

AAPA

ASSOCIATION OF ASIA PACIFIC AIRLINES

Liberalisation of Market Access

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ICAO



MOLIT

Ministry of Land,
Infrastructure and Transport

Industry key facts & figures

4.3 ^{+6%}
billion
Passengers

46.1
million
Flights*

64 ^{+4%}
billion
Tonnes Cargo

\$6+
trillion
Cargo Value

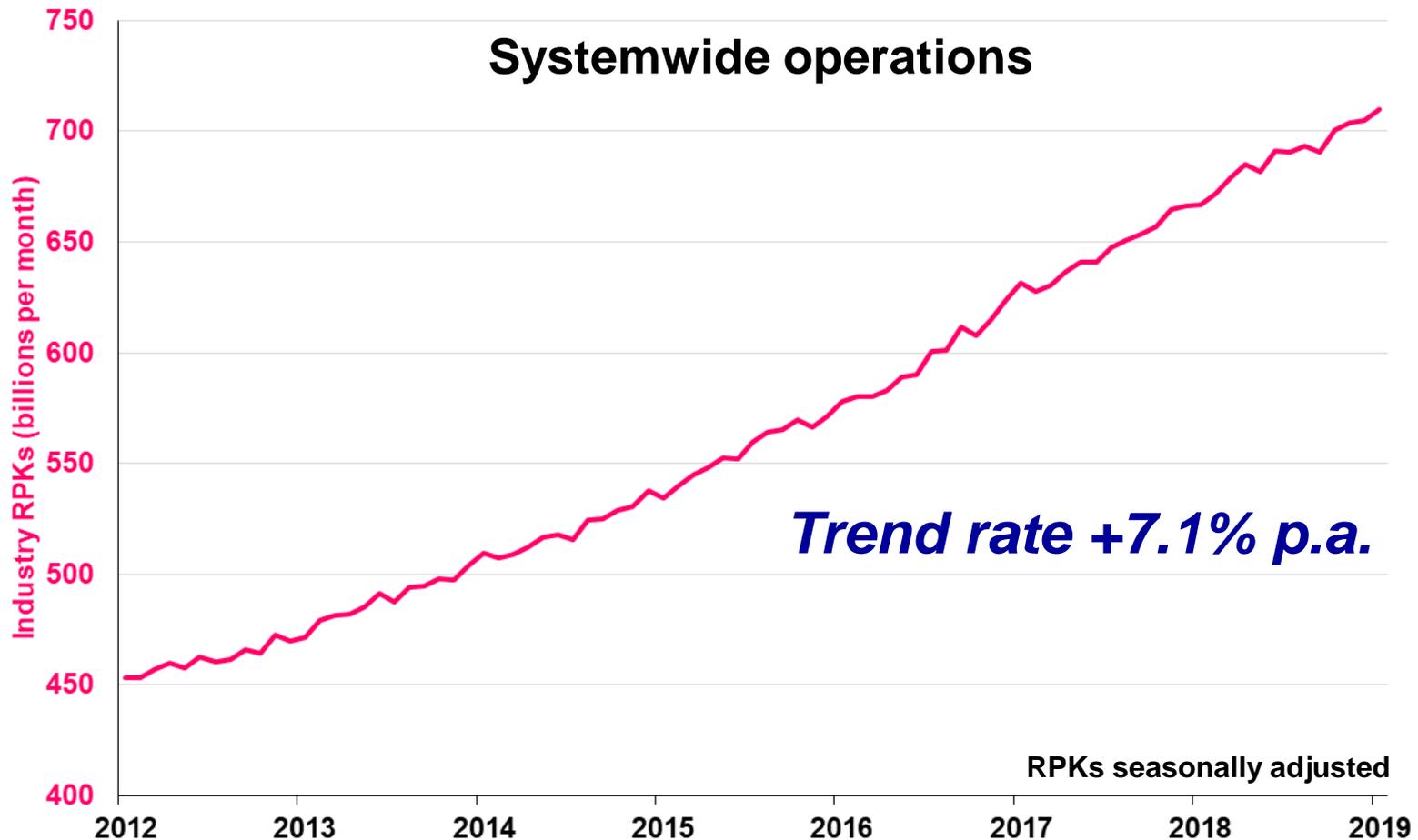
65+
million
Jobs

\$2.7
trillion
Economic
impact

Notes: *refers to scheduled commercial flights
Jobs and economic impact include aviation direct and induced

Source: IATA, ATAG

Global air passenger traffic

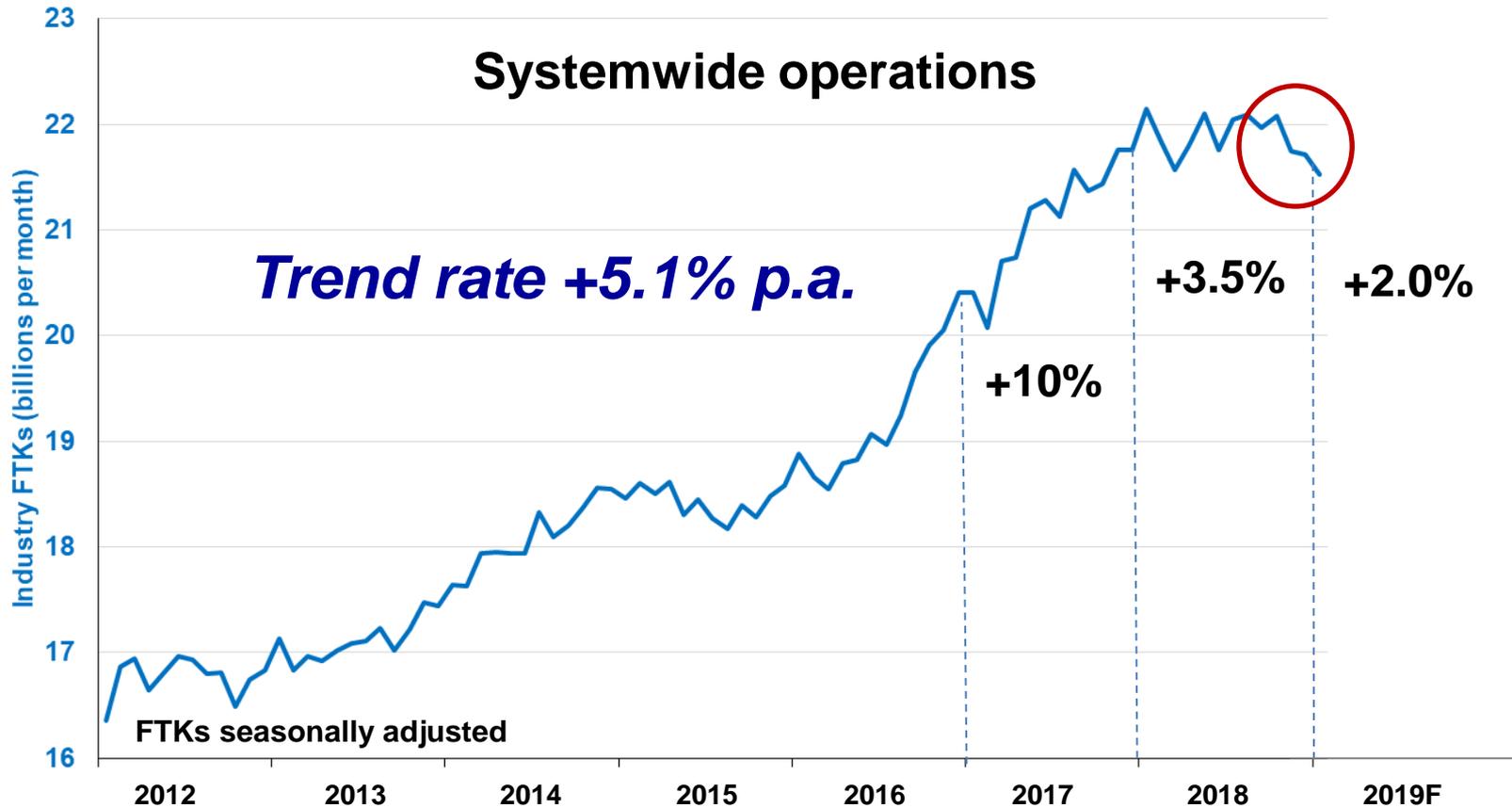


Sustained growth in air passenger markets

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Source: IATA ASSOCIATION OF ASIA PACIFIC AIRLINES

Global air cargo traffic

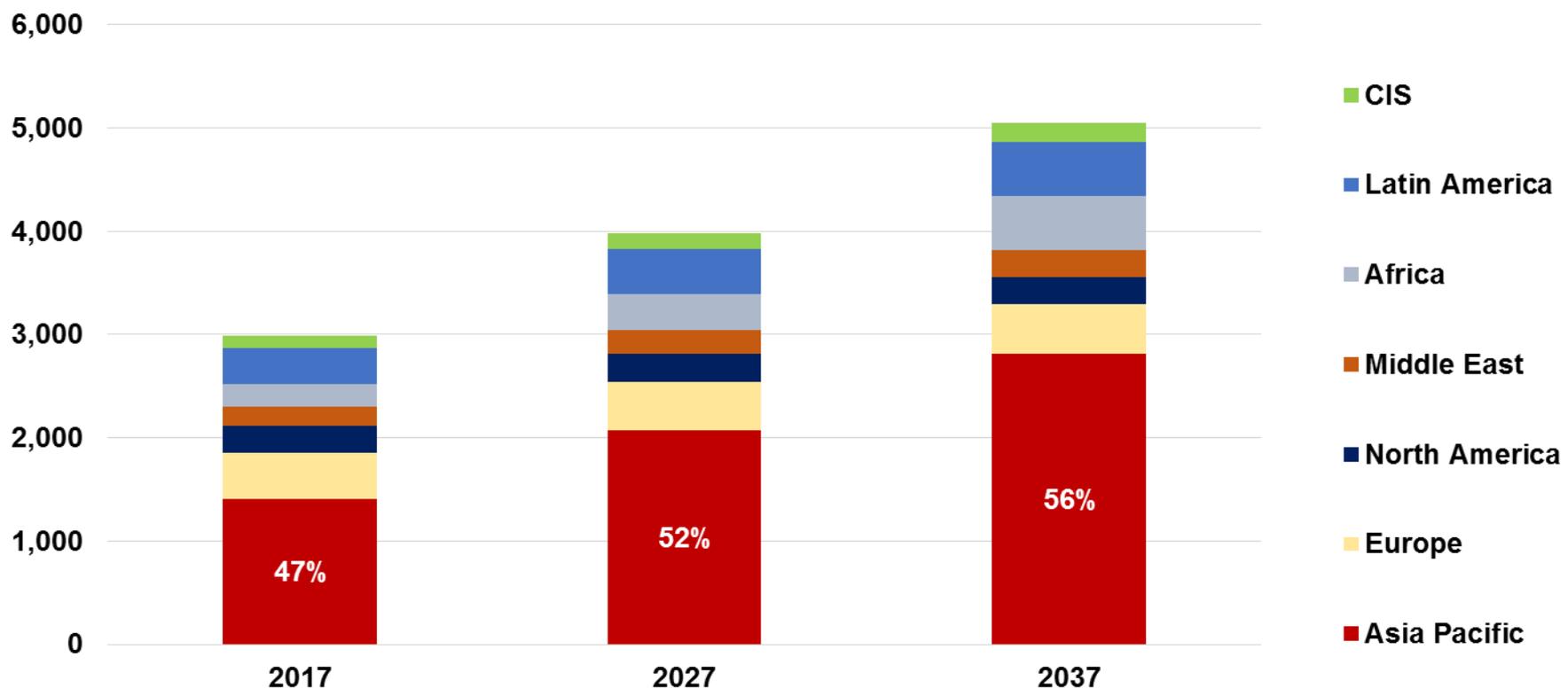


Rise in trade protectionist measures & unwinding of inventory restocking cycle dampen growth

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Source: IATA ASSOCIATION OF ASIA PACIFIC AIRLINES

Growth of Asian middle class consumers



Rising demand for goods & services including air travel

Source: Airbus GMF 2018 - 2037
 Households with yearly income between \$20,000 and \$150,000 at PPP in constant 2017 prices

Asia Pacific aviation



US\$205 billion revenue
1,600 million passengers
1,150 million domestic
450 million international
23 million tonnes of cargo
8,448 aircraft

Asia Pacific carriers overall market share:

34% of global passenger traffic

37% of global cargo traffic

Source: Combined AAPA + non-AAPA airlines GMT+5 to GMT+12

Data: Traffic: ICAO and IATA Preliminary 2018, Financials: AAPA Preliminary 2018 Estimates

World's ten busiest regional/international routes

Rank	Route	PAX ¹ (million)	No. of operating carriers ²
1	Hong Kong - Taipei	5.4	5
2	Dublin – London	3.4	3
3	Jakarta – Singapore	3.3	7
4	Bangkok – Hong Kong	3.1	4
5	Kuala Lumpur – Singapore	2.8	7
6	Hong Kong – Seoul	2.7	9
7	London – New York	2.7	5
8	Osaka – Taipei	2.6	9
9	Bangkok – Singapore	2.5	5
10	Tokyo – Taipei	2.5	8

Sources: 1. IATA WATS, 2017 data

2. Google Flights, Skyscanner

Regulatory Framework & Competition

- **Progressive liberalisation**
- **Some protectionist sentiments still evident**
- **Cooperation, codeshares, joint ventures**
- **Evolution of complex group holding structures**
- **Contrasting interpretations of ownership & control restrictions, subsidies, fair competition**

Global regulatory framework must keep pace with changing market structure and demand growth

Airline Business Strategies

- **Full Service Network Carriers**

- Still investing heavily in premium services
- Streamlining short haul operations
- Evolving multi-brand strategies

- **Low Cost Carriers**

- More measured regional expansion
- Crowded markets see some consolidation
- Experimenting with codeshares, connections, adding customer service

- **Further signs of convergence**

- Network connectivity drives revenue optimisation
- Long-haul requires wide body aircraft, cargo operations, two-class passenger configurations, and network feed

Consumers decide what represents best value proposition

Closing thoughts

- **Aviation a key driver of global economic and social development**
- **Market liberalization keeping pace with demand growth**
- **As one of the most regulated industry sectors, advantages of maintaining consistent global standards on safety, security and ensuring a competitive landscape**
- **Airline strategies evolving in response to changing market dynamics and consumer preferences**

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The screenshot displays the AAPA website homepage. At the top, the AAPA logo is accompanied by the text 'ASSOCIATION OF ASIA PACIFIC AIRLINES'. A navigation menu includes 'ABOUT AAPA', 'COMMUNITY', 'POLICIES & PRIORITIES', 'MEDIA CENTRE', and 'EVENTS'. The main banner features a hand holding a globe with the text 'Asian airlines STRONGER TOGETHER'. Below the banner, there are two sections: 'LATEST EVENTS' and 'CURRENT ISSUES'. The 'LATEST EVENTS' section lists three events: 'AAPA 63rd Assembly of Presidents' in HONG KONG (21-22 November 2019), '8th AAPA Emergency Response Conference 2019' in SINGAPORE (26-27 June 2019), and 'Aviation Cyber Resilience Project' in KUALA LUMPUR (13 June 2019). Each event is accompanied by a small image: a night view of the Hong Kong skyline, the Marina Bay Sands hotel in Singapore, and a globe with a padlock icon labeled 'Security'.