

Orient aviation

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SINGULAR VISION

From a standing start 14 years ago, Vietjet's Madam Nguyen thi Thao and her team have built the LCC into Vietnam's leading airline

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YEARS

Three Asia-Pacific airports among top ten busiest in world

Air New Zealand rejoins region's airline association

More boom times predicted for industry's lessors

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ORIENT AVIATION MEDIA GROUP
Editorial: +852 2865 1013
Website: www.orientaviation.com

Publisher & Editor-in-Chief
Christine McGee
E-mail: christine@orientaviation.com
M: +852 6438 3379

Associate Editor & Chief Correspondent
Tom Ballantyne
Tel: +61 2 8854 1458
M: +61 4 1463 8689
E-mail: tomball@ozemail.com.au

North Asia Correspondent
Geoffrey Tudor
Tel: +81 3 3373 8368
E-mail: tudorgeoffrey47@gmail.com

Photographers
Rob Finlayson and Ryan Peters

Chief Designer
Chan Ping Kwan
E-mail: production@orientaviation.com

ADVERTISING

Asia-Pacific, Europe & Middle East
Helen Nagle
Tel: +44 (020) 7464 187357
E-mail: hnagle@eaevents.org

The Americas / Canada
Barnes Media Associates
Ray Barnes
Tel: +1 (434) 770 4108
E-mail: ray@orientaviation.com

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SINGULAR VISION

Vietjet has recorded its best results since the pandemic consolidating its position as Vietnam's dominant airline



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Airport choke hold ahead

As airlines have discovered, including Asia-Pacific carriers, coping with strong growth and matching capacity to demand are formidable challenges, particularly as supply chain delays are continuing into 2025.

Now another capacity challenge is threatening airline operations in the years ahead - the ability of airports and air traffic services to accommodate a forecast boom in air travel.

By 2040, it is estimated, air passenger traffic will double to eight billion a year. To cater for this demand in the Asia-Pacific, billions of dollars are being invested in airport expansion and new facilities. Hong Kong's third runway is but one example of the investments in aviation infrastructure being undertaken.

It is an entirely different story in Europe, where investment in airport development is at a virtual standstill. Major hubs are already working at the outer limits of their capacity.

It is a similar situation in North America, mainly as a result of political and environmental issues. In recent years environmental protests, among other factors, have closed Frankfurt airport, forced plans for a new terminal at Paris Charles de Gaulle to be abandoned and effectively stymied construction of a third runway at London Heathrow.

No-one argues that the environment and protection of the planet is not critically important. Airlines fully understand this.

What other global industry has invested billions to improve their environmental performance? In the case of airlines, they are ordering new, more fuel efficient and quieter aircraft at a pace manufacturers cannot match in output.

And what other group of industry suppliers has spent billions of dollars on research and improving their products, aircraft and engines, to lift performance and efficiency?

Yet the environmental lobby has convinced many governments to take idiotic decisions. Most recently, they included the Dutch government's December announcement that it will impose an annual cap on flight movements at Amsterdam Schiphol. The decision effectively bars the airport from meeting any growth demand.

Despite their obviously strong beliefs, environmentalists need to understand the importance of aviation to national and global economies.

If they, or some of them, holiday to Asia or visit relatives in Australia, they are certainly not going to walk or take the train.

They need to recognize the efforts and huge amounts of money aviation is investing to become greener industry.

There has to be a middle ground that allows aviation to meet the spectacular demand that is coming and to satisfy the environmental lobby that aviation is not the bad guy.

If this does not happen, airlines will face serious operational and financial burdens because aviation infrastructure is not matching looming demand. ■

TOM BALLANTYNE

*Associate editor and chief correspondent
Orient Aviation Media Group*

A trusted source of Asia-Pacific commercial aviation news and analysis

ORIENT AVIATION



Region's airline lobby association welcomes Air New Zealand to membership ranks



Five of the region's airlines have joined the Association of Asia Pacific Airlines post the pandemic increasing the lobby group's membership to 18 carriers.

New members since pandemic restrictions were lifted across the region are Air India (2022), Vietnam Airlines (2023), Lion Air (2024), Qantas Airways (January 2025) as well as Air New Zealand.

Other airline members of the AAPA are Air Astana, All Nippon Airways, Bangkok Airways, Cathay Pacific, China Airlines, EVA Airways, Garuda Indonesia, Japan Airlines, Malaysia Airlines, Philippine Airlines, Royal Brunei Airlines, Singapore Airlines and Thai Airways International.

Korean Air withdrew from the AAPA in 2021 as part of an efficiency drive necessitated by the pandemic. ■



Start of a regional trend?

From March 1, all of Taiwan's carriers will prohibit passengers from using power banks in flight. EVA Airways led the way in restricting use of the charging devices but it was quickly followed by China Airlines, Mandarin Airlines, Tigerair Taiwan and UNI Air.

The country's newest carrier, full-service STARLUX Airlines, launched in 2018, has never allowed passengers to use the charger type on its flights.

South Korea was the first country in the region to ban the use of power banks on board all South Korea-headquartered

airlines. The government introduced the rule after a power bank on board a January 28 Air Busan aircraft caught fire as it was approaching take off from Gimhae airport. All passengers and crew were evacuated safely but the fire destroyed the narrow-body. ■



China Airlines employees mourn chairman's sudden passing

China Airlines and Mandarin Airlines chairman, Su-Chien Hsieh (72), who successfully led the airline group through the pandemic followed by CAL's best financial performance in its

history (US\$618.9 million profit), died of a heart attack at Taipei Veterans General Hospital in January. An airline statement said his passing was "a tremendous loss for China Airlines and

that his contributions and achievements will be indelibly engraved in the history of the airline".

Hsieh joined the finance division of China Airlines in 1979 after graduating in economics from Soochow University. He began his 46-year career with the flag carrier in the finance department working his way up the corporate ladder in Kaohsiung as well as Taipei, in Australia and Indonesia postings, as head of the group's Taiwan Air Cargo Terminals and as a senior vice president.

He was appointed president

of CAL in 2016 and chairman in April 2019.

Hsieh was widely praised for a management style that valued employees as the company's most important asset, a quality that largely contributed to the airline's impressive post-pandemic revenue performance.

At the time of his passing, Hsieh was the longest serving CAL chairman not to have served in Taiwan's air force.

CAL president, Kao Shing-hwang, is acting CAL chairman. The airline group also owns Mandarin Airlines and LCC Tigerair Taiwan. ■



Heathrow airport breakthrough

After decades of local opposition and political obfuscation, Britain's Labour government is supporting the construction of a third runway at London Heathrow airport.

Labour finance secretary, Rachel Reeves, said the government will back the project to support the country's trade and economic development. At present, the airport's two runways are operating at maximum capacity and are plagued by flight delays. It is Europe's busiest international airport.

Airlines and surrounding communities will be consulted before finalising the plan, the airport's CEO, Thomas Woldbye, said and will go ahead if rules on noise, air quality and emissions are met.

The case for a third runway is



stronger than ever, Reeves said. She has set a deadline of 2029 for the government to approve the new runway. Several airports in the region have more runways than London Heathrow, including Charles de Gaulle (4), Frankfurt (4) and Schiphol (6).

In addition to building a third Heathrow runway, Woldbye is seeking funds to upgrade outdated infrastructure as the airport is now handling a record-breaking average of

230,000 air travellers a day.

Landings and take-offs increased by 5.5% to around 1,302 daily in the first nine months of last year and with a limit of 1,315 aircraft movements each day, growth can only be achieved if airlines fly larger aircraft and leave fewer seats empty.

The issue at Heathrow, International Air Transport Association director general, Willie Walsh, explains is frequently "you have a runway that is taking 45 landings in an hour and it assumes the weather is perfect".

"Technically at Heathrow, when they say no delay is expected, it means there will be a minimum of 10 minutes delay, so 10 minutes is considered to not

be a delay. It has been like that since I was flying," said Walsh, who started his airline career as a pilot at Irish carrier, Aer Lingus.

The issue is not air traffic control. It is the airport maximizing the aircraft that can land, Walsh said. "So, 45 movements an hour, which if you have a strong wind and given aircraft are separated by distance and not by time, it is going to take longer for the aircraft to cover that distance," he said.

"The problem is the airport is operating at full capacity where the operating hours mean there is not a spare slot anywhere in the airport. So, you have disruption in the mornings and that disruption continues throughout the day unless you have flights cancelled." ■

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Another good year for lessors in 2025

In 2025 forecast growth in the Asia-Pacific will help drive global airline revenue to more than US\$1 trillion for the first time. More capacity will be added to the region's schedules than all other regions combined, lessor Avolon's 2025 Outlook Fast Forward predicts.

A third year of profitable growth will help airlines recoup losses wiped out by the pandemic in 2020 and 2021, it said. The first markets to recover - North America and Europe - are growing, but at a slower pace, while the Asia-Pacific is gaining momentum.

Airline revenues have returned to their long-term average share of world GDP, with an additional \$100 billion of revenue possible if peaks experienced in the last decade are achieved.

The Asia-Pacific has returned to its former position as the growth driver of the industry. Its airline capacity was the last to return to pre-pandemic levels, but it will take back the lead in route openings and passenger growth as the emerging middle class takes flight.

The aviation outlook for 2025 is robust. Avolon CEO, Andy Cronin, said reflecting travel demand against a backdrop of



structural under supply of new aircraft. "The Asia-Pacific will be the engine of that growth and we anticipate global airline revenues will exceed \$1 trillion for the first time. In this environment, lessors will benefit from continuing strength in lease rates and valuations as airlines compete for scarce aircraft. Lessors with strong balance sheets and attractive order books of new technology aircraft are best placed to outperform and serve the growth needs of the world's airlines," Avolon said.

Co-authored by Avolon chief risk officer, Jim Morrison, and senior vice president portfolio strategy, Marc Tembleque, the forecast said lower oil prices in 2024 more than offset a 19% increase in maintenance rates

and an 8% rise in labour costs, helping the sector return to pre-pandemic profitability.

For 2025, the leasing sector's collective profit is on track to be 16% higher, to more US\$36 billion, for the 12 months.

Securing aircraft for expansion and fleet replacement will be major challenges in 2025 as has been the case in the last three years with slots for new aircraft sold out beyond 2030.

"Airlines are adapting to structural undersupply with lease extensions and extending the lives of their existing fleets. As a result, lease rates have risen as much as 50% in the past two years and are expected to remain strong in 2025 as will aircraft valuations.

Morrison said: "While higher demand for air travel is evident,

we are entering a low visibility operating environment. There are uncertainties about the implications of political changes for trade and growth, but the structural fundamentals of the industry remain favourable."

Interestingly, despite some of the most promising demographics and economic growth profiles, airline fleets in Southeast Asia have not grown in the past five years.

"Thailand's installed fleet is 25% smaller today than in 2019. Vietnam is down 14%, while fleets in Indonesia, Malaysia and the Philippines are up 6% despite GDP per capita increasing 25% in that period," the forecast said.

China is "severely under-ordered" with a backlog of 570 Airbus and Boeing aircraft that barely meets replacement needs for the next decade. "COMAC's C909 and C919 programs are steadily building scale but at too slow a pace to fill the country's near-term fleet requirements.

Airlines are being forced to hold in-service fleets and accept used aircraft transitions. Lessor order books will be critical to filling the capacity gap, Avolon said.

An estimated 182 aircraft were delivered to China in 2024 and this figure is expected to rise substantially in 2025. International relations will play a role in China's central aircraft procurement process. It will create win-win opportunities for large scale transactions.

Avolon works with 140 airlines in 59 countries and has an owned, managed and committed fleet of 1,129 aircraft. ■





CRUNCH TIME FOR WORLD'S AIRPORTS

With air traffic forecast to double by 2040 already congested airports and air traffic services are under increasing pressure to cope with unceasing and expanding traffic, reports Associate editor and chief correspondent, Tom Ballantyne.

It has become the daily norm. After a 10 to 12 hour flight from Asia to London, the region's long-haul carriers frequently MUST circle southern England for lengthy periods before they are cleared to land, adding time and extra fuel costs to their journeys.

London Heathrow is not alone in operating at full capacity. Major hubs across Europe - Paris, Frankfurt and Amsterdam – as well as many in North America are congested, battling to handle the rising number of flights heading their way. And the situation will worsen rather than ease.

Asia's airports are spending billions of dollars to expand their existing facilities or build new airports. But it is a different story in Europe and the U.S. where airport development is at a virtual standstill largely as a result of political and environmental issues.

Adding to the congestion, the long discussed plan to forge a single European Sky remains a pipedream, frustrating operations as airlines navigate the Continent's multiple air traffic control regions.

Air travel demand is forecast to double by 2040, increasing at an annual average rate of 3.4%. Origin destination passengers, at around four billion in 2019, are forecast to be above eight billion at the end of the forecast horizon.

The Asia-Pacific will contribute more than half of this growth, supported by favourable demographics and higher household incomes. Regions with well-established aviation industries such as North America and Europe will continue to experience growth, but at a slower pace than elsewhere.

The International Air Transport Association (IATA)

foresees serious challenges in managing accelerated future capacity, especially in Europe.

“The crunch is coming - if it is not already here -worsened by the imposition of more capacity cuts by governments,” said IATA Head of Worldwide Airport Slots, John Middleton, at the airline association's annual Global Media Day.

Unfortunately, airport capacity is not keeping up with potential growth in demand, he said. Airports are categorized as Level 1, 2 or 3. Airport capability at Level 1 is generally adequate to meet demand and no airport coordination is required.

At a Level 2 airport there is potential for congestion at some periods during the day, week or season and schedule adjustments are mutually agreed with the airlines. At a Level 3 airport, demand significantly exceeds the





airport's capability and it is necessary for all airlines and other aircraft operators to have a slot allocated by an independent slot coordinator to arrive or depart at the airport.

"There are a lot of ways you could look at that, but one is to track this is by the number of Level 2 and Level 3 airports there are. On average, there are approximately nine new Level 2 or Level 3 airports declared each year," Middleton said.

"In addition, some of the existing Level 3 airports that have been Level 3 for some time are becoming more and more congested to the point where several super saturated airports are nearing 100% capacity the entire day."

Airspace constraints can compound the issue. "Suffice to say airspace issues only increase the capacity challenge. They can make it impossible for airports to deliver 100% of theoretical capacity due to an inability for that traffic to be managed after it is actually up [in the air]," he said.

IATA warns the airport capacity crunch is threatening the freedom to travel and constraining economies. With little prospect of airport infrastructure keeping pace with growing demand, it has released a White Paper that argues slot regulations must incentivize airports to generate more capacity from existing infrastructure.

The number of airports unable to fully meet the demand for air connectivity and requiring slot coordination that uses the IATA Worldwide Airport Slot Guidelines has increased to nearly 400 worldwide. If current trends are sustained, this number could expand by 25% in the next decade.

An example of the severe consequences of this problem is Europe where Airports Council International (ACI) Europe forecasts airport infrastructure will not be able to meet up to 12% of demand in 2050.

With large scale airport developments, especially new runways, unlikely to be built due to political constraints, Europe's competitiveness will be undermined. It is already under-performing.

"It is critical airports embrace best practices to deliver as much capacity as possible from existing infrastructure," IATA's SVP for Operations, Safety and Security, Nick Careen, said.

"The only cure for insufficient capacity is construction. But as long as large-scale endeavours such as building new runways or terminals remain politically out of reach in many parts of the world, we must squeeze every last unit of capacity out of the infrastructure we have," he said.

"Some airports set strong benchmarks for maximizing capacity, but too many fail to follow the Worldwide Airport Slot Guidelines."

IATA's airport slots White Paper wants airports to have stronger obligations to maximize capacity. "Under the slot regulations, airlines are obliged to utilize the slots they are granted efficiently or face penalties for cancelling flights or not operating to schedule," the White Paper said.

"Airports face no penalties if they do not deliver promised capacity. They have little pressure to meet global benchmarks on efficiency. Moreover, there is often insufficient transparency for the capacity declarations that they do make," Careen said.

"This needs a major rebalancing so airports and airlines are equally obliged to maximize the potential social and economic value of airport capacity."

IATA is urging slot regulations be revised to hold airports to account if they are not creating more capacity. Specifically, they should require airports to review their capacity declarations on a regular basis and implement a meaningful capacity consultation process to ensure greater transparency and reveal where potential capacity increases are being neglected."

Airports Council International (ACI) World, which represents the world's airports, acknowledges the challenge of meeting air traffic demand. "Airports worldwide, supported by ACI, are working diligently to increase the capacity of existing infrastructure and develop new facilities, which are essential components of addressing this challenge," it said in response to the IATA White Paper.

It said IATA's White Paper raises valid concerns about slot allocation, but it fails to provide a complete, accurate or balanced portrayal of the issue by placing undue blame solely on airports for inefficiencies in the current system.

"This narrow view ignores airlines' own activities that lead to inefficient slot allocation and usage and distracts from the broader conversations and collaboration that are required to amend current slot principles and policies, which must evolve to adapt to current realities."

Optimizing airport capacity utilization, including slot policy, is a multifaceted challenge that cannot be solved by airports alone, ACI said.

"The delivery of airport capacity is dependent on the coordinated actions of multiple stakeholders, including air traffic management, regulators, ground handlers, immigration and security screening services as well as factors such as weather and regulatory requirements.

"Airline operations also have a direct impact on airport capacity. These interdependencies must be factored into any discussion about optimizing capacity."



Busiest airports in the world

OAG's table of the world's busiest airports, published in January listed three of Asia's major hubs in the list. They are Tokyo Haneda (3), Guangzhou Baiyun (7) and Shanghai Pudong (9). Atlanta Hartsfield Jackson again topped the table followed by, excluding the three Asian airports, Dubai (2), London Heathrow (4), Dallas Fort Worth (5), Denver (6), Istanbul (8) and Chicago O'Hare (10).

In OAG's compilations of the ten busiest international airports, Dubai led the table with London Heathrow runner-up. Other leading international airports in the category in 2024 were Seoul Incheon (30), Singapore Changi (4), Amsterdam Schiphol (5), Istanbul (6), Charles de Gaulle (7), Frankfurt (8), Hong Kong (9) and Doha (10).

Shanghai Pudong International Airport recorded the most rapid growth among the top 10 airports, OAG said, with a 29% increase in capacity compared with 2023. This was largely due to China's air travel recovery post-pandemic. As a result, the airport moved up the table from its position as 15th busiest global airport in the world in 2023.

In the category of busiest international airports last year, Seoul Incheon moved up four places compared with a year earlier and Hong Kong International Airport recorded the biggest increase in capacity, at 40% although the results were 23% below pre-COVID levels, OAG said.

"Moreover, improving and expanding infrastructure to accommodate additional capacity requires significant investment. Airports have long advocated for the necessary funding to support these developments, including reasonable increases in airport charges. However, the airline industry has consistently opposed these efforts despite airport charges accounting on average only 4% of airlines' total costs.

"The airline industry, which calls for increased capacity, remains resistant to funding the essential investments needed to achieve it.

"Efficient airport slot policy is a critical element in optimizing capacity."

To accommodate the projected growth in air traffic, all aviation stakeholders must contribute and work collaboratively.

"Meeting future capacity demands requires collaboration," said Darryl Dowd, Vice President, Safety, Security and Operations at ACI World. "Airports and airlines must work together to ensure fair and efficient slot allocation and usage, improved operations, and the necessary investments in infrastructure to support growth. ACI remains committed to fostering cooperation among stakeholders to deliver solutions that benefit passengers, economies, and the aviation ecosystem as a whole."

While everyone agrees the challenge won't be met without collaboration between all involved, unfortunately some governments are failing to help. For example, in December the Government of the Netherlands put forward a plan to cap flights at Amsterdam Airport Schiphol at 478,000 movements

per year, in the latest step in a long-running saga over how to manage noise at one of Europe's busiest airports.

The plan has been met with "incomprehension" by KLM Royal Dutch Airlines and IATA. In essence it would block Schiphol from coping with any growth demand for several years.

There has also been discussion for years about a third runway at London Heathrow. Finally it is being backed by the UK government.

The French government has abandoned plans to build a huge new terminal at Charles de Gaulle airport in Paris.

The multi-billion dollar plan to build a fourth terminal at the airport, the second busiest in Europe, was scrapped in 2021, described by French Ecology Minister Barbara Pompeii as a project that was now "obsolete". A fourth terminal would have allowed the airport to handle up to 40 million extra passengers a year.

On a more optimistic note, IATA's Walsh believes there will be no capacity crunch in the air. At present, an aircraft flying from A to B must follow a route that passes over specific waypoints.

"From a technological point of view we are not (going to have a capacity crunch in the air) because the technology exists for us to be able to operate with significantly more capacity in the air. What we need is a change in the regulatory environment. Technology has already provided us with the capability of flying in a much more efficient manner," he said.

What we need though is to have greater freedom to operate in the sky, rather than everybody being forced to fly over the same points on the map, which was understandable fifty or sixty years ago when we required ground-based navigation aids to assist us in our navigation. We don't need that anymore. I am less concerned about it because we know we have technology that can resolve that. What we need is an understanding on the part of regulators and governments that it requires a change in the way we operate and a regulatory environment that facilitates the opportunity that the technology gives us. I think that will happen."

Overall, however, airport and airspace capacity remain a major challenge for the industry and one threatening to increase in coming years. Despite calls by aviation bodies for collaboration by all involved, including governments, history tells us how difficult that is to achieve. ■

Credit outlook for world's airports

"In our view, the next challenge for airports will be to fund their sizeable expansionary and maintenance capital programs in the coming years without materially eroding their financial resiliencies, competitiveness or market shares," wrote Morningstar DBRS in January.

"In the absence of government and shareholder support we anticipate airports will need to rely heavily on debt financing and aero nautical fee increases (where applicable) to meet their capital program funding needs."



A CRACKING PACE

It is the rising star of Asian aviation and Vietjet is not finished yet. Its regional and international expansion is surging as a constant flow of new jets arrive at the airline bolstering its fleet. Best of all, the balance sheet is in the black, reports associate editor and chief correspondent, Tom Ballantyne.

If there was one factor reflecting the global ambitions of Vietnam's leading airline, LCC Vietjet, it was the January launch of its first flight to the U.S., an A330 service from Ho Chi Minh City to Miami, Florida by way of Anchorage in Alaska.

It was not just a flight, declared Vietnamese media. It was a bold step forward for the pioneering Asian airline. On board were Vietjet's senior leadership team, who were to meet strategic partners from around the world at a "Friends of Vietnam Summit" in Florida's Palm Beach. Their other high profile engagement was being hosted by then president elect, Donald Trump, at his Mar-a-Lago compound.

It was a significant milestone for Vietjet, underscoring its commitment to strategic cooperation with the U.S. The airline has become a key pillar of U.S.-Vietnam economic collaboration with its trade partnerships contributing to job creation for U.S. workers. Vietjet has strategic agreements

valued at near US\$50 billion with aerospace OEMs Boeing, GE, CFM, Pratt & Whitney and Honeywell as well as contracts under negotiation of approximately US\$14 billion.

It also collaborates with U.S. headquartered global technology companies Microsoft, Amazon Web Services, Apple and Google.

At press time, it was in discussions with SpaceX and several other providers of in-flight internet solutions to support its aircraft and to drive high-tech workforce development in an era of semiconductor technology, artificial intelligence, blockchain and Big Data.

It adds up to a phenomenal financial commitment by an airline only launched in late 2011.

"The strategic partnerships Vietjet has forged in the U.S. reflect our deep commitment to strengthening the economic bridge between the two nations," Madam Nguyen thi Phuong Thao, billionaire co-founder of Vietjet and now chair of its

Vietjet delivers best quarterly results since 2019

In final quarter 2024, Vietjet booked aviation revenue of US\$784 million and an after-tax aviation profit of US\$6.6 million, growth of 36% and 247% year-on-year, respectively.

For full-year 2024, the airline's aviation revenue reached US\$2.8 billion with after-tax profits exceeding US\$6.6 million; improvements of 33% and 697%, respectively.

At December 31, 2024, Vietjet's total assets were US\$3.95 billion. Its debt to equity ratio of 2.12 and liquidity ratio of 1.71 are considered in the safety zone for aviation, Vietjet said in statement early this month.

Board of Directors, said.

"We are proud of Vietjet's growth that not only directly contributes to job creation for American workers and advances technological progress but promotes Vietnam's economic development."

The U.S. is not the LCC's only target for expansion. This year the airline announced it aims to maintain its pioneering position connecting Vietnam with the world with an expanding international flight network, contributing to trade, investment, cultural and people-to-people exchanges between Vietnam and countries in and beyond the region.

Vietjet's post-pandemic re-boot is continuing in 2025. Last year it booked record revenues of US\$2.8 billion, delivered an after tax profit \$51.6 million and met its target of receiving 10 new aircraft. It has an expanding fleet of 94 jets that are operating with an average load factor of 87% and a technical reliability rate of 99.72%.

In 2024, it flew more than 25.9 million passengers aboard 137,000 flights on 44 domestic and 101 international routes; the highest volume of passengers of all Vietnamese airlines.

International expansion has been rapid. Since entering the Australian market in April 2023 with inaugural flights from Ho Chi Minh City to Sydney and Melbourne, it has expanded its "Down Under" network to Brisbane and Perth. It has strengthened its Australian footprint with direct

flights from Hanoi to Sydney and Melbourne, becoming the largest Vietnamese carrier flying between Vietnam and Australia. Later in 2024, it began direct Da Nang-Ahmedabad and Hanoi to Kuala Lumpur and increased frequencies on several routes, particularly to South Korea and Japan.

Its pace of network expansion is unrelenting. In addition to starting its U.S. flights, it has announced new direct schedules to Hyderabad, Bangalore, Beijing and Guangzhou, deepening connections with two high potential markets.

It also has signed a cooperation agreement with Emirates Airline to build connectivity between Vietnam and Dubai.

Its expansion is underpinned by a significant order book. To date its fleet is A320-200 (17), A321-200 (6), A321neo (30), A321XLR (34) and A330-300 (7). On order from Airbus are more A321neo (98), A321XLR (20) and A330-900 (20). It also has committed to 737 MAX8 (66), 737 MAX10 (106) and 737 MAX200 (28) with Boeing.

In 2017, during an official visit to Vietnam, first term president Donald Trump witnessed the signing by Vietjet for 100 B737 MAXs, an order later doubled. This year, the first year of President Trump's second term, Boeing will deliver the first 14 of those ordered airplanes to Vietjet.

In another surprising development, the LCC leased two COMAC C909s (formerly the ARJ21) regional jets in response to higher travel demand during the Lunar New Year holiday peak in late January.

Orient Aviation reported Vietjet had received a "very attractive financial offer" from COMAC that was "too good to resist". The deal was announced after Vietnam's deputy prime minister, Tran Hong Ha, instructed the transport ministry to review rules that prevented China's COMAC airplanes from operating in Vietnam after his meeting with COMAC board director and former China Southern Airlines boss, Tan Wangeng. The jets will fly Hanoi-Con Dao Island as well as connecting Con Dao Islands with Ho Chi Minh City.

It was important for Vietjet to secure the aircraft to service the islands as the only other airline flying to Con Dao was Bamboo Airlines, which has stopped flying the route.

Vietjet commands more than 40% of Vietnam's domestic airline market, making it more or less equal to full-service rival, Vietnam Airlines.





The LCC has been pioneering and maintaining research and development activities towards the goals of emission reduction, including investing in new aviation technology solutions to ensure its highest standards of safety and quality.

Vietjet and CFM International have reaffirmed their commitment for orders of more than 400 LEAP-1B engines and technical maintenance services for the airline's narrow-body aircraft, a contract valued at US\$8 billion.

In October last year Vietjet operated its first flights using Sustainable Aviation Fuel (SAF) from Vietnam to Melbourne and Seoul. The SAF was produced by Petrolimex Aviation.

Training also is high on its agenda. It has signed an agreement with Czech flight training school, F Air, to provide flight training for Vietjet cadet pilots at the airline's Aviation Academy's (VJAA) Multi-Crew Pilot License (MPL) program in the Czech Republic.

Vietjet said the training program adheres to European Aviation Safety Agency (EASA) standards and will develop highly skilled pilots for Vietnam's aviation industry and the broader region.

"Partnering with a leading European flight training centre enables Vietjet to secure a steady pipeline of internationally certified aviation professionals," VJAA director, Tran Huu Quoc. "This collaboration marks a strategic milestone in Vietjet's journey to global connectivity, addressing the airline's growing needs and sustainable development."

Vietjet said human resources remain a core focus in the company's development strategy and the broader aviation industry. As an IATA training partner in Vietnam, VJAA has conducted numerous pilot recruitment drives, aligning with the industry's long-term growth outlook. VJAA trains and graduates more than 200 pilots a year in its ab initio training and type-rating programs.

Vietjet's journey has not been without turbulence. In its early years it faced criticism for its provocative marketing tactics, flight delays and shortfalls in customer service. But it has developed into a multi-award-winning carrier, winning several global awards for its high service and safety standards. In 2024, the world's leading financial magazine, International Finance named it "Best Low-Cost Airline in Southeast Asia" and "Best Finance-Management-Aviation-Vietnam". It also

was a dual winner at the World Travel Awards 2024, named "Asia's Leading Airline for Customer Experience" and "Asia's Leading Airline Rewards Programme".

For Vietjet, as it continues to induct new generation aircraft into its fleet and expand its international network, there is little doubt the future is more than bright, indeed, it seems the sky is the limit. ■

Singular vision

Madam Nguyen thi Phuong Thao, 54, launched Vietjet in 2011 and took it private in February 2017. Investments include the HD Bank and real estate, including hotels and beach resorts.

In a Harvard Business School interview she revealed she had to navigate legal, regulatory and even social challenges to build Vietjet into a successful airline business. After finally receiving the first private license in Vietnam's aviation industry, she had to build a consumer base in a country where most people had never travelled by air. "Before we joined the industry only one percent of the Vietnamese population had access to air travel. It was perceived as expensive and only for the rich," she said.

From the beginning she envisioned Vietjet not only as a domestic airline, but one that would be fully integrated in the international aviation industry. She continually pushed for regulatory change at state-owned and government agencies to improve operating standards in Vietnam. The results have not only benefitted Vietjet, but have had a broader impact of attracting more foreign investors to the Vietnamese aviation industry.



In April 2023, Madam Thao took on the role of the LCC Group's chair. She was succeeded as CEO by managing director and long-time colleague, Dinh Viet Phuong. In a message to shareholders he said Vietjet had a firm determination to implement a strategy of transforming Vietjet into a multinational airline group, "reaching aircraft displaying the colour of the Vietnamese national flag to all five continents and providing opportunities for hundreds of millions of passengers to fly. We continue to innovate, upgrade our products, develop new routes and accelerate digital transformation to achieve high and sustainable growth," he said. Vietjet is a member of the International Air Transport Association (IATA) and has been awarded IATA's Operational Safety Audit (IOSA) certificate.

