

PRESS RELEASE

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July 2019 / Traffic / Preliminary

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Asia Pacific Airlines Traffic Results – July 2019

Sustained air passenger demand, but air cargo weakness persists

Kuala Lumpur, Malaysia - Preliminary traffic figures for the month of July released today by the Association of Asia Pacific Airlines (AAPA) showed that international air passenger demand continued to grow moderately supported by business and leisure related travel. However, falling exports and a worsening trade outlook led to further weakness in air cargo markets.

The number of international passengers carried by the region's airlines climbed 3.4% higher year-on-year to a combined 32.5 million, even as business sentiment continued to deteriorate in the face of rising headwinds to global growth. Demand in revenue passenger kilometres (RPK) rose by 2.7% year-on-year, underscoring the relative strength of regional travel markets. A matching 2.7% expansion in available seat capacity led to an average international passenger load factor of 82.4% for the month, unchanged compared to the same month last year.

Mounting trade tensions, alongside deteriorating business confidence levels contributed to further declines in orders for goods. Against this backdrop, the region's airlines registered a 7.7% fall in air cargo demand as measured in freight tonne kilometres (FTK) in July. The markedly lower demand, coupled with almost flat expansion in offered freight capacity, by 0.4%, led to a 5.2 percentage point decline in the average international freight load factor, to 58.9% for the month.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "During the first seven months of the year, the number of international passengers carried by Asian airlines grew by 4.6% to a combined 219 million supported by the availability of competitive airfares and expanding networks. In addition, sustained expansion in major Asian emerging and developing economies fueled the appetite for international travel."

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“By contrast, however, global trade conditions deteriorated further, as higher tariffs disrupted global supply chains, and Asian airlines saw international air cargo demand fall by 6.2% during the first seven months of the year. The weakness in air cargo markets is likely to extend into the coming months, unless we see some meaningful progress in trade negotiations.”

Looking ahead, Mr. Herdman said, “The outlook for air passenger travel demand is still broadly positive, but with growth slowing, the region’s airlines are facing an increasingly challenging operating environment.”

TRAFFIC UPDATE – PRELIMINARY
International Scheduled Services of Asia Pacific Airlines

International	Jul-19	Jul-18	% Change	Jan-Jul 2019	Jan-Jul 2018	% Change
Passengers (Thousand)	32,508	31,425	+ 3.4%	218,679	209,129	+ 4.6%
RPK (Million)	120,886	117,700	+ 2.7%	802,394	769,785	+ 4.2%
ASK (Million)	146,772	142,889	+ 2.7%	990,681	952,436	+ 4.0%
Passenger Load Factor	82.4%	82.4%	+ 0.0 pp	81.0%	80.8%	+ 0.2 pp
FTK (Million)	5,872	6,362	- 7.7%	40,290	42,952	- 6.2%
FATK (Million)	9,965	9,926	+ 0.4%	68,921	68,200	+ 1.1%
Freight Load Factor	58.9%	64.1%	- 5.2 pp	58.5%	63.0%	- 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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