

PRESS RELEASE

Issue 2018: 18

Thursday, 18 October 2018

For Immediate Release

AAPA 62nd Assembly of Presidents / Outlook

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 AT THE FOREFRONT OF GLOBAL AIR TRANSPORT INDUSTRY DEVELOPMENT

AAPA Assembly of Presidents confronts challenges and charts sustainable future

Jeju, Korea – Against a backdrop of sustained economic growth, a growing middle class and increased demand for air travel, Asia Pacific air carriers continue to spearhead the development of this global industry by investing in next generation aircraft with the very latest cabin innovations across all classes, as well as other customer service initiatives.

Reflecting strong business and leisure travel demand, the region's airlines achieved an impressive 8.0% growth in the number of international passengers carried during the first eight months of the year. During the same period, international air cargo demand increased by 4.8%, although growth rates have moderated following the surge in 2017, with some concern over rising tensions between major trading nations. Rising fuel costs and currency fluctuations are putting margins under pressure, although overall, Asia Pacific airlines are expected to deliver substantial profits for the fourth year in succession.

Asia Pacific airline leaders gathering at the Association of Asia Pacific Airlines 62nd Assembly of Presidents in Jeju, Korea this week, are well placed to tackle upcoming business challenges, whilst remaining optimistic about long-term growth prospects. These and other industry issues will be addressed by industry leaders at the event.

With Asian airlines carrying more than one third of global air freight volumes, concerns over ongoing trade tensions are being closely monitored given the potential negative impact on trade flows and global supply chains.

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A key area of concern is infrastructure with the clear need for investments in new air transport infrastructure in the form of additional runways, terminals and air traffic management capacity commensurate with traffic growth and the expected deliveries of new aircraft to the region over the next ten years. There is an ongoing debate on how such infrastructure should be funded, and the need for more effective cooperation between airlines, airports and governments. The Assembly is also expected to address the associated issue of manpower development and future training needs.

Safety remains the top priority for Asia Pacific airline leaders. This requires a constant state of vigilance at all operational levels, together with continued close co-operation between airlines, regulators and other stakeholders in setting standards and delivering further safety improvements. AAPA organised another very successful Asia Pacific Aviation Safety Seminar in Seoul in September 2018, with the event attracting almost 200 safety experts representing the region's airlines, airports, aircraft manufacturers, insurers, ground handlers and maintenance service providers.

Given the highly interconnected nature of the air transport industry, cybersecurity is also coming under increasing focus and is expected to be another topic of interest at the Assembly.

Environmental sustainability will also be a topic of discussion at the Assembly, as reporting of international airline emissions becomes mandatory under ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) from January 2019.

Other key industry topics under consideration at this year's Assembly include taxes and charges, and passenger facilitation issues.

"Air transport is widely recognised as a key contributor to economic and social development, built around strong global networks offering both passenger and air cargo services. We are delighted to be meeting here in Korea, the world's eleventh largest economy, as well as a popular tourist destination. The dynamic airline sector epitomises the way in which region's carriers are at the forefront of global air transport industry development," said Mr. Andrew Herdman, Director General of the Association of Asia

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Pacific Airlines. “Working together as a community, AAPA is determined to tackle the numerous challenges that face the industry.”

AAPA performs a critical role in addressing the key policy issues that affect all carriers in the Asia Pacific region, including safety, security, infrastructure, environment, passenger facilitation, and taxation. The Association is dedicated to ensuring a strong, efficient and sustainable Asia Pacific air transport industry for the longer term, contributing to the ongoing social and economic development of the region.

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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.

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)