



# Wings of Change: The Evolution of Asia's Aviation Landscape



## From the Editorial Board

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The aviation industry stands as a shining emblem of human innovation and globalization. Spanning the skies and connecting people across continents, it has become one of the most widespread and fast-growing industries in the world. With its capacity for expanding horizons, stimulating economies, and fostering cultural exchange, the global airline industry has truly taken flight. The aviation industry in Asia has experienced remarkable growth and transformation over the past few decades. The region is home to some of the world's largest and busiest airports, and it continues to play a pivotal role in the global aviation landscape. The aviation industry in Asia is at a critical juncture, poised to define the future of air travel in the region. As we look ahead, it becomes abundantly clear that Asia's aviation future holds immense promise and presents its fair share of challenges.

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In this editorial, we investigate the factors that will shape the trajectory of the aviation sector in Asia and the imperative for innovation and adaptation. The projected size of the Asia-Pacific Aviation Market in 2023 is approximately USD 85.80 billion [1], with an anticipated growth to USD 99.32 billion by 2028. This expansion is forecasted at a compounded annual growth rate (CAGR) of 2.97% during the specified forecast period, spanning from 2023 to 2028 [2].

The late 1990s brought challenges to the Asian aviation industry with the Asian financial crisis. Several airlines faced financial difficulties and restructured. However, many carriers emerged stronger and more resilient, contributing to the region's overall economic recovery. The 20th-century aviation growth story in Asia is a testament to the region's adaptability, economic progress, and commitment to technological advancement. From humble beginnings to the world's most extensive air travel network, Asia's aviation sector has become a vital driver of economic development and global connectivity. As we move forward into the 21st century, this remarkable journey continues, with Asia poised to remain at the forefront of aviation innovation and expansion. In the commercial aviation sector, 2020 saw a significant downturn in aircraft sales, reflecting the uncertainty and reduced travel demand caused by the pandemic. International passenger traffic remained subdued throughout 2021, with travel restrictions and health concerns affecting the industry's ability to rebound fully. However, a silver lining emerged as domestic passenger traffic began to recover robustly in various countries by late 2020. This recovery showcased the adaptability and resilience of the region's commercial aviation sector.

### **Airport Infrastructure:**

Governments across Asia have often prioritized the development of their aviation sectors. This includes substantial investments in airport infrastructure, improvements in regulatory frameworks, and policies aimed at fostering competition.

These initiatives are pivotal in ensuring that the aviation market can meet growing demand and evolving customer expectations. The capacity of airports in Asia varies widely, from small regional airports to major international hubs. Some of the busiest airports in the region, like Beijing Capital International Airport, Tokyo Haneda Airport, and Dubai International Airport, can handle over 70 million passengers annually [3].

Governments across Asia have often prioritized the development of their aviation sectors. This includes substantial investments in airport infrastructure, improvements in regulatory frameworks, and policies aimed at fostering competition. These initiatives are pivotal in ensuring that the aviation market can meet growing demand and evolving customer expectations. The capacity of airports in Asia varies widely, from small regional airports to major international hubs. Some of the busiest airports in the region, like Beijing Capital International Airport, Tokyo Haneda Airport, and Dubai International Airport, can handle over 70 million passengers annually [3]. These major airports often have multiple terminals and runways to accommodate the high volume of travelers. On the other hand, smaller regional airports may have the capacity to handle a few million passengers per year. The capacity of an airport is influenced by factors such as its physical size, the number of runways, terminal facilities, and the overall infrastructure investment made by the airport authorities. Asian airports are increasingly adopting sustainability measures. From energy-efficient buildings to waste management, these airports are mindful of their environmental footprint and seek to reduce it. Several Asian airports have embraced eco-friendly terminal designs. Incorporating energy-efficient materials and natural lighting, these terminals reduce electricity consumption. For example, Bangkok's Suvarnabhumi Airport uses a reflective roof and large glass windows to maximize natural light. Solar panels are being installed at various airports to harness solar energy, reducing dependence on conventional power sources. Cochin International Airport in India, for instance, is entirely solar-powered. Effective waste management systems are being implemented at many airports. Separation of waste for recycling, composting, and responsible disposal helps reduce the environmental impact. These efforts are complemented by awareness campaigns to encourage responsible waste disposal among passengers.

Water is a precious resource, and airports in Asia are implementing water conservation measures. Modern airports are equipped with efficient plumbing systems and wastewater treatment plants to minimize water usage and prevent pollution. Some airports are offering carbon offset programs, allowing passengers to voluntarily offset their carbon emissions by contributing to sustainable projects. Kuala Lumpur International Airport in Malaysia offers such a program. Airports are working towards environmental certifications like ISO 14001 and Airport Carbon Accreditation to demonstrate their commitment to sustainability and to measure and reduce their carbon footprint.

### **Low-Cost Business Model:**

The success of low-cost carriers in Asia has played a pivotal role in the aviation market. Airlines like AirAsia, IndiGo, and Cebu Pacific have made air travel more affordable and accessible. The growth of LCCs continues to make air travel a viable option for a broader demographic. LCCs have not only impacted short-haul travel but have also extended their reach to long-haul routes. They've capitalized on Asia's strategic location to offer budget-friendly international flights, providing passengers with more options, and driving price competition. LCCs have mastered the art of operational efficiency. They employ tactics such as point-to-point routes, high aircraft utilization, and efficient turnaround times, all of which enable them to offer low fares while maintaining profitability. Many low-cost carriers invest in modern, fuel-efficient aircraft to lower operating costs and reduce environmental impact. Fuel-efficient planes reduce expenses and are more environmentally friendly. LCCs are known for their rapid expansion. They enter new markets and routes quickly, increasing their presence and stimulating competition. LCCs often use regional or secondary airports, which typically have lower operating costs and fewer delays compared to major international airports. This strategy helps reduce costs and improve punctuality. LCCs aim for high aircraft utilization rates.

Quick turnaround times at airports mean that planes spend more time in the air, maximizing revenue generation. Interlining agreements are the unseen thread that weaves together the tapestry of modern air travel [4]. They make it possible for passengers to embark on journeys that traverse the world's skies, all while enjoying the convenience of booking through one airline and experiencing seamless connections. These agreements not only simplify travel but also expand the reach of airlines, promoting competition and enhancing the passenger experience. The Asia aviation industry's adoption of a multifeed approach is emblematic of its commitment to progress and expansion. By fostering collaboration, innovation, and adaptability, this industry is poised for remarkable growth and is creating fertile ground for new players to take flight. The strategy of diversification, connectivity, and flexibility is unlocking new horizons and providing passengers with a broader spectrum of travel options. As Asia's skies continue to beckon, the multifeed approach ensures that the region's aviation industry remains at the forefront of global air travel, offering a rich tapestry of opportunities for all stakeholders. With its eyes on the future, Asia's aviation industry is ready to soar to new heights, fostering economic growth and cultural exchange along the way.

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