

PRESS RELEASE

Issue 2019: 6

Friday, 26 April 2019
For Immediate Release
March 2019 / Traffic / Preliminary

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Asia Pacific Airlines Traffic Results – March 2019

Expansion in passenger markets, but further decline in cargo demand

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of March released today by the Association of Asia Pacific Airlines (AAPA) showed growth in international air passenger markets, whilst air cargo markets contracted for the fifth consecutive month, against a backdrop of continued weakness in trade activity.

The region's airlines carried an aggregate total of 31.7 million international passengers in March, a 3.4% year-on-year increase on top of the double-digit growth recorded in the same month last year. In revenue passenger kilometre (RPK) terms, demand grew by 2.4% whilst available seat capacity expanded by 4.2%, leading to a 1.4 percentage point decline in the average international passenger load factor to 80.0% for the month.

Air cargo demand as measured in freight tonne kilometres (FTK) declined by 3.2% in March compared to the same month last year, with the ongoing weakness in demand for intermediate goods and corresponding fall in new business orders affecting air cargo shipments. Offered freight capacity increased by 1.1%, resulting in a 2.8 percentage point decline in the average international freight load factor to 62.4% for the month.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "During the first quarter of the year, the number of international passengers carried by the region's airlines grew by 5.3% to a combined total of 93 million. Intra-regional and inter-regional markets remained relatively robust, supported by continued growth in both business and leisure travel markets."

"On the other hand, air cargo demand fell by 5.6% during the same period, reflecting cautious market sentiment linked to unresolved trade tensions, particularly between the United States and China."

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Looking ahead, Mr. Herdman said, “Prospects for air travel markets remain positive, on expectations of continued moderate growth in the global economy. The ongoing shift towards air cargo for e-commerce shipments of consumer goods should provide some level of support to air cargo demand, although prevailing conditions remain weak.”

Mr. Herdman added, “Having faced increasing headwinds to operating conditions, many of the region’s carriers saw a deterioration in earnings performance last year. Higher fuel and labour costs led to a squeeze in margins, despite continued growth in demand and some improvements to airline yields. Overall, Asia Pacific carriers continue to respond to an intensely competitive marketplace, actively implementing strategic initiatives and pursuing avenues for growth to sustain profitability.”

TRAFFIC UPDATE – PRELIMINARY
International Scheduled Services of Asia Pacific Airlines

International	Mar-19	Mar-18	% Change	Jan-Mar 2019	Jan-Mar 2018	% Change
Passengers (Thousand)	31,710	30,677	+ 3.4%	93,495	88,764	+ 5.3%
RPK (Million)	114,486	111,851	+ 2.4%	341,925	325,622	+ 5.0%
ASK (Million)	143,142	137,359	+ 4.2%	422,456	402,248	+ 5.0%
Passenger Load Factor	80.0%	81.4%	- 1.4 pp	80.9%	81.0%	- 0.1 pp
FTK (Million)	6,367	6,579	- 3.2%	16,702	17,700	- 5.6%
FATK (Million)	10,206	10,091	+ 1.1%	28,970	28,574	+ 1.4%
Freight Load Factor	62.4%	65.2%	- 2.8 pp	57.7%	61.9%	- 4.2 pp

Effective January 2019, the dataset comprises aggregated traffic data from the following 39 Asia Pacific based carriers: 3K, 5J, 6E, 9C, 9W, AI, AK, BI, BR, CA, CI, CK, CX, CZ, D7, GA, HO, HU, IX, JL, JQ, KA, KC, KE, KZ, 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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Issue 2019: 6



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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