ASEAN AVIATION INDUSTRY
POST-PANDEMIC RECOVERY

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Illustration on Aviation Industry in Southeast Asia

SEA Major Airline Passenger Traffic During the Pandemic

SEA Major Airline Net Income During the Pandemic

<table>
<thead>
<tr>
<th>Airline</th>
<th>Area Served</th>
<th>Code</th>
<th>Net Profit (Loss) 2019</th>
<th>Net Profit (Loss) 2020</th>
<th>Net Profit (Loss) H1 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Asia Group</td>
<td>Malaysia/Regional</td>
<td>AK/QZ/FD/Z2</td>
<td>USD 67,711,485</td>
<td>USD 1,408,781,722</td>
<td>USD 405,740,142</td>
</tr>
<tr>
<td>Singapore Airlines</td>
<td>Singapore</td>
<td>SQ</td>
<td>USD 124,941,917</td>
<td>USD 1,250,739,394</td>
<td>USD 310,660,236</td>
</tr>
<tr>
<td>Garuda Indonesia</td>
<td>Indonesia</td>
<td>GA</td>
<td>USD 6,457,765</td>
<td>USD 2,476,633,349</td>
<td>USD 901,655,027</td>
</tr>
<tr>
<td>Thai Airways</td>
<td>Thailand</td>
<td>TG</td>
<td>USD 356,981,662</td>
<td>USD 3,619,520,143</td>
<td>USD 330,392,232</td>
</tr>
</tbody>
</table>
The aviation industry in Southeast Asia still struggles to meet the pre-pandemic traffic and financial figures despite showing a promising recovery trajectory. Support for the aviation industry is more significant in Singapore, Malaysia, and Thailand, where government incentives ease airlines’ financial load.

While in Indonesia and Vietnam, support from the government to the aviation industry is much more limited and preferential on SOEs. To ensure progressing recovery in the aviation industry, more government intervention and non-preferential treatment must be exercised.

**Indonesia** IDR 215 billion (USD 15.1mio) financial stimulus, 175 billion for PJP2U Pelayanan Jasa Penumpang Pesawat Udara (passenger service charge) and 40 billion for AirNav, API, APII calibration assistance.

IDR 8.5 trillion (USD 596.1mio) aid through SMV (Special Mission Vehicle) scheme from ministry of finance for Garuda Indonesia.

**Malaysia** RM20 billion (USD 4.8bn) stimulus through temporary tax amnesty on tourism sector and 15% discounts on airlines and travel agents electricity bill.

RM 1 bn (USD 239.7mio) loan (bailout) for Air Asia from government.

**Singapore** Job Support Scheme (JSS) for workers in aviation sectors, the government support 75% of the salary payment.

Government alongside aviation authorities provided incentives that includes: landing credit and discounts and discounts on aircraft parking fee. In 2021, total S$870 million (USD 641mio) government financial support for aviation industry.

**Vietnam** Ministry of Transport proposal on tax and fee postponement and credit support for domestic airlines.

VND 4 trillion (USD 176.1mio) loan package for Vietnam Airlines from government.

**Thailand** 93.3% reduction in fuel tax for domestic flights. 50% discounts on landing and parking fee for domestic and foreign airlines. 50% discounts on air navigation for domestic flights, 20% for international flights.

Reduction in arrival and departure fee for passengers from THB15 to THB10 and 50% discounts for office rents for Thai airlines.

**Conclusion**

The aviation industry in Southeast Asia still struggles to meet the pre-pandemic traffic and financial figures despite showing a promising recovery trajectory. Support for the aviation industry is more significant in Singapore, Malaysia, and Thailand, where government incentives ease airlines’ financial load.

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