



**SAN ANTONIO
INTERNATIONAL AIRPORT**



FEBRUARY 2019

MONTHLY STATISTICAL
REPORT



Monthly Statistical Report

To: Russell J. Handy, Aviation Director
From: Brian Pratte, Chief Air Service Development Officer
Copies: San Antonio Regional Stakeholders
Subject: February 2019 Monthly Statistics
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STEADY, RECORD PASSENGER GROWTH CONTINUES INTO FEBRUARY

SUMMARY

During typically the slowest travel month of the year, San Antonio International Airport (SAT) continued its record setting passenger growth trend in February 2019. A total of 706,450 passengers flew through the airport during the year's second month representing a significant increase of nearly 6%, the highest of any February on record and the first time to exceed 700,000 during the month. This growth, reflects an ongoing trend of progress at the airport in its effort to attain and retain air service with multiple new routes added in the past three years and record passengers for the last consecutive 32 months. With capacity forecasted to increase between 6-7% in 2019, SAT anticipates this record growth to continue.

Domestic traffic for February rose nearly 6% compared to the same month last year, keeping up with capacity growth which increased by over 6%, suggesting a healthy economic environment where demand is matching supply. Notably, international traffic increased nearly 8% on a capacity increase of over 10%.

Additionally, a total of 20,606,595 pounds of air cargo moved through SAT in February 2019 reaching levels not experienced during the month of February since 2012. This growth, further supports the economic momentum apparent in the San Antonio region.

(Please see Exhibit A for a detailed breakdown of all passenger and cargo stats)

Since 2016, the airport has welcomed multiple new flights which have contributed to the recent passenger growth at the airport, including exceeding 10 million passengers for the first time in 2018. These flights are not only to new destinations, but also represent added capacity to existing markets. These additions are telling indicators of a flourishing economy in San Antonio, now the fastest growing city in the country by total volume. According to the Bureau of Labor Statistics, unemployment rates continue to fall year after year and are consistently below the national average. From 2013 to 2018, 124,000 jobs were added in the Alamo City with significant growth in the tech, cybersecurity, bioscience and manufacturing sectors. The visitor and tourism industry continues to outpace their hotel occupancy targets set for the next several years and below national average cost of living continues to make San Antonio an increasingly attractive place to live, work and do business. (Sources: U.S. Census Bureau, San Antonio Economic Development Foundation and Visit San Antonio)

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DOMESTIC PASSENGERS

Scheduled domestic capacity, or seats, increased 6.6% or 26,990 seats in February 2019 vs. February 2018 with a total of 432,935 monthly departure seats. This growth comes during typically the slowest travel month of the year when airlines routinely make seasonal adjustments to the number of flights and seats available to match market demand trends, which tend to wane during winter months.

Multiple airlines increased capacity during the month of February. American Airlines, who has grown aggressively at SAT during the last few years, increased seats by 24% during the month including the launch of daily flights to New York-JFK and additional flights/capacity to almost every other market the airline served. Southwest grew capacity by 5% by launching Fort Lauderdale and Oakland in July 2018 and by increasing frequency and/or aircraft gauge to multiple markets. Airlines that made seasonal cutbacks included Allegiant and Frontier.

Airline	Seat Capacity Change	Passenger Change
Alaska Airlines	1.2%	(6.7%)
Allegiant Air	(28.8%)	(45.6%)
American Airlines	24.4%	21.3%
Delta Air Lines	2.2%	1.1%
Frontier Airlines	(28.2%)	(27.6%)
Southwest Airlines	5.0%	3.2%
United Airlines	2.0%	4.8%

When comparing year-over-year domestic capacity changes, the results were based on the following:

- American Airlines: began daily nonstop service to New York JFK in February 2019 and increased aircraft gauge to Chicago O'Hare in May 2018, Charlotte in September 2018 and Los Angeles in November 2018
- Delta: increased frequency to Salt Lake City June 2018
- Frontier Airlines: Seasonal route adjustments and some route discontinuations began in late 2018, early 2019
- Southwest Airlines: launched new daily service to Fort Lauderdale and Oakland in July 2018 with recent added capacity to several markets
- United Airlines: increased seasonal frequency to Denver in June 2018 and year-round frequency to Newark in October 2018



INTERNATIONAL PASSENGERS

Scheduled international capacity increased by 10.5% in February 2019, with a total of 20,825 monthly departure seats. This increase was primarily driven by seasonal adjustments made by Volaris to Guadalajara and Mexico City.

The increase in capacity translated to an increase in international passengers which grew by 7.8% during the month. This growth is a positive indicator of an improving international environment, particularly to/from Mexico. Nevertheless, current macro-level economic and political uncertainties continue to strain demand between Mexico, SAT and the United States as a whole. The valuation of the Peso to the U.S. Dollar continues to struggle to gain significant improvement since its collapse in 2015.

To some degree, San Antonio's strong cultural and economic ties to Mexico limit the negative effect these external factors play on air service between Mexico and our region. To illustrate, SAT ranked #3 among all U.S. medium-hubs in terms of total seat growth to Mexico year-end 2018, behind San José, CA and Houston-Hobby respectively. SAT's air service team continues to monitor these macro-level factors closely and any effect they may have on service levels to/from Mexico.

Airline	Seat Capacity Change	Passenger Change
Air Canada	0.0%	(7.3%)
Aeromexico	0.9%	8.5%
Interjet	(11.4%)	(2.4%)
Southwest*	N/A	N/A
United*	N/A	N/A
Volaris	102.2%	95.2%

*Southwest and United offer seasonal service to Cancún, Mexico.

When comparing year-over-year international capacity changes, the results were based on the following:

- Air Canada: reduced daily service to 5X weekly during off-peak travel months (Nov-May)
- Interjet: increased capacity to Guadalajara during peak summer months (Jun-Aug) and Monterrey which both began June 2018
- Southwest & United: offers service to Cancún on a seasonal basis
- Volaris: increased seasonal capacity to Guadalajara in June 2018 during peak months only



RECENT SCHEDULE CHANGES

This month, American Airlines launched **NEW** daily nonstop service to New York's JFK Airport. The airline joins Delta and United with nonstop service to the New York City area, a top underserved market for SAT prior to this additional flight. The new American flight departs SAT 9:00 am, returns at 10:30 pm and is operated on a 160-seat Boeing 737-800 aircraft.

In January 2019, Sun Country Airlines, a new carrier for SAT, announced **NEW** nonstop, 4X weekly service to Minneapolis and Portland, OR beginning May 23 and June 5, respectively. Prior to this announcement, Portland was one of the airport's top unserved destinations while the carrier's service to Minneapolis will complement SAT's incumbent service on Delta. Both flights will operate on B737-700/800 aircraft with up to 182 seats.

Over the past several months, Frontier Airlines has launched seasonal and year-round service to several markets from SAT that will continue throughout 2019. These markets include Atlanta, Colorado Springs, Denver, Las Vegas, New Orleans, Ontario, CA, Orlando, San Diego and Washington-Dulles

Also in August, Frontier and Volaris launched a first of its kind codeshare agreement between the two ultra-low-cost carriers. The codeshare allows for each airline to sell combined passenger itineraries for seamless transfer between the U.S. and Mexico and is anticipated to have a positive impact on passenger traffic between the two carriers at SAT.

In July 2018, Southwest Airlines began **NEW** daily, year-round, nonstop service to Oakland (OAK) and Fort Lauderdale (FLL). Prior to launch, OAK was an unserved market and FLL was only served seasonally. Both markets bring much needed capacity to the Bay Area and Southeast Florida and are flown on 143/175-seat Boeing 737 aircraft. Southwest has also recently increased frequencies to multiple cities, mostly during the peak summer season.

In February 2018, American Airlines launched **NEW** daily, year-round, nonstop service to Philadelphia, a market previously served only seasonally by Frontier. The new service is operated on a 150-seat Airbus A320 aircraft and provides added capacity to the East Coast and American's primary transatlantic gateway.

In January 2018, Southwest Airlines began daily, direct (one-stop, no plane change) service to Ronald Reagan Washington National Airport (DCA). Though the layover city fluctuates, the schedule remains consistent each day.

In September 2017, Volaris launched nonstop service to Mexico City flown on a 179-seat Airbus A320 aircraft which initially operated seasonally, but now operates year round. With this added service, SAT offers four peak-day nonstop flights to Mexico's capital city.



EXHIBIT A

San Antonio International Airport Passenger & Air Cargo Activity Summary Report

	February			Calendar Year-to-Date		
	2019	2018	% Change	2019	2018	% Change
Passengers						
Domestic Enplanements	341,658	320,534	6.6%	698,773	651,385	7.3%
Domestic Deplanements	339,803	323,929	4.9%	704,489	664,193	6.1%
Total Domestic Passengers	681,461	644,463	5.7%	1,403,262	1,315,578	6.7%
Intl Enplanements	12,166	11,606	4.8%	27,979	27,092	3.3%
Intl Deplanements	12,823	11,581	10.7%	30,366	27,726	9.5%
Total Intl Passengers	24,989	23,187	7.8%	58,345	54,818	6.4%
Grand Total All Passengers	706,450	667,650	5.8%	1,461,607	1,370,396	6.7%
Air Cargo (in Pounds)						
Domestic Freight Enplaned	5,877,083	5,943,747	-1.1%	12,255,797	12,109,471	1.2%
Domestic Freight Deplaned	7,857,720	7,742,876	1.5%	16,763,758	15,997,913	4.8%
Total Domestic Freight	13,734,804	13,686,623	0.4%	29,019,555	28,107,384	3.2%
Intl Freight Enplaned	561,772	357,585	57.1%	1,284,920	834,039	54.1%
Intl Freight Deplaned	217,365	65,636	231.2%	509,056	195,507	160.4%
Total Intl Freight	779,137	423,221	84.1%	1,793,976	1,029,546	74.2%
Total Freight	14,513,941	14,109,844	2.9%	30,813,531	29,136,930	5.8%
Mail Enplaned	2,166,557	2,151,654	0.7%	4,446,070	4,334,394	2.6%
Mail Deplaned	3,926,098	3,554,119	10.5%	8,238,399	7,238,782	13.8%
Total Mail	6,092,654	5,705,773	6.8%	12,684,469	11,573,176	9.6%
Grand Total All Air Cargo	20,606,595	19,815,617	4.0%	43,498,000	40,710,106	6.8%

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