

PRESS RELEASE

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Asia Pacific Airlines Traffic Results – April 2018

Air passenger and cargo markets record encouraging growth

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of April released today by the Association of Asia Pacific Airlines (AAPA) showed growth in international air passenger and air cargo demand progressed at an encouraging pace, driven by further expansions in global service and manufacturing sectors.

A combined total of 29.8 million international passengers were carried by the region's airlines in April, representing a robust 9.3% increase compared to the same month last year. Business activity strengthened across major advanced and emerging market economies during the month, with positive confidence levels boosting growth in business travel demand. At the same time, continued availability of affordable airfares driven by promotional campaigns supported growth in leisure travel markets. Overall, demand as measured in revenue passenger kilometres (RPK) increased by 8.3% year-on-year, ahead of the 7.2% expansion in available seat capacity. As a result, the average international passenger load factor edged 0.8 percentage points higher to 81.5% for the month.

Whilst there are signs that international trade flows may be easing, international air cargo demand for the region's carriers, in freight tonne kilometres (FTK) terms, saw an encouraging 5.8% year-on-year increase in April. Improvement in client demand within the region, on the back of stronger domestic conditions, aided growth in air cargo markets. After accounting for a 6.6% expansion in offered freight capacity, the average international freight load factor was 0.5 percentage points lower at 64.1% for the month.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "The global economy is still on a solid footing, with growth in most sectors, including technology and consumer goods. Accordingly, business and consumer sentiment remained relatively positive, underpinning further growth in passenger travel and air cargo demand."

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“Overall, during the first four months of the year, Asia Pacific airlines carried an aggregate total of 118 million international passengers, a solid 7.3% increase compared to the same period last year. Correspondingly, air cargo demand registered an encouraging 5.7% growth during the same period, on top of the strong 9.6% annual increase recorded in 2017.”

Looking ahead, Mr. Herdman said, “Sustained growth in the region and the wider global economic expansion lends credence to a positive market outlook for the remainder of the year. However, operating conditions remain challenging, with airlines still facing intense competition and the pressure of sharply higher fuel costs, up more than 30% compared to last year. The region’s carriers continue to explore avenues for further growth, whilst implementing pro-active measures to control costs and achieve further operational efficiencies.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Apr-18	Apr-17	% Change	Jan-Apr 2018	Jan-Apr 2017	% Change
Passengers (Thousand)	29,800	27,272	+ 9.3%	117,570	109,576	+ 7.3%
RPK (Million)	108,780	100,481	+ 8.3%	431,794	401,357	+ 7.6%
ASK (Million)	133,511	124,492	+ 7.2%	532,340	498,809	+ 6.7%
Passenger Load Factor	81.5%	80.7%	+ 0.8 pp	81.1%	80.5%	+ 0.6 pp
FTK (Million)	6,079	5,745	+ 5.8%	23,025	21,788	+ 5.7%
FATK (Million)	9,488	8,899	+ 6.6%	36,995	34,733	+ 6.5%
Freight Load Factor	64.1%	64.6%	- 0.5 pp	62.2%	62.7%	- 0.5 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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