

Passenger Traffic Snapshot, January to June* 2014

Total	2014	2013	%	2014	2013	
	June		YOY	Jan-June	Jan-June	%YOY
KLIA	4,180,860	4,128,728	1.3%	24,450,747	22,294,501	9.7%
Other Airports	3,068,847	2,857,400	7.4%	16,881,535	14,690,862	14.9%
Total	7,249,707	6,986,128	3.8%	41,332,282	36,985,363	11.8%

International	2014	2013	%	2014	2013	
	June		YOY	Jan-June	Jan-June	%YOY
KLIA	2,892,341	2,815,666	2.7%	17,320,547	15,637,430	10.8%
Other Airports	458,420	469,965	-2.5%	2,689,621	2,494,215	7.8%
Total	3,350,761	3,285,631	2.0%	20,010,168	18,131,645	10.4%

Domestic	2014	2013	%	2014	2013	
	June		YOY	Jan-June	Jan-June	%YOY
KLIA	1,288,519	1,313,062	-1.9%	7,130,200	6,657,071	7.1%
Other Airports	2,610,427	2,387,435	9.3%	14,191,914	12,196,647	16.4%
Total	3,898,946	3,700,497	5.4%	21,322,114	18,853,718	13.1%

* June is preliminary data, where main variations, if any, lie largely from the non-scheduled or charter flights at smaller airports

KLIA Main & klia2 Passenger Traffic Snapshot, January to June** 2014

Airport	2014	2013	%	2014	2013	
	June		YOY	Jan-June	Jan-June	%YOY
KLIA Main						
Total	2,074,987	2,171,951	-4.5%	12,742,122	11,667,491	9.2%
International	1,553,831	1,642,707	-5.4%	9,672,193	9,030,322	7.1%
Domestic	521,156	529,244	-1.5%	3,069,929	2,637,169	16.4%
klia2						
Total	2,105,873	1,956,777	7.6%	11,705,337	10,627,010	10.1%
International	1,338,510	1,172,959	14.1%	7,645,197	6,607,108	15.7%
Domestic	767,363	783,818	-2.1%	4,060,140	4,019,902	1.0%

** June comparison is on same airline basis

Traffic performance to date

In the first half of 2014 MAHB airports cumulatively welcomed 41.3million passenger, which was a 11.8% growth over the same period in 2013. KLIA, MAHB's flagship and the country's capital city airport, registered 24.4 million passengers with 9.7% growth over the same period in 2013.

Overall June traffic

MAHB's passenger traffic grew by 3.8% in June 2014 compared to June 2013, registering a total of 7.2million passenger movements. This is another record-high month for the current year to date. International traffic grew by 2.0% while the domestic sector registered a more robust 5.4% growth over the same period last year. This traffic performance is commendable considering it was achieved over a strong June 2013 which had last year recorded explosive growth of 21.5% growth.

KLIA traffic

KLIA passenger movements grew by 1.3% in June 2014 over June 2013. International passenger traffic increased by 2.7%, although domestic passengers declined by 1.9%. KLIA-Main traffic decreased by 8.3% while klia2 grew by 12.8%. Part of this was due to the shift of Lion Air and Malindo Airways from KLIA-Main to klia2 on 2 May 2014. On a like-for-like comparison assuming the same airlines operating then and now, KLIA-Main traffic declined by 4.5% while klia2 grew by 7.6% in the month of June 2014. This is also within expectations given the high base last year as well as the trend of market share movements between the domestic carriers. This was exacerbated, however, by external macro factors, which are discussed in the Overview section below.

As expected, June was also the first month ever that the newly opened klia2 terminal managed more passengers than the earlier KLIA-Main terminal. This was simply not possible in LCCT's time, in part due to the smaller sized terminal (and lesser of other critical airport infrastructure). This achievement is also, in equal measure, due to the now larger number of airlines able to operate at klia2, compared to the previous, temporary terminal. However, there were still more international passengers in KLIA-Main compared to klia2 in June 2014.

Overview of traffic

In June, traffic growth seems to have softened more than expected, although it remained in positive territory. Due to 2013's high base of a 21.5% growth, a lower single-digit growth would have been most likely for June 2014. However, a confluence of other factors also affected passenger growth trends. Among others, uncertainties in Thailand, lower visitor numbers from China, escalating conflict in the Middle East and capacity cuts by Singapore-based carriers were the most pronounced factors – in descending order of impact. These have in turn naturally caused some reduction in the feeder traffic (of transit/transfer passengers) from KLIA to other MAHB airports.

Conversely, the mixed performance at KLIA was mitigated by more direct domestic flights from other MAHB airports which registered a total passenger growth of 9.3% over June 2013. In part, this dynamic growth at other MAHB airports is a natural development as the traffic base at these smaller airports increases, although it is common not to expect a linear trend of growth, but rather more ebbs and flows, although still maintaining a general trend of positive growth.

Industry Outlook

The current global geopolitical events may have an impact on the traffic numbers. Latest international and domestic seat capacity data shows an average increase of 6% and 0.8% respectively for the next six months, lower than previous indications of about a 10% growth rate.

The lower economic growth in East Asia and Pacific countries as reported by the World Bank may also have an impact on total traffic growth trends as indicated in MAHB's May report. Nevertheless, based on the current year-to-date traffic performance and the identified volatilities, MAHB expects the year to end with about 85million passengers or about 7% growth over the final 2013 total numbers, which is still above the targeted number of over 83million passengers.

Research and Planning, MAHB

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