

Chinese Airline Topples Southwest to Become World's Biggest

Posted on May 5, 2020 by Business Editor



China Eastern Airlines Corp. overtook Southwest Airlines Co. as the world's biggest airline by number of seats after the U.S. carrier grounded many of its flights, according to OAG Aviation Worldwide.

The number of seats available globally slid to 26.6 million this week compared to 109 million the same time last year, despite OAG's earlier hopes that there could be a bottom for the market at around 30 million seats.

"Dramatic cuts are outstripping those small shoots of optimism," OAG analyst John Grant wrote in his weekly blog. "Some 270 airlines added capacity back to the tune of approximately 3.9 million seats; unfortunately, 303 airlines reduced capacity by some 5.6 million including over 1 million fewer seats from Southwest Airlines." The decline has taken a toll on wide-body aircraft, with no flights scheduled for Airbus SE's A380, which Grant described as being on gardening leave. Globally, domestic flights account for more than 82% of all seats, he said.

Northeast Asia remains the largest regional market in the world. Capacity there is up 6% from last week, according to OAG. In China nearly 900,000 seats have been added as travel restrictions are eased and carriers try to stimulate demand with cheap fares.

Shanghai-based China Eastern is one of the country's "Big Three" state-owned carriers, along with China Southern Airlines Co. and Air China Ltd. The trio reported heavy first-quarter losses last week, but capacity additions for the national holidays that end Tuesday have helped fuel hopes for a rebound. Flight analytics company Cirium last week said the green shoots of recovery in China are a "beacon of hope" for the aviation industry.

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