Asia Pacific Airlines Traffic Results – May 2018
Sustained growth in air passenger and cargo markets

Kuala Lumpur, Malaysia – Preliminary traffic figures released today by the Association of Asia Pacific Airlines (AAPA) showed that both international air passenger and air cargo markets remained buoyant in the month of May, with continued availability of affordable air fares and further expansion in business activity supporting growth in demand.

The region’s carriers registered a firm 8.7% year-on-year increase in the number of international passengers carried to a combined total of 28.8 million in May, reflecting robust regional travel markets, whilst demand as measured in revenue passenger kilometres (RPK) climbed 7.8% higher. Available seat capacity grew by 7.0%, resulting in a 0.5 percentage point increase in the average international passenger load factor to 78.1% for the month.

Amidst rising global trade tensions, Asia Pacific airlines experienced an encouraging 4.9% year-on-year increase in air cargo demand as measured in freight tonne kilometres (FTK) in May. The region’s economies enjoyed a firm increase in new orders during the month, on the back of a broader upturn across the region. At the same time, stronger demand for manufactured goods supported further growth in air cargo demand. However, the average international freight load factor declined by 1.3 percentage points to 64.2% for the month, after accounting for a faster 7.2% growth in offered freight capacity.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, “Global economic expansion remained relatively solid, marked by a pick-up in business activity in major advanced economies, particularly the United States, and sustained growth in the leading Asian economies.”

“The supportive economic conditions, along with the ongoing increase in network connections and availability of affordable air fares led to an encouraging 7.5% growth in the number of passengers carried by the region’s carriers during the first five months of the
year, to an aggregate total of 146 million. During the same period, air cargo demand grew by 5.4%, with volumes sustained at relatively high levels.”

Looking ahead, Mr. Herdman said, “Whilst the increase in new orders across the region is still quite encouraging, the recent escalation in protectionist rhetoric could potentially undermine confidence and destabilize global trade flows. In addition, the operating environment for airlines is increasingly challenging due to the impact of higher fuel costs. Accordingly, the region’s carriers continue to seek avenues to increase operational efficiencies in a bid to boost profitability.”

<table>
<thead>
<tr>
<th>International</th>
<th>May-18</th>
<th>May-17</th>
<th>% Change</th>
<th>Jan-May 2018</th>
<th>Jan-May 2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers (Thousand)</td>
<td>28,844</td>
<td>26,541</td>
<td>+ 8.7%</td>
<td>146,343</td>
<td>136,117</td>
<td>+ 7.5%</td>
</tr>
<tr>
<td>RPK (Million)</td>
<td>106,266</td>
<td>98,596</td>
<td>+ 7.8%</td>
<td>537,841</td>
<td>499,953</td>
<td>+ 7.6%</td>
</tr>
<tr>
<td>ASK (Million)</td>
<td>135,985</td>
<td>127,082</td>
<td>+ 7.0%</td>
<td>668,301</td>
<td>625,891</td>
<td>+ 6.8%</td>
</tr>
<tr>
<td>Passenger Load Factor</td>
<td>78.1%</td>
<td>77.6%</td>
<td>+ 0.5 pp</td>
<td>80.5%</td>
<td>79.9%</td>
<td>+ 0.6 pp</td>
</tr>
<tr>
<td>FTK (Million)</td>
<td>6,126</td>
<td>5,838</td>
<td>+ 4.9%</td>
<td>29,125</td>
<td>27,626</td>
<td>+ 5.4%</td>
</tr>
<tr>
<td>FATK (Million)</td>
<td>9,544</td>
<td>8,906</td>
<td>+ 7.2%</td>
<td>46,644</td>
<td>43,639</td>
<td>+ 6.9%</td>
</tr>
<tr>
<td>Freight Load Factor</td>
<td>64.2%</td>
<td>65.5%</td>
<td>- 1.3 pp</td>
<td>62.4%</td>
<td>63.3%</td>
<td>- 0.9%</td>
</tr>
</tbody>
</table>

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

ENDS
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 1,486 million passengers and 22 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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