

InterVISTAS

AVIATION TRANSPORTATION TOURISM



JITI Aviation Seminar

InterVISTAS Consulting Inc.

Washington, D.C.

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Primary TransPacific Planes in the 40s



Aircraft Range Drove Routing Decisions

1947 Great Circle Route Pioneered by Northwest

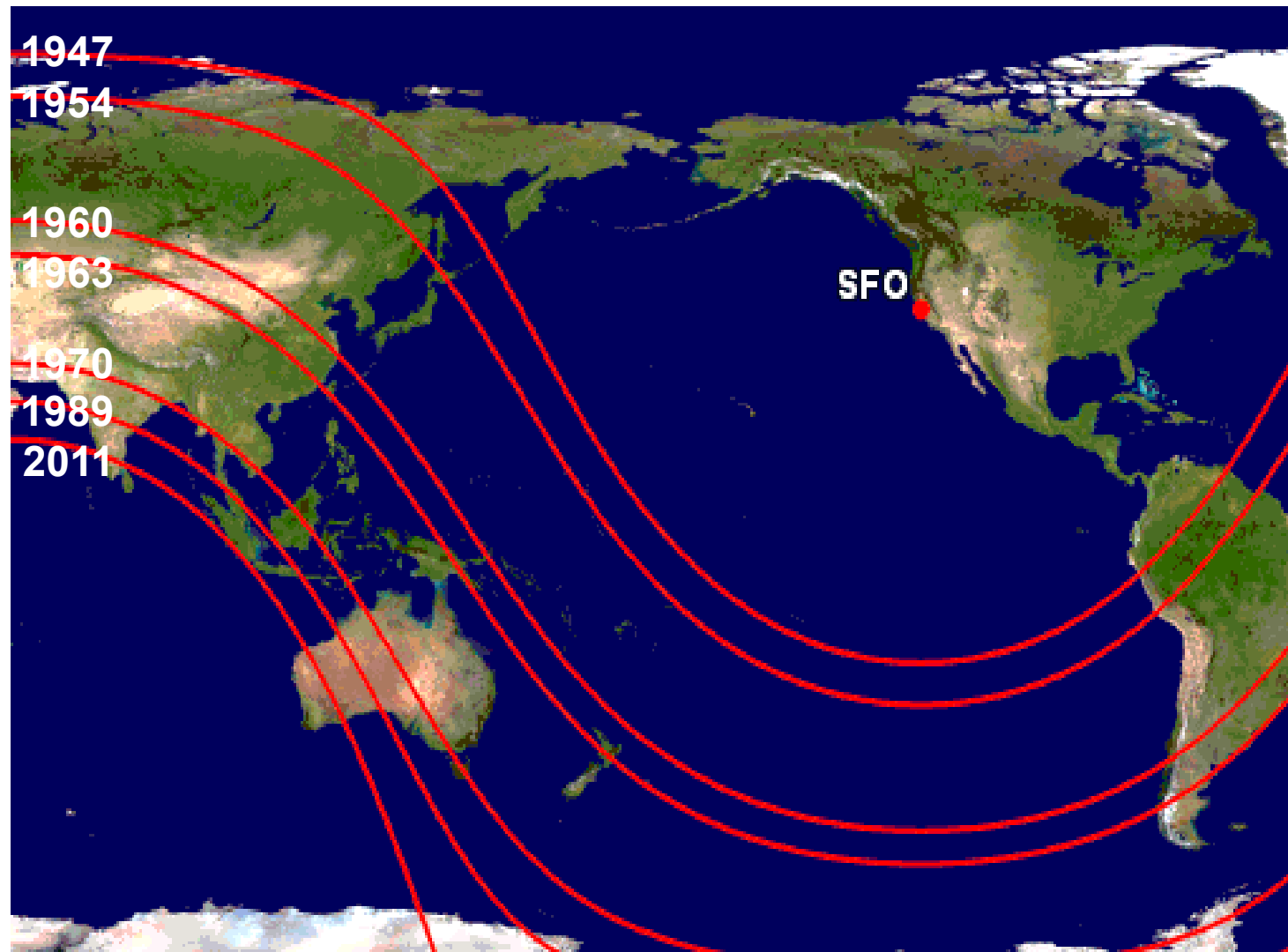


A Japanese Hub and the Bilateral Allowed PA/UA and NW/DL **InterVISTAS**
to Access Asian Countries that would Not Have Been Possible Otherwise



Increasing Aircraft Range Reduced the Need for Stops

- DC-4 4,200mi 1947
- DC-6B 4,700mi 1954
- DC-8 6,200mi 1960
- 707-320 6,600mi 1963
- 747-200/300 7,900mi 1970
- 747-400 8,350mi 1989
- 787-8 8,800mi 2011



Korean + Asiana Have Made ICN Competitive

- Korea opened Incheon in 2001, largely replacing capacity-constrained Gimpo for international traffic
- However, ICN is not banked well for TransPacific connections, but traffic still growing
- Asiana and Korean have worked hard to develop brands and networks to compete across the Pacific

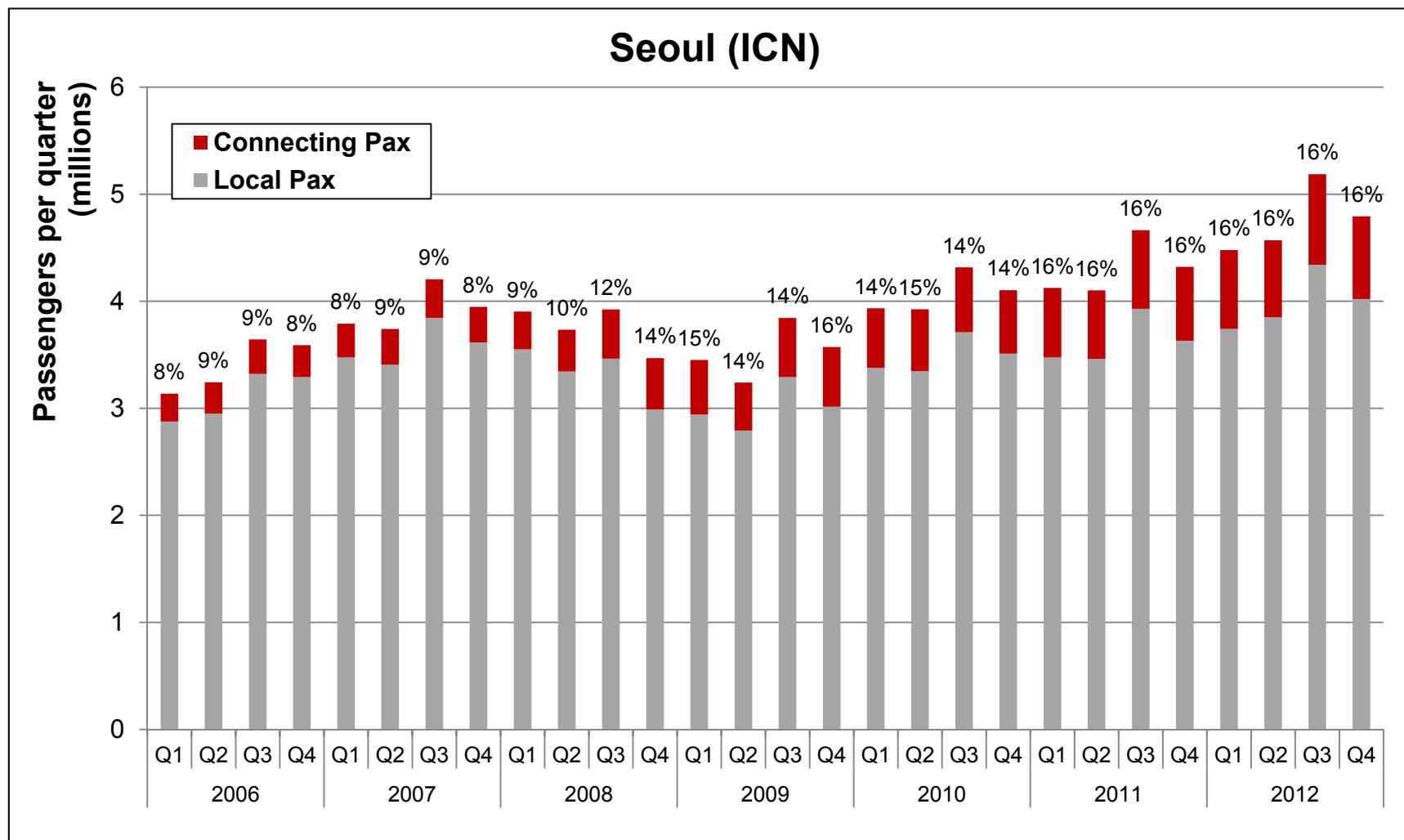


KOREAN AIR



ASIANA AIRLINES

Seoul's Local and Flow Traffic Continues to Grow



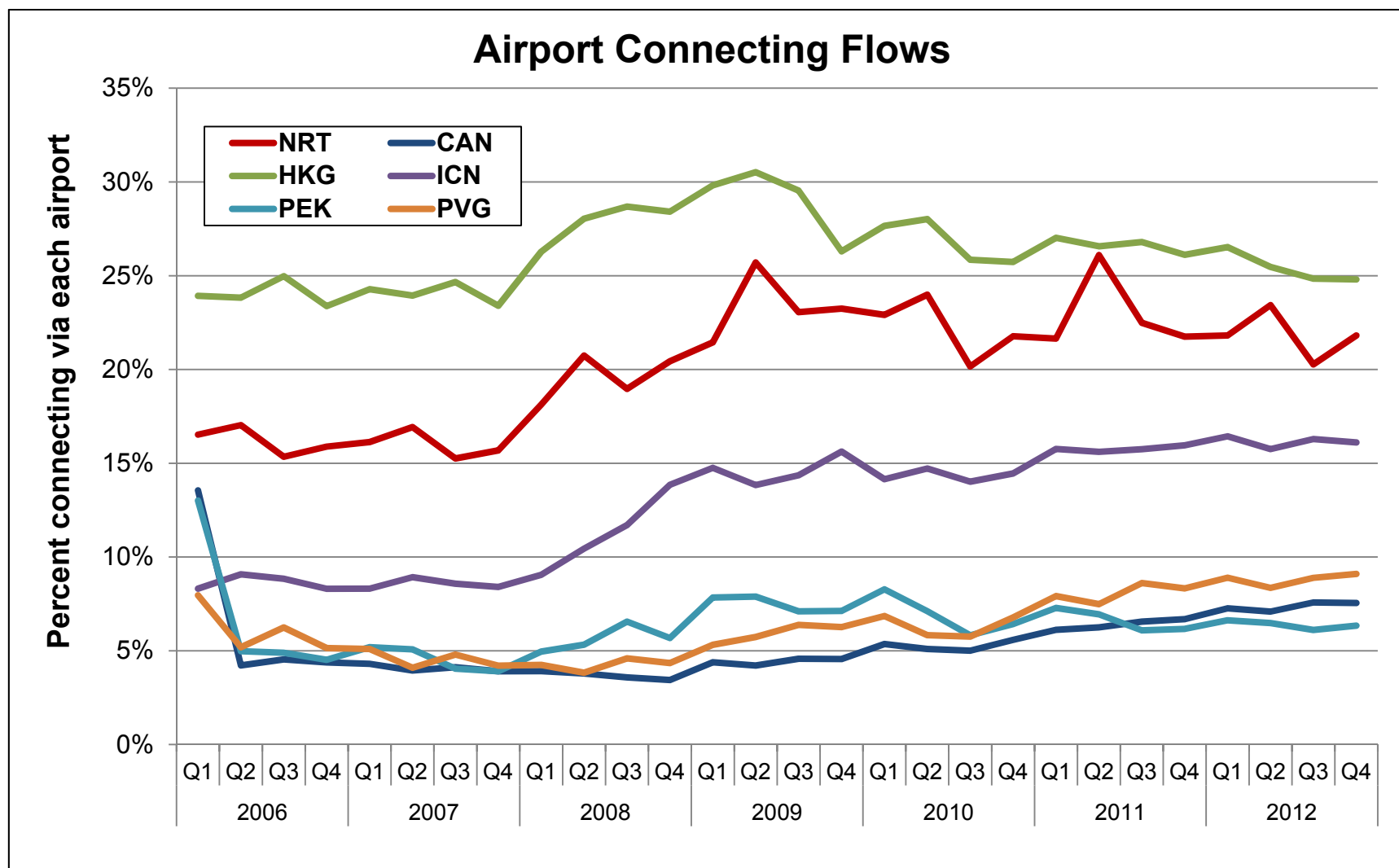
Source: Diio Mi FMg (Fare & Market Sizes – Global) Origin-Destination Passenger Data

Keeping up with Demand

- To keep up with Chinese and world demand, China has built new terminals in HKG (1998), PVG (1999), PEK (2008), and CAN (2004) among others
- As China's economy has expanded and China's travel restrictions have eased, more Chinese are traveling abroad and more foreign business people are traveling to China
- At the same time, China's airlines have joined global airline alliances and now encourage connections via Chinese cities

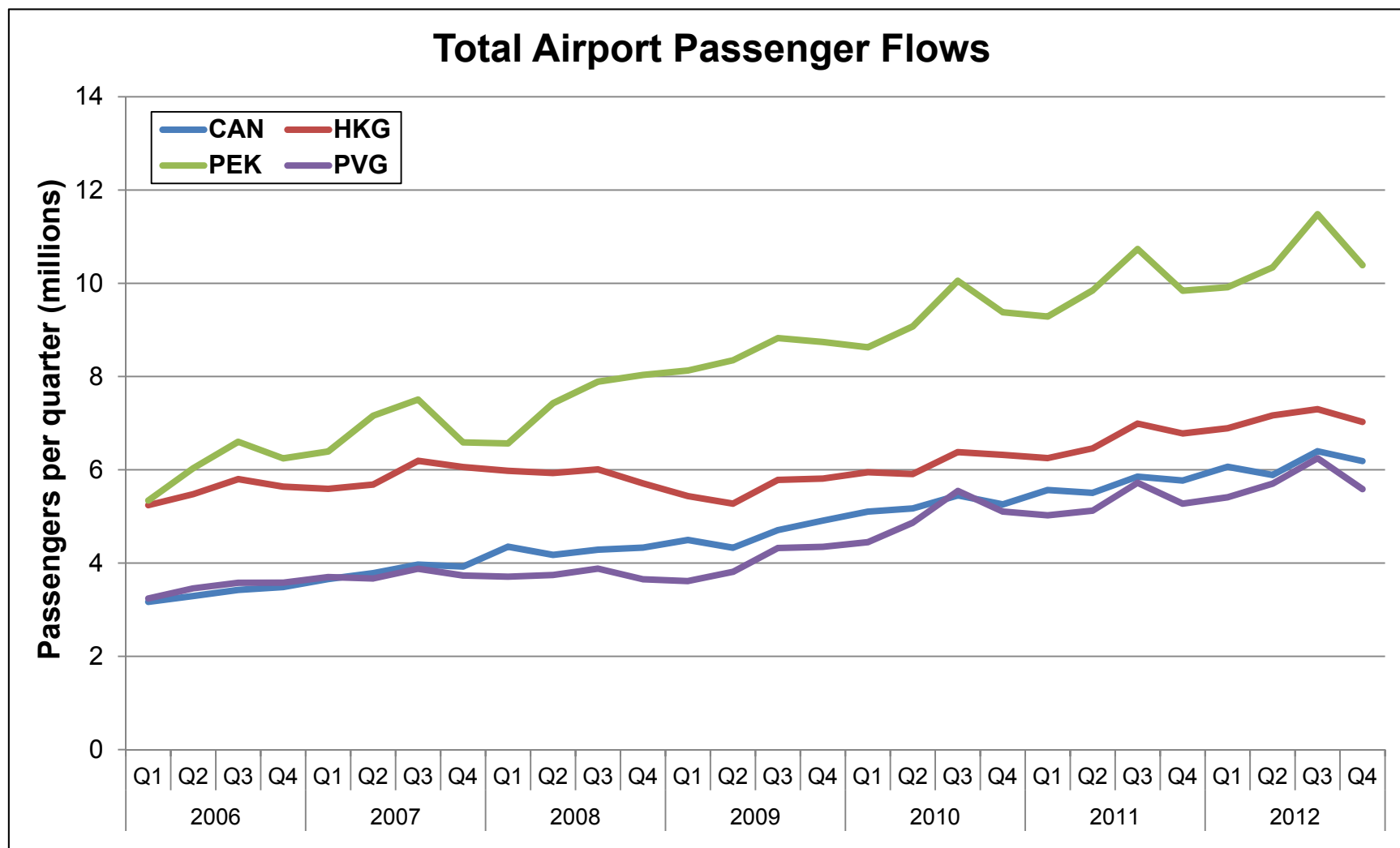


Traffic Flows Across Major Asian Hubs



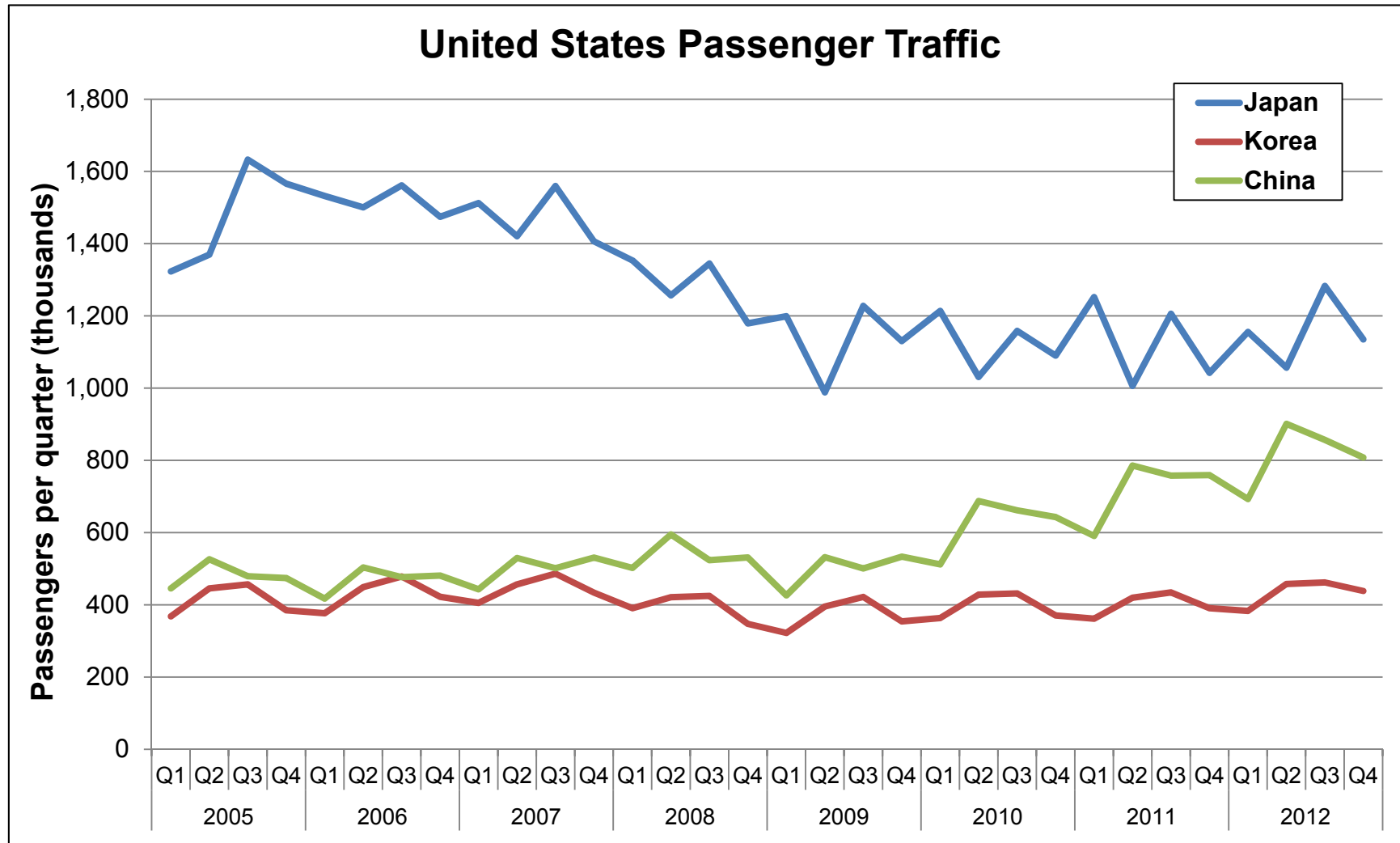
Source: Diio Mi FMg (Fare & Market Sizes – Global) Origin-Destination Passenger Data

Traffic Flows: CAN, HKG, PEK, PVG



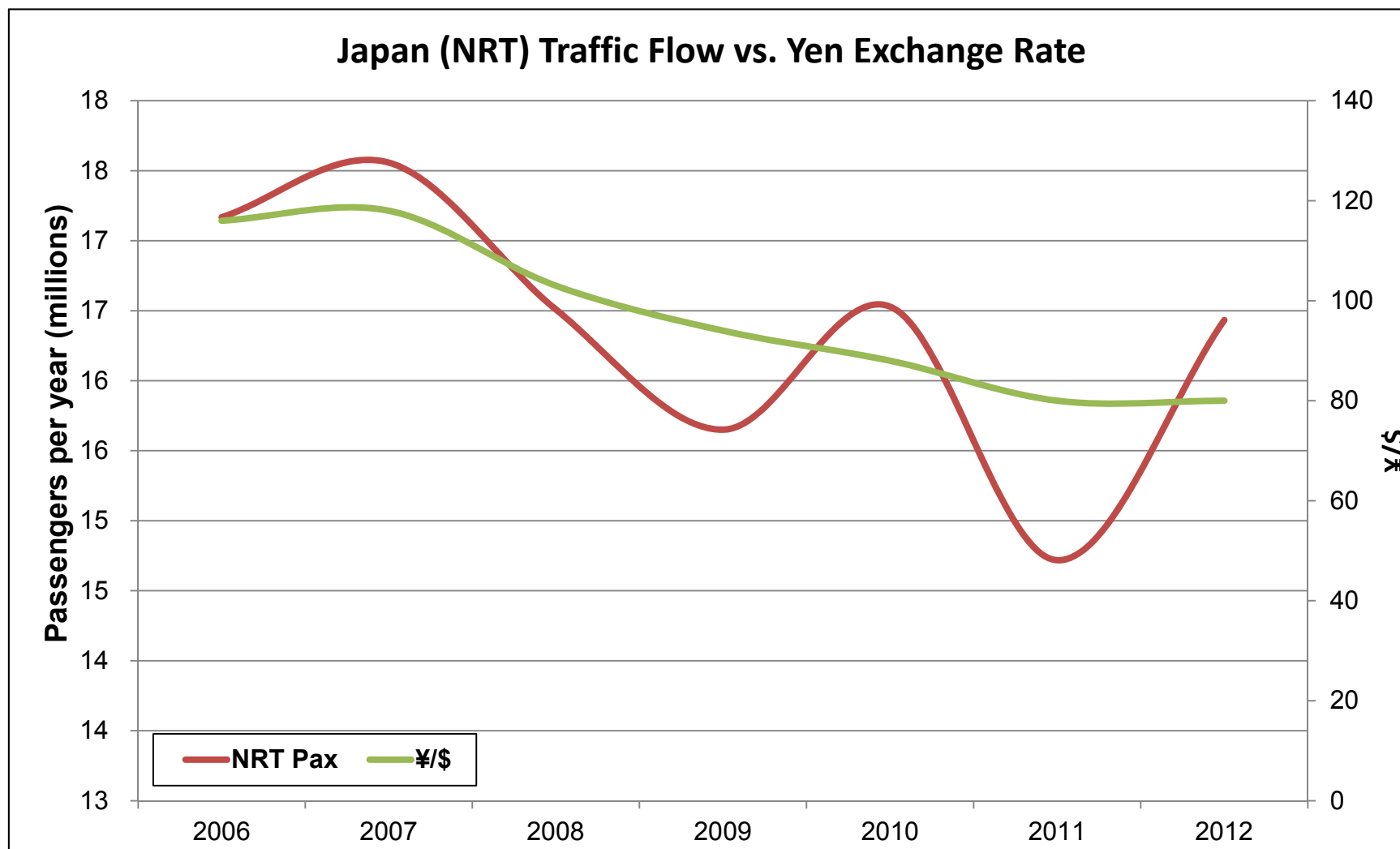
Source: Diio Mi FMg (Fare & Market Sizes – Global) Origin-Destination Passenger Data

Traffic Flows: U.S. to Japan, China & Korea



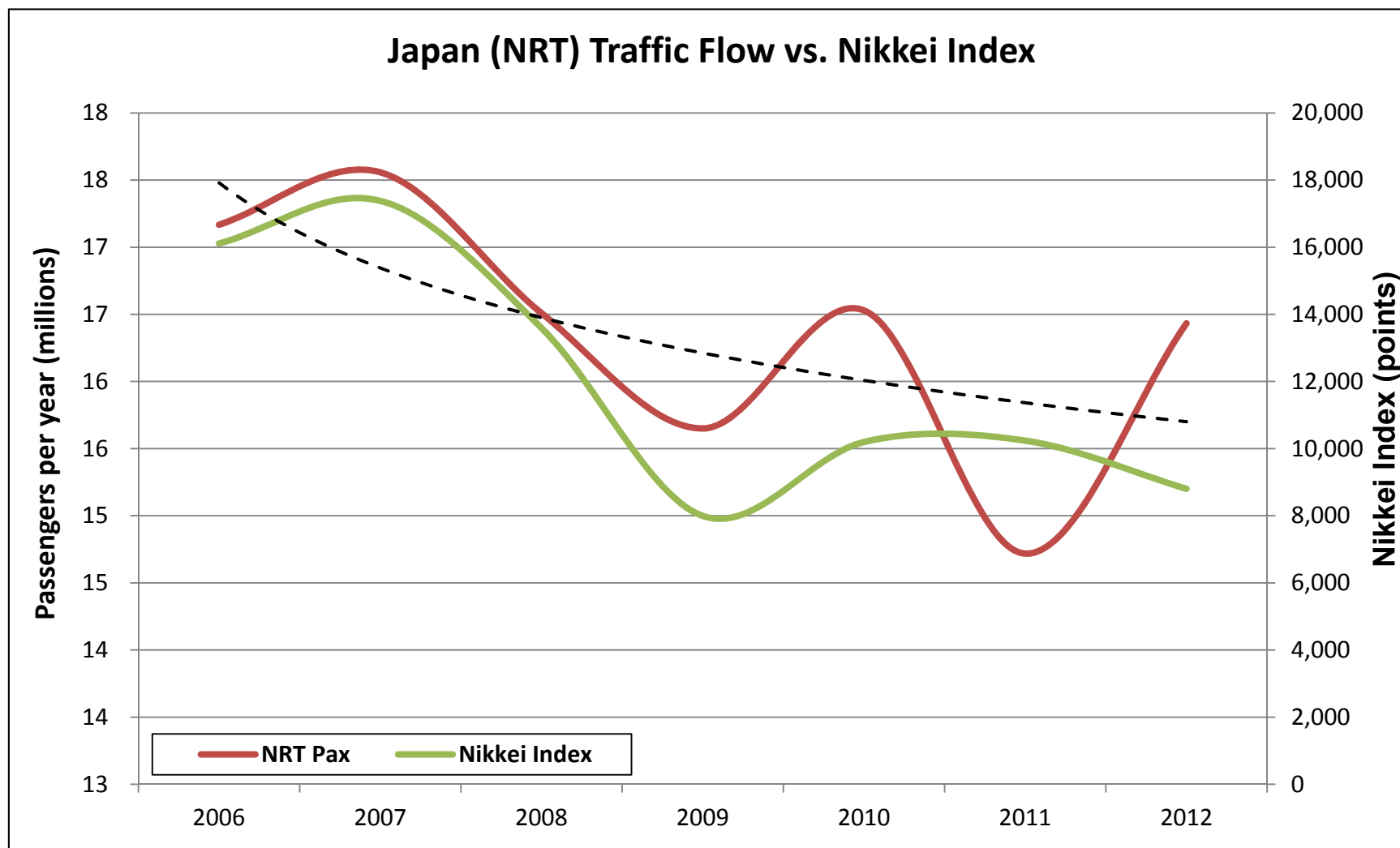
Source: Diio Mi FMg (Fare & Market Sizes – Global) Origin-Destination Passenger Data

Traffic Flow vs. Currency: Japan



Source: Diio Mi FMg (Fare & Market Sizes – Global) Origin-Destination Passenger Data

Traffic Flow vs. Financial Index: Japan



Tokyo's Role in the Pacific is Changing

- **Tokyo isn't needed as much to facilitate flights across the Pacific due to technological advances in aviation technology**
- **Flow traffic that now goes non-stop can be replaced with local traffic**
- **Other Asian airports are picking up some flow traffic but mostly accommodating growth of their country's demand**
- **A strong yen has an inverse relationship to passengers to Japan**

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Thank You

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