Thai AirAsia CEO Presses Government for More Stimulus

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Bangkok, Thailand - The CEO of Thai AirAsia, Santisuk Klongchaiya, is urging the Thai government to enhance support for domestic tourism and increase Chinese inbound travel, as reported by the Bangkok Post.

Klongchaiya emphasized that passenger travel patterns are normalizing after a record-breaking year in 2023. He suggested that reducing the jet fuel excise tax could incentivize more domestic travel bookings among Thais.

Current Operations and Fleet Thai AirAsia operates flights to 72 airports across 17 countries, utilizing a fleet of 57 aircraft, which includes forty-three A320-200s, eleven A320-200Ns, and three A321-200NX types. According to ch-aviation PRO airlines data, the airline's busiest routes by weekly seat capacity are domestic, comprising over 75% of the total weekly capacity.

Performance and Load Factors The average domestic load factor in Q2 2024 was 90%, down from 94% in Q2 2023 and 96% in Q1 2024. Klongchaiya attributed the decline to the diminishing pent-up travel demand following the pandemic. The Thai government's jet fuel excise tax, currently at THB4.726 (USD0.13) per litre, is a potential barrier to stimulating travel, according to Klongchaiya.

Expansion Plans Despite these challenges, Thai AirAsia plans to launch a new route between Bangkok Don Mueang and Lampang in October, marking its 25th domestic destination. This addition will increase the number of weekly domestic flights to 612 across 35 routes.

International Travel and Future Routes International flights saw an average passenger load factor of 90% in Q2 2024, consistent with Q1 2024 and up from 83% in Q2 2023. However, inbound demand from China remains weak, and Klongchaiya anticipates that Thailand will fall short of its target of eight million Chinese tourists for the year.

"Reaching six to seven million Chinese tourists is more realistic," Klongchaiya stated. "Stimulus measures are necessary to boost demand, especially with the Chinese government actively promoting domestic tourism."

Thai AirAsia is also planning to introduce flights to Phu Quoc, Hyderabad International, and Kathmandu in the latter half of 2024.

Sources: AirGuide Business airguide.info, bing.com, ch-aviation.com