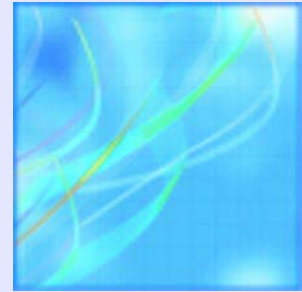


## Aviation

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



First Quarter 2011 to Fourth Quarter 2011

### Highlights

- In 2011, Canadian Level I and II air carriers reported 61.3 million enplaned passengers in their scheduled and charter operations, up 6.5% from 2010. The scheduled passenger counts totalled 56.8 million and the charter passenger counts, 4.5 million. The scheduled passenger counts reached 15.7 million in the third quarter of 2011, the highest number ever recorded for a quarter, surpassing the 14.6 million reported in the same quarter of 2010. In terms of passenger-kilometres flown, these carriers recorded 146.1 billion passenger-kilometres in their scheduled and charter operations in 2011, up 8.0% from the previous year.
- In 2011, 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 2010. The passenger load factor improved from 81.3% in 2010 to 81.5% in 2011, as the demand, as measured by passenger-kilometres, advanced at a slightly faster pace (+8.5%) than the supply (capacity), as measured by available seat-kilometres (+8.3%). The passenger load factor on scheduled flights reached an all-time high (85.2%) in the third quarter of 2011—largely due to a stronger increase in demand than in capacity; in the same quarter in 2010, it had reached 84.2%. The capacity increased in the four quarters of 2011, continuing the upward trend that began 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 2011, the total operating revenues generated by the Canadian Level I and II air carriers amounted to \$17.9 billion, up 9.3% (or +\$1.5 billion) from 2010. The growth in operating revenues (passenger revenues accounted for 89.7% of total operating revenues in 2011) can be mainly tied to a yield (passenger revenues per passenger-kilometre) increase of 1.7% driven by the continuous recovery in the Canadian economy and in the airline industry, increased air fares and fuel surcharges. The total operating expenses amounted to \$17.3 billion in 2011, up 11.3% (or +\$1.8 billion) from the previous year. This rise was led by airline capacity growth, higher fuel prices, and increased wages and salaries paid. Partly offsetting these increases was the impact of a stronger Canadian dollar on foreign currency denominated expenses. These carriers reported an operating income of \$578.9 million in 2011.
- Canadian Level I and II air carriers reported a net income of \$63.0 million in 2011, a decline of 85.8% from the \$442.7 million profit recorded in 2010. The non-operating expenses of \$123.4 million in the second quarter of 2011, and of \$386.8 million in the third quarter of 2011, largely accounted for this decline.
- Between the first quarter of 2011 and the fourth quarter of 2011, 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 0.92 in the third quarter and 1.00 in the first and fourth quarters. Overall, this means that the Canadian Level I and II air carriers made 8.0 cents of profit for every dollar spent in the third quarter of 2011 and nil profit in the first and fourth quarters. An operating ratio greater than one would indicate that these carriers experienced an operating loss.

- Between the first quarter of 2011 and the fourth quarter of 2011, 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 first quarter (1.0%). This shows that every dollar of service sold earned 1.0 cent of profit for the Canadian Level I and II air carriers. The negative result for the fourth quarter (-1.1%) 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 2011, the operating revenue per employee varied from \$88,205 in the fourth quarter to \$102,647 in the third quarter. This employee productivity measure showed quarterly year-over-year increases from 2010 to 2011, the gains ranging from 4.0% in the fourth quarter to 9.7% 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 2011 bettered the previous year level in each quarter, the increases ranging from 3.8% in the fourth quarter to 5.1% in the first quarter. As for the previous year, the tonne-kilometres flown per employee were higher in the third quarter, at 96,855.
- Total employment reported by Canadian Level I and II air carriers rose in each quarter of 2011 compared to the previous year, the gains ranging from 1.2% in the fourth quarter to 3.2% in the second 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 2011.

**Table 1**  
**Financial performance indicators, Canadian air carriers, Levels I and II – First quarter 2010 to fourth quarter 2011**

	Operating ratio	Profit margin
	ratio	percent
<b>2010</b>		
First quarter	1.02	-0.9
Second quarter	0.96	-3.9
Third quarter	0.89	9.2
Fourth quarter	0.94	5.4
<b>2011</b>		
First quarter	1.00	1.0
Second quarter	0.96	0.8
Third quarter	0.92	0.6
Fourth quarter	1.00	-1.1

**Table 2**  
**Productivity measures, Canadian air carriers, Levels I and II – First quarter 2010 to fourth quarter 2011**

	Operating revenue per employee	Tonne-kilometres flown per employee
	dollars	tonne-kilometres
<b>2010</b>		
First quarter	84,458	82,196
Second quarter	84,927	82,281
Third quarter	95,720	93,116
Fourth quarter	84,779	75,721
<b>2011</b>		
First quarter	89,940	86,412
Second quarter	93,175	86,038
Third quarter	102,647	96,855
Fourth quarter	88,205	78,616
	% change from 2010 to 2011	
First quarter	6.5	5.1
Second quarter	9.7	4.6
Third quarter	7.2	4.0
Fourth quarter	4.0	3.8

## Statistical Tables

**Table 3**  
**Operating statistics – First quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands		percent
<b>All services</b>			
Number of carriers included <sup>1</sup>	28	24	-14.3
Passengers	14,560	15,259	4.8
Goods carried (kilograms)	161,613	165,238	2.2
Passenger-kilometres	33,686,416	36,189,573	7.4
Passenger tonne-kilometres	3,368,642	3,618,957	7.4
Goods tonne-kilometres	483,085	505,078	4.6
Total tonne-kilometres	3,851,727	4,124,035	7.1
Hours flown	540	564	4.5
<b>Scheduled services</b>			
Passengers	12,548	13,434	7.1
Goods carried (kilograms)	88,663	91,559	3.3
Passenger-kilometres	27,707,605	30,662,807	10.7
Available seat-kilometres	34,697,148	38,570,317	11.2
Passenger load factor (percent)	79.9	79.5	...
Passenger tonne-kilometres	2,770,760	3,066,281	10.7
Goods tonne-kilometres	390,762	411,438	5.3
Total tonne-kilometres	3,161,522	3,477,719	10.0
Available tonne-kilometres	4,737,305	5,266,908	11.2
Weight load factor (percent)	66.7	66.0	...
Hours flown	457	496	8.5
<b>Charter services</b>			
Passengers	2,011	1,825	-9.3
Goods carried (kilograms)	72,949	73,679	1.0
Passenger-kilometres	5,978,811	5,526,765	-7.6
Passenger tonne-kilometres	597,881	552,677	-7.6
Goods tonne-kilometres	92,323	93,640	1.4
Total tonne-kilometres	690,204	646,316	-6.4
Hours flown	84	69	-17.7

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.

**Table 4**  
**Income statement – First quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands of dollars		percent
<b>Operating revenues</b>			
Scheduled services	3,205,101	3,602,306	12.4
Passengers	3,042,381	3,418,679	12.4
Goods	162,720	183,627	12.8
Charter services	600,308	524,819	-12.6
Passengers	522,104	447,088	-14.4
Goods	78,205	77,731	-0.6
Other revenues (including subsidies)	152,296	165,267	8.5
Total operating revenues	3,957,704	4,292,392	8.5
<b>Operating expenses</b>			
Total operating expenses	4,027,424	4,287,844	6.5
<b>Non-operating income (expenses)</b>			
Total non-operating income (expenses), net (including provision for income taxes)	32,366	37,042	14.4
<b>Net income (loss)</b>	<b>-37,354</b>	<b>41,590</b>	...
<b>Employment expenses</b>			
Average number of employees <sup>1</sup>	46,860	47,725	1.8
Total wages and salaries paid	723,714	724,091	0.1

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.

**Table 5**  
**Operating statistics – Second quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands		percent
<b>All services</b>			
Number of carriers included <sup>1</sup>	26	25	-3.8
Passengers	14,106	15,073	6.9
Goods carried (kilograms)	181,262	167,708	-7.5
Passenger-kilometres	32,722,325	35,764,041	9.3
Passenger tonne-kilometres	3,272,232	3,576,404	9.3
Goods tonne-kilometres	502,966	498,599	-0.9
Total tonne-kilometres	3,775,199	4,075,003	7.9
Hours flown	533	559	4.8
<b>Scheduled services</b>			
Passengers	13,277	14,161	6.7
Goods carried (kilograms)	96,332	93,776	-2.7
Passenger-kilometres	30,465,007	33,391,093	9.6
Available seat-kilometres	37,139,571	40,890,886	10.1
Passenger load factor (percent)	82.0	81.7	...
Passenger tonne-kilometres	3,046,501	3,339,109	9.6
Goods tonne-kilometres	406,119	398,047	-2.0
Total tonne-kilometres	3,452,620	3,737,156	8.2
Available tonne-kilometres	5,067,621	5,593,930	10.4
Weight load factor (percent)	68.1	66.8	...
Hours flown	479	511	6.7
<b>Charter services</b>			
Passengers	829	912	10.1
Goods carried (kilograms)	84,929	73,932	-12.9
Passenger-kilometres	2,257,318	2,372,947	5.1
Passenger tonne-kilometres	225,732	237,295	5.1
Goods tonne-kilometres	96,847	100,552	3.8
Total tonne-kilometres	322,579	337,847	4.7
Hours flown	54	48	-11.6

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.

**Table 6**  
**Income statement – Second quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands of dollars		percent
<b>Operating revenues</b>			
Scheduled services	3,436,184	3,910,182	13.8
Passengers	3,254,558	3,716,567	14.2
Goods	181,626	193,615	6.6
Charter services	286,024	324,475	13.4
Passengers	195,822	237,274	21.2
Goods	90,202	87,201	-3.3
Other revenues (including subsidies)	174,392	178,388	2.3
Total operating revenues	3,896,599	4,413,045	13.3
<b>Operating expenses</b>			
Total operating expenses	3,747,618	4,254,521	13.5
<b>Non-operating income (expenses)</b>			
Total non-operating income (expenses), net (including provision for income taxes)	-300,260	-123,429	-58.9
<b>Net income (loss)</b>	<b>-151,279</b>	<b>35,095</b>	...
<b>Employment expenses</b>			
Average number of employees <sup>1</sup>	45,882	47,363	3.2
Total wages and salaries paid	699,817	769,882	10.0

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.

**Table 7**  
**Operating statistics – Third quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands		percent
<b>All services</b>			
Number of carriers included <sup>1</sup>	26	25	-3.8
Passengers	15,287	16,469	7.7
Goods carried (kilograms)	185,906	166,598	-10.4
Passenger-kilometres	38,187,080	41,550,108	8.8
Passenger tonne-kilometres	3,818,708	4,155,011	8.8
Goods tonne-kilometres	535,199	506,333	-5.4
Total tonne-kilometres	4,353,907	4,661,344	7.1
Hours flown	576	600	4.1
<b>Scheduled services</b>			
Passengers	14,636	15,740	7.5
Goods carried (kilograms)	101,813	96,629	-5.1
Passenger-kilometres	36,783,019	39,697,270	7.9
Available seat-kilometres	43,666,607	46,574,471	6.7
Passenger load factor (percent)	84.2	85.2	...
Passenger tonne-kilometres	3,678,302	3,969,727	7.9
Goods tonne-kilometres	446,641	417,772	-6.5
Total tonne-kilometres	4,124,943	4,387,499	6.4
Available tonne-kilometres	6,020,388	6,383,806	6.0
Weight load factor (percent)	68.5	68.7	...
Hours flown	526	555	5.7
<b>Charter services</b>			
Passengers	652	729	11.9
Goods carried (kilograms)	84,093	69,970	-16.8
Passenger-kilometres	1,404,061	1,852,837	32.0
Passenger tonne-kilometres	140,406	185,284	32.0
Goods tonne-kilometres	88,558	88,561	0.0
Total tonne-kilometres	228,964	273,845	19.6
Hours flown	51	45	-12.3

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.



**Table 8**  
**Income statement – Third quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands of dollars		percent
<b>Operating revenues</b>			
Scheduled services	4,086,556	4,494,183	10.0
Passengers	3,895,241	4,293,167	10.2
Goods	191,315	201,016	5.1
Charter services	245,309	280,423	14.3
Passengers	166,928	203,209	21.7
Goods	78,381	77,215	-1.5
Other revenues (including subsidies)	143,792	165,484	15.1
Total operating revenues	4,475,657	4,940,090	10.4
<b>Operating expenses</b>			
Total operating expenses	3,979,471	4,522,435	13.6
<b>Non-operating income (expenses)</b>			
Total non-operating income (expenses), net (including provision for income taxes)	-82,484	-386,817	369.0
<b>Net income (loss)</b>	<b>413,702</b>	<b>30,838</b>	<b>-92.5</b>
<b>Employment expenses</b>			
Average number of employees <sup>1</sup>	46,758	48,127	2.9
Total wages and salaries paid	711,078	753,440	6.0

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.

**Table 9**  
**Operating statistics – Fourth quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands		percent
<b>All services</b>			
Number of carriers included <sup>1</sup>	26	25	-3.8
Passengers	13,621	14,506	6.5
Goods carried (kilograms)	183,187	168,215	-8.2
Passenger-kilometres	30,648,728	32,552,945	6.2
Passenger tonne-kilometres	3,064,873	3,255,294	6.2
Goods tonne-kilometres	529,244	520,410	-1.7
Total tonne-kilometres	3,594,117	3,775,704	5.1
Hours flown	527	552	4.9
<b>Scheduled services</b>			
Passengers	12,686	13,482	6.3
Goods carried (kilograms)	97,294	94,633	-2.7
Passenger-kilometres	27,955,905	29,605,417	5.9
Available seat-kilometres	35,617,384	37,590,664	5.5
Passenger load factor (percent)	78.5	78.8	...
Passenger tonne-kilometres	2,795,591	2,960,542	5.9
Goods tonne-kilometres	423,178	421,643	-0.4
Total tonne-kilometres	3,218,769	3,382,185	5.1
Available tonne-kilometres	4,876,754	5,312,130	8.9
Weight load factor (percent)	66.0	63.7	...
Hours flown	474	499	5.3
<b>Charter services</b>			
Passengers	935	1,024	9.5
Goods carried (kilograms)	85,893	73,582	-14.3
Passenger-kilometres	2,692,823	2,947,528	9.5
Passenger tonne-kilometres	269,282	294,753	9.5
Goods tonne-kilometres	106,066	98,767	-6.9
Total tonne-kilometres	375,348	393,520	4.8
Hours flown	53	54	0.9

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.

**Table 10**  
**Income statement – Fourth quarter of 2010 and 2011**

	2010	2011	Change from 2010 to 2011
	thousands of dollars		percent
<b>Operating revenues</b>			
Scheduled services	3,509,995	3,642,284	3.8
Passengers	3,320,202	3,450,261	3.9
Goods	189,793	192,024	1.2
Charter services	300,458	356,766	18.7
Passengers	219,499	279,697	27.4
Goods	80,959	77,069	-4.8
Other revenues (including subsidies)	213,601	237,148	11.0
Total operating revenues	4,024,053	4,236,198	5.3
<b>Operating expenses</b>			
Total operating expenses	3,790,657	4,238,023	11.8
<b>Non-operating income (expenses)</b>			
Total non-operating income (expenses), net (including provision for income taxes)	-15,812	-42,678	169.9
<b>Net income (loss)</b>	<b>217,584</b>	<b>-44,503</b>	...
<b>Employment expenses</b>			
Average number of employees <sup>1</sup>	47,465	48,027	1.2
Total wages and salaries paid	734,404	790,668	7.7

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.

Release date: February 2013

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..	not available for a specific reference period
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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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