

PRESS RELEASE

Issue 2018: 7

Thursday, 26 April 2018

For Immediate Release

March 2018 / Traffic / Preliminary

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Asia Pacific Airlines Traffic Results – March 2018

Encouraging growth amid supportive economic conditions

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of March released today by the Association of Asia Pacific Airlines (AAPA) showed firm growth in international air passenger markets, and more moderate but still positive growth in air cargo demand.

Broad-based expansion in the global economy continued to spur business and leisure travel demand, as reflected in the strong 10.6% increase in the number of passengers carried by the region's airlines to a combined total of 30.4 million in March. Measured in revenue passenger kilometres (RPK), demand increased by 11.1% year-on-year, surpassing the 7.5% growth in available seat capacity by a considerable margin. As a result, the average international passenger load factor gained 2.6 percentage points to reach 81.5% for the month.

Meanwhile, international air cargo demand, as measured in freight tonne kilometres (FTK), increased by 2.8% year-on-year in March. Air cargo demand on routes within the region, as well as traffic to and from the region remained encouraging, underpinned by demand for transportation of both intermediate goods and consumer products including strong growth in e-commerce shipments. Offered freight capacity increased by 5.6% which resulted in an average international freight load factor of 65.5%, 1.8 percentage points lower than in the same month last year.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "Asian airlines carried a combined total of 88 million international passengers in the first quarter of 2018, an encouraging 6.8% increase compared to the same period last year. International air cargo demand remained robust during the same period, achieving 5.9% growth, building further on last year's very strong cargo performance."

"Growth across advanced and emerging market economies was maintained in the first quarter of the year, driven by positive business and consumer sentiment. Correspondingly,

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world trade activity continued to expand, underpinned by increased investments and higher manufacturing output in the region, in response to increased new business orders. These positive factors continued to support growth in both air passenger and cargo demand for Asian airlines.”

Looking ahead, Mr. Herdman said, “The market outlook for Asian carriers remains positive, given continued availability of affordable air fares and increasing numbers of new destinations connecting travellers.”

Mr. Herdman added, “Asian carriers overall saw a significant improvement in earnings performance last year, on the back of the strong growth in air passenger and air cargo demand. However, the airline operating environment remains challenging, with competitive pressures including higher fuel prices and labour expenses. Asia Pacific airlines therefore remain focused in striving for cost efficiencies and productivity improvements whilst seeking avenues for further growth.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Mar-18	Mar-17	% Change	Jan-Mar 2018	Jan-Mar 2017	% Change
Passengers (Thousand)	30,361	27,462	+ 10.6%	87,868	82,304	+ 6.8%
RPK (Million)	111,142	100,031	+ 11.1%	323,661	300,877	+ 7.6%
ASK (Million)	136,316	126,851	+ 7.5%	399,454	374,317	+ 6.7%
Passenger Load Factor	81.5%	78.9%	+ 2.6 pp	81.0%	80.4%	+ 0.6 pp
FTK (Million)	6,354	6,178	+ 2.8%	16,986	16,042	+ 5.9%
FATK (Million)	9,693	9,183	+ 5.6%	27,476	25,834	+ 6.4%
Freight Load Factor	65.5%	67.3%	- 1.8 pp	61.8%	62.1%	- 0.3 pp

Effective January 2018, the dataset comprises aggregated traffic data from the following 36 Asia Pacific based carriers: 3K, 5J, 6E, 9C, 9W, AI, AK, BI, BR, CA, CI, CX, CZ, D7, GA, HO, HU, JL, JQ, KA, KC, KE, 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 1,341 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.

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