

PRESS RELEASE

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Asia Pacific Airlines March 2022 Traffic Results

International passenger demand improved, while air cargo markets dipped slightly

Kuala Lumpur, Malaysia – Preliminary March 2022 traffic figures released today by the Association of Asia Pacific Airlines (AAPA) showed improved growth in international passenger demand, as more Asian economies eased travel restrictions in a bid to welcome back visitors after two years of lockdowns and strict border control measures.

The number of international passengers carried by the region's airlines almost tripled to a combined 3.5 million compared to the same month last year when the region's airlines carried just 1.2 million passengers. Nevertheless, demand remained a low 10.8% of the 32.5 million passengers carried in the pre-pandemic month of March 2019, as borders in the region reopened at a slow pace.

Measured in revenue passenger kilometres (RPK), international passenger demand jumped by 205.4% year-on-year, surpassing a 64.0% year-on-year expansion in available seat capacity. As a result, the average international passenger load factor rose significantly, by 23.9 percentage points to 51.6% in March, surpassing the 50% mark for the first time since the pandemic took hold.

Meanwhile, after a relatively steady start to the year, rising headwinds on multiple fronts dampened trade activity. Production disruptions and congestion at China's major ports, together with international trade sanctions in relation to the Ukraine-Russia war, strained global supply chains.

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These challenging conditions had some short-term effects on the region's air cargo markets. International air cargo demand as measured in international freight tonne kilometres (FTK) recorded its first monthly year-on-year decline, by 1.3%, after 14 consecutive months of growth, although this was mitigated by still strong demand from the major economies. Growth in commercial passenger operations helped drive a 5.1% year-on-year expansion in offered freight capacity, resulting in a 4.5 percentage point decline in the average international freight load factor to 70.4% for the month.

Commenting on the results, Mr. Subhas Menon, AAPA Director General said, "After two years of coping with the pandemic, a growing number of Asian governments have begun to treat COVID-19 as endemic, as high vaccination levels are achieved in parallel. The progressive reopening of borders and easing of restrictions, including the removal of quarantines for vaccinated travellers and reduced testing requirements, have positively impacted international travel demand."

Mr. Menon added, "However, some uncertainty remains, as the pace of reopening continues to vary across the region, with some governments taking a more cautious approach. Major markets such as China and Japan remain largely closed off to international visitors. More broadly, elevated fuel prices and inflation across major economies, as well as the weakening of selected Asian currencies, may also affect the pace and extent of recovery in the region's travel markets."

Mr. Menon concluded, "While the recent easing of travel restrictions is very much welcome by the industry, incoherent and uneven border control measures across economies continue to confuse travellers and hinder travel recovery. As such, close cooperation among governments and industry partners remains crucial to the restoration of international connectivity."

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

| International | Mar-22 | Mar-21 | % Change | Jan-Mar 2022 | Jan-Mar 2021 | % Change |
|-----------------------|---------------|---------------|-----------------|---------------------|---------------------|-----------------|
| Passengers (Thousand) | 3,520 | 1,181 | + 198.1% | 8,651 | 3,274 | + 164.2% |
| RPK (Million) | 15,766 | 5,162 | + 205.4% | 38,628 | 14,554 | + 165.4% |
| ASK (Million) | 30,530 | 18,618 | + 64.0% | 84,323 | 53,298 | + 58.2% |
| Passenger Load Factor | 51.6% | 27.7% | + 23.9 pp | 45.8% | 27.3% | + 18.5 pp |
| FTK (Million) | 6,090 | 6,168 | - 1.3% | 16,903 | 16,671 | + 1.4% |
| FATK (Million) | 8,656 | 8,237 | + 5.1% | 24,339 | 22,824 | + 6.6% |
| Freight Load Factor | 70.4% | 74.9% | - 4.5 pp | 69.4% | 73.0% | - 3.6 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 represent 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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