

PRESS RELEASE

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January 2023 / Traffic / Preliminary

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Asia Pacific Airlines January 2023 Traffic Results

Passenger demand still strong, but cargo markets weaken further

Kuala Lumpur, Malaysia – Preliminary January 2023 traffic figures released today by the Association of Asia Pacific Airlines (AAPA) showed steady growth in international passenger traffic, on the back of strong travel demand with the easing of border restrictions, notably in North Asia.

Overall, the region's airlines carried a combined 17.2 million international passengers in January, more than seven times the volumes recorded in the same month last year, when demand was still dampened by travel restrictions across the region. Traffic as measured in revenue passenger kilometres (RPK) jumped 466.9%, underpinned by robust regional travel demand. Available seat capacity also expanded markedly, but by a comparatively slower 195.0% year-on-year. As a result, the average international passenger load factor increased significantly, by 39.1 percentage points to 81.5% for the month, returning to levels seen only before the onset of the pandemic.

Meanwhile, subdued global economic conditions continued to hold back export markets in January, leading to a significant 20.5% year-on-year decline in international air cargo demand, as measured in freight tonne kilometres (FTK). Combined with a 7.5% drop in offered freight capacity, the international freight load factor fell by 9.7 percentage points to average 59.2% for the month.

Commenting on the results, Mr. Subhas Menon, AAPA Director General said, "International passenger markets enjoyed a strong start to the year in 2023. Strong demand buoyed by an increase in leisure travellers during the Lunar New Year holidays in the region, saw the

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number of passengers carried by Asia Pacific carriers in January, rise to 52.1% of pre-pandemic traffic levels in 2019.”

“But cargo volumes came under pressure due to multiple headwinds. Higher inflation levels across various economies and the persistently strong US Dollar have added to the price pressures for imported commodities and merchandise in local currency terms.”

Looking ahead, Mr. Menon said, “Notwithstanding the challenges brought on by the global economic uncertainty, growth prospects for passenger markets look positive for the year ahead. The desire to travel remains strong, with latest forward booking trends pointing to sustained high demand. Nevertheless, cost pressures represent a key challenge to airline financial performance, driven by the elevated fuel prices and inflationary pressures on operating expenditure, including labour and maintenance. Overall, Asia Pacific airlines remain vigilant in striving for cost efficiencies whilst restoring flights in the COVID-19 recovery period.”

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Jan-23	Jan-22	% Change
Passengers (Thousand)	17,205	2,311	+ 644.5%
RPK (Million)	67,548	11,916	+ 466.9%
ASK (Million)	82,915	28,106	+ 195.0%
Passenger Load Factor	81.5%	42.4%	+ 39.1 pp
FTK (Million)	4,561	5,739	- 20.5%
FATK (Million)	7,703	8,328	- 7.5%
Freight Load Factor	59.2%	68.9%	- 9.7 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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