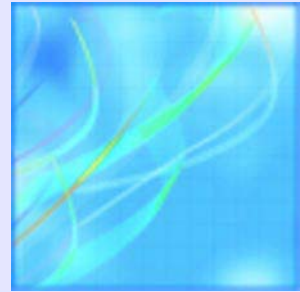


Aviation

Civil Aviation, Quarterly Operating and Financial Statistics, Canadian Air Carriers, Levels I and II



First Quarter 2008 to Fourth Quarter 2008

Highlights

- In 2008, Canadian Level I and II air carriers reported over 55 million enplaned passengers in their scheduled and charter operations, an all-time high, up 4.3% from 2007, continuing the upward trend that began in 2004. The scheduled passenger counts reached 51.5 million and the charter passenger counts, 3.8 million. The scheduled passenger counts reached an all-time high (13.7 million) in the third quarter of 2008. In terms of passenger-kilometres flown, these carriers recorded 129.4 billion passenger-kilometres in their scheduled and charter operations in 2008, also an all-time high, up 3.0% from the previous year.
- In 2008, Canadian Level I and II air carriers reported a slight improvement in their scheduled passenger load factor (a measure of the fullness of their aircraft) compared to 2007. The passenger load factor improved from 80.3% in 2007 to 80.8% in 2008, as the demand, as measured by passenger-kilometres, advanced at a slightly faster pace (+2.3%) than the supply (capacity), as measured by available seat-kilometres (+1.7%). The passenger load factor on scheduled flights reached an all-time high (82.8%) in the third quarter of 2008—largely due to a stronger decrease in capacity than in demand; in the same quarter in 2007, it had reached 81.8%. The capacity continued to decline (-5.5%) in the fourth quarter of 2008 due to the economic downturn—emanating from global financial market crisis—that started to impact Canada (and the world) in the second half of year.
- In 2008, the total operating revenues operated by the Canadian Level I and II air carriers amounted to \$16.2 billion, up 7.4% from 2007, continuing the upward trend that began in 2004. The growth in operating revenues (passenger revenues accounted for 89.1% of total operating revenues in 2008) can be mainly tied to increases in both fares and fuel surcharges as a result of increased fuel prices. The total operating expenses increased to \$15.7 billion in 2008, up 13.0% over the previous year. These carriers reported an operating income in all quarters of 2008. However, decreases in operating income in the last three quarters of 2008 yielded an annual drop of 59.1% in 2008 compared to 2007. The rising cost of fuel and employment coupled with virtually unchanged load factor helped to explain the decrease in the operating income in 2008.
- Canadian Level I and II air carriers reported a net loss of \$760.4 million, a deterioration from the \$868.3 million profit recorded in 2007. This represented the first net loss since 2004 and it was largely due to non-operating expenses—primarily the foreign exchange volatility—in the second half of 2008.
- Between the first quarter of 2008 and the fourth quarter of 2008, the operating ratio (it displays the carrier's ability to meet its short-term obligations and represents the proportion of operating revenue absorbed by operating expenses) hovered between 0.93 in the third quarter and 1.00 in the fourth quarter. Overall, this means that the Canadian Level I and II air carriers made 7.0 cents of profit for every dollar spent in the third quarter of 2008 and nil profit in the fourth quarter of 2008.

- Between the first quarter of 2008 and the fourth quarter of 2008, the highest profit margin (it indicates the profit margin earned by revenue dollar and is obtained by dividing net income by operating revenue—this ratio is expressed as a percentage) was recorded in the second quarter (2.9%). This shows that every dollar of service sold earned 2.9 cents of profit for the Canadian Level I and II air carriers. In the three other quarters, the Canadian Level I and II air carriers posted losses, the profit margin ranging from -0.8% in the third quarter to -18.3% in the fourth quarter. The negative results reflected the increases in operating expenses (aircraft operations—fuel cost and salaries and wages) and non-operating expenses (net miscellaneous non-operating expenses), which offset the gains in operating revenues.
- In 2008, the operating revenue per employee varied from \$101,552 in the fourth quarter to \$128,956 in the third quarter. This employee productivity measure showed quarterly year-over-year increases from 2007 to 2008, with the exception of the fourth quarter, the gains ranging from 0.8% in the third quarter to 5.7% in the first quarter. In the last quarter of 2008, the operating revenue per employee declined 5.0% from the previous year. Another yardstick used to measure productivity within the aviation industry is to calculate tonne-kilometres flown per employee. According to this measure, labour productivity in 2008 bettered the previous year level only in the first quarter (+1.0%). Again, the worst result was registered in the fourth quarter (-11.8%). As for the previous year, the tonne-kilometres flown per employee were higher in the third quarter, at 114,421.
- Total employment reported by Canadian Level I and II air carriers rose in each quarter of 2008 compared to the previous year, the gains ranging from 4.9% in the third quarter to 7.8% in the fourth quarter. The string of quarterly year-over-year increases for total wages and salaries paid by Canadian Level I and II air carriers that began in the fourth quarter of 2005 continued in each quarter of 2008.

Table 1**Financial performance indicators, Canadian air carriers, Levels I and II – First quarter 2007 to fourth quarter 2008**

	Operating ratio	Profit margin
	ratio	percent
2007		
First quarter	0.98	1.8
Second quarter	0.95	6.0
Third quarter	0.85	10.9
Fourth quarter	0.92	3.4
2008		
First quarter	0.97	-4.2
Second quarter	0.99	2.9
Third quarter	0.93	-0.8
Fourth quarter	1.00	-18.3

Table 2**Productivity measures, Canadian air carriers, Levels I and II – First quarter 2007 to fourth quarter 2008**

	Operating revenue per employee	Tonne-kilometres flown per employee
	dollars	tonne-kilometres
2007		
First quarter	109,845	109,567
Second quarter	111,119	105,915
Third quarter	127,952	122,949
Fourth quarter	106,899	99,220
2008		
First quarter	116,084	110,645
Second quarter	116,079	105,914
Third quarter	128,956	114,421
Fourth quarter	101,552	87,468
	% change from 2007 to 2008	
First quarter	5.7	1.0
Second quarter	4.5	0.0
Third quarter	0.8	-6.9
Fourth quarter	-5.0	-11.8

Statistical Tables

Table 3
Operating statistics – First quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands		percent
All services			
Number of carriers included ¹	24	23	-4.2
Passengers	13,238	14,478	9.4
Goods carried (kilograms)	183,846	196,147	6.7
Passenger-kilometres	31,386,552	34,190,265	8.9
Passenger tonne-kilometres	3,138,655	3,419,026	8.9
Goods tonne-kilometres	482,763	430,218	-10.9
Total tonne-kilometres	3,621,418	3,849,244	6.3
Hours flown	486	531	9.3
Scheduled services			
Passengers	11,749	12,863	9.5
Goods carried (kilograms)	94,954	87,479	-7.9
Passenger-kilometres	26,294,639	28,554,059	8.6
Available seat-kilometres	32,955,598	35,877,686	8.9
Passenger load factor (percent)	79.8	79.6	...
Passenger tonne-kilometres	2,629,464	2,855,406	8.6
Goods tonne-kilometres	420,252	360,719	-14.2
Total tonne-kilometres	3,049,715	3,216,125	5.5
Available tonne-kilometres	4,838,630	5,267,467	8.9
Weight load factor (percent)	63.0	61.1	...
Hours flown	426	464	9.0
Charter services			
Passengers	1,489	1,615	8.5
Goods carried (kilograms)	88,892	108,668	22.2
Passenger-kilometres	5,091,912	5,636,206	10.7
Passenger tonne-kilometres	509,191	563,621	10.7
Goods tonne-kilometres	62,511	69,499	11.2
Total tonne-kilometres	571,703	633,119	10.7
Hours flown	60	67	11.7

1. Figures expressed in full, not in thousands.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods.

Level II air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

Table 4
Income statement – First quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,010,604	3,298,085	9.5
Passengers	2,858,104	3,144,430	10.0
Goods	152,500	153,656	0.8
Charter services	527,222	582,338	10.5
Passengers	428,427	474,880	10.8
Goods	98,794	107,458	8.8
Other revenues (including subsidies)	92,757	158,014	70.4
Total operating revenues	3,630,583	4,038,438	11.2
Operating expenses			
Total operating expenses	3,551,836	3,916,715	10.3
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-14,411	-292,209	...
Net income (loss)	64,336	-170,486	...
Employment expenses			
Average number of employees ¹	33,052	34,789	5.3
Total wages and salaries paid	539,063	576,893	7.0

1. Figures expressed in full, not in thousands.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods.

Level II air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

Table 5
Operating statistics – Second quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands		percent
All services			
Number of carriers included ¹	23	23	0.0
Passengers	12,960	13,882	7.1
Goods carried (kilograms)	188,942	197,541	4.6
Passenger-kilometres	30,106,875	32,240,937	7.1
Passenger tonne-kilometres	3,010,688	3,224,094	7.1
Goods tonne-kilometres	478,056	456,008	-4.6
Total tonne-kilometres	3,488,744	3,680,102	5.5
Hours flown	482	513	6.4
Scheduled services			
Passengers	12,319	13,129	6.6
Goods carried (kilograms)	92,418	93,314	1.0
Passenger-kilometres	28,065,911	29,880,159	6.5
Available seat-kilometres	34,515,559	36,817,208	6.7
Passenger load factor (percent)	81.3	81.2	...
Passenger tonne-kilometres	2,806,591	2,988,016	6.5
Goods tonne-kilometres	410,254	382,589	-6.7
Total tonne-kilometres	3,216,845	3,370,605	4.8
Available tonne-kilometres	4,918,675	5,286,161	7.5
Weight load factor (percent)	65.4	63.8	...
Hours flown	443	468	5.7
Charter services			
Passengers	641	753	17.6
Goods carried (kilograms)	96,524	104,227	8.0
Passenger-kilometres	2,040,965	2,360,777	15.7
Passenger tonne-kilometres	204,096	236,078	15.7
Goods tonne-kilometres	67,802	73,419	8.3
Total tonne-kilometres	271,899	309,497	13.8
Hours flown	39	45	15.1

1. Figures expressed in full, not in thousands.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods.

Level II air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

Table 6
Income statement – Second quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,192,268	3,506,604	9.8
Passengers	3,032,844	3,329,009	9.8
Goods	159,425	177,595	11.4
Charter services	293,747	335,172	14.1
Passengers	192,097	229,077	19.3
Goods	101,649	106,095	4.4
Other revenues (including subsidies)	174,123	191,522	10.0
Total operating revenues	3,660,138	4,033,298	10.2
Operating expenses			
Total operating expenses	3,471,697	3,973,720	14.5
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	30,861	57,099	85.0
Net income (loss)	219,303	116,677	-46.8
Employment expenses			
Average number of employees ¹	32,939	34,746	5.5
Total wages and salaries paid	555,730	572,950	3.1

1. Figures expressed in full, not in thousands.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods.

Level II air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

Table 7
Operating statistics – Third quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands		percent
All services			
Number of carriers included ¹	23	22	-4.3
Passengers	14,198	14,351	1.1
Goods carried (kilograms)	198,197	188,538	-4.9
Passenger-kilometres	35,721,111	35,295,553	-1.2
Passenger tonne-kilometres	3,572,111	3,529,555	-1.2
Goods tonne-kilometres	495,180	442,697	-10.6
Total tonne-kilometres	4,067,292	3,972,252	-2.3
Hours flown	550	542	-1.5
Scheduled services			
Passengers	13,516	13,683	1.2
Goods carried (kilograms)	99,304	87,670	-11.7
Passenger-kilometres	33,656,758	33,187,479	-1.4
Available seat-kilometres	41,126,119	40,091,315	-2.5
Passenger load factor (percent)	81.8	82.8	...
Passenger tonne-kilometres	3,365,676	3,318,748	-1.4
Goods tonne-kilometres	427,714	373,285	-12.7
Total tonne-kilometres	3,793,390	3,692,033	-2.7
Available tonne-kilometres	5,788,035	5,736,910	-0.9
Weight load factor (percent)	65.5	64.4	...
Hours flown	493	499	1.2
Charter services			
Passengers	682	668	-2.0
Goods carried (kilograms)	98,892	100,868	2.0
Passenger-kilometres	2,064,353	2,108,074	2.1
Passenger tonne-kilometres	206,435	210,807	2.1
Goods tonne-kilometres	67,466	69,412	2.9
Total tonne-kilometres	273,901	280,220	2.3
Hours flown	58	44	-24.5

1. Figures expressed in full, not in thousands.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods.

Level II air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

Table 8
Income statement – Third quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,763,021	3,992,805	6.1
Passengers	3,590,392	3,802,389	5.9
Goods	172,629	190,416	10.3
Charter services	276,446	309,949	12.1
Passengers	195,410	225,074	15.2
Goods	81,036	84,875	4.7
Other revenues (including subsidies)	193,303	174,073	-9.9
Total operating revenues	4,232,770	4,476,827	5.8
Operating expenses			
Total operating expenses	3,613,249	4,177,746	15.6
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-156,910	-334,726	113.3
Net income (loss)	462,611	-35,644	...
Employment expenses			
Average number of employees ¹	33,081	34,716	4.9
Total wages and salaries paid	555,064	571,052	2.9

1. Figures expressed in full, not in thousands.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods.

Level II air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

Table 9
Operating statistics – Fourth quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands		percent
All services			
Number of carriers included ¹	23	22	-4.3
Passengers	12,590	12,568	-0.2
Goods carried (kilograms)	210,551	178,292	-15.3
Passenger-kilometres	28,426,316	27,706,680	-2.5
Passenger tonne-kilometres	2,842,632	2,770,668	-2.5
Goods tonne-kilometres	480,845	387,898	-19.3
Total tonne-kilometres	3,323,477	3,158,566	-5.0
Hours flown	484	471	-2.6
Scheduled services			
Passengers	11,900	11,832	-0.6
Goods carried (kilograms)	97,674	76,169	-22.0
Passenger-kilometres	26,181,034	25,198,880	-3.8
Available seat-kilometres	33,555,772	31,720,167	-5.5
Passenger load factor (percent)	78.0	79.4	...
Passenger tonne-kilometres	2,618,103	2,519,888	-3.8
Goods tonne-kilometres	412,950	310,099	-24.9
Total tonne-kilometres	3,031,054	2,829,987	-6.6
Available tonne-kilometres	4,947,624	4,639,791	-6.2
Weight load factor (percent)	61.3	61.0	...
Hours flown	443	431	-2.7
Charter services			
Passengers	689	736	6.8
Goods carried (kilograms)	112,877	102,123	-9.5
Passenger-kilometres	2,245,283	2,507,801	11.7
Passenger tonne-kilometres	224,528	250,780	11.7
Goods tonne-kilometres	67,895	77,799	14.6
Total tonne-kilometres	292,423	328,579	12.4
Hours flown	41	40	-1.8

1. Figures expressed in full, not in thousands.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods.

Level II air carriers. This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

Table 10
Income statement – Fourth quarter of 2007 and 2008

	2007	2008	Change from 2007 to 2008
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,092,287	3,143,918	1.7
Passengers	2,920,231	2,985,774	2.2
Goods	172,055	158,144	-8.1
Charter services	307,828	341,416	10.9
Passengers	207,135	253,890	22.6
Goods	100,693	87,525	-13.1
Other revenues (including subsidies)	180,581	181,804	0.7
Total operating revenues	3,580,696	3,667,138	2.4
Operating expenses			
Total operating expenses	3,287,166	3,664,971	11.5
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-171,499	-673,064	292.5
Net income (loss)	122,031	-670,897	...
Employment expenses			
Average number of employees ¹	33,496	36,111	7.8
Total wages and salaries paid	571,539	579,998	1.5

1. Figures expressed in full, not in thousands.

Note(s): **Level I air carriers.** This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 1 million revenue passengers, or at least 200 thousand tonnes of revenue goods. **Level II air carriers.** This includes every Canadian air carrier that, in each of the two calendar years immediately preceding the reporting year, transported at least 100 thousand but fewer than 1 million revenue passengers, or at least 30 thousand but less than 200 thousand tonnes of revenue goods.

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Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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