

PRESS RELEASE

Issue 2010: 19

Thursday, 4 November 2010
For Immediate Release
54th Assembly of Presidents / Outlook

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AAPA CARRIERS BOOSTED BY STRENGTH OF ASIAN ECONOMIES

Strong recovery in traffic as the region leads the world out of recession

Brunei – The mood amongst industry leaders meeting in Brunei for the Assembly of Presidents of the Association of Asia Pacific Airlines (AAPA) over the next two days can be expected to be extremely positive, with carriers having experienced a sharp recovery this year following the severe impact on traffic and profitability during the global recession in 2008/09. With many powerful economies across Asia recording high GDP growth rates and leading the world out of recession, the region's airlines have seen passenger and cargo traffic rapidly rebound to levels beyond those achieved before the recession hit.

A dramatic recovery in global trade this year has seen air cargo rebounding with 30% growth, whilst passenger traffic is up almost 15%. The rapid return of business confidence has also resulted in strong demand for premium class seats, a sector in which passenger service focused Asian carriers have traditionally excelled. The broad based recovery and improving mix of business coupled with disciplined capacity and yield management has seen Asian airlines leading the industry in returning to profitability.

Whilst the double digit traffic growth rates of the past nine months are expected to gently ease back towards long term growth trends and slower economic growth in Europe and the United States need to be factored in, the overall outlook for Asian carriers for the coming year remains very positive.

Looking to the longer term, the prevailing shift of influence and commercial dynamism towards Asia means that carriers from the region are destined to play an increasingly important role in shaping the future of the global air transport industry.

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Commenting on the outlook, AAPA Director General Mr Andrew Herdman said, “Asian economies have recovered from the global recession at a rapid pace and this has resulted in a tremendous boost to carriers across the region.”

Mr Herdman added, “Although this comes as an enormous relief after the financial hardships suffered by carriers over the past two years, AAPA leaders remain extremely vigilant to the wider challenges that continue to threaten the wellbeing of the industry. Safety standards will always be of paramount concern, but other issues including the straightjacket of restrictive government policies, the prospective implementation of an extra-territorial emissions trading scheme by the EU and the seemingly unstoppable imposition of layer upon layer of arbitrary taxes on aviation all serve to work against the best interests of both airlines and the travelling public. This year’s Assembly of Presidents will be tackling these issues with renewed vigour and examining processes that will more accurately and appropriately reflect the heightened stature of Asia Pacific aviation in driving long-term changes in this exciting industry.”

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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 520 million passengers and 10 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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