

PRESS RELEASE

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Asia Pacific Airlines Traffic Results – August 2018

Robust air passenger demand, with further growth in air cargo markets

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of August released today by the Association of Asia Pacific Airlines (AAPA) showed robust growth in international air passenger markets, buoyed by higher leisure travel demand during the peak holiday season. Meanwhile, international air cargo markets also saw sustained client demand.

In aggregate, Asia Pacific airlines carried 32.0 million international passengers in August, a firm 8.4% increase compared to the same month last year, with consumer confidence underpinned by ongoing economic expansion. Demand as measured in revenue passenger kilometre (RPK) terms grew by 8.2%, reflecting strong contributions from both regional and long haul travel markets. The comparatively moderate expansion in available seat capacity, by 6.2% for the month, led to a 1.5 percentage point increase in the average international passenger load factor to a record ten-year high of 83.4%.

Growth in international air cargo demand as measured in freight tonne kilometres (FTK) recorded a 4.2% year-on-year increase in August. Monthly FTK volumes remained relatively firm, with broad-based economic growth continuing to support demand for air cargo. The average international freight load factor fell slightly by 0.8 percentage points to 63.2% for the month, following a 5.5% expansion in offered freight capacity.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, “Strong business and leisure travel demand continued to fuel growth in international passenger markets for Asian carriers. Overall, the region’s airlines achieved an impressive 8.0% increase in the number of international passengers carried to a combined total of 239 million in the first eight months of the year.”

“During the same period, international air cargo demand increased by 4.8%, although growth rates have moderated after the strong surge we saw last year.”

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Looking ahead, Mr. Herdman said, “The ongoing expansion in the global economy is sustaining high levels of consumer confidence which should continue to support further growth in both leisure and business travel markets. Air cargo demand remains relatively firm moving into the peak season, even though growth rates have moderated. The escalation in protectionist rhetoric and the imposition of new tariffs has so far had little real impact on trade flows, but adds an element of uncertainty for businesses reliant on integrated global supply chains.”

“Asian airlines are benefitting from the sustained growth in air travel demand, and achieving high load factors, but continue to face a challenging operating environment, buffeted by the effects of high fuel prices and weak local currencies. Overall, Asian airlines remain proactive in adapting to such pressures in a bid to maintain earnings performance.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Aug-18	Aug-17	% Change	Jan-Aug 2018	Jan-Aug 2017	% Change
Passengers (Thousand)	31,928	29,448	+ 8.4%	238,974	221,362	+ 8.0%
RPK (Million)	118,559	109,567	+ 8.2%	882,913	819,864	+ 7.7%
ASK (Million)	142,161	133,848	+ 6.2%	1,087,287	1,020,682	+ 6.5%
Passenger Load Factor	83.4%	81.9%	+ 1.5 pp	81.2%	80.3%	+ 0.9 pp
FTK (Million)	6,143	5,894	+ 4.2%	47,624	45,463	+ 4.8%
FATK (Million)	9,716	9,208	+ 5.5%	75,825	71,043	+ 6.7%
Freight Load Factor	63.2%	64.0%	- 0.8 pp	62.8%	64.0%	- 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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