

Media statement
CAASA Aviation Activity Index (CAAI) – 4th Quarter 2017

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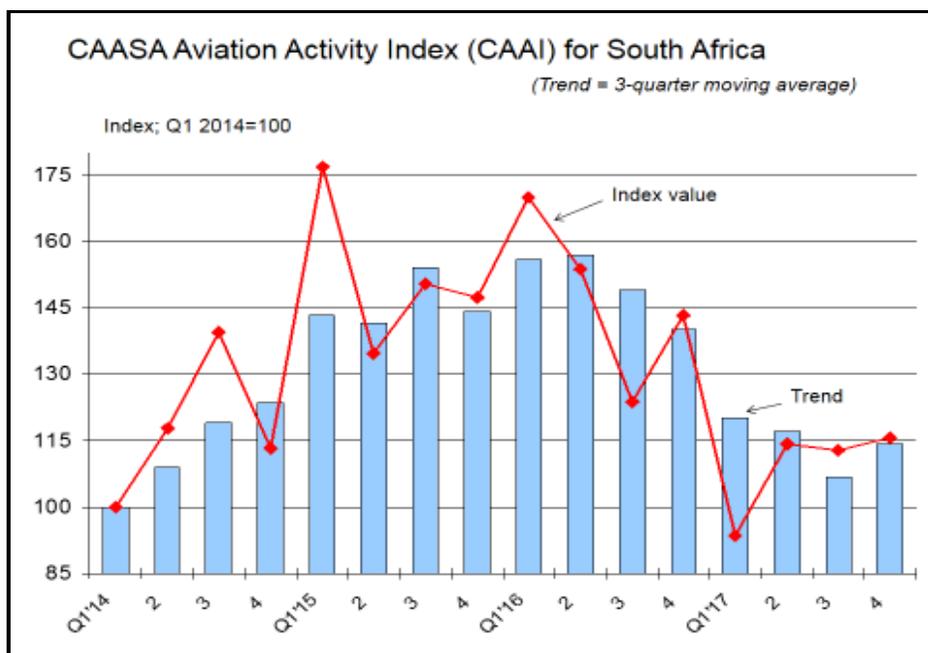
Introduction

The Commercial Aviation Association of Southern Africa (CAASA) is proud to announce the results of its composite index of aviation activity for the **4th quarter of 2017**.

The CAASA Aviation Activity Index (CAAI) is based on 25 different indicators and 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 4th quarter of 2017:

1. The CAAI index value increased marginally in the 4th quarter of last year to reach a level of 115.6, which represents a 15.6% increase over the base period (1st quarter of 2014)
2. In the process, the index value has further consolidated its modest recovery from a disappointing first quarter, which saw it slipping below the base period level of 100 for the first time.
3. A highlight of the latest CAAI is the reversal of the downward trend in the 3-month moving average, which is now virtually on par with the index value



4. Only eight of the 25 indicators improved between the 3rd and 4th quarters, but these included indicators that carry a relatively large weighting in the composition of the index
5. Commercial aviation activity in South Africa, as depicted by the CAAI, has broadly tracked the lackluster performance of the total economy between 2014 and 2017
6. 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 largest airports.

Background

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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