

PRESS RELEASE

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October 2020 / Traffic / Preliminary

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Asia Pacific Airlines October 2020 Traffic Results

International air travel remains suppressed but brighter outlook for air cargo

Kuala Lumpur, Malaysia – Preliminary October 2020 traffic figures released today by the Association of Asia Pacific Airlines (AAPA) underscore the devastating impact of prolonged border closures and travel restrictions on international passenger demand, whilst relatively firm demand for air cargo reinforces the need to restore network connectivity given potential capacity shortages.

Crippled by the lack of progress in the reopening of borders in the region, Asia Pacific airlines carried only 1.5 million international passengers in October, just 4.9% of the 31.3 million that travelled in the same month last year. Offered seat capacity was comparatively higher but still represented just 12.7% of October 2019 volumes. The international passenger load factor averaged only 30% for the month, significantly below the levels required for airlines to achieve positive cash flow.

Meanwhile, against a backdrop of further improvements to overall business conditions globally, international air cargo demand remained relatively firm, although traffic as measured in freight tonne kilometres (FTK) terms was still 13% below last year's level in October, held back by the lack of passenger service bellyhold space. Consequently, the average international freight load factor climbed 9.7 percentage points higher to 71.4% for the month.

Commenting on the results, AAPA Director General Mr. Subhas Menon, said, "Prolonged border restrictions have led to precipitous declines in air traffic and global connectivity, with Asia Pacific alone suffering a 76% plunge. The dismal numbers underscore the severity of the impact of the COVID-19 pandemic on the airline industry. Whilst

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government financial support lent critical lifelines to some airlines, already a number of carriers are being restructured, whilst others may not survive this protracted crisis.”

Mr. Menon added, “The desire to travel remains strong, evidenced by the marked recovery in domestic travel markets where movement restrictions have been relaxed. Air transport is an enabler of economic activity, and an indispensable conduit for global transport, trade and tourism.”

Mr. Menon concluded, “AAPA calls on governments to redouble their efforts to work cooperatively with other governments and industry stakeholders to safely restart international air travel. Governments must heed calls to adopt and implement mutually agreed protocols. New ICAO guidance materials developed in conjunction with WHO, CDC and ECDC, recommend incorporating harmonised testing as part of a multi-layered and risk-managed approach to facilitate international air transport. As 2021 beckons, Asia Pacific aviation is ready and willing to play its part in a successful restart and recovery. Airlines will also play a critical role in ensuring that the global distribution of COVID-19 vaccines is accomplished in a timely and efficient manner once the necessary regulatory approvals have been confirmed and production can be scaled up accordingly.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

| International | Oct-20 | Oct-19 | % Change | Jan-Oct 2020 | Jan-Oct 2019 | % Change |
|-----------------------|---------------|---------------|-----------------|---------------------|---------------------|-----------------|
| Passengers (Thousand) | 1,542 | 31,322 | - 95.1% | 66,727 | 318,906 | - 79.1% |
| RPK (Million) | 5,496 | 115,294 | - 95.2% | 260,056 | 1,166,547 | - 77.7% |
| ASK (Million) | 18,329 | 144,856 | - 87.3% | 412,153 | 1,441,443 | - 71.4% |
| Passenger Load Factor | 30.0% | 79.6% | - 49.6 pp | 63.1% | 80.9% | - 17.8 pp |
| FTK (Million) | 5,477 | 6,296 | - 13.0% | 48,862 | 58,579 | - 16.6% |
| FATK (Million) | 7,667 | 10,210 | - 24.9% | 74,679 | 99,222 | - 24.7% |
| Freight Load Factor | 71.4% | 61.7% | + 9.7 pp | 65.4% | 59.0% | + 6.4 pp |

Effective January 2020, the dataset comprises aggregated traffic data from the following 40 Asia Pacific based carriers: 3K, 5J, 6E, 7C, 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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