

PRESS RELEASE

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Asia Pacific Airlines Traffic Results – June 2019

Air passenger demand grows, but air cargo volumes continue to decline

Kuala Lumpur, Malaysia – Preliminary traffic figures for the month of June released today by the Association of Asia Pacific Airlines (AAPA) revealed that international air passenger demand continued to grow at a moderate pace, driven by widespread availability of affordable air fares and resilient growth in regional economies. On the other hand, air cargo markets weakened further with the fall in global new export orders.

The region's airlines registered a 4.0% year-on-year increase in the number of international passengers carried to an aggregate total of 31.0 million for the month, exhibiting resilience in growth despite the global decline in business and consumer confidence levels. As measured in revenue passenger kilometres (RPK), demand grew by 3.4% year-on-year, reflecting strength in regional travel markets. Combined with the 3.1% expansion in available seat capacity, the average international passenger load factor edged 0.3 percentage points higher to 81.7% for the month.

Air cargo markets continued to deteriorate, with lackluster business sentiment feeding into lower demand for air shipments. As a result, the region's airlines recorded a 7.2% year-on-year fall in air cargo demand as measured in freight tonne kilometres (FTK) in June, marking the eighth consecutive month of declining volumes. The average international freight load factor fell significantly, by 5.1 percentage points to 58.8% for the month, after accounting for a 1.0% increase in offered freight capacity.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "The first half of the year saw the number of international passengers carried by Asian airlines grow by an encouraging 4.7%, to a combined total of 186 million, supported by strong leisure demand, which continued to outpace the global rate of economic expansion."

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“However, during the same period, Asian airlines recorded a 6.2% decline in air cargo demand, reflecting prevailing weakness in international trade flows across regions, as widening trade disputes and higher tariffs continued to disrupt global supply chains.”

Looking ahead, Mr. Herdman said, “In the months ahead, the outlook for the region’s travel markets is broadly positive, with continued expansion in air passenger demand. On the other hand, with moderating global business optimism levels and the absence of significant progress in trade negotiations, air cargo demand is expected to remain weak. Overall, the region’s airlines will closely monitor changes to operating conditions, whilst managing business operations with the aim of sustaining profitability.”

TRAFFIC UPDATE – PRELIMINARY
International Scheduled Services of Asia Pacific Airlines

| International | Jun-19 | Jun-18 | % Change | Jan-Jun 2019 | Jan-Jun 2018 | % Change |
|-----------------------|---------------|---------------|-----------------|---------------------|---------------------|-----------------|
| Passengers (Thousand) | 30,952 | 29,754 | + 4.0% | 186,019 | 177,703 | + 4.7% |
| RPK (Million) | 114,490 | 110,693 | + 3.4% | 680,757 | 652,081 | + 4.4% |
| ASK (Million) | 140,164 | 135,987 | + 3.1% | 843,277 | 809,543 | + 4.2% |
| Passenger Load Factor | 81.7% | 81.4% | + 0.3 pp | 80.7% | 80.5% | + 0.2 pp |
| FTK (Million) | 5,793 | 6,240 | - 7.2% | 34,339 | 36,590 | - 6.2% |
| FATK (Million) | 9,857 | 9,761 | + 1.0% | 58,879 | 58,285 | + 1.0% |
| Freight Load Factor | 58.8% | 63.9% | - 5.1 pp | 58.3% | 62.8% | - 4.5 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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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 1,623 million passengers and 23 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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