

Aviation

Civil Aviation, Annual Operating and Financial Statistics, Canadian Air Carriers, Levels I to III

2012



Highlights

- In 2012, Canadian Level I to III air carriers reported 66.8 million enplaned passengers, up 6.2% from 2011. The domestic sector rose 5.3% in 2012 to 36.3 million passengers, while the international sector (including Canada-United States) increased 7.4% to 30.5 million passengers. The scheduled passenger counts reached 60.1 million and the charter passenger counts, 6.7 million. In terms of passenger-kilometres flown, these carriers recorded 156.2 billion passenger-kilometres in their scheduled and charter operations in 2012, up 6.2% from the previous year. The international sector (+7.0%) advanced at a faster pace than the domestic sector (+4.3%).
- After reporting a net income of \$144.8 million in 2011, Canadian Level I to III air carriers reported a net income of \$699.0 million in 2012. In 2012, total operating revenues generated by the Canadian Level I to III air carriers amounted to \$20.3 billion, up 6.5% (or +\$1.2 billion) from 2011. Total operating expenses increased to \$19.2 billion in 2012, up 4.0% (or +\$0.7 billion) from the previous year.
- In 2012, 94.7 cents of each operating revenue dollar were used to cover operating expenses. Aircraft operations absorbed the largest portion of each operating revenue dollar, at 51.7 cents, followed by general services and administration (27.1 cents) and maintenance (10.7 cents).
- Total assets of the Canadian Level I to III air carriers stood at \$16.9 billion in 2012, down 0.4% compared to 2011.
- The aviation industry's earning power is reflected in the profitability ratios of profit margin, return on investment and return on assets. In 2012, the profit margin was 3.4% compared to 0.8% in 2011. This shows that every dollar of service sold, in 2012, earned 3.4 cents of profit for the Canadian Level I to III air carriers. The growth in profit in 2012 compared to 2011 reflected the increase in operating income and the decrease in net non-operating expenses. Operating income rose as the gain in operating revenues offset the increase in operating expenses. The increase in operating expenses was led by aircraft operations (fuel cost and wages and salaries) and by maintenance (materials and supplies and purchased repair services). Both return on assets and return on investment also showed increasing profitability within the aviation industry in 2012. The rate of return on assets went from 0.9% in 2011 to 4.1% in 2012, while the rate of return on investment rose from 3.2% in 2011 to 6.4% in 2012.
- Total employment in the aviation industry grew 2.3% to 54,351, while total wages and salaries went up 6.5% to \$3.6 billion. In 2012, wages and salaries accounted for 18.9% of the operating expenses, up from 18.4% in 2011.
- Canadian Level I to III air carriers consumed 6.6 billion litres of fuel (turbine fuel and gasoline) in 2012 and spent \$6.0 billion acquiring the fuel. In 2012, fuel costs accounted for 31.0% of the operating expenses, up from 30.2% in 2011.

Statistical Tables

Table 1
Operating statistics, 2011 and 2012

	Levels I and II			Level III			Levels I to III		
	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012
	thousands	percent		thousands	percent		thousands	percent	
All services									
Number of carriers included ¹	25	25	0.0	76	72	-5.3	101	97	-4.0
Passengers	61,309	65,222	6.4	1,575	1,588	0.8	62,884	66,809	6.2
Goods carried (kilograms)	688,494	682,343	-0.9	65,113	64,793	-0.5	753,607	747,136	-0.9
Passenger-kilometres	146,057,604	155,042,110	6.2	1,049,109	1,132,721	8.0	147,106,713	156,174,832	6.2
Passenger tonne-kilometres	14,605,760	15,504,211	6.2	104,911	113,272	8.0	14,710,671	15,617,483	6.2
Goods tonne-kilometres	2,182,949	2,253,352	3.2	28,904	28,496	-1.4	2,211,853	2,281,848	3.2
Total tonne-kilometres	16,788,709	17,757,563	5.8	133,814	141,769	5.9	16,922,524	17,899,331	5.8
Hours flown	2,277	2,351	3.3	435	449	3.3	2,712	2,801	3.3
Scheduled services									
Passengers	56,817	59,774	5.2	348	357	2.6	57,165	60,131	5.2
Goods carried (kilograms)	396,523	347,530	-12.4	11,489	10,806	-5.9	408,011	358,336	-12.2
Passenger-kilometres	133,356,588	139,458,045	4.6	138,629	148,331	7.0	133,495,217	139,606,376	4.6
Passenger tonne-kilometres	13,335,659	13,945,804	4.6	13,863	14,833	7.0	13,349,522	13,960,638	4.6
Goods tonne-kilometres	1,795,463	1,819,111	1.3	5,296	4,865	-8.1	1,800,759	1,823,976	1.3
Total tonne-kilometres	15,131,122	15,764,915	4.2	19,159	19,699	2.8	15,150,280	15,784,614	4.2
Hours flown	2,061	2,103	2.0	72	70	-2.2	2,133	2,173	1.9
Charter services									
Passengers	4,492	5,448	21.3	1,227	1,230	0.3	5,719	6,678	16.8
Goods carried (kilograms)	291,972	334,813	14.7	53,624	53,987	0.7	345,596	388,800	12.5
Passenger-kilometres	12,701,016	15,584,066	22.7	910,481	984,390	8.1	13,611,496	16,568,456	21.7
Passenger tonne-kilometres	1,270,102	1,558,407	22.7	91,048	98,439	8.1	1,361,150	1,656,846	21.7
Goods tonne-kilometres	387,486	434,241	12.1	23,608	23,631	0.1	411,094	457,872	11.4
Total tonne-kilometres	1,657,588	1,992,647	20.2	114,656	122,070	6.5	1,772,243	2,114,717	19.3
Hours flown	216	249	15.2	363	379	4.4	579	628	8.4

1. Figures expressed in full, not in thousands.

Note(s): **Level I air carriers.** This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported at least 2 million revenue passengers or at least 400 thousand tonnes of cargo.
Level II air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported (a) at least 100 thousand but fewer than 2 million revenue passengers; or (b) at least 50 thousand but less than 400 thousand tonnes of cargo.
Level III air carriers. This includes every Canadian air carrier that (a) is not a level I air carrier or level II air carrier; and (b) in the calendar year before the year in which information is provided, realized gross revenues of at least 2 million dollars for the provision of air services for which the air carrier held a licence.

Table 2
Selected operating statistics, by sector, 2012

	Domestic		International	
	2012	Change from 2011 to 2012	2012	Change from 2011 to 2012
	thousands	percent	thousands	percent
All services				
Passengers	36,270	5.3	30,540	7.4
Passenger-kilometres	46,882,416	4.3	109,292,416	7.0

Table 3
Income statement, 2011 and 2012¹

	Levels I and II			Level III			Levels I to III		
	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012
	thousands of dollars		percent	thousands of dollars		percent	thousands of dollars		percent
Operating revenues									
Scheduled services	15,633,725	16,500,893	5.5	220,083	231,828	5.3	15,853,808	16,732,721	5.5
Passengers	14,863,390	15,777,847	6.2	193,595	203,815	5.3	15,056,985	15,981,663	6.1
Goods	770,334	723,045	-6.1	26,488	28,013	5.8	796,823	751,058	-5.7
Charter services	1,497,723	1,676,759	12.0	774,773	860,692	11.1	2,272,496	2,537,451	11.7
Passengers	1,178,148	1,299,116	10.3	695,204	767,857	10.5	1,873,352	2,066,973	10.3
Goods	319,574	377,643	18.2	79,570	92,835	16.7	399,144	470,478	17.9
Other flying services	42,546	42,335	-0.5	39,318	38,054	-3.2	81,864	80,388	-1.8
Subsidies ²	x	x	x	x	x	x	x	x	x
Net incidental air transport related revenue	718,665	800,388	11.4	140,065	151,156	7.9	858,730	951,544	10.8
Total operating revenues	17,892,658	19,020,374	6.3	1,174,240	1,281,730	9.2	19,066,898	20,302,104	6.5
Operating expenses									
Maintenance, ground property and equipment	120,900	134,836	11.5	54,227	67,844	25.1	175,128	202,680	15.7
Aircraft operations	9,308,170	9,794,656	5.2	642,002	701,807	9.3	9,950,172	10,496,463	5.5
Maintenance, flight equipment	1,605,088	1,798,837	12.1	180,017	168,339	-6.5	1,785,105	1,967,176	10.2
General services and administration	5,299,160	5,324,308	0.5	159,607	178,595	11.9	5,458,767	5,502,903	0.8
Depreciation	1,046,607	980,139	-6.4	66,281	69,127	4.3	1,112,888	1,049,266	-5.7
Total operating expenses	17,379,925	18,032,775	3.8	1,102,134	1,185,712	7.6	18,482,060	19,218,488	4.0
Operating income (loss)	512,733	987,599	92.6	72,106	96,017	33.2	584,838	1,083,616	85.3
Non-operating income (expenses)									
Capital gains (losses), net	x	x	x	x	x	x	15,413	-9,484	...
Interest and discount income	154,908	156,976	1.3	2,258	859	-61.9	157,166	157,835	0.4
Interest expenses	x	x	x	x	x	x	398,066	378,588	-4.9
Miscellaneous non-operating income (expenses), net	-154,582	-38,536	-75.1	10,569	3,189	-69.8	-144,013	-35,346	-75.5
Total non-operating income (expenses), net	-371,123	-253,303	-31.7	1,622	-12,281	...	-369,500	-265,584	-28.1
Income (loss) before provision for income taxes	141,610	734,296	418.5	73,728	83,737	13.6	215,338	818,033	279.9
Provision for income taxes (tax refund)	60,423	109,685	81.5	10,090	9,304	-7.8	70,513	118,989	68.7
Net income (loss)	81,187	624,611	669.3	63,638	74,432	17.0	144,825	699,043	382.7

1. Canadian Level IV air carriers reported \$1.1 billion in revenue in 2012, matching the \$1.1 billion in 2011. In 2012, the revenues for helicopters and for fixed-wing aircraft totalled \$916.4 million and \$201.4 million, respectively.

2. For reasons of confidentiality "subsidies" are included with "net incidental air transport related revenue".

Note(s): Level I air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported at least 2 million revenue passengers or at least 400 thousand tonnes of cargo.

Level II air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported (a) at least 100 thousand but fewer than 2 million revenue passengers; or (b) at least 50 thousand but less than 400 thousand tonnes of cargo.

Level III air carriers. This includes every Canadian air carrier that (a) is not a level I air carrier or level II air carrier; and (b) in the calendar year before the year in which information is provided, realized gross revenues of at least 2 million dollars for the provision of air services for which the air carrier held a licence.

Level IV air carriers. This includes every Canadian air carrier that (a) is not a level I air carrier, level II air carrier or level III air carrier; and (b) in the calendar year before the year in which information is provided, realized gross revenues of less than 2 million dollars for the provision of air services for which the air carrier held a licence.

Table 4
Balance sheet, 2011 and 2012

	Levels I and II			Level III			Levels I to III		
	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012
	thousands of dollars		percent	thousands of dollars		percent	thousands of dollars		percent
Assets									
Current assets	5,419,999	5,427,222	0.1	337,163	344,990	2.3	5,757,162	5,772,212	0.3
Investments and special funds	1,612,667	1,537,303	-4.7	57,762	65,753	13.8	1,670,429	1,603,056	-4.0
Operating property and equipment	11,649,237	12,529,752	7.6	894,019	895,606	0.2	12,543,256	13,425,358	7.0
Less: accumulated depreciation	3,981,947	4,810,568	20.8	342,109	340,507	-0.5	4,324,056	5,151,075	19.1
Non-operating property and equipment	88,972	86,658	-2.6	72,523	65,968	-9.0	161,495	152,626	-5.5
Less: accumulated depreciation	11,876	10,667	-10.2	33,032	32,146	-2.7	44,908	42,814	-4.7
Deferred charges	1,217,719	1,151,943	-5.4	5,671	5,989	5.6	1,223,390	1,157,932	-5.4
Total assets	15,994,770	15,911,642	-0.5	991,997	1,005,653	1.4	16,986,768	16,917,295	-0.4
Liabilities and capital									
Current liabilities	4,873,158	5,154,956	5.8	254,044	275,805	8.6	5,127,202	5,430,761	5.9
Advances from associated companies and/or shareholders	77,329	66,829	-13.6	145,304	150,972	3.9	222,633	217,801	-2.2
Long-term debt and other non-current liabilities	x	x	x	x	x	x	x	x	x
Non-current obligations under capital lease	x	x	x	x	x	x	x	x	x
Deferred income taxes	439,540	470,591	7.1	40,649	44,528	9.5	480,189	515,119	7.3
Other deferred credits	x	185,839	x	x	981	x	x	186,820	x
Provisions for major overhauls	723,014	170,824	-76.4	3,307	3,403	2.9	726,321	174,227	-76.0
Other provisions	150,182	127,087	-15.4	862	950	10.2	151,044	128,037	-15.2
Total liabilities	16,815,849	15,921,028	-5.3	680,912	674,272	-1.0	17,496,761	16,595,300	-5.2
Shareholders equity									
Number of carriers included ¹	25	25	0.0	76	72	-5.3	101	97	-4.0
Capital stock	2,800,011	2,710,144	-3.2	176,015	181,929	3.4	2,976,026	2,892,073	-2.8
Other paid-in capital ²	x	x	x	x	x	x	x	x	x
Retained earnings	-3,621,090	-2,719,530	-24.9	135,071	149,452	10.6	-3,486,019	-2,570,078	-26.3
Reserves ³	x	x	x	x	x	x	x	x	x
Total shareholders equity	-821,079	-9,385	-98.9	311,086	331,381	6.5	-509,993	321,996	...
Total liabilities and capital	15,994,770	15,911,642	-0.5	991,997	1,005,653	1.4	16,986,768	16,917,295	-0.4

1. Figures expressed in full, not in thousands.

2. For reasons of confidentiality, "other paid-in capital" is included with "capital stock".

3. For reasons of confidentiality, "reserves" is included with "retained earnings".

Note(s): Level I air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported at least 2 million revenue passengers or at least 400 thousand tonnes of cargo.

Level II air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported (a) at least 100 thousand but fewer than 2 million revenue passengers; or (b) at least 50 thousand but less than 400 thousand tonnes of cargo.

Level III air carriers. This includes every Canadian air carrier that (a) is not a level I air carrier or level II air carrier; and (b) in the calendar year before the year in which information is provided, realized gross revenues of at least 2 million dollars for the provision of air services for which the air carrier held a licence.

Table 5
Financial performance indicators, 2010 to 2012

	Levels I and II			Level III			Levels I to III		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
	ratio								
Liquidity ratios									
Current ratio ¹	1.219	1.112	1.053	1.427	1.327	1.251	1.228	1.123	1.063
Debt structure ratio ²	0.381	0.290	0.324	0.336	0.373	0.409	0.379	0.293	0.327
Solvency ratios									
Debt-to-asset (debt) ratio ³	0.700	1.051	1.001	0.688	0.686	0.670	0.699	1.030	0.981
Debt-to equity (leverage) ratio ⁴	2.334	...	...	2.200	2.189	2.035	2.327	...	...
Profitability ratios									
Operating ratio ⁵	0.949	0.971	0.948	0.963	0.939	0.925	0.950	0.969	0.947
Profit margin ⁶	0.028	0.005	0.033	0.015	0.054	0.058	0.028	0.008	0.034
Return on assets ⁷	0.029	0.005	0.039	0.018	0.064	0.074	0.028	0.009	0.041
Return on investment ⁸	0.056	0.029	0.062	0.038	0.082	0.092	0.055	0.032	0.064

1. Current ratio = Current assets divided by current liabilities.

2. Debt structure ratio = Current liabilities divided by total liabilities.

3. Debt-to-asset (debt) ratio = Total liabilities divided by total assets.

4. Debt-to equity (leverage) ratio = Total liabilities divided by total shareholders' equity.

5. Operating ratio = Operating expenses divided by operating revenue.

6. Profit margin = Net income divided by operating revenue.

7. Return on assets = Net income divided by total assets.

8. Return on investment = Sum of net income and interest expenses divided by total assets.

Note(s): Level I air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported at least 2 million revenue passengers or at least 400 thousand tonnes of cargo.

Level II air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported (a) at least 100 thousand but fewer than 2 million revenue passengers; or (b) at least 50 thousand but less than 400 thousand tonnes of cargo.

Level III air carriers. This includes every Canadian air carrier that (a) is not a level I air carrier or level II air carrier; and (b) in the calendar year before the year in which information is provided, realized gross revenues of at least 2 million dollars for the provision of air services for which the air carrier held a licence.

Table 6
Employment and fuel consumption, 2011 and 2012

	Levels I and II			Level III			Levels I to III		
	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012	2011	2012	Change from 2011 to 2012
	percent			percent			percent		
Average number of employees, wages and salaries paid									
Pilots and co-pilots (number)	7,882	7,975	1.2	2,212	2,227	0.7	10,094	10,202	1.1
Wages and salaries ('000\$)	948,478	1,028,923	8.5	121,112	128,187	5.8	1,069,590	1,157,110	8.2
Other flight personnel (number)	11,719	11,804	0.7	323	337	4.3	12,042	12,141	0.8
Wages and salaries ('000\$)	571,027	610,176	6.9	14,271	14,534	1.8	585,298	624,710	6.7
General management and administration (number)	2,416	3,207	32.7	1,127	1,079	-4.3	3,543	4,286	21.0
Wages and salaries ('000\$)	220,974	259,864	17.6	64,704	63,915	-1.2	285,679	323,779	13.3
Maintenance labour (number)	10,928	11,269	3.1	1,293	1,302	0.7	12,221	12,571	2.9
Wages and salaries ('000\$)	616,801	669,495	8.5	77,240	76,444	-1.0	694,041	745,939	7.5
Aircraft and traffic servicing (number)	8,709	9,039	3.8	390	382	-2.1	9,099	9,421	3.5
Wages and salaries ('000\$)	388,211	407,276	4.9	13,104	13,905	6.1	401,314	421,181	5.0
Other personnel (number)	5,969	5,572	-6.7	155	158	1.9	6,124	5,730	-6.4
Wages and salaries ('000\$)	365,334	350,479	-4.1	6,030	5,265	-12.7	371,364	355,744	-4.2
Total average number of employees (number)	47,623	48,866	2.6	5,500	5,485	-0.3	53,123	54,351	2.3
Wages and salaries ('000\$)	3,110,825	3,326,213	6.9	296,462	302,250	2.0	3,407,287	3,628,463	6.5
Fuel and oil									
Turbine fuel ('000 litres)	6,169,237	6,418,787	4.0	156,295	170,685	9.2	6,325,532	6,589,472	4.2
Cost ('000\$)	5,389,165	5,741,530	6.5	172,219	190,045	10.4	5,561,384	5,931,575	6.7
Gasoline ('000 litres)	916	1,031	12.5	16,035	22,620	41.1	16,951	23,651	39.5
Cost ('000\$)	1,028	1,197	16.5	19,676	27,997	42.3	20,704	29,194	41.0
Turbine oil ('000 litres)	..	..	..	..	..	..	..	..	..
Cost ('000\$)	..	..	..	..	..	..	..	..	..
Piston oil ('000 litres)	0	0	...	14	28	110.0	14	28	110.0
Cost ('000\$)	0	0	...	93	104	12.1	93	104	12.1

Note(s): **Level I air carriers.** This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported at least 2 million revenue passengers or at least 400 thousand tonnes of cargo.
Level II air carriers. This includes every Canadian air carrier that, in the calendar year before the year in which information is provided, transported (a) at least 100 thousand but fewer than 2 million revenue passengers; or (b) at least 50 thousand but less than 400 thousand tonnes of cargo.
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Table 7
Wages and salaries paid, by sector, by province and territory, 2011 and 2012

	2011	2012	Change from 2011 to 2012
	thousands of dollars		percent
Domestic			
Newfoundland and Labrador	25,367	31,286	23.3
Prince Edward Island	0	265	...
Nova Scotia	98,732	93,388	-5.4
New Brunswick	24,816	26,705	7.6
Quebec	622,206	685,255	10.1
Ontario	1,163,091	1,225,116	5.3
Manitoba	124,189	127,687	2.8
Saskatchewan	26,418	33,165	25.5
Alberta	603,291	726,191	20.4
British Columbia	429,467	433,210	0.9
Yukon	11,355	17,787	56.6
Northwest Territories	52,840	55,388	4.8
Nunavut	22,846	26,153	14.5
Total domestic	3,204,618	3,481,598	8.6
International	89,095	82,846	-7.0
Total	3,293,713	3,564,444	8.2

Note(s): Total wages and salaries in this table do not equal total salaries and wages from the previous table due to the fact that this table is based on calendar quarters, and the previous table can be based on carrier's fiscal year end.

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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
*	significantly different from reference category ($p < 0.05$)

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