

## PRESS RELEASE

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### **Asia Pacific Airlines Growth Sustained in 2016**

#### *Outlook for 2017 Remains Positive*

**Kuala Lumpur, Malaysia** – Preliminary traffic figures for the full calendar year 2016 released today by the Association of Asia Pacific Airlines (AAPA) reaffirmed continued solid growth in demand for international air travel, whilst air cargo markets showed renewed strength in the second half of the year after a weak start.

Boosted by the widespread availability of competitive airfares and continued expansion in network connections, the region's airlines carried a combined total of 293 million international passengers in 2016, representing a 6.0% growth compared to the previous year. The average international passenger load factor rose by 0.3 percentage points to reach 78.7% for the year, after accounting for a 6.6% increase in demand as measured in revenue passenger kilometres (RPK) and a 6.3% expansion in available seat capacity.

International air cargo demand, measured in freight tonne kilometres (FTK), recorded a 1.8% increase for the year, with growth rebounding to a 5.7% year-on-year rise during the second half following a 2.2% year-on-year contraction during the first six months of the year. Overall, offered freight capacity expanded by 3.5%, leading to a slight decline in the average international freight load factor, by 1.0 percentage point to 62.5% for the year.

Commenting on the results, Mr. Andrew Herdman, AAPA Director General said, "Notwithstanding some unexpected geopolitical developments and macro-economic uncertainty in 2016, air passenger traffic carried by Asian airlines continued to grow, climbing 6.0% higher compared to the preceding year. Asian regional travel markets were relatively strong, as was demand on routes to and from North America, although routes from Asia to Europe saw some weakness following terrorist-related incidents."

Mr. Herdman added, "After a lacklustre start to the year, air cargo markets picked up pace in the second half of the year, with broad-based expansion in manufacturing

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production and international exports, supplemented by growth in demand from expanding consumer markets in Asia.”

Looking ahead, Mr. Herdman concluded, “The outlook for air travel markets in 2017 remains broadly positive, although the earlier boost to demand from falling oil prices is now behind us, and growth rates may moderate. Market conditions remain highly competitive, and airlines are focused on active cost management, whilst continuing to invest in future growth opportunities.”

### TRAFFIC UPDATE – PRELIMINARY

#### *International Scheduled Services of Asia Pacific Airlines*

<b>International</b>	<b>Dec-16</b>	<b>Dec-15</b>	<b>% Change</b>	<b>Jan-Dec 2016</b>	<b>Jan-Dec 2015</b>	<b>% Change</b>
Passengers (Thousand)	26,169	24,521	+ 6.7%	292,815	276,322	+ 6.0%
RPK (Million)	96,722	89,987	+ 7.5%	1,067,110	1,000,651	+ 6.6%
ASK (Million)	120,253	114,275	+ 5.2%	1,356,634	1,275,843	+ 6.3%
Passenger Load Factor	80.4%	78.7%	+ 1.7 pp	78.7%	78.4%	+ 0.3 pp
FTK (Million)	6,123	5,631	+ 8.7%	66,263	65,068	+ 1.8%
FATK (Million)	9,315	8,882	+ 4.9%	106,022	102,484	+ 3.5%
Freight Load Factor	65.7%	63.4%	+ 2.3 pp	62.5%	63.5%	- 1.0 pp

Effective September 2014, the dataset comprises aggregated traffic data from the following 31 Asia Pacific based carriers: 5J, 6E, 9W, AI, AK, BI, BR, CA, CI, CX, CZ, GA, JL, JQ, KA, KC, KE, MH, MU, NH, NZ, OZ, PG, PR, SG, SQ, TG, TR, QF, 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

**ENDS**

#### **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 1,214 million passengers and 20 million tonnes of cargo, representing one-third of global passenger traffic and two-fifths of global air cargo traffic respectively, and thus play a critically important role in the ongoing development of global aviation.

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