

PRESS RELEASE

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March 2020 / Traffic / Preliminary

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Asia Pacific Airlines Traffic Results - March 2020

Impact of COVID-19 intensifies slump in travel demand

Kuala Lumpur, Malaysia – Preliminary traffic figures released today by the Association of Asia Pacific Airlines (AAPA) showed both international air passenger and air cargo demand plummeted in March as COVID-19 infections spread to many countries across the world. In March, the World Health Organisation (WHO) classified COVID-19 as a global pandemic.

The number of countries imposing travel restrictions globally more than doubled in March, which led to sharp falls in passenger demand, forcing drastic cutbacks in airline operating schedules and the grounding of thousands of aircraft. Airlines continued to operate dedicated all-freighter services, with some airlines also operating cargo-only passenger aircraft flights, partially compensating for the absence of belly-hold capacity resulting from the mass cancellations of passenger services.

Asia Pacific airlines carried a combined total of only 8.8 million international passengers in March, representing a steep 72.9% decline compared to the same month last year. Demand in revenue passenger kilometres (RPK) fell by 70.7%, whilst available seat capacity fell by 55.6% year-on-year, leading to a 27.4 percentage point plunge in the average international passenger load factor to 52.9% in March.

Air cargo demand held up relatively well, but was impacted by supply chain disruptions and weakening business and consumer confidence in light of increasing uncertainty and rising unemployment in major economies across the world. The air cargo sector is playing a very active role in the transportation of much-needed medical equipment and supplies to countries around the world.

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Asia Pacific airlines saw international air cargo demand, as measured in freight tonne kilometres (FTK) decline by 21.1% year-on-year in March. Offered freight capacity fell by 31.1%, reflecting significant reductions in belly-hold cargo capacity on cancelled passenger services. As a result, the average international freight load factor was 9.1 percentage points higher at 71.9% for the month.

Commenting on the results, Mr. Subhas Menon, AAPA Director General said, “The sharp escalation in the number of COVID-19 cases beyond Asia, severely impacted travel on international routes in March, with many countries effectively sealing off their borders.”

“Overall, Asian carriers saw a 38% decline in the number of international passengers carried to a combined total of 59 million in the first quarter of the year. During the same period, international air cargo demand fell by 10%, following declines in new export orders.”

Looking ahead, Mr. Menon added, “There is great uncertainty as to how long the global slump will persist. Businesses and consumers are likely to remain risk averse until more is known about the nature and duration of the COVID-19 pandemic spread. Governments would persist in their efforts to suppress the spread of the virus through the imposition of strict measures on social distancing, movement restrictions and border controls.”

“Even though Asia Pacific airlines are facing unprecedented challenges operationally and financially, they have been maintaining air connectivity by flying stranded people home and transporting essential supplies to places which need them most.”

“The progress of the pandemic varies in each country. The eventual recovery in travel demand is expected to be slow and sporadic. The industry cannot stay grounded for too long as it would be to the detriment of not only aviation but also global trade, tourism and the wider economy. Governments need to come together to agree on a harmonised mitigation framework, that is supported by public health professionals and all industry stakeholders, to restart aviation without too much delay.”

Mr. Menon concluded, “The airline industry plays a vital role in times of crisis and in its recovery. Aviation is a vital conduit for economic, tourism and social development. AAPA appeals to governments to actively progress discussions to restart aviation in a timely manner.”

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TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Mar-20	Mar-19	% Change	Jan-Mar 2020	Jan-Mar 2019	% Change
Passengers (Thousand)	8,774	32,422	- 72.9%	59,355	95,672	- 38.0%
RPK (Million)	33,976	116,153	- 70.7%	229,243	347,154	- 34.0%
ASK (Million)	64,197	144,723	- 55.6%	324,155	427,304	- 24.1%
Passenger Load Factor	52.9%	80.3%	- 27.4 pp	70.7%	81.2%	- 10.5 pp
FTK (Million)	5,083	6,442	- 21.1%	15,077	16,762	- 10.1%
FATK (Million)	7,066	10,258	- 31.1%	24,619	28,900	- 14.8%
Freight Load Factor	71.9%	62.8%	+ 9.1 pp	61.2%	58.0%	+ 3.2 pp

Effective January 2020, the dataset comprises aggregated traffic data from the following 40 Asia Pacific based carriers: 3K, 5J, 6E, 7C, 9C, 9W, AI, AK, BI, BR, CA, CI, CK, CX, CZ, D7, GA, HO, HU, IX, JL, JQ, KA, KC, KE, KZ, MH, MU, NH, NZ, OZ, PG, PR, QF, SG, SQ, TG, TR, VA and VN.

- 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 1,623 million passengers and 23 million tonnes of cargo, representing over one-third of global passenger and air cargo traffic, and thus play a leading role in the ongoing development of global aviation.

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