

Aviation

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



First Quarter 2009 to Fourth Quarter 2009

Highlights

- In 2009, Canadian Level I and II air carriers reported nearly 53 million enplaned passengers in their scheduled and charter operations, down 4.7% from 2008, reversing an upward trend recorded between 2004 and 2008. The scheduled passenger counts totalled 49.2 million and the charter passenger counts, 3.7 million. The scheduled passenger counts reached 13.4 million in the third quarter of 2009, the third highest number ever recorded for a quarter. In terms of passenger-kilometres flown, these carriers recorded 121.7 billion passenger-kilometres in their scheduled and charter operations in 2009, down 5.2% from the previous year.
- In 2009, Canadian Level I and II air carriers reported a slight deterioration in their scheduled passenger load factor (a measure of the fullness of their aircraft) compared to 2008. The passenger load factor regressed from 80.8% in 2008 to 80.5% in 2009, as the demand, as measured by passenger-kilometres, retreated at a slightly faster pace (-4.2%) than the supply (capacity), as measured by available seat-kilometres (-3.8%). The passenger load factor on scheduled flights reached an all-time high (83.2%) in the third quarter of 2009—largely due to a stronger decrease in capacity than in demand; in the same quarter in 2008, it had reached 82.8%. After five consecutive quarterly declines, the capacity increased (+2.2%) in the fourth quarter of 2009, which coincided with the end of the economic downturn—emanating from global financial market crisis—that started to impact Canada (and the world) in the second half of 2008.
- In 2009, the total operating revenues generated by the Canadian Level I and II air carriers amounted to \$14.1 billion, down 12.8% (or -\$2.1 billion) from 2008, reversing the upward trend that began in 2004. The decline in operating revenues (passenger revenues accounted for 89.6% of total operating revenues in 2009) can be mainly tied to a yield decrease of 7.6% driven by the weak economy, a significant reduction in business travel, greater fare discounting to stimulate traffic, the effects of the H1N1 influenza outbreak and reduced fuel surcharges year-over-year. The total operating expenses amounted to \$14.0 billion in 2009, down 10.8% (or -\$1.7 billion) from the previous year, with lower fuel prices and favourable foreign exchange being the main contributing factors in the year-over-year decline. These carriers reported an operating income of \$93.6 million in 2009. However, operating losses in the first two quarters of 2009 combined with a decrease in operating income in the third quarter yielded an annual drop of 80.6% in 2009 compared to 2008.
- After experiencing a net loss of \$760.4 million in 2008, Canadian Level I and II air carriers returned to profitability in 2009, with a recorded net income of \$183.3 million. The loss in 2008 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 2009 and the fourth quarter of 2009, 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 0.95 in the third quarter and 1.02 in the second quarter. In the first quarter, it stood at 1.01. Overall, this means that the Canadian Level I and II air carriers made 5.0 cents of profit for every dollar spent in the third quarter of 2009. Operating ratios greater than one indicate that these carriers experienced an operating loss.

- Between the first quarter of 2009 and the fourth quarter of 2009, 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 third quarter (8.9%). This shows that every dollar of service sold earned 8.9 cents of profit for the Canadian Level I and II air carriers. The negative result for the first quarter (-8.5%) reflected a major downturn in demand, which led to an operating loss as the decline in operating revenues exceeded the decrease in operating expenses. The non-operating expenses (net miscellaneous non-operating expenses) also contributed to lower the profit margin.
- In 2009, the operating revenue per employee varied from \$93,985 in the second quarter to \$108,833 in the third quarter. This employee productivity measure showed quarterly year-over-year decreases from 2008 to 2009, the declines ranging from -6.3% in the fourth quarter to -19.0% in the second quarter. 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 2009 bettered the previous year level only in the fourth quarter (+2.5%). The worst result was registered in the first quarter (-12.7%). As for the previous year, the tonne-kilometres flown per employee were higher in the third quarter, at 109,227.
- Total employment reported by Canadian Level I and II air carriers rose in each quarter of 2009 compared to the previous year, the gains ranging from 0.6% in the fourth quarter to 2.9% in the first 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 2009, with the exception of the second quarter (-0.3%).

Table 1
Financial performance indicators, Canadian air carriers, Levels I and II – First quarter 2008 to fourth quarter 2009

	Operating ratio	Profit margin
	ratio	percent
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
2009		
First quarter	1.01	-8.5
Second quarter	1.02	4.6
Third quarter	0.95	8.9
Fourth quarter	0.99	-0.2

Table 2
Productivity measures, Canadian air carriers, Levels I and II – First quarter 2008 to fourth quarter 2009

	Operating revenue per employee	Tonne-kilometres flown per employee
	dollars	tonne-kilometres
2008		
First quarter	116,084	110,790
Second quarter	116,079	106,043
Third quarter	128,956	113,788
Fourth quarter	101,552	85,824
2009		
First quarter	99,605	96,703
Second quarter	93,985	93,121
Third quarter	108,833	109,227
Fourth quarter	95,193	87,986
	% change from 2008 to 2009	
First quarter	-14.2	-12.7
Second quarter	-19.0	-12.2
Third quarter	-15.6	-4.0
Fourth quarter	-6.3	2.5

Statistical Tables

Table 3
Operating statistics – First quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands		percent
All services			
Number of carriers included ¹	23	22	-4.3
Passengers	14,672	13,762	-6.2
Goods carried (kilograms)	..	..	..
Passenger-kilometres	34,140,144	31,319,219	-8.3
Passenger tonne-kilometres	3,414,014	3,131,922	-8.3
Goods tonne-kilometres	440,268	331,098	-24.8
Total tonne-kilometres	3,854,283	3,463,020	-10.2
Hours flown	531	500	-5.7
Scheduled services			
Passengers	12,863	11,922	-7.3
Goods carried (kilograms)	..	..	..
Passenger-kilometres	28,554,059	26,064,973	-8.7
Available seat-kilometres	35,877,686	32,542,008	-9.3
Passenger load factor (percent)	79.6	80.1	...
Passenger tonne-kilometres	2,855,406	2,606,497	-8.7
Goods tonne-kilometres	360,719	252,516	-30.0
Total tonne-kilometres	3,216,125	2,859,013	-11.1
Available tonne-kilometres	5,267,467	4,544,165	-13.7
Weight load factor (percent)	61.1	62.9	...
Hours flown	464	432	-6.9
Charter services			
Passengers	1,809	1,840	1.7
Goods carried (kilograms)	..	..	..
Passenger-kilometres	5,586,085	5,254,247	-5.9
Passenger tonne-kilometres	558,608	525,425	-5.9
Goods tonne-kilometres	79,549	78,582	-1.2
Total tonne-kilometres	638,158	604,007	-5.4
Hours flown	67	69	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 4
Income statement – First quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,298,085	2,866,021	-13.1
Passengers	3,144,430	2,744,219	-12.7
Goods	153,656	121,802	-20.7
Charter services	582,338	558,440	-4.1
Passengers	474,880	480,307	1.1
Goods	107,458	78,134	-27.3
Other revenues (including subsidies)	158,014	142,480	-9.8
Total operating revenues	4,038,438	3,566,941	-11.7
Operating expenses			
Total operating expenses	3,916,715	3,614,625	-7.7
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-292,209	-255,353	-12.6
Net income (loss)	-170,486	-303,036	77.7
Employment expenses			
Average number of employees ¹	34,789	35,811	2.9
Total wages and salaries paid	576,893	594,805	3.1

1. Figures expressed in full, not in thousands.

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Table 5
Operating statistics – Second quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands		percent
All services			
Number of carriers included ¹	23	22	-4.3
Passengers	13,978	12,791	-8.5
Goods carried (kilograms)	..	..	..
Passenger-kilometres	32,191,438	29,174,429	-9.4
Passenger tonne-kilometres	3,219,144	2,917,443	-9.4
Goods tonne-kilometres	465,434	352,122	-24.3
Total tonne-kilometres	3,684,578	3,269,565	-11.3
Hours flown	514	486	-5.5
Scheduled services			
Passengers	13,129	12,153	-7.4
Goods carried (kilograms)	..	..	..
Passenger-kilometres	29,880,159	27,519,842	-7.9
Available seat-kilometres	36,817,208	34,533,658	-6.2
Passenger load factor (percent)	81.2	79.7	...
Passenger tonne-kilometres	2,988,016	2,751,984	-7.9
Goods tonne-kilometres	382,589	273,961	-28.4
Total tonne-kilometres	3,370,605	3,025,945	-10.2
Available tonne-kilometres	5,286,161	4,762,849	-9.9
Weight load factor (percent)	63.8	63.5	...
Hours flown	468	448	-4.2
Charter services			
Passengers	849	638	-24.9
Goods carried (kilograms)	..	..	..
Passenger-kilometres	2,311,278	1,654,588	-28.4
Passenger tonne-kilometres	231,128	165,459	-28.4
Goods tonne-kilometres	82,845	78,161	-5.7
Total tonne-kilometres	313,973	243,620	-22.4
Hours flown	46	38	-17.8

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 6
Income statement – Second quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,506,604	2,924,954	-16.6
Passengers	3,329,009	2,800,740	-15.9
Goods	177,595	124,214	-30.1
Charter services	335,172	219,686	-34.5
Passengers	229,077	144,641	-36.9
Goods	106,095	75,045	-29.3
Other revenues (including subsidies)	191,522	155,258	-18.9
Total operating revenues	4,033,298	3,299,898	-18.2
Operating expenses			
Total operating expenses	3,973,720	3,356,770	-15.5
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	57,099	209,541	267.0
Net income (loss)	116,677	152,668	30.8
Employment expenses			
Average number of employees ¹	34,746	35,111	1.1
Total wages and salaries paid	572,950	571,270	-0.3

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.

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Table 7
Operating statistics – Third quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands		percent
All services			
Number of carriers included ¹	22	22	0.0
Passengers	14,325	13,838	-3.4
Goods carried (kilograms)	..	..	..
Passenger-kilometres	34,990,080	33,985,209	-2.9
Passenger tonne-kilometres	3,499,008	3,398,521	-2.9
Goods tonne-kilometres	451,268	427,387	-5.3
Total tonne-kilometres	3,950,276	3,825,908	-3.1
Hours flown	542	516	-4.8
Scheduled services			
Passengers	13,683	13,357	-2.4
Goods carried (kilograms)	..	..	..
Passenger-kilometres	33,187,479	32,906,499	-0.8
Available seat-kilometres	40,091,315	39,555,191	-1.3
Passenger load factor (percent)	82.8	83.2	...
Passenger tonne-kilometres	3,318,748	3,290,650	-0.8
Goods tonne-kilometres	373,285	343,676	-7.9
Total tonne-kilometres	3,692,033	3,634,326	-1.6
Available tonne-kilometres	5,736,910	5,443,155	-5.1
Weight load factor (percent)	64.4	66.8	...
Hours flown	499	479	-3.9
Charter services			
Passengers	642	481	-25.1
Goods carried (kilograms)	..	..	..
Passenger-kilometres	1,802,601	1,078,710	-40.2
Passenger tonne-kilometres	180,260	107,871	-40.2
Goods tonne-kilometres	77,983	83,711	7.3
Total tonne-kilometres	258,244	191,582	-25.8
Hours flown	43	37	-15.5

1. Figures expressed in full, not in thousands.

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Table 8
Income statement – Third quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,992,805	3,471,516	-13.1
Passengers	3,802,389	3,330,601	-12.4
Goods	190,416	140,916	-26.0
Charter services	309,949	199,634	-35.6
Passengers	225,074	123,930	-44.9
Goods	84,875	75,705	-10.8
Other revenues (including subsidies)	174,073	140,947	-19.0
Total operating revenues	4,476,827	3,812,097	-14.8
Operating expenses			
Total operating expenses	4,177,746	3,632,626	-13.0
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-334,726	161,221	...
Net income (loss)	-35,644	340,692	...
Employment expenses			
Average number of employees ¹	34,716	35,027	0.9
Total wages and salaries paid	571,052	576,613	1.0

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.

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Table 9
Operating statistics – Fourth quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands		percent
All services			
Number of carriers included ¹	22	22	0.0
Passengers	12,484	12,461	-0.2
Goods carried (kilograms)	..	..	..
Passenger-kilometres	27,031,840	27,245,087	0.8
Passenger tonne-kilometres	2,703,184	2,724,509	0.8
Goods tonne-kilometres	395,997	470,268	18.8
Total tonne-kilometres	3,099,181	3,194,776	3.1
Hours flown	471	466	-1.1
Scheduled services			
Passengers	11,832	11,759	-0.6
Goods carried (kilograms)	..	..	..
Passenger-kilometres	25,198,880	25,419,823	0.9
Available seat-kilometres	31,720,167	32,404,010	2.2
Passenger load factor (percent)	79.4	78.4	...
Passenger tonne-kilometres	2,519,888	2,541,982	0.9
Goods tonne-kilometres	310,099	379,726	22.5
Total tonne-kilometres	2,829,987	2,921,708	3.2
Available tonne-kilometres	4,639,791	4,429,447	-4.5
Weight load factor (percent)	61.0	66.0	...
Hours flown	431	425	-1.3
Charter services			
Passengers	652	702	7.6
Goods carried (kilograms)	..	..	..
Passenger-kilometres	1,832,960	1,825,264	-0.4
Passenger tonne-kilometres	183,296	182,526	-0.4
Goods tonne-kilometres	85,898	90,542	5.4
Total tonne-kilometres	269,194	273,068	1.4
Hours flown	40	41	1.6

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.

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Table 10
Income statement – Fourth quarter of 2008 and 2009

	2008	2009	Change from 2008 to 2009
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,143,918	2,993,540	-4.8
Passengers	2,985,774	2,836,208	-5.0
Goods	158,144	157,332	-0.5
Charter services	341,416	280,456	-17.9
Passengers	253,890	203,102	-20.0
Goods	87,525	77,353	-11.6
Other revenues (including subsidies)	181,804	182,465	0.4
Total operating revenues	3,667,138	3,456,461	-5.7
Operating expenses			
Total operating expenses	3,664,971	3,437,736	-6.2
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-673,064	-25,743	-96.2
Net income (loss)	-670,897	-7,018	-99.0
Employment expenses			
Average number of employees ¹	36,111	36,310	0.6
Total wages and salaries paid	579,998	612,001	5.5

1. Figures expressed in full, not in thousands.

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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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