

## Cathay sees 141.5 passenger surge in May

- A Monitor Desk Report

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Cathay Pacific today released its traffic figures for May 2022. As the recent adjustments to the Hong Kong Special Administrative Region Government's travel restrictions and quarantine requirements became effective in phases, the airline's May 2022 traffic figures started to reflect the positive impact of those changes.

Cathay Pacific carried a total of 57,982 passengers last month, an increase of 141.5% compared to May 2021, but a 98% decrease compared to the pre-pandemic level in May 2019. The month's revenue passenger kilometres (RPKs) increased 164.4% year-on-year, but were down 97.1% versus May 2019. Passenger load factor increased by 33.7 percentage points to 60.5%, while capacity, measured in available seat kilometres (ASKs), increased by 16.8% year-on-year, but decreased by 96% compared with May 2019 levels. In the first five months of 2022, the number of passengers carried increased by 59.1% against a 48.5% decrease in capacity and a 49.3% increase in RPKs, as compared to the same period for 2021.

The airline carried 92,426 tonnes of cargo last month, a similar level as May 2021, but a 45.1% decrease compared with the same period in 2019. The month's cargo revenue tonne kilometres (RFTKs) decreased 32.5% year-on-year, and were down 59.9% compared to May 2019. The cargo load factor decreased by 5.3 percentage points to 75.7%, while capacity, measured in available cargo tonne kilometres (AFTKs), was down by 27.7% year-on-year, and was down by 66.1% versus May 2019. In the first five months of 2022, the tonnage decreased by 4.3% against a 38.9% decrease in capacity and a 41% decrease in RFTKs, as compared to the same period for 2021.

Travel

Chief Customer and Commercial Officer Ronald Lam said: "The introduction of

further adjustments to travel restrictions and quarantine requirements in Hong Kong from 1 May was a welcome development, although our business during the month remained constrained. We increased our passenger flight capacity by 78% compared with April, but we still only operated about 4% of our pre-pandemic levels. Traffic volume in terms of RPK increased 94% month on month, and this was driven primarily by long-haul flights. As a result, overall load factor reached 60.5%. “The additional passenger flight capacity we mounted in May provided better connectivity for our transit passengers, particularly those travelling from the Chinese Mainland to long-haul destinations such as the US, Europe and Australia. Demand for inbound flights to Hong Kong saw substantial growth, driven by pent-up demand out of North America, the UK and Europe. We also resumed flights to India last month with services to Delhi and Mumbai. On the other hand, we continued to operate limited frequencies into the Chinese Mainland to comply with ongoing capacity restrictions.

#### Cargo

“Regarding cargo, the situation in Shanghai continued to affect demand, although tonnage gradually picked up as COVID-19 restrictions started to ease towards the end of May. As for Hong Kong, volumes improved as cross-border feeder services between Shenzhen and Hong Kong allowed for a more stable flow of cargo, although it remains below the capacity available prior to the fifth wave of COVID-19 in Hong Kong. Demand from other parts of our network remained relatively strong throughout the month. Overall in May, we operated about 34% of our pre-pandemic cargo flight capacity, while load factor was 75.7%.

“Last month also saw the expansion of our joint business agreement with Lufthansa Cargo to include Swiss WorldCargo. Cathay Pacific Cargo will expand its collaboration on trade lanes between Hong Kong and Europe to provide even greater choice and value for our cargo customers.

“Additionally, our Cargo and Lifestyle businesses have jointly developed a door-to-door solution that enables customers in Hong Kong to enjoy fresh fruit and vegetables sourced from premium producers in Northeast Asia and delivered directly to their homes. This fresh produce is available through the Cathay shop.

#### Outlook

“The first quarter of 2022 saw a tightening of travel restrictions and quarantine requirements as Hong Kong continued to fight against COVID-19. Such measures have restricted our ability to operate beyond only a fraction of our passenger services and have significantly reduced our cargo capacity. However, with the recent adjustments to travel restrictions and quarantine requirements, we have been able to resume more flight capacity in the second quarter. Given a strong underlying cargo performance coupled with our cost-management measures implemented over the past two years, our consolidated losses in the first half of 2022, while substantial, are expected to be lower than the consolidated losses reported in the first half of 2021.

“Earlier this month, the Hong Kong SAR Government agreed to extend the drawdown period of the HK\$7.8 billion loan facility for 12 m.

