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New Airports:China™ Forecast Issued – China-US Travel Faces Challenges

Evergreen, Colorado, June 22, 2017. A new forecast from Boyd Group International indicates that in 2017, China will see a slowing rate of air passenger growth, to between 7.0% and 7.5%, substantially below the 11.1% expansion in 2016. In addition, the forecast indicates the US will see nearly 29 million leisure visitors from China over the next five years, but this number could possibly be much higher, if US airports engage in aggressive outreach.

The Airports:China™ forecast concludes that the demand for air transportation within China will continue to outstrip capacity for the next two years, with Chinese airlines expected to experience over 88% load factors, and several of its largest airports continuing to operate at or near operational capacity.

The strongest growth will be seen at secondary Chinese airports. As an example, Beijing Capital will see less than one percent more seat capacity in 2017, while Mianyang, the second largest city in Sichuan province, will see almost 70% passenger growth this year alone.

New airport construction will facilitate enormous traffic growth. "The opening of the new Beijing Daxing Airport will be like taking a cork out of the China air transportation system, with effects being seen at airports across China," the report points out. "When other new airports come on line at Xiamen, Wuzhou and more than three dozen other cities, annual passenger levels will return to double-digit growth rates."

Annual Chinese air visitors to the US are expected to expand by 44% percent over the next two years, but even this represents less than 15% of the potential demand. The report notes that as more Chinese airlines consider adding international routes, US destinations face two major disadvantages. One is the difficulty in citizens obtaining a US visa, which still requires a trip to one of the few US consular offices in China. The second is more compelling: US air gateways are simply not prepared to functionally handle Chinese visitors.

"Every major airport in America will claim they're 'China-ready', but Chinese visitors would strongly disagree," the report points out. US gateway airports are unprepared to functionally accommodate visitors from the Middle Kingdom. As one example, even official signage in US Customs

facilities is still in traditional Chinese, which hasn't been used on mainland China in over half a century. As another indication, US carriers that actually fly to China still have emergency instruction cards on domestic flights in traditional characters, as well. "This sends a message to Chinese carriers – their customers may not be accorded proper recognition and respect."

At most gateway airports, there is no consideration for Chinese wayfinding from customs to domestic flights. As a result, most Chinese visitors start their US surface itineraries from the gateway city. This materially deprives many US regional airports of valuable traffic.

Until major airport gateways address this, the US will see Chinese airlines tending to give preference to adding new routes to other parts of the globe. The Airports:China™ report notes that today, Las Vegas McCarran is the only US gateway with a functionally-welcoming program for Chinese visitors, with systemic application of way-finding and proactive informational outreach that anticipates the needs of their guests from the Middle Kingdom.

Airports:China™ is produced by Boyd Group International, and will be presented to attendees at the 22nd annual **International Aviation Forecast Summit**, August 27-29 at the Wynn Las Vegas Resort. The Summit will be preceded by the 3rd annual **China-US Travel Opportunities Symposium**, which will specifically address the evolving nature of this important visitor sector. More information can be obtained at www.AviationForecastSummit.com

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