

A PRESS RELEASE

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AAPA JANUARY 2004 TRAFFIC RESULTS

January 2004 saw the AAPA international passenger traffic, expressed in revenue passenger kilometres (RPKs), grow by 4.1%. In comparison, the number of passengers carried (PAX) rose by 5.3%, reflecting the surge in intra-Asia travel fueled by the Lunar New Year holidays. With capacity increasing at a much slower pace (1.6%), the passenger load factor gained 1.8 percentage points to 76.0%.

Looking at the traffic by region, passenger numbers within Southeast Asia grew in line with the overall trend at 4.1%. Traffic within Northeast Asia, however, continued to exhibit negative growth, although the decline of 3.8% was an improvement on the 5.5% drop in December 2003. The growth rate of traffic on routes to and from China was halved to 6.8% compared to the previous month.

The highest growth rates within the Asia Pacific region were on the North-South axis, traffic between Southeast Asia and Northeast Asia growing by 8.5% and between Southeast Asia and Australasia by 9.7%. The latter market, however, still constitutes less than half a million passengers a month, or 5.5% of total traffic. On the other hand, as a result of differential growth rates, traffic between Northeast Asia and Southeast Asia has become the biggest component of intra-Asia Pacific traffic.

After posting positive, albeit marginal, growth rates for the three-month period October-December 2003, the transpacific market has seen a 1.1% decline in U.S. traffic in January, but a 1.2% increase in the smaller Canadian market.

Growth on European routes was almost the same as the previous month, at 5.2%, a rate of growth significantly higher than that recorded by European carriers on Far East routes.

On an individual airline basis, all but one of the AAPA members registered a positive increase in RPKs. Vietnam Airlines (20.2%) reported the biggest increase, followed by Philippine Airlines (13.5%), China Airlines (11.4%) and Asiana Airlines (10.3%). All Nippon, on the other hand, posted a decline of 8.3% in January.

Robust holiday traffic enabled a number of carriers to fill around 80% of their seats in January – EVA Air (80.8%), Philippine Airlines (79.9%), Singapore Airlines (79.3%), Cathay Pacific (79.2%), Thai Airways International (79.0%) and China Airlines (78.7%).

January 2004's freight traffic, expressed in freight tonne kilometres (FTKs), grew by 4.1%. In the light of the long holidays caused by the Lunar New Year, the growth in freight traffic this month is in fact encouraging. However, it is worth noting that the bulk of the increase came from the Korean and Taiwanese carriers. Capacity, up 4.5%, was more or less in line with FTK growth, causing the load factor to fall only fractionally, to 60.6%.

Growth of cargo traffic in tonnage within Asia Pacific slowed to 0.8%, following an 11.8% growth last month, largely due to the fact that the Lunar New Year celebration fell in January this year. Growing at double-digit rates in December 2003, traffic within Northeast Asia grew by only 7% in January. Similarly, traffic within Southeast Asia managed only a 3% growth. On the increasingly important Chinese routes, cargo traffic was subject to a similar lower growth as compared to December 2003 (45%), at 16% this month. Traffic between Northeast Asia and Southeast Asia dropped almost 2% compared to January 2003, markedly different to the robust growth of 10% in December 2003.

Trans-Pacific traffic was up 6.3% in January, as compared to the 15.7% increase in December 2003. Meanwhile, the Asia-Europe route grew by 2%.

All but one of the Northeast Asia-based carriers reported positive FTK growth, led by Korean Air (19.2%), EVA Air (12.7%) and China Airlines (10.0%). Both Japanese carriers also posted positive growth in FTKs. Strangely, Asiana Airlines (-5.0%) was the only carrier based in Northeast Asia to report a decline. On the other hand, the majority of the Southeast Asia-based carriers – with the exception of Philippine Airlines (17.6%) and Vietnam Airlines (1.8%) – experienced a decline in tonne-kilometres flown.

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About the AAPA

The AAPA is a grouping of 17 scheduled international airlines based in the Asia-Pacific region. It is the trade association of the region's airlines, created to represent their interests and to provide a forum for all members to exchange information and views on matters of common concern. For more information about the AAPA, please visit the web site at www.AAPAAirlines.org.

The 17 members comprises Air New Zealand, All Nippon Airways, Asiana Airlines, Cathay Pacific Airways, China Airlines, Dragonair, EVA Air, Garuda Indonesia, Japan Airlines, Korean Air, Malaysia Airlines, Philippine Airlines, Qantas Airways, Royal Brunei Airlines, Singapore Airlines, Thai Airways International and Vietnam Airlines.

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TRAFFIC UPDATE

International Scheduled Services of AAPA Member Airlines

JANUARY 2004

	Jan 2004	Jan 2003	% Change
Passengers Carried (000)	9,945	9,442	5.3 %
Revenue Passenger Kilometres (000)	43,509,479	41,793,658	4.1 %
Available Seat Kilometres (000)	57,267,670	56,341,850	1.6 %
Passenger Load Factor	76.0%	74.2%	1.8 points
Freight Tonne Kilometres (000)	3,279,163	3,149,278	4.1 %
Avail. Freight Tonne Kilometres (000)	5,409,988	5,175,077	4.5 %
Freight Load Factor	60.6%	60.9%	-0.3 points