

AAPA shares robust July 2023 traffic results for Asian airlines



Preliminary July 2023 traffic figures released 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, 27.2 million international passengers were carried by Asia Pacific airlines in July, a robust 146.6% increase compared to the same month last year. Demand averaged 81.4% of the corresponding month in 2019. Measured in revenue passenger kilometers (RPK), demand rose by 107.6% year-on-year, reflecting the relative strength on regional routes. After accounting for a 98.8% year-on-year expansion in available seat capacity, the average international passenger load factor rose by 3.6 percentage points to 83.7%, 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 ton kilometers (FTK), fell by 0.6% 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 8.4% expansion in offered freight capacity. As a result, the average international freight load factor declined by 5.5 percentage points to 60.9% for the month.

"The start of the second half of the year showed a continuation of the strong recovery trend for Asian airlines, with sustained growth in major Asian economies fueling the appetite for international travel," Subhas Menon, AAPA Director General said. "Overall, during the first seven months of the year, the region's airlines carried an aggregate total of 147 million international passengers, a strong 259% 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, he 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."