

PRESS RELEASE

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July 2023 / Traffic / Preliminary

Association of Asia Pacific Airlines
(Reg. No.587)
36th Floor, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
MALAYSIA
Tel: +603 2615 0188
Fax: +603 2615 0088
www.aapairlines.org

Asia Pacific Airlines July 2023 Traffic Results

Sustained solid recovery in passenger demand while cargo markets remain soft

Kuala Lumpur, Malaysia – Preliminary July 2023 traffic figures released today by the Association of Asia Pacific Airlines (AAPA) showed further growth in international passenger markets, buoyed by the steady resumption of travel within the region and beyond. The gradual relaxation of travel restrictions by China, the region's largest passenger market, also drove growth in demand.

Overall, 25.5 million international passengers were carried by Asia Pacific airlines in July, a robust 136.3% increase compared to the same month last year. Demand averaged 76.3% of the corresponding month in 2019. Measured in revenue passenger kilometres (RPK), demand rose by 108.9% year-on-year, reflecting the relative strength on regional routes. After accounting for a 99.1% year-on-year expansion in available seat capacity, the average international passenger load factor rose by 3.9 percentage points to 83.5%, in line with levels seen in 2019.

On the other hand, international air cargo markets remained under pressure, amid prevailing weakness in global trade activity. Demand, as measured in freight tonne kilometres (FTK), fell by 0.8% year-on-year in July, marking the seventeenth consecutive month of decline. The ongoing restoration of flights led to an increase in belly-hold cargo space, contributing to an 8.5% expansion in offered freight capacity. As a result, the average international freight load factor declined by 5.7 percentage points to 60.7% for the month.

Commenting on the results, Mr. Subhas Menon, AAPA Director General said, "The start of the second half of the year showed a continuation of the strong recovery trend for Asian

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airlines, with sustained growth in major Asian economies fuelling the appetite for international travel. Overall, during the first seven months of the year, the region's airlines carried an aggregate total of 146 million international passengers, a strong 261% increase compared to the previous corresponding period."

"The cargo market on the other hand slid further reflecting the distinct shift in exports from goods to services. Amidst a weakness in demand for both consumer and intermediate goods, Asian airlines experienced an 8.4% drop in international air cargo demand during the first seven months of the year."

Looking ahead, Mr. Menon said, "In the passenger business segment, demand is expected to remain strong, underpinning further growth in passenger traffic. Nevertheless, uncertainties in the wider macroeconomic environment, in addition to increased living costs, may eventually lead to cutbacks in spending on travel. The outlook for Asian airlines remains positive, as carriers continue to grow networks to meet travel demand and return gradually to profitability, whilst maintaining their dedication to safety and sustainability."

TRAFFIC UPDATE – PRELIMINARY

International Scheduled Services of Asia Pacific Airlines

International	Jul-23	Jul-22	% Change	Jan-Jul 2023	Jan-Jul 2022	% Change
Passengers (Thousand)	25,502	10,793	+ 136.3%	145,699	40,402	+ 260.6%
RPK (Million)	94,734	45,357	+ 108.9%	544,727	175,819	+ 209.8%
ASK (Million)	113,402	56,956	+ 99.1%	667,869	267,623	+ 149.6%
Passenger Load Factor	83.5%	79.6%	+ 3.9 pp	81.6%	65.7%	+ 15.9 pp
FTK (Million)	5,557	5,599	- 0.8%	35,859	39,161	- 8.4%
FATK (Million)	9,153	8,436	+ 8.5%	58,619	57,124	+ 2.6%
Freight Load Factor	60.7%	66.4%	- 5.7 pp	61.2%	68.6%	- 7.4 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 represent over one-third of global passenger and air cargo traffic, and thus play a leading role in the ongoing development of global aviation.

For further information, please contact:

Office of the Director General

Tel: +603 2615 0188

Fax: +603 2615 0088

Email: odg@aapa.org.my

Website: www.aapairlines.org

Twitter: [@aapairlines](https://twitter.com/aapairlines)