

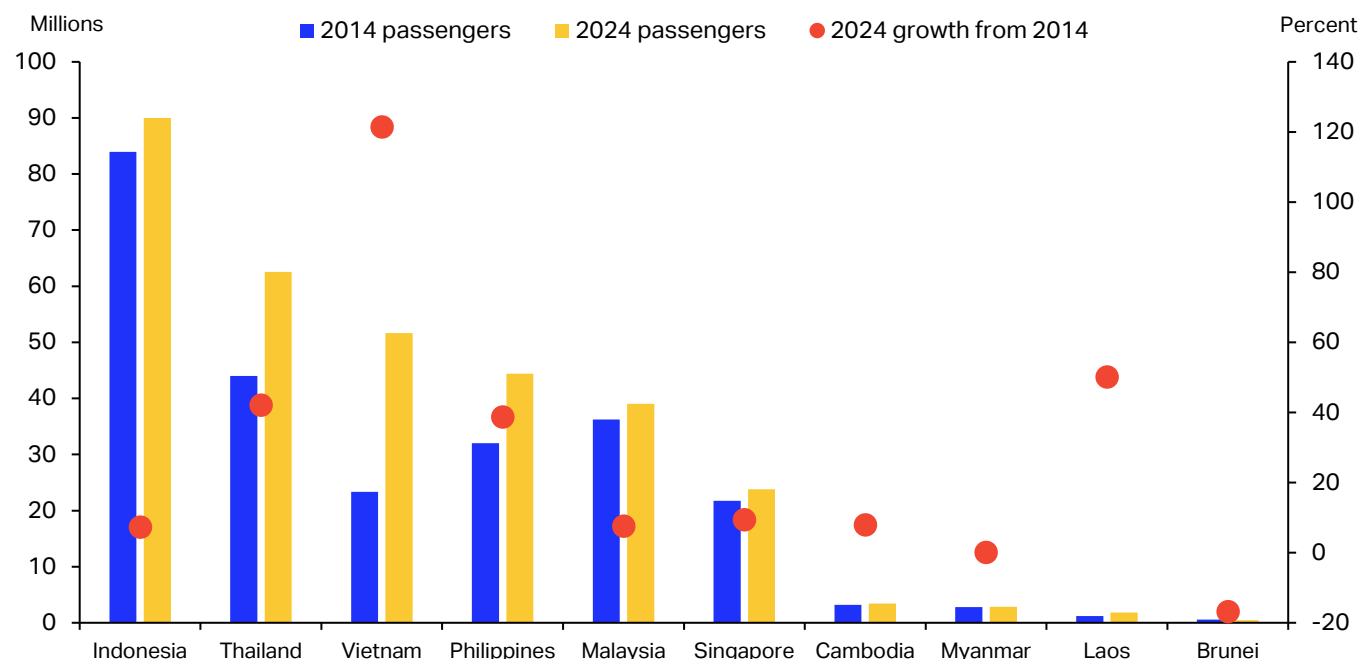


## Chart of the Week

25 April 2025

### Navigating the Skies: Market Disparity in ASEAN

#### Number of passengers to ASEAN countries in 2014 and 2024



Source: IATA Sustainability and Economics; estimated total number of passengers for all international and domestic markets bound for ASEAN countries

- The Association of Southeast Asian Nations (ASEAN) is a union of 10 Southeast Asian states with a combined population of 677 million. The region holds immense potential for air traffic growth – air passenger numbers are expected to double in the next decade. This demand is particularly strong in archipelagic nations such as Indonesia - the world's fourth most populous country - where air transport is not just convenient but essential due to the lack of comparable alternatives.
- The five largest air passenger markets in ASEAN – Indonesia, Thailand, Vietnam, the Philippines, and Malaysia – are the region's primary growth drivers, accounting for 90% of traffic in 2024. Vietnam has emerged as the fastest-growing market, surging 121% over the past decade to become the third largest market, up from fifth place in 2014. This rapid development is fueled by stable economic policies, strong GDP performance, and the aggressive expansion of local carriers, especially low-cost carriers. Indonesia remains the largest market in the region, though its growth has been relatively modest at 7% since 2014, due to capacity constraints.
- At the other end of the spectrum, the four smallest markets – Cambodia, Myanmar, Laos, and Brunei – accounted for less than 3% of total traffic in ASEAN in 2024. Cambodia's heavy reliance on Chinese investments, coupled with China's recent measures to limit capital outflows, has dampened its post-pandemic traffic recovery. The ongoing Myanmar civil war has erased the gains made since the country's political reforms in the early 2010s. Brunei, the smallest market in the region, saw traffic shrink by 17% from 2014 to 2024 due to economic stagnation and a struggling tourism sector.
- ASEAN's growing middle class and young population will remain key drivers of air traffic demand in the coming decades. However, recent trends highlight a widening gap between the region's larger and smaller markets. To ensure inclusive economic growth, ASEAN governments must work to unlock the full potential of air transport.

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