

EMIRATES AIRLINE REPORTED SUCCESSFUL YEAR



Emirates airline has published their report showing high growth rates in virtually every position. Sales were up 15.7 percent, operating profit was up 56.7 percent, and also net profit increased by 48.6 percent. Passenger numbers rose by one-sixth (15.9 percent) to 39.39 million.

This growth rate is expected to continue. Overall, the airline based in Dubai holds 7th place among the largest airlines in the world. Measured in ASK (available seat kilometres) it is already number 4, meaning that in four years, it might reach the first place.

Sixth Place in Turnover

Being ranked seventh on turnover on the other hand though should not change anything soon: the distance to number six is too large. The IAG (International Airlines Group) currently worth approximately 18.1 billion euros has a turnover (not least caused by the acquisition of BMI) growing by 12.5 percent. Starting next year the IAG will have Spain's Vueling included in the results. Vueling had a 1.1 billion euros in turnover and a growth rate of 28.9 percent in 2012. Thus, the IAG should, for the first time reach the mark for 20 billion euros in turnover.

Despite the on-going dynamics, Emirates is still far away. Its main challenges are, according to Sheikh Al Maktoum, the Chairman and CEO of Emirates, to continue, despite the "volatile exchange rates and persistently high fuel costs, which account for 40 percent of the total expenditure."

Second Place in Operating Profits

It is no wonder that Emirates had 594 million euros operating profit, the second-highest among the top 7 airlines in the world. Delta Airlines made the lonely peak of 1.645 billion euros (the share of their personnel cost at Delta last year reached 21.06 percent). Lufthansa reported as having made 524 million euros (passenger and cargo - 362 million euros) in 2012 and they were the third most successful airline in the top 7.

Number One in Cash

The fact that Sheikh Al Maktoum is going into the new financial year "with confidence", is not only to do with the low labour costs, but also due to the fact that the pockets of Emirates are bulging, as are those of the other competitors at the top of the world, with around 5.14 billion euros in liquid funds and short-term investments on the balance sheet. United Continental has 4.998 billion euros Lufthansa has 4.966 billion euros, Delta only has 2.836, as is therefore in this respect, the weakest of the top group.

Emirates were able to increase their cash balances so strongly, with an increase of 57.7 percent over the previous year, more than any in the top 7 (the badly battered Air France-KLM Group achieved the second highest increase of 42.4 percent, but "only" 3.4 billion euros in cash reserves). Lufthansa also improved their cash balances (adding 24.2 percent), with all others in the top 7 airlines, however, suffering from shrinking balance sheet totals.

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