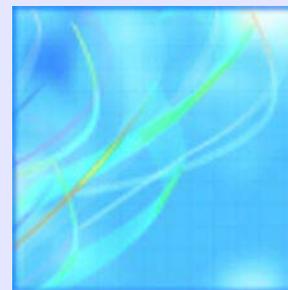


Aviation

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



First Quarter 2013 to Fourth Quarter 2013

Highlights

- In 2013, Canadian Level I and II air carriers reported 65.5 million enplaned passengers in their scheduled and charter operations, up 0.5% from 2012. The scheduled passenger counts totalled 60.3 million and the charter passenger counts, 5.3 million. The scheduled passenger counts were up 0.8% over 2012, reflecting growth in each of the four quarters. Charter services saw a decline in passengers carried for the first three quarters, before experiencing a rebound in the fourth quarter, with the annual total down by 3.0% over 2012. In 2013, these carriers recorded 154.4 billion passenger-kilometres flown in their scheduled and charter operations, down slightly from 155.0 billion in 2012.
- These same carriers reported a slight decline in their scheduled passenger load factor (a measure of the fullness of their aircraft) compared to the previous year. The load factor decreased from 82.9% in 2012 to 82.5% in 2013, as the demand for travel, as measured by passenger-kilometres, grew at a slightly slower rate (+0.2%) than the supply (capacity), as measured by available seat-kilometres (+0.7%). After decreasing in the first two quarters of 2013, breaking the upward trend that began in the fourth quarter of 2009, capacity increased again in the final two quarters of 2013.
- The total operating revenues generated by Level I and II carriers in 2013 reached \$19.4 billion, up 1.5% (+\$0.3 billion) from 2012. Passenger revenues accounted for 89.7% of total operating revenues in 2013, up from 89.5% the year before. The growth in operating revenues can be tied mainly to a yield (passenger revenues per passenger-kilometre) increase of 2.2%, aided by growth in the Canadian economy and in the airline industry. Another factor in the yield improvement was the favourable impact of a weaker Canadian dollar on foreign currency denominated passenger revenues. Conversely, the unfavourable impact of a weaker Canadian dollar on foreign currency denominated operating expenses (mainly U.S. dollars), when compared to 2012, pushed up the total operating expenses by 0.6% (+\$0.1 billion) to \$18.2 billion in 2013. This rise was also led by airline capacity growth and increased wages and salaries paid, but was offset somewhat by a decline in fuel prices. These carriers reported an operating income of \$1.2 billion in 2013, up from \$1.1 billion the prior year.
- Reported net income declined to \$494.6 million in 2013 from \$738.7 million in 2012. This decrease, which was driven by higher non-operating expenses in each quarter of 2013, occurred despite the fact that operating revenues increased at a faster pace than did operating expenses for 2013 as a whole.
- From the first quarter of 2013 to the fourth quarter of 2013, the operating ratio (which reflects a carrier's ability to meet its short-term obligations and represents the proportion of operating revenue absorbed by operating expenses) ranged between 0.88 in the third quarter and 1.00 in the first quarter. Overall, this means that the carriers earned 12.0 cents of profit for every dollar spent in the third quarter of 2013 and no profit in the first quarter. An operating ratio greater than 1.00 would indicate that these carriers experienced an operating loss.

- For the four quarters of 2013, the highest profit margin (10.1%) was recorded in the third quarter. The profit margin represents the profit earned per revenue dollar and is obtained by dividing net income by operating revenue, with this ratio being expressed as a percentage. The negative profit margin for the first quarter (-3.9%) reflected increases in both operating expenses (primarily salaries and wages, which grew by 5.4% over the same quarter a year ago) and non-operating expenses. This quarter was also the only one in 2013 where carriers reported a decline in total operating revenues compared to the previous year. While the third quarter produced the highest profit margin in 2013, the level dropped from 13.4% in 2012, owing to increases in both operating and non-operating expenses, which outpaced the growth in operating revenues.
- In 2013, operating revenue per employee varied from \$92,209 in the fourth quarter to \$108,606 in the third quarter. This employee productivity measure showed declines of 2.2% and 2.4% respectively, in the first two quarters, followed by increases of 1.9% in the third quarter and 3.6% in the final quarter. Another method of assessing productivity in the aviation industry is to calculate tonne-kilometres flown per employee. According to this measure, labour productivity in 2013 was lower than that of 2012 in all quarters except for the fourth. The changes ranged from a decline of 4.6% in the second quarter to an increase of 2.7% in the fourth quarter. As in the previous year, the tonne-kilometres flown per employee were highest in the third quarter, at 99,132.
- Total employment reported by Canadian Level I and II air carriers rose in each of the first three quarters of 2013 compared to the previous year, with the gains ranging from 1.1% in the third quarter to 3.0% in the second quarter, before declining by 0.7% in the fourth quarter. The string of quarterly year-over-year increases in total wages and salaries paid that began in the fourth quarter of 2005 continued in each quarter of 2013 until it ended with a decline in the fourth quarter. Overall, the total amount paid in wages and salaries in 2013 rose 3.2% to \$3.4 billion.

Statistical Tables

Table 1

Financial performance indicators, Canadian air carriers, Levels I and II – First quarter 2012 to fourth quarter 2013

	Operating ratio	Profit margin
	ratio	percent
2012		
First quarter	0.99	-1.6
Second quarter	0.96	0.3
Third quarter	0.87	13.4
Fourth quarter	0.96	2.3
2013		
First quarter	1.00	-3.9
Second quarter	0.94	1.4
Third quarter	0.88	10.1
Fourth quarter	0.94	1.4

Table 2

Productivity measures, Canadian air carriers, Levels I and II – First quarter 2012 to fourth quarter 2013

	Operating revenue per employee	Tonne-kilometres flown per employee
	dollars	tonne-kilometres
2012		
First quarter	98,187	93,446
Second quarter	96,399	89,657
Third quarter	106,545	100,154
Fourth quarter	88,982	79,253
2013		
First quarter	96,064	90,299
Second quarter	94,114	85,525
Third quarter	108,606	99,132
Fourth quarter	92,209	81,391
	% change from 2012 to 2013	
First quarter	-2.2	-3.4
Second quarter	-2.4	-4.6
Third quarter	1.9	-1.0
Fourth quarter	3.6	2.7

Table 3
Operating statistics – First quarter of 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands		percent
All services			
Number of carriers included ¹	25	25	0.0
Passengers	16,743	16,672	-0.4
Goods carried (kilograms)	168,013	155,374	-7.5
Passenger-kilometres	39,790,288	39,280,969	-1.3
Passenger tonne-kilometres	3,979,029	3,928,097	-1.3
Goods tonne-kilometres	564,246	532,934	-5.5
Total tonne-kilometres	4,543,275	4,461,031	-1.8
Hours flown	601	590	-1.9
Scheduled services			
Passengers	14,485	14,599	0.8
Goods carried (kilograms)	105,729	102,444	-3.1
Passenger-kilometres	32,998,416	33,016,960	0.1
Available seat-kilometres	40,974,927	40,314,374	-1.6
Passenger load factor (percent)	80.5	81.9	...
Passenger tonne-kilometres	3,299,842	3,301,696	0.1
Goods tonne-kilometres	485,512	462,787	-4.7
Total tonne-kilometres	3,785,353	3,764,483	-0.6
Available tonne-kilometres	5,941,210	5,826,322	-1.9
Weight load factor (percent)	63.7	64.6	...
Hours flown	521	514	-1.3
Charter services			
Passengers	2,258	2,073	-8.2
Goods carried (kilograms)	62,284	52,930	-15.0
Passenger-kilometres	6,791,873	6,264,008	-7.8
Passenger tonne-kilometres	679,187	626,401	-7.8
Goods tonne-kilometres	78,734	70,147	-10.9
Total tonne-kilometres	757,922	696,548	-8.1
Hours flown	80	76	-5.8

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 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands of dollars		percent
Operating revenues			
Scheduled services	4,016,787	4,027,928	0.3
Passengers	3,806,536	3,825,251	0.5
Goods	210,250	202,676	-3.6
Charter services	551,362	545,261	-1.1
Passengers	493,954	493,439	-0.1
Goods	57,409	51,822	-9.7
Other revenues (including subsidies)	205,618	172,664	-16.0
Total operating revenues	4,773,767	4,745,853	-0.6
Operating expenses			
Total operating expenses	4,724,852	4,735,135	0.2
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-125,024	-194,628	55.7
Net income (loss)	-76,109	-183,910	141.6
Employment expenses			
Average number of employees ¹	48,619	49,403	1.6
Total wages and salaries paid	789,826	832,512	5.4

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.

Table 5
Operating statistics – Second quarter of 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands		percent
All services			
Number of carriers included ¹	25	25	0.0
Passengers	15,927	16,069	0.9
Goods carried (kilograms)	169,778	162,241	-4.4
Passenger-kilometres	38,132,890	37,389,515	-1.9
Passenger tonne-kilometres	3,813,289	3,738,952	-1.9
Goods tonne-kilometres	545,558	545,573	0.0
Total tonne-kilometres	4,358,847	4,284,524	-1.7
Hours flown	579	571	-1.5
Scheduled services			
Passengers	14,769	14,928	1.1
Goods carried (kilograms)	107,573	105,554	-1.9
Passenger-kilometres	34,838,503	34,233,607	-1.7
Available seat-kilometres	41,902,635	41,793,902	-0.3
Passenger load factor (percent)	83.1	81.9	...
Passenger tonne-kilometres	3,483,850	3,423,361	-1.7
Goods tonne-kilometres	471,830	471,795	0.0
Total tonne-kilometres	3,955,680	3,895,156	-1.5
Available tonne-kilometres	6,110,951	6,131,422	0.3
Weight load factor (percent)	64.7	63.5	...
Hours flown	527	516	-2.0
Charter services			
Passengers	1,158	1,141	-1.4
Goods carried (kilograms)	62,205	56,686	-8.9
Passenger-kilometres	3,294,387	3,155,908	-4.2
Passenger tonne-kilometres	329,439	315,591	-4.2
Goods tonne-kilometres	73,728	73,777	0.1
Total tonne-kilometres	403,167	389,368	-3.4
Hours flown	53	54	2.8

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 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands of dollars		percent
Operating revenues			
Scheduled services	4,108,945	4,157,913	1.2
Passengers	3,888,369	3,944,163	1.4
Goods	220,576	213,750	-3.1
Charter services	347,603	325,485	-6.4
Passengers	286,096	271,715	-5.0
Goods	61,507	53,770	-12.6
Other revenues (including subsidies)	230,089	231,451	0.6
Total operating revenues	4,686,638	4,714,850	0.6
Operating expenses			
Total operating expenses	4,492,299	4,427,582	-1.4
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-182,096	-219,629	20.6
Net income (loss)	12,243	67,639	452.5
Employment expenses			
Average number of employees ¹	48,617	50,097	3.0
Total wages and salaries paid	818,503	874,274	6.8

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 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands		percent
All services			
Number of carriers included ¹	25	25	0.0
Passengers	17,471	17,469	0.0
Goods carried (kilograms)	171,538	168,261	-1.9
Passenger-kilometres	43,421,852	43,421,855	0.0
Passenger tonne-kilometres	4,342,185	4,342,185	0.0
Goods tonne-kilometres	570,489	574,146	0.6
Total tonne-kilometres	4,912,675	4,916,331	0.1
Hours flown	615	606	-1.5
Scheduled services			
Passengers	16,553	16,587	0.2
Goods carried (kilograms)	110,712	111,887	1.1
Passenger-kilometres	41,030,861	41,487,551	1.1
Available seat-kilometres	47,515,933	48,423,812	1.9
Passenger load factor (percent)	86.4	85.7	...
Passenger tonne-kilometres	4,103,086	4,148,755	1.1
Goods tonne-kilometres	497,878	505,424	1.5
Total tonne-kilometres	4,600,964	4,654,179	1.2
Available tonne-kilometres	6,897,562	7,171,942	4.0
Weight load factor (percent)	66.7	64.9	...
Hours flown	568	560	-1.4
Charter services			
Passengers	917	882	-3.9
Goods carried (kilograms)	60,826	56,374	-7.3
Passenger-kilometres	2,390,990	1,934,304	-19.1
Passenger tonne-kilometres	239,099	193,430	-19.1
Goods tonne-kilometres	72,612	68,722	-5.4
Total tonne-kilometres	311,711	262,153	-15.9
Hours flown	47	46	-2.0

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 8
Income statement – Third quarter of 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands of dollars		percent
Operating revenues			
Scheduled services	4,721,405	4,851,822	2.8
Passengers	4,504,376	4,630,647	2.8
Goods	217,029	221,175	1.9
Charter services	314,829	297,679	-5.4
Passengers	259,322	244,897	-5.6
Goods	55,507	52,782	-4.9
Other revenues (including subsidies)	189,885	236,706	24.7
Total operating revenues	5,226,119	5,386,207	3.1
Operating expenses			
Total operating expenses	4,565,298	4,733,541	3.7
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	41,937	-107,601	...
Net income (loss)	702,759	545,065	-22.4
Employment expenses			
Average number of employees ¹	49,051	49,594	1.1
Total wages and salaries paid	804,409	822,645	2.3

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 9
Operating statistics – Fourth quarter of 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands		percent
All services			
Number of carriers included ¹	25	25	0.0
Passengers	15,081	15,331	1.7
Goods carried (kilograms)	173,596	176,351	1.6
Passenger-kilometres	33,697,081	34,299,176	1.8
Passenger tonne-kilometres	3,369,708	3,429,918	1.8
Goods tonne-kilometres	574,181	591,516	3.0
Total tonne-kilometres	3,943,889	4,021,433	2.0
Hours flown	556	549	-1.2
Scheduled services			
Passengers	13,966	14,145	1.3
Goods carried (kilograms)	111,701	114,699	2.7
Passenger-kilometres	30,590,265	31,036,679	1.5
Available seat-kilometres	37,745,060	38,835,194	2.9
Passenger load factor (percent)	81.0	79.9	...
Passenger tonne-kilometres	3,059,027	3,103,668	1.5
Goods tonne-kilometres	495,081	512,513	3.5
Total tonne-kilometres	3,554,108	3,616,181	1.7
Available tonne-kilometres	5,614,007	5,738,988	2.2
Weight load factor (percent)	63.3	63.0	...
Hours flown	504	497	-1.5
Charter services			
Passengers	1,115	1,186	6.4
Goods carried (kilograms)	61,895	61,652	-0.4
Passenger-kilometres	3,106,815	3,262,497	5.0
Passenger tonne-kilometres	310,682	326,250	5.0
Goods tonne-kilometres	79,100	79,002	-0.1
Total tonne-kilometres	389,782	405,252	4.0
Hours flown	51	52	1.8

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 2012 and 2013

	2012	2013	Change from 2012 to 2013
	thousands of dollars		percent
Operating revenues			
Scheduled services	3,814,853	3,925,325	2.9
Passengers	3,592,529	3,695,576	2.9
Goods	222,324	229,749	3.3
Charter services	340,822	361,394	6.0
Passengers	284,813	307,759	8.1
Goods	56,008	53,635	-4.2
Other revenues (including subsidies)	272,317	269,242	-1.1
Total operating revenues	4,427,992	4,555,961	2.9
Operating expenses			
Total operating expenses	4,270,966	4,265,450	-0.1
Non-operating income (expenses)			
Total non-operating income (expenses), net (including provision for income taxes)	-57,214	-224,696	292.7
Net income (loss)	99,812	65,816	-34.1
Employment expenses			
Average number of employees ¹	49,763	49,409	-0.7
Total wages and salaries paid	848,302	836,202	-1.4

1. Figures expressed in full, not in thousands.

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.	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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