

PRESS RELEASE

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Association of Asia Pacific Airlines
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Asia Pacific Airlines Traffic Results – May 2011

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of May released today by the Association of Asia Pacific Airlines (AAPA) showed further modest growth in international passenger traffic, but international air cargo demand fell during the month.

Overall, airlines based in the Asia Pacific region carried 14.8 million international passengers in May, a 3.4% increase compared to the same month last year, underpinned by continued strength in both leisure and business travel markets. International passenger traffic, measured in revenue passenger kilometre (RPK) terms, grew by 4.7% reflecting relatively stronger demand on long haul routes. Combined with a 5.1% increase in available seat capacity, the average international passenger load factor was 73.6%, marginally lower than the comparable figure for the same month last year.

International air cargo demand registered significant declines in May, falling by 9.8% in freight tonne kilometre (FTK) terms, the sharpest fall this year. Even with a 4.7% reduction in offered freight capacity, the average international freight load factor fell by 3.9 percentage points to 68.8% for the month.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, “On the passenger side of the business, we were pleased to see continued growth in travel demand, with both leisure and business travel markets showing positive results. Japanese outbound leisure traffic showed some welcome signs of recovery, as did business travel to and from Japan. However, inbound leisure traffic flows to Japan remain weak; it will take more time to fully restore public confidence.”

Mr. Herdman also noted, “The decline in international air cargo traffic reported for May this year reflects some moderation in the pace of global economic growth, affecting Asian exports, especially when compared to the very strong rebound in demand seen last year. However, we may see volumes pick up again in the traditionally stronger second half of the year.”

Mr Herdman concluded, “Over the first five months of the year, Asian airlines have seen 2.5% growth in the number of international passengers carried, whereas international air cargo traffic has declined by 2.4% during the same period. The combination of slower revenue growth and sharply higher fuel costs means airline operating margins are under severe pressure. Continued vigilance in controlling costs, and carefully matching capacity to the projected changes in demand will be the key to sustaining profitability.”

TRAFFIC UPDATE – PRELIMINARY
International Scheduled Services of Asia Pacific Airlines

International	May-11	May-10	% Change	Jan - May 2011	Jan - May 2010	% Change
Passengers (000)	14,846	14,361	+ 3.4%	75,805	73,926	+ 2.5%
RPK (mn.)	57,231	54,651	+ 4.7%	290,204	280,550	+ 3.4%
ASK (mn.)	77,777	73,978	+ 5.1%	384,766	360,140	+ 6.8%
Passenger Load Factor	73.6%	73.9%	- 0.3 pp	75.4%	77.9%	- 2.5 pp
FTK (mn.)	5,173	5,735	- 9.8%	25,187	25,818	- 2.4%
FATK (mn.)	7,521	7,893	- 4.7%	37,318	36,309	+ 2.8%
Freight Load Factor	68.8%	72.7%	- 3.9 pp	67.5%	71.1%	- 3.6 pp

- Aggregated traffic data for 23 Asia Pacific based carriers
- Previous year data adjusted for comparison purposes
- RPK = revenue passenger kilometres
- ASK = available seat kilometres
- FTK = freight tonne kilometres
- FATK = available freight tonne kilometres
- All figures, including estimates for missing data, are provisional

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Association of Asia Pacific Airlines (AAPA)

The AAPA is the trade association for scheduled international airlines based in the Asia-Pacific region. The AAPA permanent secretariat is headquartered in Kuala Lumpur, Malaysia with international representation in Brussels and Washington, D.C. Collectively, the region’s airlines carry 620 million passengers and 18 million tonnes of cargo, representing one-quarter of global passenger traffic and two-fifths of global air cargo traffic respectively, and thus play a critically important role in the ongoing development of global aviation.

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