

PRESS RELEASE

Issue 2018: 10

Tuesday, 26 June 2018

For Immediate Release

May 2018 / 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 – 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

continued /-

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.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

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

ENDS

26 June 2018
Issue 2018: 10

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.

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](https://twitter.com/aapairlines)