

Three major airline alliances have emerged since the late 1990s. These now account for 60% of the capacity deployed on the world's eight largest long-haul markets. The shares that each alliance has in each market, and the largest contributing airlines is examined.

Airline alliance shares of long-haul markets

The three major airline alliances of Star, SkyTeam and OneWorld have grown over the past 20 years to dominate the capacity provided by the world's airlines. These collectively supply 58% of seats and 67% of available seat-miles (ASMs) on the world's major long-haul or intercontinental markets (see table, page 19), and have large shares of capacity and traffic on major continents and in large countries.

Capacity shares of the three alliances and of non-alliance airlines in major long-haul markets are examined here, together with which alliances dominate particular routes or groups of routes and markets.

Alliance basis

The Star Alliance was formed by five original members: United Airlines (UA), Air Canada, SAS, Lufthansa (LH) and Thai International in May 1997. It was followed in 1999 by OneWorld and in 2000 by SkyTeam.

The basis of airline alliances was to advance the codeshare agreements that allow two carriers to use two-letter flight number designators for the same flight that is operated by one of the airlines. This was adopted to overcome problems of over-capacity or weak demand and low yields. A single flight operated by one of the airlines appears on the computer reservation system (CRS) or distribution system, and reservation and booking systems of both carriers. Cooperation across a route network means that each codeshare partner has access to the partner's services, increasing the chance of revenue capture.

Codeshare agreements also mean the airlines can provide coordinated timetables and baggage interlining, which gives them a competitive advantage.

International laws, however, prevent the cooperating airlines from sharing and agreeing fares between them.

Codeshare agreements circumvent problems of high levels of competition, and the need to provide service enhancements. Examples are airlines having to position aircraft at both ends of a route at night to provide an early morning service to capture business traffic. Codesharing also overcomes the restrictions imposed by bilateral agreements on capacity.

Alliances were formed to overcome many of the inherent limitations of codesharing and the high costs of providing a route network. Alliances are based on extensive codeshares, and other features that are beneficial to participating members.

Codesharing is used by all alliance partners. Where United and Lufthansa, for example, may have had both their UA and LH designators on a select number of routes under a codesharing agreement, the advent of the Star Alliance saw UA and LH codes being used on all flights across their entire networks. Codesharing is extended to all alliance members, so the alliance can offer multiple airline codes for all flights on all routes operated by Thai, Lufthansa, SAS, Air Canada and United. Each of the five member airlines is able to benefit from their combined route network.

This would provide extensive short- and medium-haul coverage in North America, Europe and the Asia Pacific as

well as extensive service and long-haul coverage on transatlantic, Europe-Asia, intra-Asia and trans-Pacific markets.

Further, members can extend market reach without having to add services, capacity or infrastructure. Alliances can also be formed without the need to merge with, or acquire, other airlines.

Another benefit is anti-trust immunity. Airlines in alliances are allowed to agree fares, an important element of capacity and revenue optimisation. This is permitted between the airlines of countries that have an Open Skies agreements.

Alliances also remove competitive pressures among members, enabling cooperation on infrastructure and costs, and reoptimisation of capacity across the route network.

Savings include use of shared airport gates and departure control systems (DCSs), and a reduction in the number of overnight stops, related costs of aircraft parking and crew accommodation and infrastructure-related costs.

Alliance development

The Star Alliance was the first to be formed, and has grown steadily to include 26 main members, plus subsidiaries (see table, page 18).

OneWorld was launched in 1999 by original members Qantas, Cathay Pacific, British Airways (BA), Canadian and American Airlines (AA). This gave OneWorld similar global route network coverage to Star Alliance, with Qantas providing OneWorld network coverage and penetration in Australasia.

SkyTeam was launched in June 2000



by founder members Korean Air, Air France, Delta and Aeromexico.

In addition, Northwest Airlines and KLM have had a codesharing agreement and strategic alliance since 1993, which has acted as a halfway house between pure codesharing and an airline alliance.

SkyTeam was launched to limit the impact on members of Star and OneWorld. The four original SkyTeam members had a similar global network reach and penetration to the other two alliances, with a large member carrier in North America, Europe and Asia Pacific. SkyTeam was the first alliance to include a major Latin American airline.

Star Alliance

Star Alliance added VARIG, Ansett and Air New Zealand in October 1997. Ansett and Air New Zealand extended the network in Australasia, while VARIG enhanced South American reach.

All Nippon Airways (ANA) joined in October 1999, adding its intra-Asian and trans-Pacific networks. This came a few months after the launch of OneWorld, but before JAL joined OneWorld.

The Austrian Airlines group of Austrian, Tyrolean and Lauda Air joined Star Alliance in March 2000, enhancing European market penetration. A significant new member was Singapore Airlines (SIA), which joined in April 2000, bringing its extensive intra-Asian, Europe-Asia and trans-Pacific networks. Thai and SIA gave Star a competitive advantage over OneWorld, whose only major Asia Pacific carrier was Cathay Pacific.

Mexicana joined Star in July 2000, as its first major Latin American airline, but

left, however, in 2003.

Asiana joined Star in March 2003, as the third Asia Pacific carrier, thereby boosting its market strength. Asiana had significantly grown its international network by this stage.

In October 2003 LOT Polish became the fourth European flag carrier to join, and the first Eastern European airline.

USAirways joined the Star Alliance in 2004, becoming its second US major carrier. TAP Air Portugal joined in March 2005, becoming the fifth European flag carrier, followed by SWISS in 2006, the sixth European flag carrier, and South African Airways (SAA) in April 2006, the first African airline to join the alliance.

Air China and Shanghai Airlines became Star's first Chinese carriers when they joined in December 2007.

Turkish Airlines (THY) and Egyptair joined in 2008, clearly enhancing Star Alliance's presence in the Mediterranean, Middle East and North Africa.

Continental Airlines joined Star in late 2009, having previously been a SkyTeam member. Brussels Airlines joined shortly after.

This took the number of major airline members to 20, including six major European, five Asia Pacific, four North American, two Chinese, two African, and one Middle Eastern airline.

Brazilian carrier TAM joined in May 2010, providing routes serving much of South America. Aegean Airlines of Greece joined a month later.

Ethiopian Airlines joined in September 2001, giving Star two of three of Africa's largest airlines.

Shanghai Airlines left Star Alliance and joined Skyteam after merging with China Eastern.

Formed in 1997, the Star Alliance has grown to 26 major airline members plus their subsidiaries. The Alliance is the largest of the three main alliances in terms of seat and ASK capacity in the world's eight largest markets. It has the largest portion of capacity among the three alliances on three of the world's three main long-haul markets: the transatlantic, Europe-Asia Pacific and the Trans-Pacific.

Continental and United merged in 2012, with little or no effect on US network coverage.

South and Central American airlines Avianca and TACA joined in 2012, as did Chinese operator Shenzhen Airlines.

EVA Air of Taiwan joined in mid-2013, taking the number of major international airlines to 25.

In 2012 Brazilian airline TAM merged with Chilean flag carrier LAN to form the LATAM Group. The LATAM Group has since been extended to include member airlines in Colombia, Ecuador, Paraguay, Argentina and Peru. The LATAM Group therefore includes seven Latin American airlines. This group left the Star Alliance for OneWorld.

USAirways left Star Alliance in mid-2014 after merging with AA, and becoming a OneWorld member in the process.

The last two major airlines to join were Air India in 2014, and Avianca Brazil in 2015. The addition of Air India made Star Alliance the only alliance with an airline from the Indian sub-continent. Star also has the largest number of major Latin American carriers.

The 26 members now include seven major European airlines, six major Asia Pacific airlines, five major Latin American airlines, two in North America, three in Africa, two in China, and one in the Indian sub-continent (see table, page 18).

This roster gives Star the largest number of members on these continents compared to OneWorld or the SkyTeam Alliance. Consequently, the Star Alliance has a strong presence on major long-haul markets: the transatlantic, Europe-Asia Pacific and trans-Pacific. The exceptions are those serving the Middle East.

The Star Alliance does not, however, include any of the three major airlines in the Middle East, or in Russia and the Commonwealth of Independent States (CIS) countries.

OneWorld Alliance

The OneWorld Alliance has grown from the original five members that formed it in 1998 to include 13 major airlines: five Asia Pacific; three European; two Middle Eastern; AA's strong US presence and intercontinental network; major Latin American representation; and Russia's S7 Airlines.

AIRLINE MEMBERS OF THREE MAJOR AIRLINE ALLIANCES

Alliance	Star	OneWorld	SkyTeam
North America	Air Canada United Airlines	American Airlines	Aeromexico Delta Airlines
Latin America	Avianca Avianca Brazil TACA	LATAM Gp	Aerolineas Argentina Aeromexico
Europe	Austrian Gp Aegean Airlines Brussels Airlines Lufthansa LOT Polish SAS SWISS TAP Air Portugal Turkish Airlines	British Airways Finnair Iberia	Air Europa Air France Alitalia CSA Czech KLM Tarom
Russia & CIS		S7 Airlines	Aeroflot
Africa	Egyptair Ethiopian SAA		Kenya Airways
Middle East		Qatar Airways	MEA Saudia
Indian sub-continent	Air India	SriLankan Airlines	
Asia Pacific	Air China Air New Zealand Asiana ANA EVA Air SIA Shenzen Airlines Thai International	Cathay Pacific JAL Malaysian QANTAS Royal Jordanian	China Airlines China Eastern China Southern Garuda Indonesia Korean Air Shanghai Airlines Vietnam Airlines Xiamen Airlines

Finnair and Iberia were the first two additions in 1999. Finnair connects European short-haul routes and long-haul services to the Indian sub-continent and the Asia Pacific. Iberia is the only major European carrier to serve a large number of cities in South and Central America.

Lan Chile, a major South American flag carrier, joined in June 2000, and in particular has a long-haul presence in the Southern transatlantic markets.

Aer Lingus also joined in June 2000, but left in April 2007 to become an independent low-cost carrier (LCC).

Japan Airlines (JAL) and related subsidiaries joined in April 2007, giving

the alliance a boost in trans-Pacific and intra-Asian markets. LAN's subsidiaries LAN Argentina and LAN Ecuador also joined in April 2007.

S7 Airlines of Russia joined in November 2010.

Mexicana and its subsidiaries joined in November 2009, but filed for bankruptcy in August 2010. LCC Air Berlin joined in March 2012, but ceased operations in October 2017.

Malaysian was the fourth Asia Pacific carrier to join the alliance in February 2013. The LATAM Group joined shortly afterwards, having previously been a Star Alliance member.

Qatar Airways joined OneWorld in October 2013, the only one of the three big Middle Eastern airlines to join an alliance. This has made OneWorld dominant among alliances in long-haul markets that serve the Middle East. Etihad and Emirates, meanwhile, have remained independent.

AA's US domestic and transatlantic market penetration was enhanced with the acquisition of USAirways in 2013. Brazil's TAM joined OneWorld in the same month, having left Star Alliance.

SriLankan Airlines was the latest addition, giving OneWorld limited penetration of the Indian sub-continent.

SkyTeam Alliance

SkyTeam Alliance was the last of the main alliances to form, starting with Korean Air, Air France, Delta and Aeromexico in June 2000, and growing to 22 major airline members. Delta gives SkyTeam Alliance a strong presence in the US domestic market and various long-haul markets serving the US. It now has: four members in China, including two of the big three Chinese carriers; five European airlines; six from the Asia Pacific; two in the Middle East; and one airline each in Russia, Africa and Latin America. SkyTeam's biggest presence is in the intra-Asia Pacific market, and the two long-haul Europe-Asia Pacific and trans-Pacific markets that serve the region.

The first addition was in March 2001 with CSA Airlines, an Eastern European carrier, followed by Alitalia in July 2001.

The small alliance of Continental, Northwest and KLM joined SkyTeam in 2004, and completed the cooperation between Air France and KLM that dominates the two major European hubs of Paris and Amsterdam. The addition of Northwest increased SkyTeam's presence in the trans-Pacific, as Northwest has a large proportion of all capacity there. Northwest merged with Delta in 2010.

Aeroflot joined SkyTeam in April 2006, giving SkyTeam presence across Western, Central and Eastern Europe.

Kenya Airways joined in May 2006, and China Southern in November 2007, the first of four Chinese carriers.

China Eastern, Shanghai Airlines, Xiamen Airlines, Vietnam Airlines and China Airlines all joined in 2011. Garuda Indonesia was added in 2014. Middle Eastern airlines Saudia and MEA joined SkyTeam in 2012. Aerolineas Argentinas is the only Latin American airline in the alliance, joining in August 2012.

Small alliances

There are three small alliances serving regional markets. The Vanilla Alliance includes five airlines based on islands in the southwestern Indian Ocean: Air

MAJOR AIRLINE ALLIANCE BI-DIRECTIONAL CAPACITY SHARES IN THE WORLD'S 8 LARGEST LONG-HAUL MARKETS

Alliance	Northern transatlantic	Southern transatlantic	N.America - Middle East	Latin America - Middle East	Europe - Middle East	Middle East - Asia Pacific	Europe - Asia Pacific	Trans-Pacific	Total
OneWorld									
Seats - million	23.59	5.40	2.89	0.22	15.48	16.98	15.33	11.28	91.18
ASKs - billion	162.04	50.44	32.92	2.64	68.86	94.53	110.50	118.37	640.30
SkyTeam									
Seats - million	22.53	4.78	0.20	0	8.82	8.01	24.11	14.02	82.46
ASKs - billion	158.26	46.51	1.80	0	30.63	42.29	167.73	132.60	579.82
Star									
Seats - million	33.65	4.49	0.86	0	9.05	7.72	30.24	23.78	109.79
ASKs - billion	237.39	37.59	8.52	0	24.90	23.26	242.39	232.32	806.36
U-FLY & Value									
Seats - million								0.87	0.87
ASKs - billions								2.71	2.71
Non-alliance									
Emirates									
Seats - million	0	0	4.63	0	22.27	26.38	0	0	53.28
ASKs - billion	0	0	55.37	0	109.88	135.51	0	0	300.76
Emirates									
Seats - million	0	0	1.72	0.13	5.49	10.65	0	0	17.99
ASKs - billion	0	0	20.16	1.56	27.60	56.96	0	0	106.29
Other airlines									
Seats - million	21.63	2.29	1.73	0.58	18.74	38.19	25.21	7.79	116.16
ASKs - billion	140.05	19.47	17.58	7.02	60.18	125.62	100.75	62.91	533.57
Non-alliance total									
Seats - million	21.63	2.29	8.07	0.71	46.51	75.22	25.21	7.79	187.44
ASKs - billion	140.05	19.47	93.11	8.58	197.67	318.09	100.75	62.91	940.63
Overall total									
Seats - million	101.40	16.96	12.02	0.93	79.86	107.94	94.89	56.87	470.87
ASKs - billion	697.74	154.01	136.34	11.22	322.04	478.17	621.38	546.20	2,967.10

Austral, Air Madagascar, Air Mauritius, Air Seychelles and Int'Air Îles.

The U-Fly Alliance is a group of four Chinese and one Hong Kong airline that serve the domestic Chinese market.

The Value Alliance is a group of seven airlines based in southeast Asia Pacific: Manila-based Cebu Pacific, Jeju Air of South Korea, Scoot of Singapore, Vanilla Air of Japan and Tigerair Australia. It provides a broad network east and south of the Chinese mainland.

Long-haul markets

There are eight large long-haul markets, according to the number of annual bi-directional seats and ASMs or available seat-kilometres (ASKs) provided by the airlines operating in them.

The markets that have always accounted for large volumes of capacity have traditionally been the northern transatlantic between Europe, and the US and Canada; Europe-Asia Pacific; and the trans-Pacific. Smaller long-haul markets have always been the southern transatlantic, Europe-Middle East, and

the Middle East-Asia Pacific.

The strategies adopted by Emirates, Etihad and Qatar Airways over the past 20-30 years have been to use Dubai, Abu Dhabi and Doha as interlining hubs to provide global long-haul route networks. As a result all three airlines have had high levels of sustained growth; in the case of Emirates, for more than 30 years.

These three carriers have geographically advantageous operating bases that allow them to provide interlining services between key continents to the west of North America, South America and Europe, and the Asia Pacific to the east. Their operating cost advantages also mean that they can offer competitive interlining fares for ultra-long-haul services combined with a high level of in-flight service.

As a result, Etihad, Emirates and Qatar Airways are now among the largest long-haul airlines. Previous analysis has shown that the three have absorbed most long-haul traffic growth over the past 20 years, while most other major long-haul operators have maintained their levels of seat and ASM/ASK capacity (see *The*

perpetual growth of Middle East airlines, Aircraft Commerce, August/September 2011, page 12). The growth in route networks these carriers have experienced now makes them the three largest long-haul operators in terms of seat and ASM/ASK capacity (see table, this page).

Rapid and continued growth of these airlines has made the long-haul markets serving the Middle East into some of the largest in the international network. In particular, these are North America-Middle East, Europe-Middle East, and Middle East-Asia Pacific. The Middle East-Asia Pacific market is the largest long-haul market by seat numbers, at 107.9 million seats (see table, this page).

There is also the smaller market of Latin America-Middle East.

Eight main long-haul markets have significant seat and ASM/ASK capacity. These total 471 million seats and 2.97 trillion ASKs (see table, this page). There are also small markets serving Africa.

The intra-Middle East and intra-Asia Pacific are mainly medium-haul routes, and account for significant seat and ASK capacity. The intra Asia Pacific market is



large, with a bi-directional total of 409 million seats and 1.14 trillion ASKs. The intra-Middle East market provides 22.8 million seats and 42.7 trillion ASKs.

The northern transatlantic market is the largest by ASKs (see table, page 19), followed by Europe-Asia Pacific and the trans-Pacific which account for 63% of ASKs in the eight largest markets. The next two largest are Europe-Middle East, and Middle East-Asia Pacific.

The relative levels of capacity and number of routes served in these markets by the main three alliances will influence market penetration and enhance revenue capture potential.

Alliance capacity

The seat and ASK capacity provided by the three main alliances and independent, non-alliance airlines is summarised in bi-directional terms: total seats and ASKs provided in both directions on all routes.

The largest share of capacity is accounted for by independent, non-alliance airlines: 187 million seats, 40% of the total provided; and 940 billion ASKs, 32% of the total.

Remaining capacity is divided among the three main alliances, with Star having the largest share: 109.8 million seats and 806 billion ASKs (see table, page 19). OneWorld is the next largest, with 91.2

million seats and 640.3 billion ASKs.

SkyTeam Alliance is similar in size to OneWorld Alliance, with 82.5 million seats and 580 billion ASKs (see table, page 19).

Although it is the second largest alliance, OneWorld has more capacity on five of the eight long-haul markets: the southern transatlantic, North America-Middle East, Latin America-Middle East, Europe-Middle East, and Middle East-Asia Pacific.

Star Alliance is the largest on the three biggest markets: the northern transatlantic, Europe-Asia Pacific, and trans-Pacific (see table, page 19).

SkyTeam, with the smallest number of major airline members is the dominant alliance on the southern transatlantic, and the second largest alliance on six of the major long-haul markets.

Northern Transatlantic

The northern transatlantic market was the first long-haul market to be established, and the first to feature a large number of non-stop services.

Star Alliance dominates this market, with 48% more seats and 50% more ASKs than SkyTeam, and 53% more seats and 59% more ASKs than OneWorld. The small capacity provided by non-alliance carriers is unsurprising, given the airline membership of the main alliances.

British Airways (BA) is one of the founding members of the OneWorld Alliance. It contributes the second largest portion of seat and ASK capacity after Qatar Airways. BA provides 10% of seat capacity and 10% of ASKs in the market. It operates the A380 on six transatlantic routes from London Heathrow.

Star

Star Alliance's dominance in this market is mainly due to Air Canada, Lufthansa and United.

Lufthansa provides 8.6 million seats and 65.5 billion ASKs per year, making it the second largest European airline in this market after BA. It operates mainly from Frankfurt and Munich, serving 23 destinations in the US, Canada and Mexico. Most of Lufthansa's services are operated by the A330/340, and a few by the 747-400 and A380. In most cases Lufthansa operates daily flights, or nine to 10 services weekly. It operates to 14 destinations daily from Munich with the A330 or A340.

United provides 9.7 million seats and 65.6 billion ASKs, making it the second largest North American carrier in the market after Delta. United's dominance is partly due to its absorption of Continental Airlines. United has continued Continental's operations, and serves 27 destinations from Newark and four from Houston (IAH). United has also established transatlantic services from another four US hubs: Washington, DC, Los Angeles (LAX), Chicago O'Hare (ORD) and San Francisco (SFO).

Air Canada provides 5.8 million seats and 36.0 billion ASKs per year. Its international operations grew via acquisition of Canadian in 2001.

Air Canada operates long-haul services from seven different hubs. Five are in Eastern or Atlantic Canada, the two largest being Montreal and Toronto.

Air Canada offers limited services from Halifax, St Johns, Ottawa and Calgary, and serves four European cities from Vancouver.

The other seven Star Alliance airlines provide another 9.6 million seats and 71.33 billion ASKs per year. SWISS and THY provide 2.0 and 2.6 million seats per year, while the remaining airlines all have small operations.

OneWorld

The two airlines that account for most of the capacity provided by OneWorld are BA and AA. Total OneWorld Alliance capacity in this market is 23.6 million seats and 162 billion ASKs (see table, page 19).

BA is marginally the largest airline on the transatlantic, providing 10.48 million



seats and 71.69 billion ASKs per year, making it slightly larger than Delta. It operates to 26 US and Canadian destinations from London Heathrow (LHR), and to six in the US from London Gatwick (LGW). BA's services from LHR are high-frequency operations, with most being served at least twice daily. It operates to New York JFK (JFK) over seven times per day throughout the year, and has a daily service from LGW. BA operates the A380 from LHR to Boston, LAX, Miami, SFO, Vancouver and Washington, DC.

AA is almost as large as BA across the Atlantic, providing 9.14 million seats and 61.0 billion ASKs in 2017. Like United, AA operates from a large number of US hubs. It merged with USAirways in late 2013, thereby adding its network, including a transatlantic operation, to OneWorld. AA operates from Charlotte, Philadelphia, Dallas/Fort Worth (DFW), JFK, Miami and ORD. JFK is the largest hub, with services to 11 European cities. AA operates to a small number of European cities from Boston, LAX and Raleigh-Durham.

LHR-JFK is the busiest route in the North Atlantic market. Total capacity in 2017 is 2.13 million seats and 11.84 billion ASKs, provided by 21 daily frequencies between five operators: BA, AA, Delta, Norwegian and Virgin Atlantic. More than 59% of the capacity is jointly provided by AA and BA, which operate 11 daily services.

The other 17-18% of OneWorld's seats and ASKs come from Air Berlin, Finnair and Iberia in 2017. Air Berlin ceased operations in October 2017.

Iberia generates 1.87 million seats and

13.67 billion ASKs per year, operating to seven destinations from Madrid, including JFK, Miami and Mexico City.

SkyTeam

The SkyTeam airlines that provide the most transatlantic capacity are Delta, Air France and KLM. Delta has the largest capacity, with 10.91 million seats and 72.22 billion ASKs in 2017, making it the largest carrier on the northern transatlantic. It fully merged with Northwest Airlines in late 2009, thereby increasing its international network. Delta operates from seven major US hubs, and eight smaller airports. The largest number of services are from Atlanta (ATL), JFK, Detroit, Boston and Minneapolis St Paul, followed by Seattle (SEA) and Salt Lake City.

Air France operates all its Northern transatlantic services from Paris Charles de Gaulle (CDG) to 15 European cities. Its capacity is only half that provided by BA from LHR and LGW.

Another four European airlines provide the remaining capacity, with only KLM providing a significant amount. In total, however, the four European carriers provide more capacity than their counterparts in the OneWorld Alliance.

Southern transatlantic

The southern transatlantic market is only the sixth largest out of eight main long-haul markets. This only has an annual total capacity of 17 million seats and 154 billion ASKs (see table, page 19).

The OneWorld alliance is the largest, followed closely by SkyTeam.

Delta was a founding member of SkyTeam, and acquired Northwest Airlines in 2010. Northwest's codeshare agreement with KLM added it and Air France to the alliance. Delta accounts for about 20% of SkyTeam's long-haul capacity, and its two markets are the northern transatlantic and Trans-Pacific.

OneWorld

The OneWorld Alliance airlines that account for most of the capacity in this market are Iberia and LATAM Brasil. Iberia provides almost 50% of this capacity, operating to 13 major cities in South and Central America. Iberia also has more capacity to Latin America from Europe than any other operator, explaining OneWorld's dominance in this market.

LATAM Brasil serves six European cities from Sao Paulo, and overall has about half the capacity that Iberia offers.

BA and the other LATAM Group airlines provide the remaining 25% of capacity provided by OneWorld airlines.

SkyTeam

SkyTeam's total capacity in this market is 4.78 million seats, and 46.5 billion ASKs. The two largest operators in the alliance are Air France and KLM. These serve 12 and eight cities on the continent from CDG and Amsterdam.

Star

The Star Alliance provides 4.49 million seats and 37.59 billion ASKs per year. The three largest carriers in the group are TAP Air Portugal, Lufthansa and Avianca Colombia. TAP is the second largest airline in this market. It provides 1.84 million seats and 13.0 billion ASKs per year, operating from Lisbon to nine cities in Brazil and to Caracas in Venezuela.

Lufthansa operates to four cities, including Rio de Janeiro and Sao Paulo in Brazil. Avianca operates from Bogota in Colombia to LHR, Barcelona and Madrid.

SWISS, Turkish, Singapore Airlines, and Air China all run limited services.

North America-Middle East

The North America-Middle East is one of the smallest long-haul markets with total capacity of 12 million seats and 136 billion ASKs. Only one-third of this is provided by alliance airlines, and Qatar Airways provides two-thirds of all capacity provided by alliance carriers. It operates between 11 major US gateways and its Doha hub.

Other alliance airlines in this market

Qatar Airways is the second largest of the three big Middle East airlines, and the only one to be an alliance member. It provides the largest share of total capacity on OneWorld's long-haul markets, and also provides 12-13% of all capacity in the Europe-Middle East and Middle East-Asia Pacific markets.

are OneWorld's Royal Jordanian, which serves four North American cities from Amman, Delta, the only SkyTeam Alliance airline, and Star Alliance's Air Canada and United with a small number of services to Dubai and Tel Aviv.

Non-alliance airlines provide most of the capacity, with 8.1 million seats and 93 billion ASKs. This is explained by the inclusion of Emirates and Etihad.

Emirates provides the largest share of all airlines, at 38% of seats and 41% of ASKs. It serves 12 North American gateways with mainly daily services, and uses the A380 on most routes.

Etihad is the smallest of the three Middle East operators, but still accounts for 14% of seats and 15% of ASKs. It serves seven North American gateways.

The three Middle East major carriers provide a total of 8.87 million seats, 74% of the total, and 104.97 billion ASKs, 77% of the total.

Latin America-Middle East

The Latin America-Middle East market is the smallest of the eight long-haul markets, with just 933,000 seats and 11.2 billion ASKs. SkyTeam and Star Alliance do not have any member airlines participating in this market; the only airlines that operate are the big three Middle East airlines. All three serve Sao Paulo from their respective hubs, while Emirates also serves Rio de Janeiro. Emirates operates three times weekly with the A380 to Sao Paulo, and the rest of its capacity is provided by 777s.

Europe-Middle East

The Europe-Middle East market is the fourth largest of the eight main long-haul markets (see table, page 19). Total annual capacity is 80 million seats and 322 billion ASKs. The largest capacity providers are the OneWorld Alliance and Emirates and Etihad.

OneWorld

OneWorld is the largest of the three alliances, and provides capacity of 15.5 million seats and 68.9 billion ASKs per year. Qatar Airways provides 10.4 million seats and 46.4 billion ASKs, about two-thirds of OneWorld's capacity. Qatar serves 40 European destinations from Doha, and operates with relatively



high frequencies on most routes. This includes six daily services to LHR, three with the A380.

BA provides another 2.5 million seats and 11.8 billion ASKs. It serves 12 major cities in the Middle East from LHR, and operates at daily frequencies on most routes. It operates three daily services to Dubai. Qatar Airways provides most of the capacity of the LHR-Doha route. It operates the 787, 777, A350 and A380.

The remaining OneWorld airlines in the market provide a total of 2.5 million and 10.6 billion ASKs, the remaining 16% of capacity.

SkyTeam

SkyTeam is the second largest alliance in this market. SkyTeam members include Saudia, Aeroflot, Alitalia and Air France. Total capacity is 8.8 million seats and 24.8 billion ASKs.

Saudia provides the largest portion, with 2.9 million seats and 10.46 billion ASKs. The airline serves 12 European destinations from Jeddah, seven from Madianh, and nine from Riyadh. Aeroflot is the second largest carrier in the group, with 1.49 million seats and 4.23 billion ASKs. It serves five points from Moscow.

Alitalia provides 1.24 million seats and 3.82 billion ASKs, while Air France has 1.13 million seats and 4.3 billion ASKs per year. KLM and Middle Eastern airlines each provide 1 million seats per year.

Star

Star Alliance provides 9.05 million seats and 24.9 billion ASKs, with most provided by THY and Lufthansa. THY

provides more than half the capacity of all Star Alliance airlines, and this market is its second largest long-haul market.

THY operates services from eight Turkish airports, but more than 80% of capacity is from Ataturk Istanbul airport (IST). It provides 4.47 million seats and 10.52 billion ASKs per year from IST. THY's total capacity is 5.37 million seats and 12.56 billion ASKs.

Lufthansa is the second largest airline, but provides half the capacity of THY. Lufthansa operates to 10 Middle East destinations from Frankfurt, and to one from Munich. All other Star Alliance members provide fewer than 1.0 million seats and 2.0 billion ASKs per year.

Independent

Most capacity is provided by non-alliance airlines. This totals 46.5 million seats and 198 billion ASKs, with Emirates and Etihad accounting for much of this.

Emirates is the largest airline in this market, and generates 22.3 million seats and 109.9 billion ASKs per year. This is equal to 28% of seats and 34% of all ASKs, one-third of capacity. Emirates operates to 37 destinations in Europe, and serves all Western European and most Eastern European countries. Emirates flies the A380 to 20 of its 37 European airports. These include six daily services to LHR, three to LGW, and an average of 17 per week to Manchester.

Etihad provides 5.49 million seats and 27.6 billion ASKs per year. It serves 23 European destinations from Abu Dhabi. It operates to most Western European countries, plus Serbia, Belarus and Russia.

Other non-alliance airlines that



provide large volumes of capacity include El Al, Israir, Arkia, flyDubai, Gulf Air, Iraqi Airways, Iran Air, Kuwait Airways, Oman Air and several LCCs.

Middle East-Asia Pacific

The Middle East-Asia Pacific market is the largest of all long-haul markets in terms of annual seats supplied. Annual capacity is 107.9 million seats and 478 billion ASKs (see table, page 19). This is larger than the capacity provided by the three main markets to the west of the Middle East: the northern and southern transatlantic, and Europe.

OneWorld

OneWorld is the largest alliance in the market, with SkyTeam and Star providing about half the number of seats of OneWorld. Non-alliance airlines, however, provide 75 million seats and 318 billion ASKs. Emirates' operation dominates this, and accounts for one-third of the non-alliance volume, and one-quarter of the total market volume.

OneWorld's position as the leading alliance is explained by Qatar Airways. OneWorld provides almost 17 million seats and 94 billion ASKs per year, about 12% of all seats in this market. Qatar Airways operates from Doha to 52 destinations in the Asia Pacific.

Qatar Airways serves almost every country in the Asia Pacific, several island groups, and some of Central Asia.

Most destinations are served daily by

the A380 on services to Bangkok, Sydney (SYD), Melbourne and Guangzhou.

Four of the other five OneWorld airlines in this market are Cathay Pacific, Malaysia Airlines, Qantas and Sri Lankan Airlines. Many of these carriers serve a limited number of destinations from their respective hubs, providing little capacity, which in many cases is fewer than 1.0 million seats per year.

Japan Airlines, a OneWorld member, does not operate in this market. Qatar Airways, however, operates two daily services between Doha and Tokyo Narita.

SkyTeam

SkyTeam Alliance provides less than 7% of seats in this market. Six of its airline members operate, but Saudia provides 82% of the seats, with 62 routes in the Asia Pacific from four main hubs. Most of the destinations are on the Indian sub-continent.

China Southern and China Eastern have five and four routes, but each provides fewer than 500,000 seats per year. Garuda Indonesia operates eight routes, but generates only 660,000 seats per annum. Korean Air has three routes, with fewer than 300,000 seats per year.

Star

Star Alliance generates 7.7 million seats and 23.25 billion ASKs per year in this market. It has four member airlines conducting operations, but 89% of the capacity is provided by Air India, which

Prior to the formation of SkyTeam, KLM had a codesharing agreement and strategic alliance with Northwest since 1993. Meanwhile, Air France had formed a small alliance with Delta. The grouping of these four carriers has given SkyTeam a large presence in the northern transatlantic, Europe-Asia Pacific and Trans-Pacific markets.

operates from 20 Indian cities with services to the major Middle East and Gulf cities of Abu Dhabi, Bahrain, Doha, Dubai, Kuwait City, Muscat and Sharjah.

The other Star Alliance members in the market are Air China, Singapore Airlines and Thai International. These all have limited services to the Middle East, and only serve Dubai.

Independent

The non-alliance group of airlines provides most of the capacity: 75 million seats and 318 billion ASKs (see table, page 19). This is about 70% of all capacity in the market, and is the biggest share for non-alliance airlines of the eight long-haul markets.

About 80% of capacity is provided by major Middle East and Indian sub-continent airlines, including Emirates, Etihad, flydubai, Air Arabia, Gulf Air, Kuwait Airways, Jet Airways, Biman Bangladesh and Pakistan International.

Emirates has by far the biggest share, with 26 million seats and 135.5 billion ASKs per year, 25% of capacity in the market. It operates to 45 destinations in 20 countries.

Emirates operates an average of two daily services, using the A380 on several, including to Perth, SYD, Beijing, Shanghai, Tokyo Narita, Auckland, Seoul and Colombo. It operates mainly 777-300ERs on other services.

Etihad is the second largest airline in this group, and generates 10.65 million and 57 billion ASKs per year. It serves 35 destinations in 17 countries. Etihad uses the A380 on services to Melbourne, SYD and Mumbai.

The other non-alliance airlines with sizeable capacity are Jet Airways, flydubai and Air Arabia. Jet Airways serves Gulf capitals and cities in Saudi Arabia, while flydubai and Air Arabia mainly serve destinations on the Indian sub-continent and the former Soviet Union.

Europe-Asia Pacific

Europe-Asia Pacific is the third largest long-haul market, with 94.9 million seats and 621.4 billion ASKs per year. Star Alliance, SkyTeam Alliance and non-alliance airlines provide similar volumes of seats, while OneWorld Alliance generates 15 million seats each year.

Emirates, a non-alliance airline, has by far the largest share of global long-haul capacity. It accounts for 12% of seat and 10% of ASK capacity in eight of the world's largest inter-continental markets. Second largest to Emirates is Qatar Airways, which has just over half the capacity of Emirates. Etihad, Lufthansa, BA, and United all provide about one third the capacity that Emirates does.

Star

Star Alliance dominates the market, with 30.2 million seats and 242 billion ASKs per year; 32% of total capacity. 15 Star Alliance members operate in this market, with most capacity coming from Lufthansa, Singapore Airlines and THY.

THY is the largest, with 6.29 million seats and 38.45 billion ASKs per year, serving 37 destinations in 20 Asia Pacific countries.

Lufthansa is the second largest operator, providing 5.68 million seats and 45.64 billion ASKs per year. It operates to 21 cities in the Asia Pacific via Frankfurt, and to eight destinations from Munich. It operates the 747-400, 747-8 and A380 to Bangkok, Bengaluru, Mumbai, Delhi, Hong Kong, Tokyo, Osaka, Seoul, Beijing, Shanghai and Singapore.

Singapore Airlines is the third largest. It operates to 14 European destinations, providing 3.56 million seats and 37 billion ASKs per year with a mixed fleet of 777-200ERs, 777-300ERs, A350-900s and A380s. It operates the A380 to Paris CDG, Frankfurt and Zurich with daily services, and to London with four daily frequencies with the 777-300ER.

Air China has a large network to Europe, serving 15 destinations from Beijing, five from Shanghai, plus another three from other smaller airports. It provides 3.44 million seats and 27.8 billion ASKs per year.

Thai International serves 12 destinations from Bangkok, and provides a total of 3.5 million seats and 31.43 billion ASKs per year.

Other Star Alliance members include Aegean, Air India, ANA, Asiana, Austrian, Brussels Airlines, EVA Air, LOT Polish, SAS and SWISS, collectively providing 7.7 million seats per year. Most carriers serves a small number of cities.

SkyTeam

SkyTeam has 11 members operating in this market, providing 24.1 million seats and 167.7 billion ASKs per year.

Aeroflot provides the most capacity, with 10.6 million seats and 47.9 billion ASKs per year. Its large network includes



15 destinations in Central and Eastern Russia. It also operates services from Moscow to major cities in eastern countries of the former Soviet Union and capitals in the Asia Pacific.

Air France and KLM are the next two largest carriers, each providing 3.2 million seats and 28 billion ASKs per year.

Air France operates to 16 cities in 10 countries, and generates a total of 3.27 million seats and 29.3 billion ASKs. Most services are daily, and it operates the A380 to Shanghai and Hong Kong.

KLM operates to 17 destinations, many of which are also operated by its partner airline Air France from CDG. KLM uses a mixed fleet of 747-400s, 747-400 Combi, 777s and 787s.

The other SkyTeam airlines in this market are Alitalia, China Airlines, China Eastern, China Southern, Czech, Garuda Indonesia, Korean Air and Vietnam Airlines. These collectively provide 6.6 million seats per year. Korean Air offers the most capacity, via the A380 and 747-8 to Paris CDG, Rome, Frankfurt, London and Prague.

Independent

The group of non-alliance airlines includes airlines from the former Soviet states of Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan, and generates a total of 25 million seats and 100.7 billion ASKs per year.

Trans-Pacific

The trans-Pacific market is small, even though it developed early with fifth-freedom route rights for Japan Airlines, Northwest Airlines, Pan Am and Canadian Pacific (CP Air). United acquired Pan Am's trans-Pacific network in the mid-1980s. ANA was also granted some fifth-freedom rights from the late 1980s. CP Air had rights from Vancouver. This route network became Air Canada's when it absorbed Canadian, previously CP Air, in 2001.

The fifth-freedom route rights were between the US and countries in the Asia Pacific, and allowed the three airlines to pick up fare-paying passengers in Tokyo, where it was necessary for aircraft to stop for refuelling, as ultra-long-range aircraft for non-stop routes across the Pacific did not become available until the late 1980s.

The first of these was the 747-400 in 1989. Its large size, however, failed to encourage airlines with or without fifth-freedom traffic rights to open many new routes across the Pacific. The advent of the smaller A340-200 and -300 in the early 1990s would have made more routes possible, but bilaterals between Canada and the US, and the majority of Asia Pacific countries had still not been relaxed by this stage. The introduction of the 777-200ER, 777-200LR, and 777-300ER, followed by the 787-7 and -9, came as bilaterals became more relaxed and additional US carriers and Asia



Pacific airlines were able to open new non-stop routes, and so avoid the costly technical and refuelling stops in Tokyo.

The number of non-stop routes across the Pacific has grown with the arrival of 200- to 300-seat ultra-long-range widebodies. The effect of this has been for fifth-freedom routes operated via Tokyo by JAL, ANA, United and Northwest to dwindle in number. This has had a large effect on the number of operations made by JAL, ANA, Northwest and United. All these airlines have smaller long-haul fleets than in the past; JAL at one time operated 60 747s.

Total capacity in this market is now 57.7 million seats and 548.9 billion ASKs per year, making it the fifth largest long-haul market. This is just over half the size of the transatlantic market, despite the size of the US, Canadian, Japanese, Chinese and other Asia Pacific economies.

Star

Star has the largest share of capacity in this market, with 23.8 million seats and 232 billion ASKs per year through the comprehensive networks operated by Air Canada, United and ANA.

United has the largest presence of all Star Alliance carriers, with 7.8 million seats and 71.5 billion ASKs per year. Having acquired Pan Am's routes, its network is one of the largest in the market. It operates 43 different routes from seven different US gateways that include SFO, ORD, Houston, Denver, Washington, DC, and Newark. It also has routes from Guam (GUM) and Honolulu (HNL) in the Pacific Ocean.

SFO is United's busiest gateway, and serves 14 destinations that include SYD, Auckland, Tokyo, Taipei, Seoul, Hong

Kong, Beijing, Shanghai and Singapore. It also serves six destinations from Newark, five from ORD and four from LAX. It has nine routes from GUM.

Air Canada is Star Alliance's second largest carrier, operating across the Pacific from four main gateways, Toronto and Vancouver the two main hubs. It serves 11 destinations from Vancouver and eight from Toronto. It uses a mix of 787-8s, 787-9s, 777-200LRs and 777-300ERs.

EVA Air, Air China, ANA and Asiana all have similar levels of annual capacity at 2.02-2.74 million seats per year. Air New Zealand, Air India and Singapore Airlines have smaller operations, with 0.78-1.28 million seats per year each.

SkyTeam

SkyTeam is the second largest alliance in this market. It generates 14.0 million seats and 132.6 billion ASKs per year. Its members include Aeromexico, China Airlines, China Southern, China Eastern, Xiamen Airlines, Korean Air and Delta.

Korean Air is the largest operator, providing 4.15 million seats and 38.9 billion ASKs per year. It operates mainly from Seoul to 15 destinations, including HNL and GUM and 11 US gateways, and Vancouver and Toronto in Canada. These include JFK, Washington Dulles and ATL on the East Coast; Las Vegas (LAS), IAH, DFW and ORD in the central US; and LAX, SFO and SEA on the West Coast.

Delta Airlines has almost the same amount of capacity as Korean Air, generating 4.1 million seats and 25.75 billion ASKs across a network of 28 routes to five countries from eight US gateways that include ATL, Detroit, JFK, LAS, Minneapolis St Paul, Portland, SEA, and LAX. Delta also operates to points in

Northwest historically had a large presence on the Trans-Pacific market. Its absorption by Delta in 2010 made the SkyTeam alliance the second largest in terms of seat and ASK capacity in the Trans-Pacific market.

Japan from GUM and HNL.

The third largest airline is China Eastern, which generates 2.2 million seats and 22.4 billion ASKs per year. It operates to seven US and Canadian gateways from Shanghai, as well as three other routes from Chinese gateways.

China Southern generates 1.4 million seats and 16.6 billion ASKs per year on five routes to US and Canadian gateways from Guangzhou.

China Airlines of Taiwan operates to JFK, SFO, LAX and Vancouver from Taipei, generating 1.6 million seats and 15.3 billion ASKs per year.

Aeromexico and Xiamen Airlines have small operations across the Pacific.

OneWorld

OneWorld is the third largest alliance in the trans-Pacific market, providing a total of 11.28 million and 118.4 billion ASKs per year. This is mainly provided by AA, Cathay Pacific, JAL, and Qantas although LATAM Group airlines provide about 290,000 seats per year. Total capacity from the alliance is 11.28 million seats and 118.4 billion ASKs.

The largest airline is Cathay Pacific, providing 3.4 million seats and 40.5 billion ASKs per year. It operates eight Canadian and US routes from HKG. Most services are twice-daily with the 777-300ER and the new A350-900.

JAL is the second largest operator, providing 3.0 million seats and 23.5 billion ASKs per year. It has 15 routes, and serves nine destinations from Tokyo Narita, with less than daily frequency. It operates a mixed fleet of 787s, 767-300ERs, 777-200s, and 777-300ERs.

Qantas generates 1.9 million seats and 22.6 billion ASKs per year on the six routes it operates from SYD, and the single routes it operates from Brisbane and Melbourne. Most of its operations are with the 747-400, but it uses the A380 from SYD to DFW and LAX, and from Melbourne to LAX.

The remaining capacity provided by non-alliance airlines totals 7.8 million seats and 62.9 billion ASKs per year. This group of airlines includes Fiji Airways, Hawaiian Airlines, Hainan Airlines and Philippine Airlines. - CHW 

To download 100s of articles like this, visit:
www.aircraft-commerce.com