to WA, the peak travel month was July 2016 (4,400), followed by December 2015 and June 2016 (3,000).



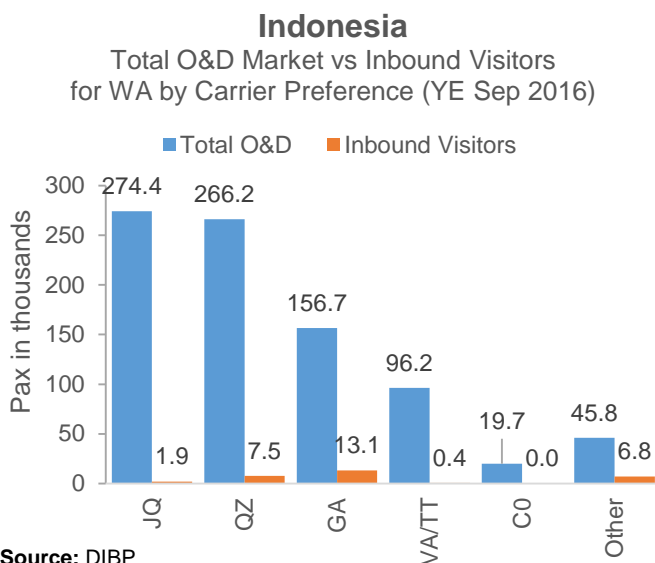
Source: DIBP, YE Sep 2016



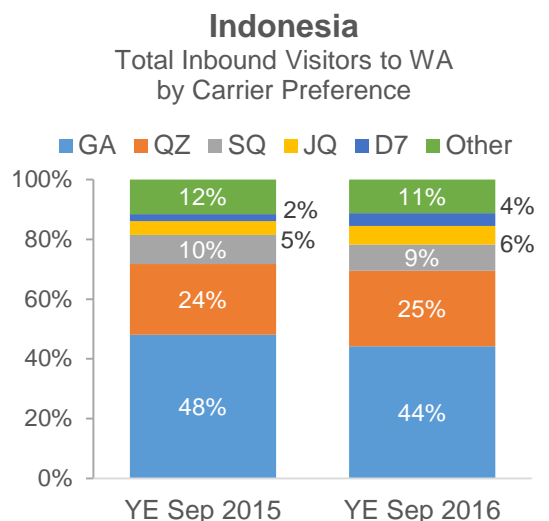
Source: DIBP, YE Sep 2016

Preferred Carriers

- Jetstar (32%) and Indonesia AirAsia (31%) were the leading carriers in YE September 2016. It will be interesting to see how the market evolves with the reallocation of Virgin Australia's capacity to its subsidiary, low-cost carrier Tigerair Australia (commenced 23 March 2016).
- Looking at the inbound visitor segment, Garuda Indonesia was the preferred carrier (44%), followed by Indonesia AirAsia (25%) and Singapore Airlines (9%).



Source: DIBP

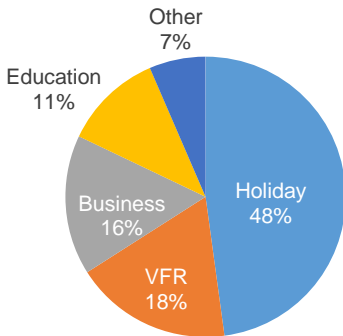


Source: DIBP

Seasonality and Purpose of Travel Detail for Preferred Carriers

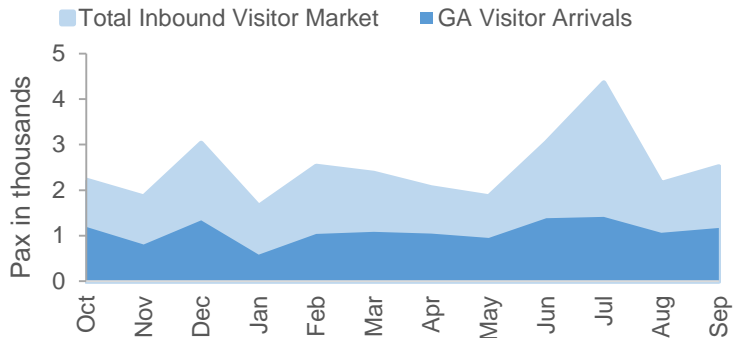
Garuda Indonesia

Indonesia - GA
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

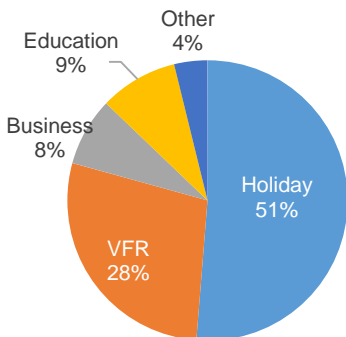
Indonesia - Total Market vs GA
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016

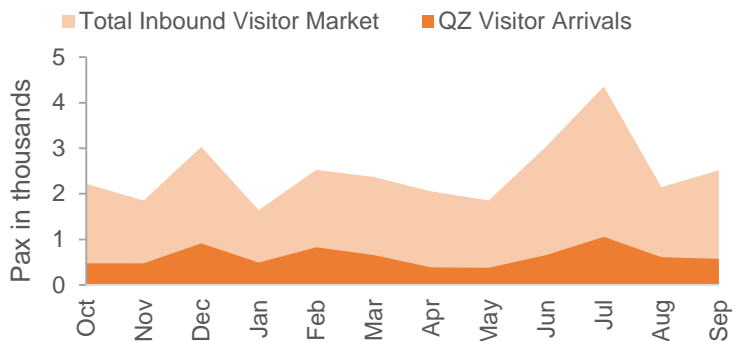
Indonesia AirAsia

Indonesia - QZ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

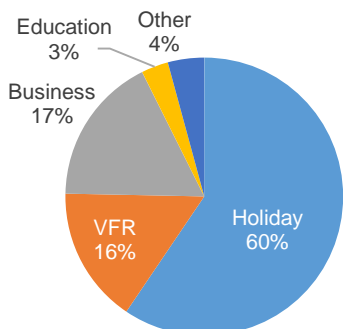
Indonesia - Total Market vs QZ
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016

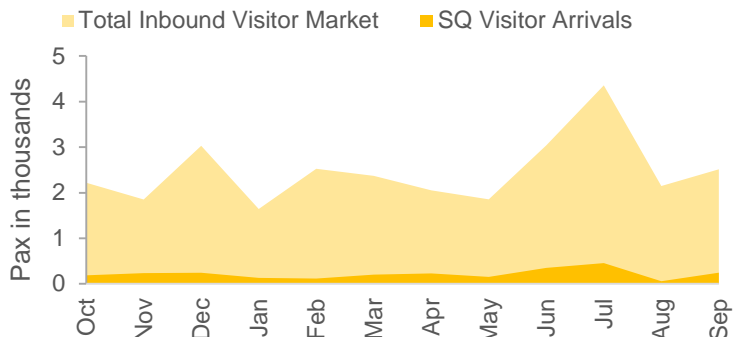
Singapore Airlines

Indonesia - SQ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Indonesia - Total Market vs SQ
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016



JAPAN Aviation Analysis

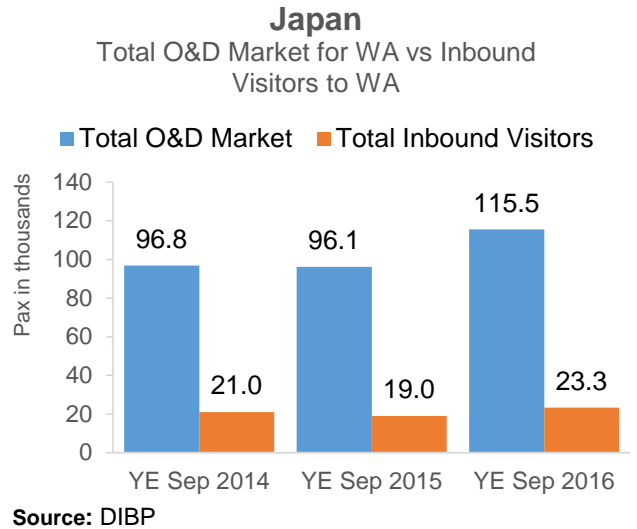
YE September 2016

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December 2016

Overview

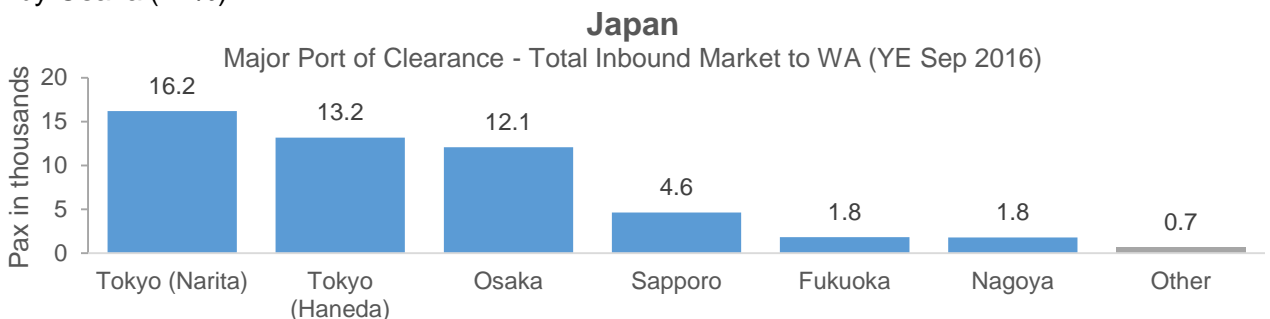
- For the last three years, the total O&D market has been increasing year-on-year, while total inbound visitation has remained stable.
- Japan has become a popular outbound destination for Australian residents in recent years, primarily due to ski and snowboard season.

YoY Growth Rates	Total O&D	Inbound Visitors
YE Sep 2015	- 1%	- 10%
YE Sep 2016	+ 20%	+ 23%



Major Ports of Clearance

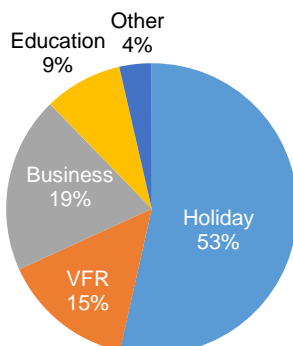
- The majority of inbound passengers (Australian residents and international visitors) to Perth from Japan originated from Tokyo: Narita Airport (32%) and Haneda Airport (26%). This was followed by Osaka (24%).



Main Purpose of Visit

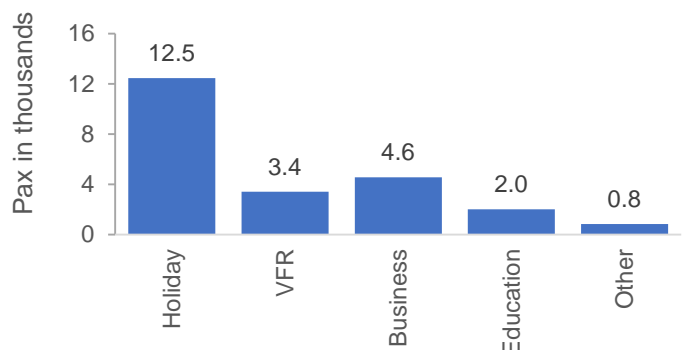
- Looking at the Japanese inbound visitor segment, the majority travelled to WA for leisure purposes – holiday (53%) and VFR (15%). Travel for business (19%) and education (9%) also received sizeable share.

Japan
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



Source: DIBP, YE Sep 2016

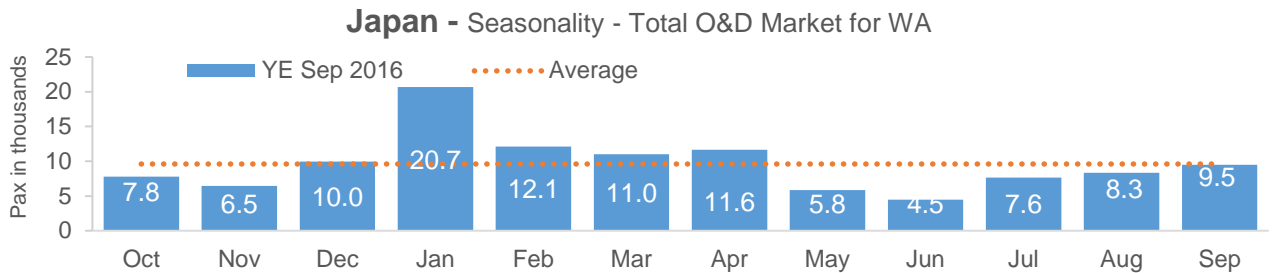
Japan
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



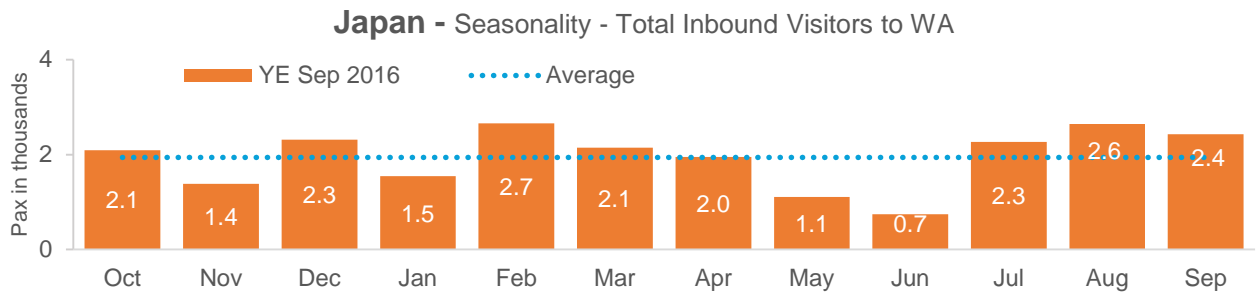
Source: DIBP, YE Sep 2016

Seasonality

- For Japan – Perth in YE September 2016, the peak travel months for the total O&D market were December 2015 to April 2016, with January being the highest at 20,700 passengers. This is potentially driven by Australian residents travelling to Japan for the ski and snowboard season (typically mid to late December until late March or early April).
- The peak travel months for Japanese inbound visitors to WA were February 2016 (2,700), followed by August 2016 (2,600).



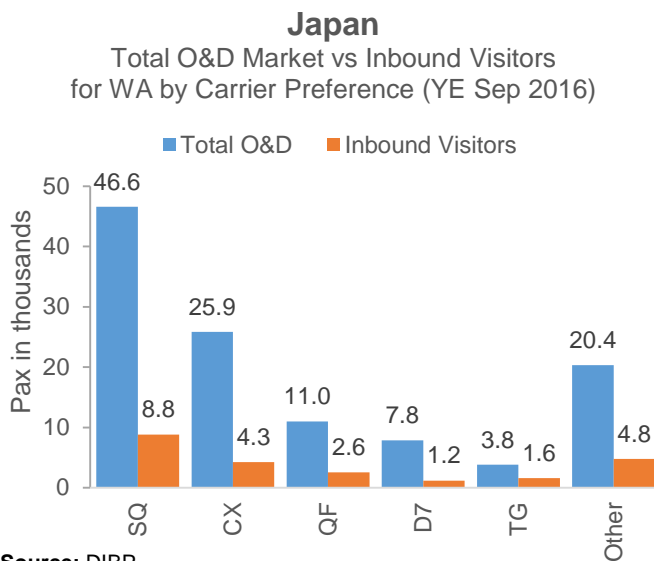
Source: DIBP, YE Sep 2016



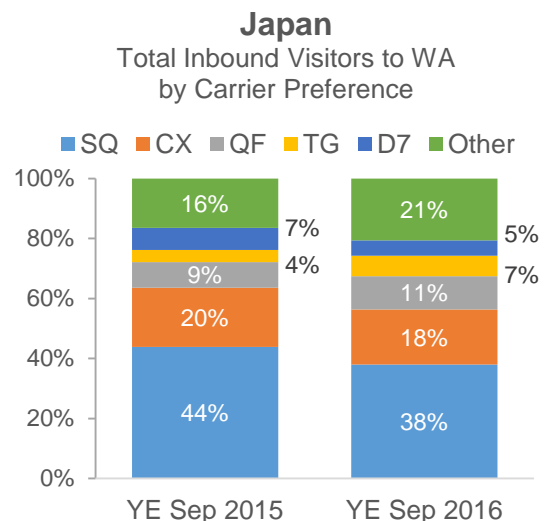
Source: DIBP, YE Sep 2016

Preferred Carriers

- Singapore Airlines was the lead carrier for both the total O&D and inbound visitor market. Looking at the inbound visitor segment, Singapore Airlines and Cathay Pacific experienced a decline in market share despite seeing an overall increase in passenger numbers, while Qantas gained both market share and passenger numbers.



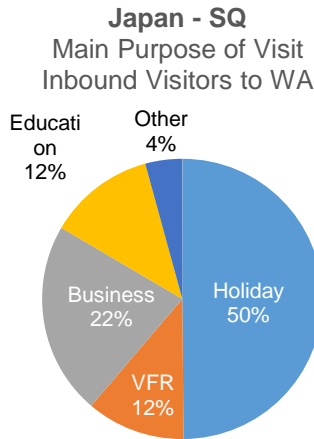
Source: DIBP



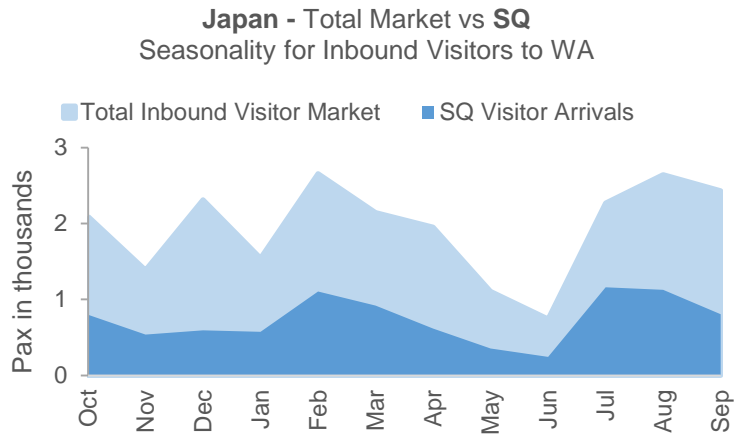
Source: DIBP

Seasonality and Purpose of Travel Detail for Preferred Carriers

• Singapore Airlines

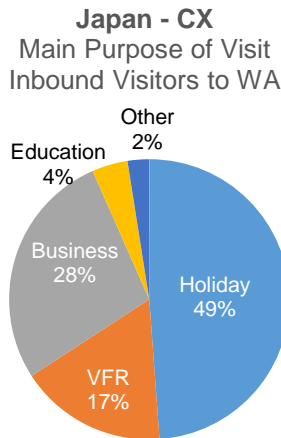


Source: DIBP, YE Sep 2016

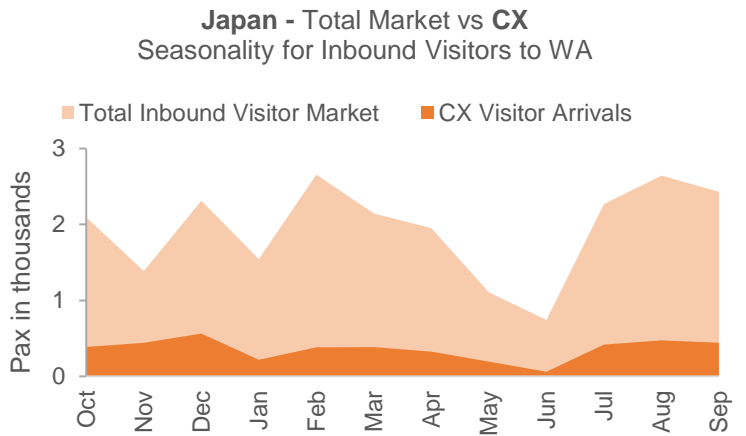


Source: DIBP, YE Sep 2016

• Cathay Pacific

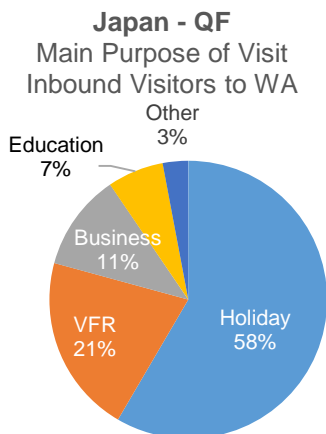


Source: DIBP, YE Sep 2016

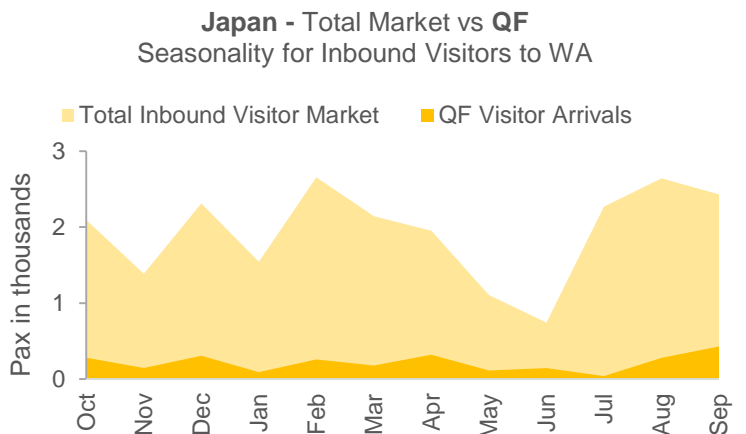


Source: DIBP, YE Sep 2016

• Qantas



Source: DIBP, YE Sep 2016



Source: DIBP, YE Sep 2016



MALAYSIA Aviation Analysis

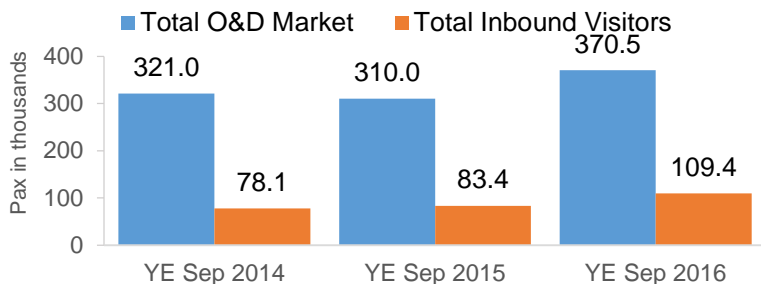
YE September 2016

Prepared by the Aviation Team
December 2016

Overview

Malaysia

Total O&D Market for WA vs Inbound Visitors to WA



Source: DIBP

Both the total O&D and inbound visitor markets experienced growth year-on-year. CAGR for inbound visitation was 18% over the last three years

YoY Growth Rates	Total O&D	Inbound Visitors
YE Sep 2015	- 3%	+ 7%
YE Sep 2016	+ 20%	+ 31%

Major Ports of Clearance

- The majority of inbound passengers (Australian residents and international visitors) to Perth from Malaysia originated from Kuala Lumpur (84%). This was followed by Penang (5%) and Kota Kinabalu (4%).

Malaysia

Major Port of Clearance - Total Inbound Market to WA (YE Sep 2016)



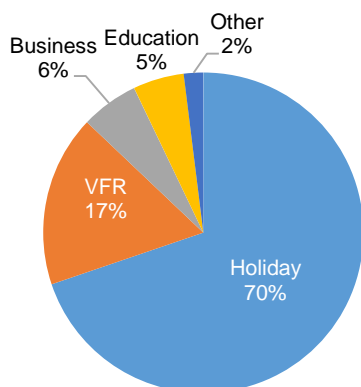
Source: Airport IS, YE Sep 2016

Main Purpose of Visit

- The majority of inbound visitors travelled to WA for leisure purposes – holiday (70%) and VFR (17%). This was followed by travel for business (6%) and education (5%).

Malaysia

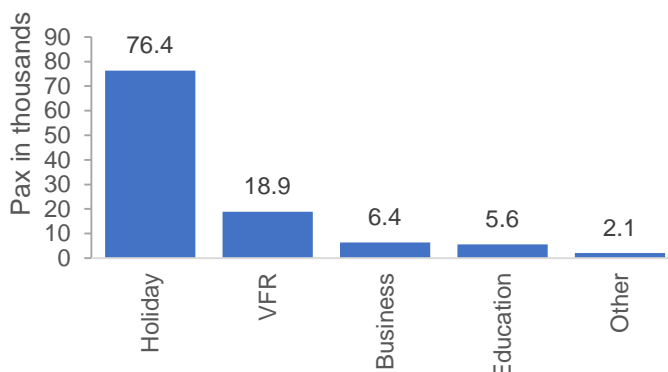
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



Source: DIBP, YE Sep 2016

Malaysia

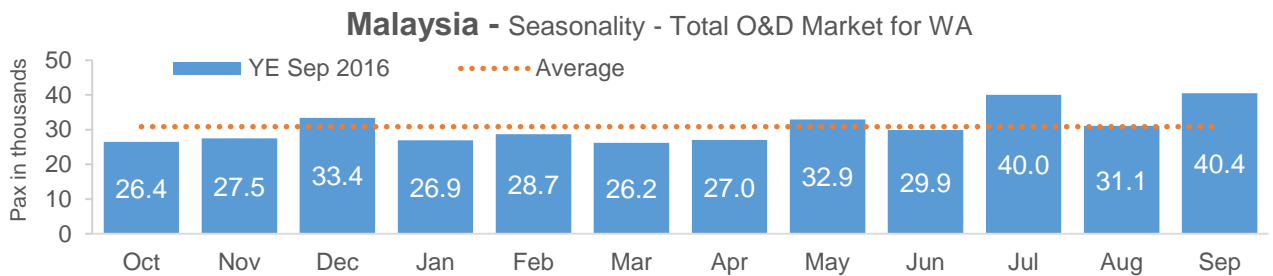
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



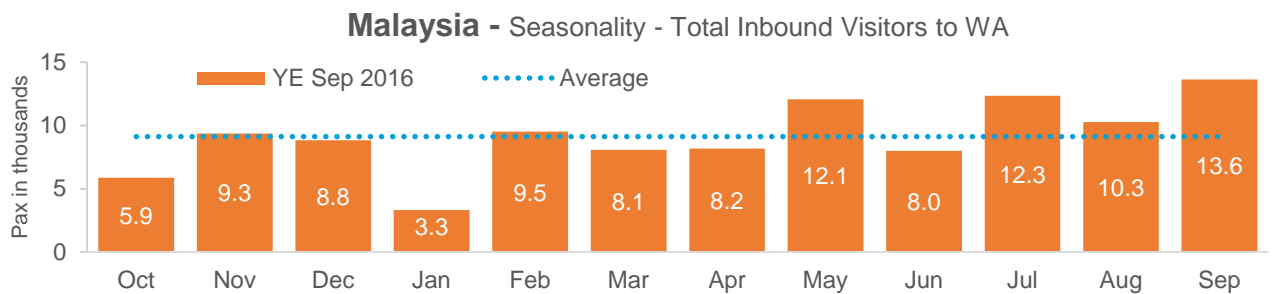
Source: DIBP, YE Sep 2016

Seasonality

- For Malaysia – Perth in YE September 2016, the peak travel months for the total O&D market were December 2015 (33,400), and May 2016 (32,900) to September 2016 (40,400). This aligns with the winter break and Christmas season.
- For YE September 2016, September 2016 was the peak travel month with 13,600 Malaysian visitors to WA, while January 2016 was the weakest performing month with 3,300 visitors.



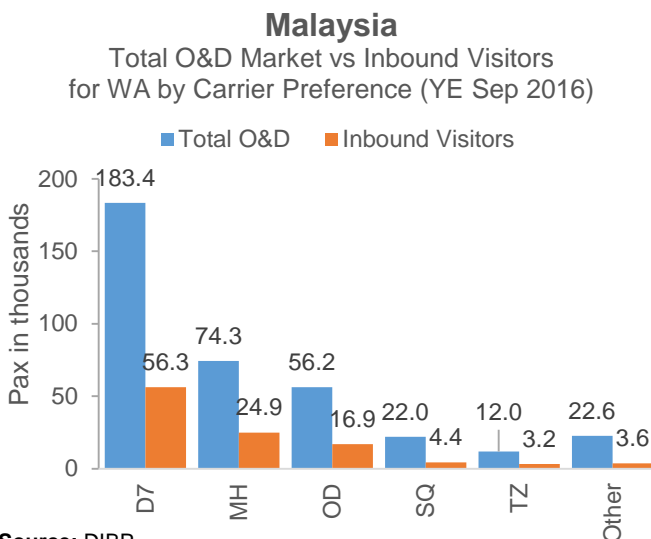
Source: DIBP, YE Sep 2016



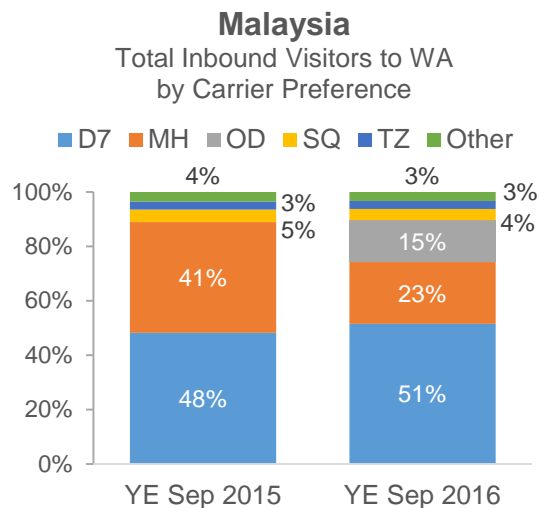
Source: DIBP, YE Sep 2016

Preferred Carriers

- AirAsia X is the lead carrier for both the total O&D and inbound visitor market. Looking at the inbound visitor segment, AirAsia X grew its market share to 51%, while Malaysia Airlines lost market share from 41% in YE September 2015 to 23% in YE September 2016.
- Malindo Air commenced the Kuala Lumpur – Perth route in November 2015, and has captured 15% of the market in eleven months. It will be interesting to follow the airline's performance.



Source: DIBP



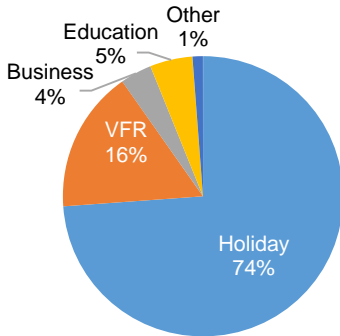
Source: DIBP

Seasonality and Purpose of Travel Detail for Preferred Carriers

AirAsia X

Malaysia - D7

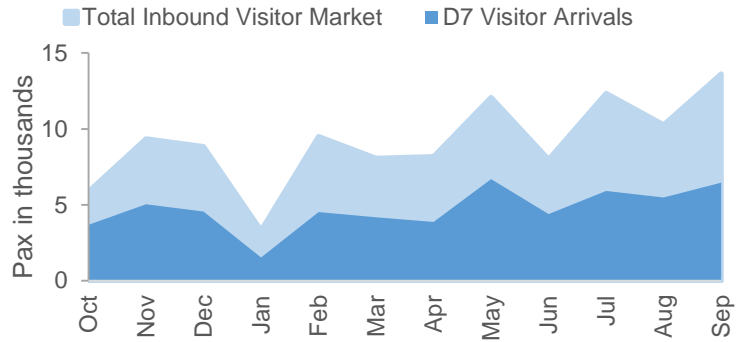
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Malaysia - Total Market vs D7

Seasonality for Inbound Visitors to WA

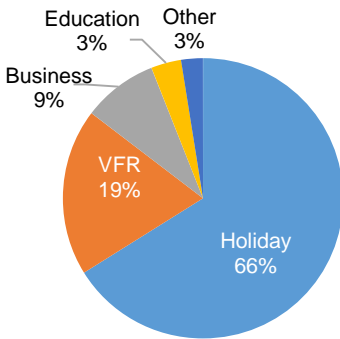


Source: DIBP, YE Sep 2016

Malaysia Airlines

Malaysia - MH

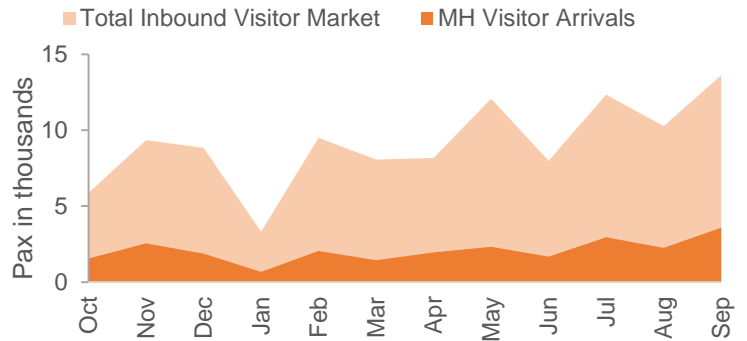
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Malaysia - Total Market vs MH

Seasonality for Inbound Visitors to WA

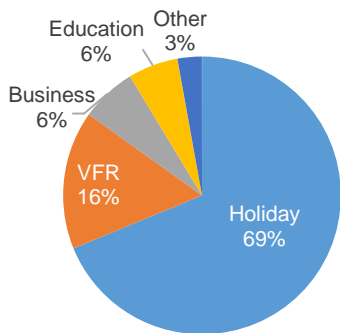


Source: DIBP, YE Sep 2016

Malindo Air

Malaysia - OD

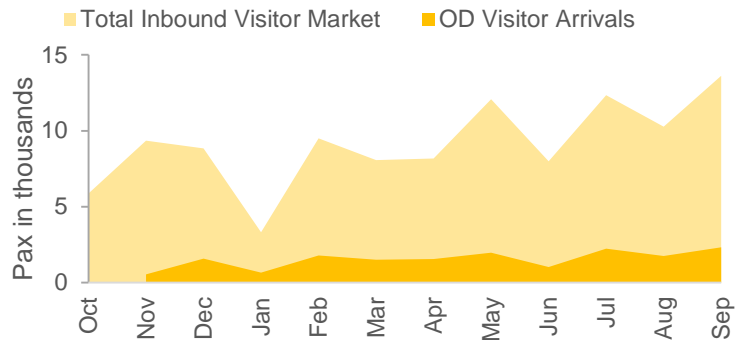
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Malaysia - Total Market vs OD

Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016



SINGAPORE Aviation Analysis

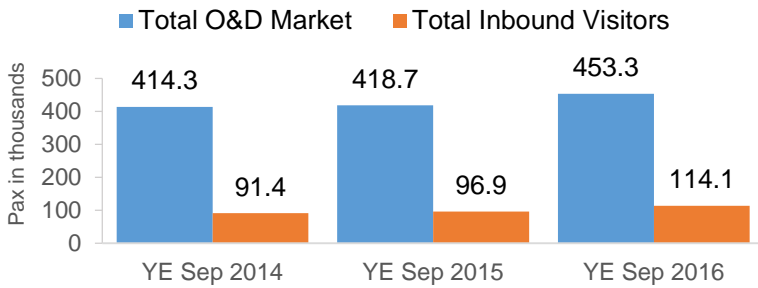
YE September 2016

Prepared by the Aviation Team
December 2016

Overview

Singapore

Total O&D Market for WA vs Inbound Visitors to WA



Source: DIBP

The total O&D and inbound visitor markets for Singapore to WA experienced year-on-year growth. CAGR for inbound visitation was 12% over the last three years

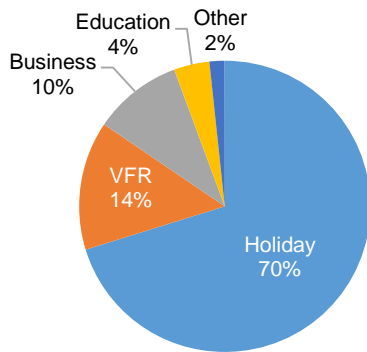
YoY Growth Rates	Total O&D	Inbound Visitors
YE Sep 2015	+ 1%	+ 6%
YE Sep 2016	+ 8%	+ 18%

Main Purpose of Visit

- Looking at the Singapore inbound visitor segment, the majority travelled to WA for leisure purposes – holiday (70%) and VFR (14%).

Singapore

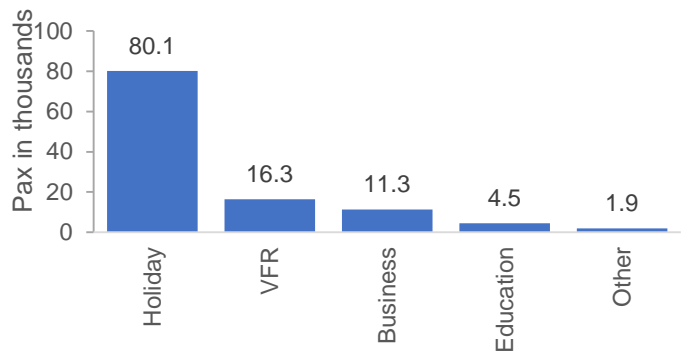
Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)



Source: DIBP, YE Sep 2016

Singapore

Main Purpose of Visit - Inbound Visitors to WA (YE Sep 2016)

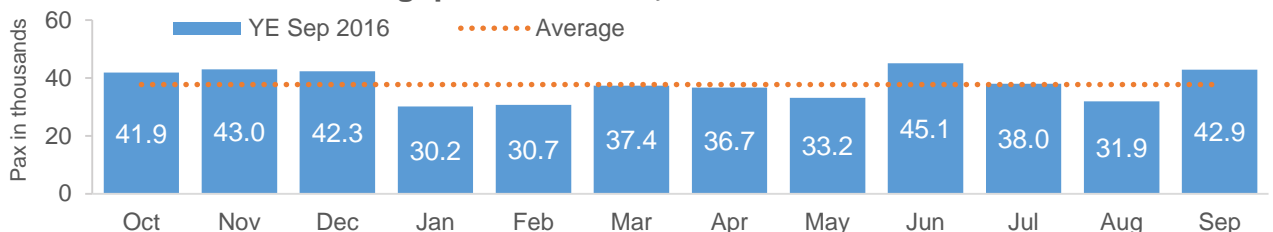


Source: DIBP, YE Sep 2016

Seasonality

- For Singapore – Perth in YE September 2016, the peak travel months for the total O&D market were June 2016 (45,100) and September 2016 (42,900) followed by October to December 2015.
- Looking at the inbound visitor segment, the peak travel months were June 2016 (14,000), September 2016 (11,700) and November to December 2015 (11,600 and 11,400). January 2016 (2,800) was the weakest month for YE September 2016.

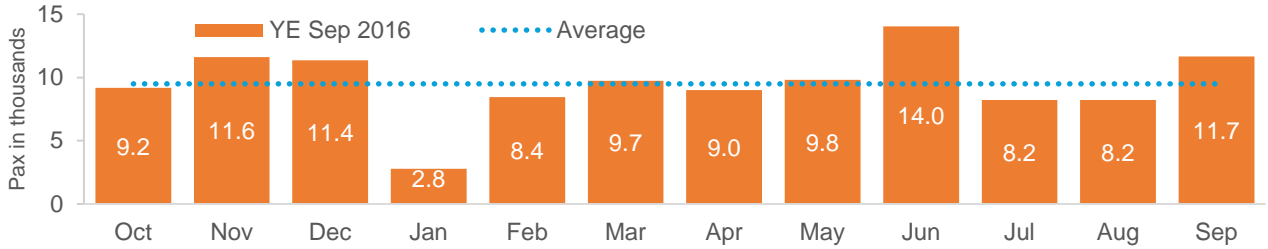
Singapore - Seasonality - Total O&D Market for WA



Source: DIBP, YE Sep 2016

Seasonality

Singapore - Seasonality - Total Inbound Visitors to WA



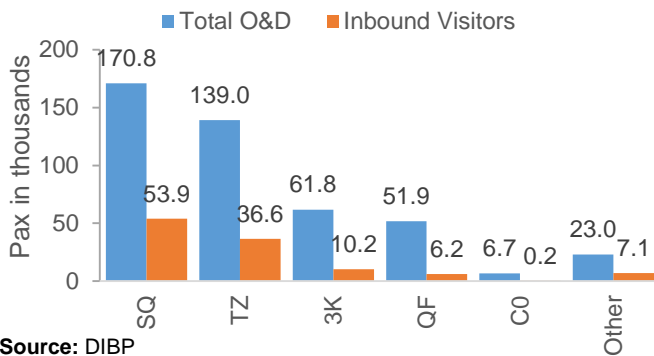
Source: DIBP, YE Sep 2016

Preferred Carriers

- Singapore Airlines was the lead carrier for both the total O&D and inbound visitor market, largely due to its direct Singapore – Perth capacity (28 flights per week).
- Looking at the inbound visitor segment, although Singapore Airlines lost market share in YE September 2016, the airline experienced growth in passenger numbers from 51,200 to 53,900. Scoot, the low-cost subsidiary of Singapore Airlines, has gained market share from 30% in YE September 2015 (29,500) to 32% in YE September 2016 (36,600).

Singapore

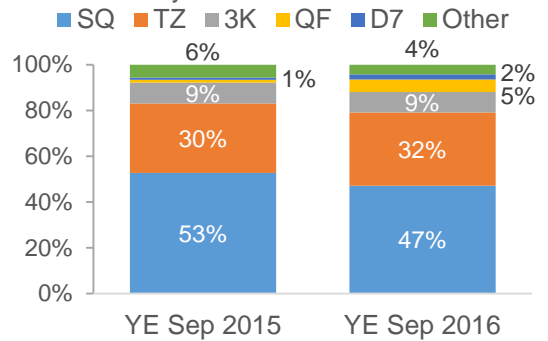
Total O&D Market vs Inbound Visitors for WA by Carrier Preference (YE Sep 2016)



Source: DIBP

Singapore

Total Inbound Visitors to WA by Carrier Preference

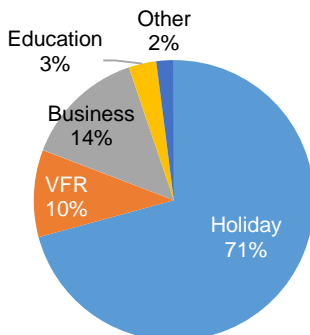


Source: DIBP

Seasonality and Purpose of Travel Detail for Preferred Carriers

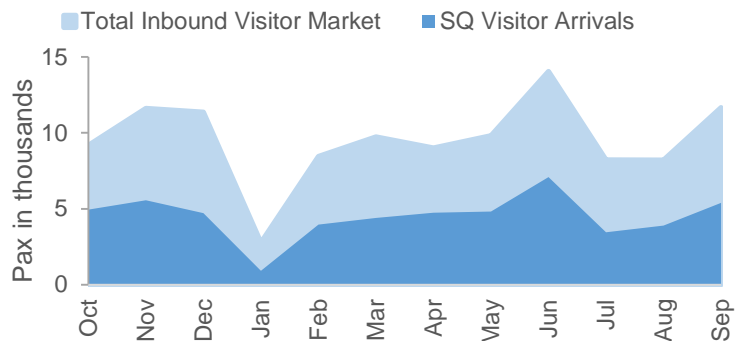
• Singapore Airlines

Singapore - SQ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Singapore - Total Market vs SQ
Seasonality for Inbound Visitors to WA

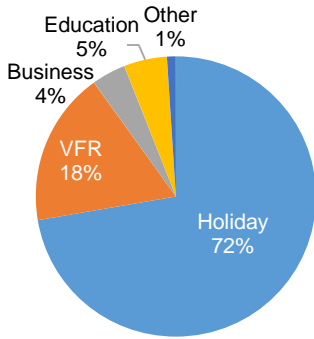


Source: DIBP, YE Sep 2016

Seasonality and Purpose of Travel Detail for Preferred Carriers

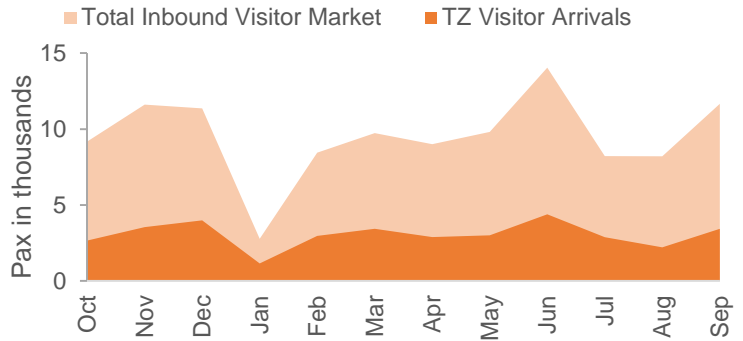
• Scoot

Singapore - TZ
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

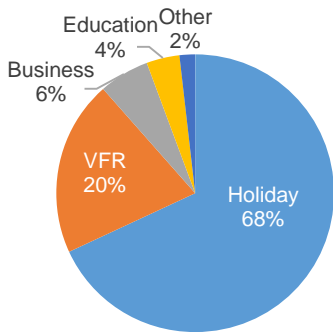
Singapore - Total Market vs TZ
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016

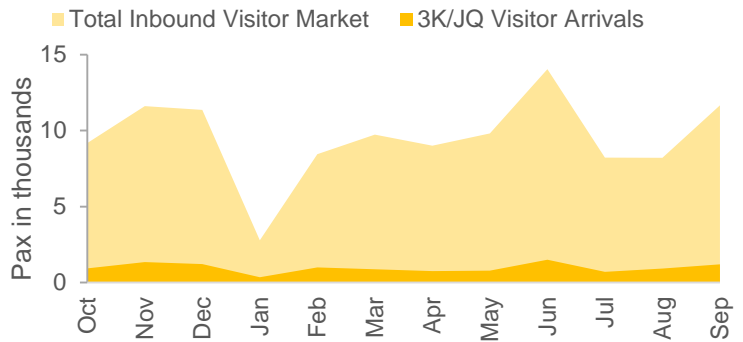
• Jetstar Asia

Singapore - 3K
Main Purpose of Visit
Inbound Visitors to WA



Source: DIBP, YE Sep 2016

Singapore - Total Market vs 3K
Seasonality for Inbound Visitors to WA



Source: DIBP, YE Sep 2016