

PRESS RELEASE

Issue 2017: 20

Tuesday, 28 November 2017

For Immediate Release

October 2017 / Traffic / Preliminary

Association of Asia Pacific Airlines

(Reg.No. 587)

Level 27-1, Menara Prestige

1 Jalan Pinang

50450 Kuala Lumpur

MALAYSIA

Tel +603 2162 1888

Fax +603 2162 6888

www.aapairlines.org

Asia Pacific Airlines Traffic Results – October 2017

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of October released today by the Association of Asia Pacific Airlines (AAPA) showed solid expansion in international air passenger demand and healthy growth in international air cargo markets.

Global business and consumer confidence levels remained positive, supporting growth in travel demand for the region's carriers on long haul routes, particularly between Europe and Asia, as well as within the region. Overall, Asia Pacific airlines registered a firm 8.3% increase in the number of international air passengers carried to a combined total of 26.4 million in October, whilst demand in revenue passenger kilometres (RPK) grew by 9.7%. After accounting for an 8.1% increase in available seat capacity, the average international passenger load factor climbed 1.1 percentage points higher to 78.0% for the month.

Reflecting the sustained upturn in global trade for consumer and intermediate goods, Asia Pacific airlines saw international air cargo demand, as measured in freight tonne kilometres (FTK), increase by 5.8% in October, even when compared to the high base levels recorded in the same month last year. Offered freight capacity expanded by 4.1%, resulting in a 1.1 percentage point increase in the average international freight load factor to 66.9% for the month.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "During the first ten months of the year, Asia Pacific airlines carried a total of 262 million international passengers, representing a 5.7% increase compared to the same period last year. International air cargo traffic demand grew by a robust 10.1% during the same period."

Mr. Herdman added, "The encouraging results mirror the current solid and steady expansion in the global economy. Airlines have responded by strengthening their networks offering additional frequencies and adding new destinations. At the same time, the rise in global economic activity has seen a sustained pick up in global trade and transportation of manufactured goods, with air cargo playing an important role in restocking global supply chains and the growth of e-commerce. As a result, Asian airlines continued to enjoy healthy

continued /-

growth in the air cargo segment, maintaining the broad upswing in demand which began in the latter half of 2016.”

Looking ahead, Mr. Herdman concluded, “The overall demand outlook remains positive, although Asian airlines are operating in highly competitive markets and face rising cost pressures, with average jet fuel prices up 24% to US\$64 per barrel for the first ten months of the year. Nevertheless, Asian airlines remain focused on implementing further improvements in operational efficiency and other cost saving measures, whilst identifying new opportunities for revenue generation.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Oct-17	Oct-16	% Change	Jan-Oct 2017	Jan-Oct 2016	% Change
Passengers (Thousand)	26,437	24,413	+ 8.3%	262,032	247,929	+ 5.7%
RPK (Million)	99,219	90,448	+ 9.7%	981,559	908,093	+ 8.1%
ASK (Million)	127,147	117,673	+ 8.1%	1,230,839	1,154,469	+ 6.6%
Passenger Load Factor	78.0%	76.9%	+ 1.1 pp	79.7%	78.7%	+ 1.0 pp
FTK (Million)	6,237	5,893	+ 5.8%	57,883	52,582	+ 10.1%
FATK (Million)	9,329	8,958	+ 4.1%	89,640	85,943	+ 4.3%
Freight Load Factor	66.9%	65.8%	+ 1.1 pp	64.6%	61.2%	+ 3.4 pp

Effective May 2017, the dataset comprises aggregated traffic data from the following 32 Asia Pacific based carriers: 5J, 6E, 9W, AI, AK, BI, BR, CA, CI, CX, CZ, GA, HU, JL, JQ, KA, KC, KE, MH, MU, NH, NZ, OZ, PG, PR, SG, SQ, TG, TR, QF, 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 1,341 million passengers and 21 million tonnes of cargo, representing one-third 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.

For further information, please contact:
Office of the Director General
Tel +603 2162 1888 Fax +603 2162 6888
Email: odg@aapa.org.my
Website: www.aapairlines.org
Twitter: @aapairlines