

AAPA reports strong passenger demand in Q1 2023



Preliminary March 2023 traffic figures released by the [Association of Asia Pacific Airlines](#) (AAPA) showed international passenger demand remained solid, driven by the robust recovery in leisure and business travel in Asia and globally.

According to the association, "The easing of travel restrictions, coupled with strong travel appetite, led to a 494.6% year-on-year increase in the number of international passengers carried which added up to 19.8 million altogether in March. As a percentage of pre-pandemic 2019 levels, demand averaged 61.0%. Revenue Passenger Kilometres (RPK) for the month rose by 354.6% year-on-year, underscoring the relative strength of regional travel markets. A comparatively slower 190.9% expansion in available seat capacity led to a 29.7 percentage point jump in the international passenger load factor to 82.5% for the month, which was higher than pre-pandemic levels."

On the other hand, the prevailing weakness in global trade continued to dampen demand for air shipments. As a result, the region's carriers recorded a 10.9% year-on-year decline in international air cargo demand, as measured in freight ton kilometres (FTK). Offered freight capacity remained relatively stable, with a 0.2% year-on-year decline, supported by the ongoing restoration of bellyhold capacity on passenger flights. As a result, the average international freight load factor declined by 7.5 percentage points to average 63.2% for the month.

Commenting on the results, Subhas Menon, AAPA Director General said, "Asia Pacific airlines carried a

combined total of 54 million international passengers in the first quarter of 2023, well over six times the 8 million passengers recorded in the same period last year. Demand continues to be robust as remaining travel restrictions are lifted across the region.

“However, air cargo markets declined by 13.1% during the same period, reflecting weakness in consumer demand amidst general inflationary pressures and rising economic uncertainty.

“Despite a more subdued global economic outlook, international passenger markets remain buoyant, as the rebuilding of travel confidence and return to face-to-face business meetings, continue apace. Asia Pacific carriers expect to see strong revenue growth this year even though increasing cost pressures, led by persistently high fuel prices, would erode the earnings margins. Asia Pacific carriers continue to focus on cost efficiencies whilst restoring flights to destinations in a bid to improve profitability.”