



COMMERCIAL AVIATION ASSOCIATION OF SOUTHERN AFRICA NPC

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MEDIA STATEMENT

CAASA Aviation Activity Index (CAAI) – 3rd Quarter 2017

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Introduction

The Commercial Aviation Association of Southern Africa (CAASA) is proud to announce the results of a composite index of aviation activity for the 3rd quarter of 2017.

Three key considerations sparked the decision by the Board of CAASA to design the Caasa Aviation Activity Index (CAAI):

- Firstly, the recognition of the indispensable role that commercial aviation plays in facilitating the rapid transport of decision-makers in all spheres of society.
- Secondly, individual data sets reflecting one or more areas of commercial aviation activity often contradict each other, particularly as a result of the capital intensive nature of the industry's asset base.
- Thirdly, CAASA has identified a need amongst its members and other stakeholders in aviation to contribute to the knowledge base of conditions in the aviation industry by forging a number of key indicators into a composite index, weighted in terms of their perceived contribution to the general trend in commercial aviation.

Composition of the Index

A total of 25 different indicators were selected for inclusion in the CAAI, classified in terms of the following seven groups:

- Value of imports of helicopters
- Value of imports of aeroplanes (of a mass less than 15t)
- Physical quantity of imported aircraft
- Value of imports of aircraft spares
- Value of exports of aircraft
- Air traffic movements at six ACSA airports
- Air traffic movements at seven non-ACSA airports

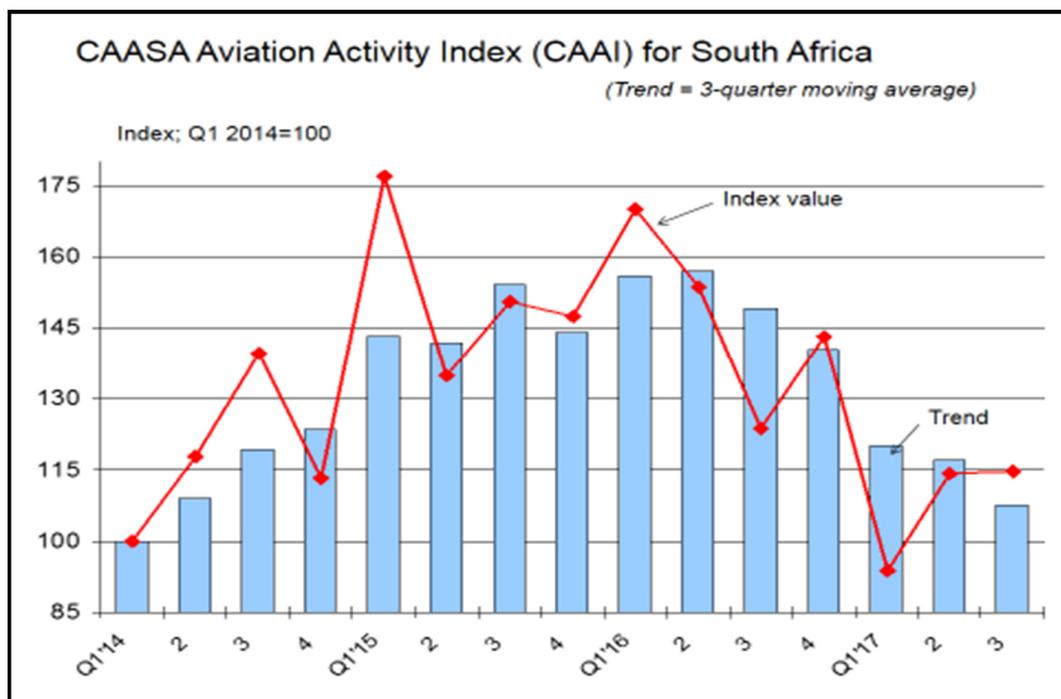
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In combination, the CAAI provides an objective & balanced gauge of economic activity in the commercial aviation industry. Due to the short-term volatility inherent in purchasing and selling aircraft, where units are small, but the currency values are very high, the CAAI includes a trend that is based on a 3-month moving average.

Summary of key trends depicted by the CAAI for the 3rd quarter of 2017:

1. The index value has consolidated its modest recovery from a disappointing first quarter, which saw it slipping below the base period level of 100 for the first time.
2. Due to the sharp decline in Q1, the downward trend (3-month moving average) has not yet been reversed, but it remains above the base period level of 100.
3. Commercial aviation activity in South Africa, as depicted by the CAAI, has increased at an average annual rate of 4% since the first quarter of 2014, which mirrors the performance of the total economy over this period



4. A total of 13 of the 25 indicators improved between the 1st and 2nd quarters, whilst the other 12 deteriorated. To a large extent, this split explains the marginal movement in the index during the 3rd quarter
5. The main drivers behind the positive trend of the CAAI since the beginning of the year has been the value of aircraft imports and air traffic movements (ATMs) at the majority of the country's busiest airports.
6. Compared to the average since 2014, the best performing large airports in terms of ATM growth have been Johannesburg (OR Tambo), Cape Town and Durban.
7. For non-ACSA airports, the best performers were Pietermaritzburg, Rand, Grand Central, Nelspruit and Lanseria.

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