PROFIT UP AT ETIHAD INDIAN PARTNER JET

News / Airlines, Finance



India airline Jet Airways, a member of the Etihad Airways partnership, reported a surge in operating profit in the first quarter of the 2016-17 financial year, but warned intense competition in the air travel market would continue into the second half.

The operating profit leapt by 124 per cent to US$33 million in the three months to June end for India's second-largest carrier, boosted by a jump in the number of passengers and revenue delivered by its Etihad connection.

Naresh Goyal, the chairman, said: "Jet Airways has strengthened its core operations and achieved better capacity utilisation and greater efficiency. We have been able to report lower non-fuel costs in spite of inflationary increases and the almost 6 per cent weakening of the Indian rupee against the US dollar."

The strategic partnership with Etihad continues to be strong, he said. Code-share traffic delivered by Etihad and its other partner airlines to Jet grew by 41 per cent, while revenue from the Etihad alliance was up by 38 per cent.

Mr Goyal, however, pointed to a tightening of aviation market conditions, which has put profits

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.

under pressure for American and European airlines. "Because of the intense competitive environment, industry yields were under pressure in the first quarter and the trend is expected to continue in the second."

At the net level, profit fell to $19m compared with $33m last year, when there was an exceptional item on account of a contribution from aircraft lessors, the results stated. James Hogan, the vice chairman of Jet Airways and chief executive of Etihad Aviation Group, said: "Jet Airways is a key player in the Indian aviation market offering a full service product and a robust network.

"We will continue to strengthen the partnership between Jet and Etihad by driving further synergies, along with other partner airlines. In a competitive market, we have together created a winning combination of a wider combined network and exceptional guest experience for travellers to and from India.

"Jet continues to grow its traffic over the Abu Dhabi gateway, complementing the Etihad Airways network.

"Together, we are the largest combined scheduled operator of flights to and from India with a 20 per cent market share. Our robust partnership continues to go from strength to strength," he said.

Jet’s focus is on operational efficiency, reducing costs per available seat kilometre by 7 per cent and increasing aircraft use across its fleet of Boeing 737s to among the highest levels in the industry. Its passenger numbers increased by 4.4 per cent to 6.6 million.

The UK’s Brexit vote, economic worries, fears of terrorist attacks and over-capacity on some transatlantic routes have all led to an increasingly negative view among investors on the big global airlines.

Airberlin, another Etihad partner, last week announced widening losses and ongoing restructuring as terrorist attacks in Europe discouraged air travel in "challenging and volatile" conditions. Its second-quarter loss totalled €62.7m (Dh257m) before interest and tax, up from €15.9m in the comparable period last year.

13 AUGUST 2016

SOURCE: THE NATIONAL
ARTICLE LINK:
https://ut.50skyshades.com/news/finance/profit-up-at-etihad-indian-partner-jet

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.