

Traffic snapshot

- June traffic movements indicates signal of revival in air travel for both Malaysia and Istanbul SGIA market following the relaxation of travel restrictions announced earlier in the month.
- The gradual day-to-day increase in passenger movements was driven by airlines resumption of domestic flights in Malaysia which corresponded with the relaxation of interstate travel ban from 10 June 2020. In Turkey, domestic flights resumed operation after intercity travelling was allowed from 1 June 2020 and the international passenger movements was recorded in 11 June 2020 after NOTAM (notice to airmen) lifted Turkey's airspace effective on the same date.
- Domestic average load factor in Malaysia recorded an increase of 20 percentage points towards the last 9 days of June, registering 65.7% average load factor compared to the first nine days before interstate travel ban was lifted in June. Istanbul SGIA's daily domestic passenger movements gradually increased in June, with total domestic passengers reaching 24.3% of June 2019 movements with an average load factor at 67.7%.
- International sector growth remains constrained for Malaysia due to the extended international border closure under the Recovery Movement Control Order (RMCO) phase. Nevertheless, with some easing of restriction that allows specific international travellers (such as medical tourists, expatriates, Malaysia My Second Home pass holders, foreign students, permanent residents and foreign spouses of Malaysians) to travel into the country, some growth is expected in the upcoming months. The Government has also identified travel bubbles to six (6) countries with reciprocal arrangements allowing flights and travellers to travel between established routes.
- Total MAHB network of airports (including Istanbul SGIA) for June registered close to 1million passenger movements for June 2020, a decline of 92.1% over June 2019.
- International and domestic passenger movements contracted by 98.0% and 87.1% respectively.
- 1H20 passenger movements contracted by 60.6% with 26.9million passengers. International and domestic sectors contracted 63.5% and 57.8% respectively.
- On the last-twelve-month basis, close to 100million passenger movements were recorded for MAHB network of airports.
- Year-on-year Malaysia passenger movements contracted by 95.2% in June 2020 over June 2019. International and domestic passengers contracted by 98.9% and 91.8% respectively for June 2020.
- KLIA passenger movements contracted by 97.3% over June 2019 while other airports operated by MAHB in Malaysia contracted by 92.3%.
- Istanbul SGIA total passenger movements contracted 83.2% in June 2020 with slightly over half a million passengers recorded. International and domestic passenger movements contracted by 94.9% and 75.7% over June 2019.

Passenger Traffic ('000) Snapshot, June 2020

Total	2020	2019	% YOY	2020	2019	%YOY	2020	2019	%YOY
	June			Year- to-date			¹ LTM		
KLIA	140	5,253	-97.3%	10,992	30,375	-63.8%	42,953	60,613	-29.1%
International	46	3,674	-98.7%	7,740	21,877	-64.6%	30,796	43,836	-29.7%
ASEAN	15	1,834	-99.2%	3,644	10,540	-65.4%	14,618	20,956	-30.2%
Non-ASEAN	31	1,840	-98.3%	4,096	11,337	-63.9%	16,178	22,881	-29.3%
Domestic	94	1,579	-94.0%	3,252	8,497	-61.7%	12,157	16,777	-27.5%
MASB Airports	289	3,764	-92.3%	8,223	20,776	-60.4%	30,373	40,821	-25.6%
International	2	720	-99.8%	1,249	4,110	-69.6%	5,491	8,278	-33.7%
ASEAN	2	443	-99.6%	816	2,415	-66.2%	3,379	4,923	-31.4%
Non-ASEAN	0.1	278	-99.9%	433	1,695	-74.5%	2,112	3,354	-37.0%
Domestic	287	3,044	-90.6%	6,974	16,666	-58.2%	24,882	32,543	-23.5%
Total MAHB	429	9,017	-95.2%	19,214	51,151	-62.4%	73,326	101,434	-27.7%
Istanbul SGIA²	525	3,118	-83.2%	7,651	16,960	-54.9%	26,644	34,817	-23.5%
Total MAHB System	954	12,135	-92.1%	26,865	68,110	-60.6%	99,970	136,251	-26.6%

International	2020	2019	% YOY	2020	2019	%YOY	2020	2019	%YOY
	June			Year- to-date			LTM		
KLIA	46	3,674	-98.7%	7,740	21,877	-64.6%	30,796	43,836	-29.7%
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Total KLIA & MASB	48	4,394	-98.9%	8,989	25,987	-65.4%	36,288	52,114	-30.4%
ASEAN	17	2,277	-99.3%	4,460	12,955	-65.6%	17,998	25,879	-30.5%
Non-ASEAN	31	2,118	-98.5%	4,529	13,032	-65.2%	18,290	26,235	-30.3%
Istanbul SGIA	62	1,212	-94.9%	2,825	6,416	-56.0%	10,644	12,833	-17.1%
Total MAHB System	110	5,607	-98.0%	11,814	32,403	-63.5%	46,931	64,947	-27.7%

Domestic	2020			2019			2020			2019		
	June		% YOY	Year- to-date		%YOY	LTM		%YOY		%YOY	
KLIA	94	1,579	-94.0%	3,252	8,497	-61.7%	12,157	16,777	-27.5%			
MASB Airports	287	3,044	-90.6%	6,974	16,666	-58.2%	24,882	32,543	-23.5%			
Total	381	4,623	-91.8%	10,225	25,163	-59.4%	37,039	49,320	-24.9%			
Istanbul SGIA	463	1,905	-75.7%	4,825	10,544	-54.2%	16,001	21,984	-27.2%			
Total MAHB System	844	6,528	-87.1%	15,051	35,707	-57.8%	53,039	71,304	-25.6%			

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

**MASB Airports refers to the 38 Malaysian airports other than KLIA/ KUL operated by Malaysia Airports Sdn Bhd.

¹LTM refers to the last twelve months, up to and including the month in question

²Istanbul SGIA is Istanbul Sabiha Gokcen International Airport with the SAW three-letter International Air Transport Association (IATA) code

KLIA Main & klia2 Passenger Traffic ('000) Snapshot, June 2020

Airport	2020			2019			2020			2019		
	June		% YOY	Year- to-date		%YOY	LTM		%YOY		%YOY	
KLIA Main Total	66	2,391	-97.3%	5,299	13,914	-61.9%	20,592	28,261	-27.1%			
<i>International</i>	40	1,890	-97.9%	4,134	11,201	-63.1%	16,345	22,954	-28.8%			
<i>ASEAN</i>	10	774	-98.8%	1,488	4,345	-65.8%	6,235	8,840	-29.5%			
<i>Non-ASEAN</i>	30	1,116	-97.3%	2,646	6,855	-61.4%	10,109	14,114	-28.4%			
<i>Domestic</i>	26	501	-94.8%	1,166	2,714	-57.0%	4,247	5,307	-20.0%			
klia2 Total	74	2,862	-97.4%	5,692	16,460	-65.4%	22,362	32,352	-30.9%			
<i>International</i>	6	1,784	-99.6%	3,606	10,676	-66.2%	14,452	20,882	-30.8%			
<i>ASEAN</i>	6	1,060	-99.5%	2,156	6,195	-65.2%	8,383	12,115	-30.8%			
<i>Non-ASEAN</i>	1	724	-99.9%	1,450	4,482	-67.6%	6,069	8,767	-30.8%			
<i>Domestic</i>	68	1,078	-93.7%	2,086	5,784	-63.9%	7,910	11,470	-31.0%			

Aircraft Traffic Snapshot, June 2020

Total	2020			2019			2020			2019		
	June		% YOY	Year- to-date		%YOY	LTM		%YOY		%YOY	
KLIA	3,019	34,087	-91.1%	90,507	199,426	-54.6%	298,396	401,195	-25.6%			
MASB Airports	8,831	40,753	-78.3%	129,208	234,571	-44.9%	380,765	472,156	-19.4%			
Total	11,850	74,840	-84.2%	219,715	433,997	-49.4%	679,161	873,351	-22.2%			
Istanbul SGIA	4,237	20,251	-79.1%	51,412	110,322	-53.4%	171,369	227,544	-24.7%			
Total MAHB System	16,087	95,091	-83.1%	271,127	544,319	-50.2%	850,530	1,100,895	-22.7%			

International	2020	2019	% YOY	2020	2019	2019 %YOY	2020	2019	%YOY
	June			Year- to-date			LTM		
KLIA	1,882	22,536	-91.6%	61,130	135,544	-54.9%	202,013	273,933	-26.3%
MASB Airports	811	6,236	-87.0%	17,193	35,895	-52.1%	55,909	73,952	-24.4%
Total	2,693	28,772	-90.6%	78,323	171,439	-54.3%	257,922	347,885	-25.9%
Istanbul SGIA	659	8,531	-92.3%	19,859	45,534	-56.4%	72,210	90,279	-20.0%
Total MAHB System	3,352	37,303	-91.0%	98,182	216,973	-54.7%	330,132	438,164	-24.7%

Domestic	2020	2019	% YOY	2020	2019	2019 %YOY	2020	2019	%YOY
	June			Year- to-date			LTM		
KLIA	1,137	11,551	-90.2%	29,377	63,882	-54.0%	96,383	127,262	-24.3%
MASB Airports	8,020	34,517	-76.8%	112,015	198,676	-43.6%	324,856	398,204	-18.4%
Total	9,157	46,068	-80.1%	141,392	262,558	-46.1%	421,239	525,466	-19.8%
Istanbul SGIA	3,578	11,720	-69.5%	31,553	64,788	-51.3%	99,159	137,265	-27.8%
Total MAHB System	12,735	57,788	-78.0%	172,945	327,346	-47.2%	520,398	662,731	-21.5%

Traffic performance for Malaysia Airports Holdings Berhad's (MAHB) network of airports

MAHB's network of airports (including Istanbul SGIA) recorded close to 1million passenger movements in June 2020, a decline of 92.1% over June 2019. International and domestic passenger movements recorded 110,000 and 844,000 respectively. On a last-twelve-month basis, MAHB network of airports contracted by 26.6% with close to 100million passenger movements. Overall aircraft movements contracted by 83.1% with international and domestic movements decline by 91.0% and 78.0% respectively over June 2019.

MAHB airports in Malaysia registered 429,000 passengers in June 2020, a decline of 95.2% year-on-year over June 2019. International and domestic sectors recorded 48,000 and 381,000 passenger movements respectively. Overall aircraft movements decreased by 84.2%. International and domestic aircraft movements contracted by 90.6% and 80.1% over June 2019. Average load factor for domestic sector recorded 65.7% at the end of June, a 20 percentage points increase compared to the first week of June 2020 before the RMCO.

KLIA passenger movements recorded 140,000 passenger movements. International and domestic sectors registered 46,000 and 94,000 passenger movements respectively. KLIA Main Terminal and klia2 recorded 66,000 and 74,000 passengers respectively in June 2020 over June 2019. The last-twelve-month passenger movements for KLIA Main Terminal recorded 20.6million passengers, a decline of 27.1% while klia2 recorded 22.4million over the same corresponding period last year. Overall aircraft movements at KLIA decreased by 91.1% over June last year.

International and domestic aircraft movements at KLIA declined by 91.6% and 90.2% respectively. KLIA domestic average load factor increased by 17.6 percentage point in the last week of June 2020 compared to the first nine (9) days in June before the RMCO.

Passenger movements at MASB airports declined by 92.3% year-on-year with 289,000 passenger movements in June 2019. Aircraft movements in June 2019 contracted by 78.3%. International and domestic aircraft movements declined by 87.0% and 76.8% respectively over June 2019.

Istanbul SGIA reopened for operation on 1 June 2020 and international flights to Turkey resumed on 11 June 2020 after the Turkish Government lifted notice to airmen (NOTAM) for Turkish airspace, allowing international flights to re-start based on mutual, bilateral and health arrangements. Passenger movements contracted by 83.2% in June 2020 over the same period last year to 525,000 passengers. International and domestic passenger movements decreased by 94.9% and 75.7% respectively. Total aircraft movements decreased by 79.1%. International and domestic aircraft movements declined by 92.3% and 69.5% over June 2019.

1H20 Traffic

MAHB's network of airports (including Istanbul SGIA) recorded 26.9million passengers in 1H20 a decline of 60.6% over 1H19. Both international and domestic passenger movements declined by 63.5% and 57.8% respectively. Overall aircraft movements declined by 50.2% over 1H19.

Airports in Malaysia (MAHB) contracted 62.4% to 19.2million passenger movements. International and domestic sector recorded 9.0million and 10.2million passengers. Aircraft movements contracted by 49.4% over 1H19.

KLIA passenger movements declined by 63.8% registering 11.0million passengers in 1H20. International and domestic passenger movements recorded 7.7million and 3.3million passengers respectively. KLIA Main Terminal and klia2 recorded 5.3million and 5.7million passengers.

Overall passenger movements at Istanbul SGIA recorded 7.7million, a decline of 54.9% over 1H19. International and domestic passenger movements recorded 2.8million and 4.8million passengers respectively.

Overview of traffic

June traffic movements indicates a reopening phase of air travel for both Malaysia and Istanbul SGIA markets, corresponding to the relaxation of travel restrictions announced in early June. Malaysia's gradual increase in passenger movements was mostly driven by domestic sector while Istanbul SGIA was driven by both domestic and international sectors. The international

movements performance for Istanbul SGIA, however, was modest compared to domestic movements as the international flights movements to a large degree depends on reciprocal arrangements between countries and their willingness to open border with Turkey. Pegasus, Pobeda and Anadolujet Airlines have resumed both domestic and international operations to more than 20 destinations collectively with international destinations mostly to Europe, Middle East and Central Asia. Istanbul SGIA June traffic volume for both domestic and international is encouraging with Pegasus, Anadolujet and Pobeda Airlines keen on further increasing international capacity upon approval of the respective countries' civil aviation authority.

Traffic recovery and return to travel are largely propelled by the travellers' confidence to start travelling and access to connectivity. Malaysia Airports has continuously taken several measures to ensure the safety and health of travellers while adhering to the Standard Operating Procedures (SOP) by the National Disaster Management Agency, Ministry of Health and guidelines recommended by ICAO, IATA and ACI. Malaysia Airports is also working closely with its ground handler and airline partners to ensure the highest level of safety for passengers and crew are in place.

Conclusion

The International Monetary Fund (IMF) in June had revised the global economy growth forecast for 2020 and 2021 to -4.9% and +5.8% from -3.0% and +6.3% earlier estimates in April 2020. Bank Negara has forecast that the Malaysian economy would register between -2.0% to +0.5% in 2020 while the Malaysian Institute of Economic Research (MIER) has estimated -2.9% contraction for the same period. IATA, ACI and ICAO collectively projected 2020 global traffic to be in the range of -48% to -62% for 2020, mostly due to the travel ban and restrictions imposed to contain the spread of pandemic. Malaysian Aviation Commission has revised Malaysia traffic for 2020 to be in the range of -48.7% and -50.3%. While Malaysia and Istanbul SGIA June traffic performances are encouraging, post lockdown demand for air travel is expected to be in stages with domestic sector leading the recovery. Resumption of international traffic is expected to be gradual mostly due to dependence on travel bubbles arrangements and a slower easing of border restriction as countries remain cautious.