

PRESS RELEASE

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Asia Pacific Airlines Traffic Results – June 2018

Strong air passenger demand, slower growth in air cargo markets

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of June released today by the Association of Asia Pacific Airlines (AAPA) showed strong growth in international air passenger demand, underpinned by robust expansion in the services sectors. International air cargo demand saw further growth, but at a more moderate pace, in line with underlying trade conditions.

In aggregate, the region's airlines carried 29.5 million international passengers in June, a solid 10.7% increase compared to the same month last year. Demand in revenue passenger kilometre (RPK) terms increased by 9.6%, underscoring the relative strength of regional travel markets. The average international passenger load factor climbed 1.9 percentage points higher to 81.6% for the month, after accounting for a 7.0% expansion in available seat capacity.

The global manufacturing sector, whilst still expanding, experienced slower growth in June. Against this backdrop, Asia Pacific carriers recorded a 3.4% year-on-year increase in air cargo demand as measured in freight tonne kilometres (FTK) for the month. The average international freight load factor declined by 1.9 percentage points to 64.5% in June, on the back of a 6.4% expansion in offered freight capacity.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "Asian airlines continued to benefit from sustained regional and wider economic growth, as well as improvements to connectivity within and across regions. Overall, the first half of the year saw the region's airlines register a solid 8% increase in the total number of international passengers carried to 176 million."

"Within the same period, international air cargo demand registered an encouraging 5% increase, bolstered by further expansion in the manufacturing sectors, although growth in new export orders has slowed in recent months."

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Looking ahead, Mr. Herdman said, “Global economic prospects remain positive, anchored on expectations of firm domestic demand across regions, despite some concern over the possible adverse effects of trade tariffs. Airfares are edging higher reflecting the impact of higher fuel prices this year, but demand conditions remain relatively favourable. Overall, Asian carriers continue to explore new avenues to optimise revenue growth, in order to maintain margins.”

TRAFFIC UPDATE – PRELIMINARY
International Scheduled Services of Asia Pacific Airlines

International	Jun-18	Jun-17	% Change	Jan-Jun 2018	Jan-Jun 2017	% Change
Passengers (Thousand)	29,466	26,619	+ 10.7%	175,719	162,736	+ 8.0%
RPK (Million)	110,187	100,547	+ 9.6%	647,677	600,500	+ 7.9%
ASK (Million)	135,007	126,208	+ 7.0%	803,419	752,099	+ 6.8%
Passenger Load Factor	81.6%	79.7%	+ 1.9 pp	80.6%	79.8%	+ 0.8 pp
FTK (Million)	6,129	5,929	+ 3.4%	35,211	33,555	+ 4.9%
FATK (Million)	9,504	8,931	+ 6.4%	56,246	52,570	+ 7.0%
Freight Load Factor	64.5%	66.4%	- 1.9 pp	62.6%	63.8%	- 1.2 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 1,486 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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