

Media Release

Passenger traffic reported solid gains amidst global economic and political uncertainties; growth in air freight volumes remained sluggish for the first half of 2016

Montréal, 23 August 2016 – Global passenger traffic grew 4.5% in June 2016 and 5.6% for the first half of the year. Even though airports reported an increase of 4.0% in international passenger traffic and an increase of 5.1% in domestic traffic in June 2016, international passenger traffic grew faster than the domestic component during the first six months of 2016 (6.0% versus 5.4%). The lower than expected growth rates during June 2016 in international traffic in Europe and the slowdown in the Middle East testified to the fragile and uncertain economic conditions, political instability and passenger sensitivity to the wave of terrorist attacks. These events weighed on travel confidence and air transport demand.

Nevertheless, except for Africa where the drop in passenger traffic was apparent and anticipated (-4.4% year-to-date), all regions posted growth in passenger volumes, ranging from 1.7% in the recessionary Latin America-Caribbean region to the buoyant Asia-Pacific and Middle East regions, which both grew strongly at 8.8% on a year-to-date basis. The mature markets of Europe and North America both grew 4.9% during the first half of the year.

Air freight markets were substantially weaker than passenger markets, posting marginal 0.5% growth in total freight on a year-to-date basis, largely due to a subdued growth in emerging markets and developing economies and a modest recovery in advanced economies (4.1% and 1.8% in GDP respectively, as projected by the International Monetary Fund for 2016). The 0.5% growth rate in global freight volumes comprised +0.3% in international freight and +1.0% in domestic freight on an annualized basis. The lackluster performance of global industrial activity and trade due to China's economic transition, the weak growth of the Japanese economy and the weaker than expected growth of the United States, combined with recessions in Brazil and Russia, have all had a negative impact on air freight markets. Three regions plunged into negative territory in terms of year-over-year changes in freight volumes on a year-to-date basis. North America, Latin America-Caribbean and Africa reported freight traffic losses of 2.1%, 0.9% and 0.1% respectively. Asia-Pacific and Europe reported freight traffic growth of 1.0% and 2.3% respectively, while only the Middle East grew a confident 4.5% over the course of the first six months in 2016.

Africa

Africa continued to face challenges despite its economic growth prospects in the years to come. Security risks in Northern Africa curtailed traffic at major tourist destinations while plummeting oil prices stunted the economic progress of such key economies as Nigeria. Weak overall demand across the continent, poor connectivity within the continent and a poor record of liberalizing aviation represented additional obstacles to prospective growth in traffic levels.

In Africa, passenger traffic decreased 11.8% in June 2016 and 4.4% from January to June. Passenger traffic was negatively affected by the disruption of air traffic in Egypt and significant traffic drops in Tunisia, the major leisure destinations for European travelers. Security in Egypt remained a major concern following the October 2015 crash of a Russian airliner in Sinai and the Egypt Air accident in May 2016. From January to June 2016, passenger traffic at Egypt's and Tunisia's airports fell 27.4% and 14.4% respectively. Other countries that reported traffic losses in

the region were Congo (-17.3%), Mozambique (-6.9%) and Zambia (-2.8%). South Africa—the major air transport market in Africa—reported a robust 7.3% growth rate during the first half of the year, with domestic passenger traffic outpacing international traffic (8.5% and 4.9% respectively). In Morocco, total passenger traffic grew 0.4%, the result of 5.5% growth in domestic passenger traffic. Other important markets—Nigeria, Kenya and Algeria—reported 2.7%, 8.2% and 10.7% traffic increases respectively. International passenger traffic in Kenya and Algeria grew a robust 8.4% and 9.9% respectively during the first six months of 2016.

At the individual airport level, high traffic growth was seen at Johannesburg (JNB, +5.8% or +0.54 million passengers year-to-date), Cape Town (CPT, +8.0% or +0.36 million passengers year-to-date) and Algiers (ALG, +10.7% or +0.34 million passengers year-to-date).

Total freight traffic in Africa increased 0.7% in June compared with the previous year and declined 0.1% during the first six months of 2016. On a country-by-country basis, the picture is consistent with the total figure. Modest growth in air freight traffic in South Africa (+2.2%) was not enough to offset air cargo traffic dips in other major markets, such as Egypt (-7.4%), Kenya (-6.9%) and Nigeria (-1.7%).

Asia-Pacific

On the back of a growing middle class in key emerging markets, the significant growth of intercontinental hubs in Asia-Pacific revealed that air transport's nucleus is moving eastward. Despite the slowing of economic growth in China, its move away from an investment-led economy to a consumption-driven economy will further stimulate air transport demand in the long run. India is also poised to be one of the largest aviation markets in the world in the years to come. The combination of a move towards a more liberalized market for aviation, coupled with stronger economic fundamentals, helped the country become one of the fastest-growing markets in the world.

In Asia-Pacific, passenger traffic grew 9.9% in June 2016, outpacing the 8.8% year-to-date growth rate. International and domestic passenger traffic were strong during the first half of 2016 at 10.1% and 8.2% respectively. Major commercial airports in China, India and Korea remained the major driving forces for the robust air passenger growth in the region (+12.1%, +17% and +14.1% respectively). A 20.6% increase in domestic passenger traffic in India is worth a special note. Over half of the growth in passenger traffic in Asia-Pacific came from these three economic giants. Other major contributors to the region's strong passenger numbers were the major commercial airports in Thailand (+12.5%), Japan (+4.6%), Indonesia (+9.2%), Australia (+5.4%) and Chinese Taipei (+12.1%). China and Korea posted strong a growth in international passengers (16.6% and 15.7% respectively).

At the individual airport level, significant growth was observed at Delhi (DEL, +21.5% or +4.75 million passengers year-to-date), Seoul-Incheon (ICN, +13.7% or +3.34 million passengers year-to-date), Shanghai-Pudong (PVG, +10.5% or +3.05 million passengers year-to-date) and Bangkok (DMK, +20.9% or +3.02 million passengers year-to-date).

Total air freight traffic in Asia-Pacific picked up at 5.9% in June 2016, surpassing the year-to-date figure of 1.0%. International air freight in the region grew a meagre 0.5% during the first half of year, while domestic air freight in Asia-Pacific was somewhat stronger at 2.4%. China, accounting for over a third of air freight traffic in the region (34.3% share in 2015), grew a modest 3.9% in total freight (+3.2% in domestic and +4.8% in international freight on a year-to-date basis). In Japan—the second largest air freight market in the region with a 13.4% share—air freight at major commercial airports dropped 2.7% during the first half of 2016, with equal declines in domestic and international freight. Hong Kong—the third largest air freight market in Asia-Pacific with a 10.8% share—saw a 0.8% fall in international freight, while India posted a robust 9.6% increase in total freight for the first six months of 2016, consisting of 4.1% growth in domestic freight and 10.5% growth in international freight. Korea posted 0.4% increase in total air freight, international freight growing 0.9% even as domestic freight slipped into negative territory with 4.6% decrease. The air freight markets of Malaysia and Indonesia saw traffic declines of 18.5% and 8.8% respectively on a year-to-date basis.

At the individual airport level, the highest growth in air freight was observed at Guangzhou (CAN, +6.0% or +43,950 tonnes year-to-date), Singapore (SIN, +4.4% or +40,600 tonnes year-to-date) and Delhi (DEL, +10.6% or +39,620 tonnes year-to-date). At the same time, significant falls were seen at Kuala Lumpur (KUL, -18.5% or -71,600 tonnes year-to-date) and Tokyo-Narita (NRT, -3.6% or -38,690 tonnes year-to-date).

Europe

The recovery that followed the Great Recession and the Euro area crisis placed air transport demand in advanced economies on a stronger footing. The continued inroads made by low-cost carriers, coupled with the positioning of Middle Eastern and Turkish hubs for enhanced connectivity, represented a true game changer for mature markets, such as Europe. Conversely, the United Kingdom, one of the largest aviation markets in the world, recently voted to exit the European Union, which left a cloud of uncertainty over the European single aviation market. Finally, the devastating terrorist attacks that took place at Brussels (BRU) and Istanbul-Atatürk (IST) airports have curtailed traffic levels on key market segments and routes.

In Europe, passenger traffic grew 2.1% in June 2016, which is below the year-to-date figure of 4.9%. International passenger traffic grew 1.8% compared with the previous year but the first half of the year in general was more optimistic: +4.5% growth in international passenger traffic and +6.1% growth in domestic passenger traffic on a year-to-date basis. Major commercial airports in the UK, Germany and Spain—the three largest air transport markets in the region—posted 4.8%, 2.9% and 11.6% growth during the first half of 2016. Spain remained a bright spot in Europe. In the first six months of 2016, the country generated an additional 10.8 million passengers. Spain's major airports boasted double-digit growth in passenger traffic in 2016, taking advantage of the traffic opportunities and substitution effect resulting from the aforementioned problems in Egypt and Tunisia, as well as the reduced leisure traffic from Russia to Turkey.

In the same period, major commercial airports in France and Italy grew 2.7% and 4.3% respectively, while Turkey and Russia—other major aviation markets of Europe—lost traffic volume (-2.3% and -1.0% at major commercial airports).

At the individual airport level, several cities had notable growth: Amsterdam (AMS, +9.9% or +2.69 million passengers year-to-date), Barcelona (BCN, +12.7% or +2.3 million passengers year-to-date) and Madrid (MAD, +8.6% or +1.86 million passengers year-to-date). At the same time, the heaviest passenger traffic losses were recorded at Antalya (AYT, -32% or -3.42 million passengers on a year-to-date basis), Brussels (BRU, -13.8% or -1.5 million passengers year-to-date) and Moscow-Domodedovo (DME, -8.3% or -1.14 million passengers year-to-date).

Total air freight traffic in Europe grew 1.7% in June 2016, which was slightly below the year-to-date figure of 2.3%. The three largest air freight markets in the region were Germany, the UK and France. They reported a 1.9%, 3.6% and 3.6% growth respectively during the first six months of 2016. Turkey reported sharp 12.4% decline rate in air freight traffic at its major commercial airports.

At the individual airport level, the highest increases in air freight were recorded at Paris-Charles de Gaulle (CDG, +4.2% or +38,890 tonnes year-to-date), Leipzig (LEJ, 6.7% or +31,830 tonnes year-to-date) and London-Heathrow (LHR, +2.2% or +17,140 tonnes year-to-date). During the same period, losses were recorded at Istanbul-Atatürk (IST, -13.1% or -52,380 tonnes year-to-date) and Brussels (BRU, -6.8% or -16,070 tonnes year-to-date).

Latin America-Caribbean

The Latin America-Caribbean region was a mixed picture. Brazil's deep recession continued to stunt air transport demand in the region's largest economy. At the same time, Colombia and Mexico experienced robust growth across their major airport hubs. Mexican airports in particular, benefitted immensely from the American economic recovery that coincided with the expansion of routes by airlines serving major destinations in Central America.

In Latin America-Caribbean, passenger traffic grew 1.9 % in June 2016, consistent with the year-to-date figure of 1.7%. International passenger traffic outpaced domestic passenger traffic on a monthly and year-to-date basis (6.6% versus 0.3% in June and 6.3% versus 0% year-to-date). In the first six months of 2016, major Brazilian airports recorded unprecedented traffic loss of 8.4%, which was barely offset by the strong passenger traffic growth in Mexico (+10.5%) and Colombia (+6.9%). Both international and domestic passenger traffic growth was significant in Mexico at 8.5% and 11.8% respectively, as measured at 33 commercial airports. This made Mexico one of the most promising emerging aviation markets.

At the individual airport level, the highest growth in passenger volumes was recorded at Mexico City (MEX, +7.8% or +1.41 million passengers year-to-date), Santiago (SCL, +11.2% or +0.94 million passengers year-to-date) and Lima (LIM, +11.3% or +0.91 million passengers year-to-date). The heaviest passenger traffic losses were observed at Salvador (SSA, -22.3% or -1.08 million passengers year-to-date), Rio de Janeiro (GIG, -12.1% or -1.05 million passengers year-to-date) and São Paulo–Guarulhos (GRU, -4.9% or -0.94 million passengers) in Brazil. In fact, all major commercial airports in Brazil reported traffic losses, testifying to the severe nature of the economic crisis in the country. Brazilian GDP is projected to decrease 3.3% in 2016, according to the IMF.

Total air freight traffic in Latin America-Caribbean fell 3.2% in June 2016 and 0.9% on a year-to-date basis. While air freight traffic in Brazil was down 9.4% year-to-date, Colombia and Mexico recorded 0.3% and 5.8% increased respectively. In Mexico, international and domestic air freight were strong at 6.0% and 5.0% respectively during the first half of the year. Out of 22 countries in Latin America-Caribbean reporting air freight figures to ACI, 10 countries posted traffic losses, evidence of the fragile state of the air freight industry in the region.

At the individual airport level, only a handful of airports in the region recorded meaningful growth in air freight, notably Santiago (SCL, +18.7% or +26,385 tonnes year-to-date), Mexico City (MEX, +7.0% or +15,410 tonnes year-to-date) and Guadalajara (GDL, +11.3% or +7,550 tonnes year-to-date). During the same period, the heaviest losses were recorded at Viracopos/Campinas (VCP, -17.4% or -16,280 tonnes year-to-date), São Paulo–Guarulhos (GRU, -5.8% or -15,020 tonnes year-to-date) and Manaus (MAO, -18.7% or -11,080 tonnes year-to-date).

Middle East

Aviation stakeholders continued to capitalize on the strategic location of airports in the Middle East. Significant capacity expansions positioned the region's airports as aviation's primary hubs for intercontinental travel. As the nodes that connect long-haul flights from east and west, north and south, Middle Eastern airports continued to experience double-digit growth rates.

In the Middle East, passenger traffic grew 3.4 % in June 2016, which is substantially below the year-to-date figure of 8.8%. International passenger traffic in the region grew 3.6% in June and 9.3% during the first half of the year.

At the country level, the highest growth in passenger traffic was recorded in the United Arab Emirates (+6.8% or +3.69 million passengers year-to-date) and Qatar (+20.2% or +2.97 million passengers year-to-date). Other important contributors to traffic growth in the region during the first half of 2016 were Oman (+17.5% or +0.85 million passengers year-to-date) and Israel (+8.5% or +0.6 million passengers year-to-date). The three major hubs of Dubai (DXB), Doha (DOH) and Abu Dhabi (AUH) grew 5.8%, 20.2% and 6.6% respectively during the first half of the year.

Air freight traffic was not as strong as passenger traffic in the first six months of 2016, even though airports in the Middle East recorded the highest increase in air freight compared with other regions, at 4.5%. At the country level, Qatar was the largest contributor to air freight growth in the region with Doha reporting a 20.3% growth rate for the first half of the year, equivalent to an additional 129,230 tonnes of cargo.

North America

After years of consolidation and capacity discipline on the part of US-based airlines, North America experienced an important resurgence in air transport demand, particularly at many of its mega hubs. Growing 5.5% year-over-year in passenger traffic to the record-breaking total of over 100 million passengers in 2015, Hartsfield-Jackson Atlanta International Airport (ATL) benefitted tremendously from its strategic location as a major connecting hub and port of entry into North America. Where physical capacity and infrastructure could accommodate, recent upsurge in traffic was a further reminder that growth in throughput above historical trends is still possible in these markets.

In North America, passenger traffic grew 5.0% in June 2016 and 4.9% from January to June 2016, with international passenger traffic outpacing domestic passenger traffic (5.6% versus 4.8% year-to-date). The 5.0% growth rate in passenger volumes at major commercial airports in North America over the course of six months was equivalent to an additional estimated 43 million passengers, demonstrating the scale of air transport industry in the region.

The United States outperformed Canada in passenger traffic growth, consistent with the macroeconomic climate differences. According to the IMF, 2016 GDP growth is projected to be 2.2% in the United States and only 1.4% in Canada.

At the individual airport level, robust growth rates were recorded at Los Angeles (LAX, +7.9% or +2.82 million passengers year-to-date), Atlanta (+4.5% or +2.2 million passengers year-to-date), Orlando (MCO, +10.1% or +1.97 million passengers year-to-date) and Seattle (SEA, +10% or +1.96 million passengers year-to-date).

Total air freight volume in North America however was not strong, either in June (+2.1%) or during the first six months of the year (-2.1%). A 0.6% growth rate in domestic freight was not enough to offset an international freight volume decline of 5.7% in the first half of the year at major commercial airports in the region.

At the individual airport level, the highest increases in air freight volumes were recorded at Memphis (MEM, +2.1% or +44,600 tonnes year-to-date), Louisville (SDF, +3.5% or +38,400 tonnes year-to-date) and Ontario (ONT, +12% or +25,560 tonnes year-to-date). During the same period, significant air freight losses were recorded at a number of airports, including Anchorage (ANC, -10.2% or -135,590 tonnes year-to-date), Chicago-O'Hare (ORD, -13.9% or -130,710 tonnes year-to-date) and Houston-George Bush (IAH, -20.3% or -45,150 tonnes year-to-date).

Notes for editors

1. Airports Council International (ACI), the trade association of the world's airports, was founded in 1991 with the objective of fostering cooperation among its member airports and other partners in world aviation, including the International Civil Aviation Organization, the International Air Transport Association and the Civil Air Navigation Services Organization. In representing the best interests of airports during key phases of policy development, ACI makes a significant contribution toward ensuring a global air transport system that is safe, secure, efficient and environmentally sustainable. As of January 2016, ACI serves 592 members operating 1,853 airports in 173 countries. For more information on ACI, please click [here](#).

2. PaxFlash and FreightFlash statistics are based on a significant sample of airports that provide regular monthly reports to ACI. They represent approximately 60% of total passenger traffic and 70% of total freight traffic worldwide. Commentary, tables and charts are based on preliminary data submitted by participating airports and are therefore subject to change.

3. Regional results and trend graphics are provided on the following pages.

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Charts and tables

| TABLE 1: SUMMARY WORLDWIDE TRAFFIC RESULTS, June 2016 (% CHANGE) | | | |
|--|-----------------------------|----------------------|--------------------------|
| | June 2016 over June 2015 | Year to date 2016 | 12-month rolling year |
| <i>PaxFlash</i> | | | |
| International passenger | 4.0 | 6.0 | 6.4 |
| Domestic passenger | 5.1 | 5.4 | 5.8 |
| Total passenger | 4.5 | 5.6 | 5.9 |
| <i>FreightFlash</i> | | | |
| International freight | 3.8 | 0.3 | 0.4 |
| Domestic freight | 2.3 | 1.0 | 1.2 |
| Total freight | 3.4 | 0.5 | 0.7 |

TABLE 2: PaxFlash summary – June 2016

| Regions | JUNE 2016 % YOY | YTD JUNE 2016 % YOY | YE thru JUNE 2016 % YOY |
|---------------------------------|--------------------|------------------------|----------------------------|
| International passengers | | | |
| Africa | -16.4 | -8.4 | -6.4 |
| Asia-Pacific | 10.8 | 10.1 | 9.5 |
| Europe | 1.8 | 4.5 | 5.0 |
| Latin America-Caribbean | 6.6 | 6.3 | 6.8 |
| Middle East | 3.6 | 9.3 | 11.8 |
| North America | 7.4 | 5.6 | 6.3 |
| World | 4.0 | 6.0 | 6.4 |
| Domestic passengers | | | |
| Africa | -3.8 | 2.2 | 3.4 |
| Asia-Pacific | 9.5 | 8.2 | 7.7 |
| Europe | 3.4 | 6.1 | 6.0 |
| Latin America-Caribbean | 0.3 | 0.0 | 1.9 |
| Middle East | | | |
| North America | 4.6 | 4.8 | 5.6 |
| World | 5.1 | 5.4 | 5.8 |
| Total passengers | | | |
| Africa | -11.8 | -4.4 | -2.9 |
| Asia-Pacific | 9.9 | 8.8 | 8.2 |
| Europe | 2.1 | 4.9 | 5.1 |
| Latin America-Caribbean | 1.9 | 1.7 | 3.2 |
| Middle East | 3.4 | 8.8 | 11.3 |
| North America | 5.0 | 4.9 | 5.7 |
| World | 4.5 | 5.6 | 5.9 |

Traffic table definitions:

PASSENGER TRAFFIC: departing + arriving passengers

INTERNATIONAL: traffic performed between the designated airport and an airport in another country/territory

DOMESTIC: traffic performed between two airports located in the same country/territory

TOTAL: international + domestic passengers + direct transit passengers counted once (when breakdown is available)

Year-over-year percentage changes (% YOY) are calculated from a representative sample.

YOY Year-over-year same month comparison

YTD Year to date, starting Jan 2016 to June 2016, compared to same period in previous year

YE Year end, based on a rolling 12-month period, compared to the same prior 12-month period

TABLE 3: FreightFlash summary – June 2016

| Regions | JUNE 2016 % YOY | YTD JUNE 2016 % YOY | YE thru JUNE 2016 % YOY |
|------------------------------|--------------------|------------------------|----------------------------|
| International freight | | | |
| Africa | 0.4 | -0.8 | 1.1 |
| Asia-Pacific | 6.7 | 0.5 | -0.3 |
| Europe | 1.9 | 2.5 | 1.9 |
| Latin America-Caribbean | -4.2 | -0.7 | -0.1 |
| Middle East | 5.5 | 4.5 | 6.0 |
| North America* | 2.2 | -5.7 | -3.8 |
| World | 3.8 | 0.3 | 0.4 |
| Domestic freight | | | |
| Africa | ... | ... | ... |
| Asia-Pacific | 3.5 | 2.4 | 2.3 |
| Europe | -0.6 | -0.1 | -3.2 |
| Latin America-Caribbean | -0.9 | -1.5 | -2.9 |
| Middle East | | | |
| North America* | 2.0 | 0.6 | 1.2 |
| World | 2.3 | 1.0 | 1.2 |
| Total freight | | | |
| Africa | 0.7 | -0.1 | 1.8 |
| Asia-Pacific | 5.9 | 1.0 | 0.5 |
| Europe | 1.7 | 2.3 | 1.6 |
| Latin America-Caribbean | -3.2 | -0.9 | -1.0 |
| Middle East | 5.5 | 4.5 | 6.0 |
| North America* | 2.1 | -2.1 | -0.9 |
| World | 3.4 | 0.5 | 0.7 |

*estimate

Traffic table definitions:

FREIGHT TRAFFIC: loaded and unloaded freight; data in metric tonnes

INTERNATIONAL: traffic performed between the designated airport and an airport in another country/territory

DOMESTIC: traffic performed between two airports located in the same country/territory

TOTAL: international + domestic freight (when breakdown is available)

Note: No domestic freight traffic is reported by airports in the Middle East region.

Year-over-year percentage changes (% YOY) are calculated from a representative sample.

YOY Year-over-year same month comparison

YTD Year to date, starting Jan 2016 to June 2016, compared to same period in previous year

YE Year end, based on a rolling 12-month period, compared to same prior 12-month period

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