

Int'l travel stagnant, cargo demand solid : Airlines' group

A Monitor Report

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Singapore : Preliminary air traffic figures for May released recently by the Association of Asia Pacific Airlines (AAPA) showed international passenger traffic volumes remained at depressed levels, held back by strict border restrictions amid concerns about the spread of Covid-19 variants.

Only 1.3 million international passengers flew on the region's carriers in May, representing just 4.3 per cent of the volumes carried in the corresponding month of 2019.

The international passenger load factor averaged 28.4 per cent for the month with available seat capacity at 12.3 per cent of levels recorded in 2019. Meanwhile, strong business and consumer demand globally drove demand for air cargo.

International air cargo demand as measured in freight tonne kilometres saw 23.1 per cent year-on-year growth, significantly outpacing the 3.6 per cent increase in offered freight capacity, as bellyhold space remained constrained due to limited commercial passenger operations.

As a result, the average international freight load factor rose by 11.7 percentage points to 73.7 per cent.

AAPA Director General Subhas Menon said air cargo volumes carried by Asia Pacific carriers have largely recovered to pre-pandemic volumes in response to

strong demand.

This contrasts starkly with the depressed state of international passenger traffic, which has remained largely stagnant with no improvements seen in over a year.

"The uneven pace of vaccinations throughout the world has delayed the recovery in international air travel. In some advanced economies, travel markets are slowly recovering as populations get vaccinated and business activities resume," said Menon.

However, the same cannot be said for the majority of the emerging market economies in Asia, where vaccination roll-outs remain slow due to supply constraints, logistical issues and limited manpower.

As a result, the travel and tourism sectors in the region have continued to suffer as strict border controls remain in place. International passenger traffic carried by Asia Pacific airlines amount to barely 5 per cent of pre-pandemic volumes.

Menon said renewed concerns over the appearance of new Covid-19 variants have held back any meaningful reopening of borders.

"This will have a negative impact on airline survival, and additional government support will likely be required as the crisis is prolonged."