



US, ASIA-PACIFIC LEAD AIRLINES' PROFIT SURGE

News / Finance



The financial results posted by additional airlines further underscore a significant improvement in second-quarter profitability.

A sample of 58 airlines around the world by the International Air Transport Association (IATA) showed a 95.6% jump in net profit and a 41.7% rise in operating profit.

Those airlines made US\$8.78 billion in aggregate post-tax profit in the April-June period, up from \$4.49 billion in the same period the year before.

In terms of operating profit, they recorded \$12.3 billion, up from \$8.66 billion.

The results seen in IATA's latest financial monitoring of airlines reflects a similar pattern in the organisation's August report, which featured a sample of 25 major international carriers.

That report showed operating and after-tax profits rising by 28.8% and 70.8% to \$9.12 billion and \$6.91 billion, respectively.

IATA said in the latest report that airline financial performance improved strongly up to midyear.

The second-quarter surge in airlines' profitability was spurred by North American carriers, whose consolidation and lower fuel costs resulted in a significant boost to profitability.

Those 13 carriers contributed 64% of the aggregate net profit recorded in the second quarter or \$5.64 billion.

Asia-Pacific airlines were also up on year-earlier levels, supported by cost-cutting measures and easing pressure from fuel costs.

The 23 carriers in the region made \$1.84 billion in net profit.

South American airlines, by contrast, struggled with falling yields and a recession in major economy Brazil.

The seven airlines surveyed on that continent suffered a net loss of \$105 million compared with \$57 million in the black a year ago.

A grouping of 13 European airlines saw combined net profit rise to \$1.39 billion from \$1.02 billion in the year-earlier period.

The global net profit forecast issued by IATA in June predicted \$29.3 billion in earnings for all of 2015, up from a previous projection of \$25 billion and the actual \$16.4 billion registered last year.

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SOURCE: AVIATIONPROS

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