

Traffic Snapshot

- Total MAHB network of airports (including Istanbul SGIA) registered 5.6% growth for 2019 over 2018 with 140.7million passenger movements, the highest volume of passengers handled by the network of airports.
- International and domestic passenger movements registered a growth of 6.2% and 5.0% with 67.3million and 73.3million passenger movements respectively.
- Malaysia passenger movements crossed the 100million threshold for the first time while KLIA breached the 60million mark with 62.3million passengers.
- Malaysia recorded a growth of 6.1% registering 105.2million passengers in 2019 over 2018. International and domestic passenger movements grew by 3.0% and 9.5% respectively.
- Sandakan and Bintulu airports crossed 1.0million passenger mark while Malacca for the first time handled more than 100,000 passenger movements.
- Twenty (20) foreign airlines and sixty-four (64) international city pairs registered double-digit growth in 2019.
- Istanbul SGIA passenger movements registered 35.5million passengers, recording a growth of 4.1% in 2019 over 2018. International passenger movements recorded a 20.6% growth, but domestic traffic declined by 4.4%.

Passenger Traffic Snapshot ('000), Dec 2019

Total	2019	2018	% YOY	2019	2018	%YOY
	Dec			Year- to-date		
KLIA	5,931	5,690	4.2%	62,326	59,988	3.9%
<i>International</i>	4,336	4,129	5.0%	44,928	43,607	3.0%
ASEAN	2,003	1,921	4.2%	21,510	20,710	3.9%
Non-ASEAN	2,333	2,208	5.7%	23,418	22,897	2.3%
<i>Domestic</i>	1,595	1,561	2.2%	17,397	16,381	6.2%
MASB Airports	4,013	3,748	7.1%	42,842	39,113	9.5%
<i>International</i>	793	775	2.4%	8,337	8,101	2.9%
ASEAN	489	474	3.1%	4,966	4,808	3.3%
Non-ASEAN	305	301	1.4%	3,370	3,293	2.4%
<i>Domestic</i>	3,220	2,973	8.3%	34,505	31,012	11.3%
Total MAHB	9,944	9,438	5.4%	105,167	99,102	6.1%
Istanbul SGIA²	2,838	2,644	7.3%	35,466	34,059	4.1%
Total MAHB System	12,783	12,082	5.8%	140,633	133,161	5.6%

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Total KLIA & MASB	5,129	4,904	4.6%	53,265	51,708	3.0%
ASEAN	2,491	2,395	4.0%	26,476	25,519	3.8%
Non-ASEAN	2,638	2,508	5.2%	26,789	26,190	2.3%
Istanbul SGIA	1,206	969	24.5%	14,072	11,672	20.6%
Total MAHB System	6,336	5,873	7.9%	67,337	63,380	6.2%

Domestic	2019	2018	% YOY	2019	2018	%YOY
	Dec			Year- to-date		
KLIA	1,595	1,561	2.2%	17,397	16,381	6.2%
MASB Airports	3,220	2,973	8.3%	34,505	31,012	11.3%
Total	4,815	4,534	6.2%	51,902	47,394	9.5%
Istanbul SGIA	1,632	1,675	-2.6%	21,393	22,387	-4.4%
Total MAHB System	6,447	6,209	3.8%	73,296	69,781	5.0%

*Dec 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.

¹Year-to-date 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 Snapshot ('000), Dec 2019

Airport	2019	2018	% YOY	2019	2018	%YOY
	Dec			Year- to-date		
KLIA Main Total	2,901	2,703	7.3%	29,205	28,122	3.9%
International	2,328	2,212	5.2%	23,410	22,871	2.4%
ASEAN	880	808	8.9%	9,091	8,881	2.4%
Non-ASEAN	1,448	1,404	3.2%	14,319	13,990	2.4%
Domestic	573	491	16.6%	5,795	5,251	10.4%
klia2 Total	3,030	2,987	1.4%	33,121	31,867	3.9%
International	2,008	1,917	4.7%	21,518	20,736	3.8%
ASEAN	1,123	1,113	0.9%	12,419	11,829	5.0%
Non-ASEAN	885	804	10.1%	9,099	8,907	2.2%
Domestic	1,022	1,070	-4.5%	11,602	11,130	4.2%

Aircraft Traffic Snapshot, Dec 2019

Total	2019	2018	% YOY	2019	2018	%YOY
	Dec			Year- to-date		
KLIA	36,160	35,655	1.4%	407,286	398,752	2.1%
MASB Airports	43,899	40,758	7.7%	485,231	465,202	4.3%
Total	80,059	76,413	4.8%	892,517	863,954	3.3%
Istanbul SGIA	18,554	18,228	1.8%	230,279	224,746	2.5%
Total MAHB System	98,613	94,641	4.2%	1,122,796	1,088,700	3.1%

International	2019	2018	% YOY	2019	2018	%YOY
	Dec			Year- to-date		
KLIA	24,575	24,188	1.6%	276,409	274,957	0.5%
MASB Airports	6,620	5,966	11.0%	74,559	73,988	0.8%
Total	31,195	30,154	3.5%	350,968	348,945	0.6%
Istanbul SGIA	8,180	7,249	12.8%	97,885	83,203	17.6%
Total MAHB System	39,375	37,403	5.3%	448,853	432,148	3.9%

Domestic	2019	2018	% YOY	2019	2018	%YOY
	Dec			Year- to-date		
KLIA	11,585	11,467	1.0%	130,877	123,795	5.7%
MASB Airports	37,279	34,792	7.1%	410,672	391,214	5.0%
Total	48,864	46,259	5.6%	541,549	515,009	5.2%
Istanbul SGIA	10,374	10,979	-5.5%	132,394	141,543	-6.5%
Total MAHB System	59,238	57,238	3.5%	673,943	656,552	2.6%

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

MAHB network of airports (including Istanbul SGIA) recorded 140.6million passenger movements in 2019, a 5.6% growth over 2018. International passenger movements recorded 67.3million with a year-on-year increase of 6.2% while domestic movements increased by 5.0% registering 73.3million passengers. Overall aircraft movements increased by 3.1% with international and domestic aircraft movements recording an increase of 3.9% and 2.6% respectively over 2018.

On the local front, airports in Malaysia registered a 6.1% growth over 2018 with 105.2million passenger movements. International sector recorded 53.3million passenger movements with a growth of 3.0% while domestic sector recorded 9.5% growth with 51.9million passengers. Despite the slower growth of the international passengers in comparison to the domestic passengers, international movements continued to retain more than 50% of the passenger market share for 2019. All international regions recorded growth between 0.4% for Southwest Pacific region to 40.2% for North America through the Honolulu service. Twelve (12) of the twenty-one (21) MAHB's main airports

especially from Sabah and Sarawak registered high double-digit growth in passenger movements. The domestic passenger growth at these airports was impressive in the first three (3) quarters of 2019. Overall aircraft movements increased by 3.3%. International and domestic aircraft movements increased by 0.6% and 5.2% respectively. Overall average load factor was 75.0% in 2019, 0.7 percentage points more than 2018. December registered highest load factor of 77.6% for the year. Overall cargo movements decreased by 3.7% in 2019 to 998,470 metric tonnes. Cargo performance was in line with the global air cargo performance which has been sluggish due to various global trade sanctions.

KLIA passenger movements registered 62.3million passengers in 2019, a growth of 3.9% over 2018. International and domestic passenger movements grew by 3.0% and 6.2% respectively. KLIA Main Terminal passenger movements increased by 3.9% to 29.2million while klia2 passenger movements also increased by 3.9% to 33.1million.

Istanbul SGIA passenger traffic registered a growth of 4.1% in 2019 over 2018 with 35.5million movements. International passenger movements increased by 20.6% to 14.1million while domestic movements decreased by 4.4% to 21.4million passengers. Total aircraft movements increased by 2.5%, with international aircraft movements recording an increase of 17.6%. Domestic sector however, declined by 6.5%.

Overview of traffic

2019 passenger performance was above the expected target set by MAHB. It recorded several firsts in passenger traffic. MAHB's Malaysia passenger traffic not only crossed the 100.0million threshold but also recorded a volume well above with 105.2million movements. KLIA crossed the 60million mark for the first time with 62.3million passengers. Sandakan and Bintulu crossed the 1.0million mark while Malacca for the first time handled more than 100,000 passengers from the usual 50,000 range in good times. The overall increases were supported by both domestic and international passengers. The unusual 9.5% domestic passenger growth is partly a correction from previous low performance, the domestic passenger traffic has been experiencing a decline for more than a year prior to January 2019. AirAsia carried the largest portion of the overall domestic traffic.

While the 3.0% international passenger growth was above the target set by MAHB, the low growth was also partly due to capacity shift from international to domestic sector. Considering the international average load factor at 77.1%, being 4.3 percentage points higher than the domestic load factor, the inherent demand for international travel continues to remain resilient. The 2019 growth was supported by the airlines' additional frequencies, direct connectivity and also contribution by new routes that were not operated previously. In 2019, twelve (12) new airlines began new operations or completed full year new operations over 2018 into MAHB's Malaysia airports. Twenty (20) airlines

recorded double-digit growth. There were sixteen (16) new destinations operated by existing and new airlines and sixty-four (64) city pairs registered double-digit growth. The main contributors of international traffic volume were all the main local carriers and international carriers such as Scoot TigerAir, Hong Kong Dragon, Emirates, China Southern, JetStar Asia and Qatar Airways.

Istanbul SGIA's growth has been focused more on international routes in 2019 which grew by 20.6%. The softening in domestic passenger traffic volume was due to Pegasus' route restructuring, in a bid to expand its international routes due to higher yields from the international segment.

Conclusion

With the on-going global challenges, Ministry of Finance has forecasted a GDP growth of 4.8% for Malaysia in 2020. Meanwhile, International Monetary Fund (IMF) continued to revise the global GDP forecast downwards for 2019 and 2020 whereby the 2020 forecast as at IMF October report stands at 3.4% from the usual higher range in previous forecasts. International Air Transport Association (IATA) in its December 2019 report has revised downwards the forecasted 2020 Asia Pacific passenger growth to 4.8% from 5.7% in July 2019 report based on several economic assumptions. IATA has also indicated a marginal 2.0% growth for air cargo in the same report.

2020 is Visit Malaysia Year (VMY2020) and the government's announcement of visa free entrance for Chinese and Indian tourists is expected to have a positive impact on the passenger movements for year 2020. These travellers who make up about 23.0% of air passengers in 2019 will be an additional catalyst to boost international passenger traffic movements. In the past, during normal Visit Malaysia Years, the international traffic growth had been commendable, and the international traffic is likely to get a similar boost from the VMY2020 activities. Despite the on-going global economic challenges, MAHB is cautiously optimistic in forecasting the 2020 passenger traffic movements. However, a traffic growth in the lower end of 5.0% - 6.0% for 2020 as released by Malaysia Aviation Commission's (MAVCOM) waypoint that was issued in December 2019 would be achievable. There would likely be a balanced growth for both domestic and international sectors.

Istanbul SGIA is expected to consolidate its international traffic further, while some moderation in the decline of the domestic passengers is foreseen for 2020. This on-going structural change is a positive development in view of the capacity challenges at Istanbul ISGA in the immediate term.