

Research Update:

# Ratings On China Airlines Affirmed At 'twA-/twA-2'; Outlook Stable

October 23, 2025

## Rating Action Rationale

Taiwan Ratings Corp. today affirmed its 'twA-' long-term and 'twA-2' short-term issuer credit ratings on **China Airlines Ltd.** The outlook on the long-term rating is stable.

The ratings reflect China Airlines' leading position in Taiwan's aviation market by passenger numbers and cargo fleet, its good airline network coverage, and its improving efficiency through a more fuel-efficient fleet. Several factors temper these rating strengths. These include high industry risk associated with high demand cyclicality and volatile fuel prices, intensifying competition in Taiwan's aviation market, China Airline's relatively smaller fleet size compared to that of its global peers, and the airline's high debt leverage under its continuous fleet renewal plans.

## Related Criteria & Research

### Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology - July 07, 2025
- General Criteria: Country Risk Assessment Methodology And Assumptions - November 19, 2013
- Criteria | Corporates | General: Corporate Methodology - January 07, 2024
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers - December 16, 2014
- General Criteria: Methodology: Industry Risk - November 19, 2013
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions - March 25, 2015
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings - October 10, 2021
- General Criteria: Group Rating Methodology - July 01, 2019
- General Criteria: Principles Of Credit Ratings - February 16, 2011
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities - January 07, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology - June 08, 2023
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments - April 01, 2019

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## Related Research

– Taiwan Ratings' Ratings Definitions – Nov. 11, 2021

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## Ratings List

### Ratings Affirmed

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#### China Airlines Ltd.

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Issuer Credit Rating	twA-/Stable/twA-2
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