

Malaysia Airlines in the red again

KUALA LUMPUR, MALAYSIA: Struggling flag carrier Malaysia Airlines said on Tuesday (20 August) it has recorded a second consecutive quarterly loss after failing to overcome drag from earlier borrowings.



The airline said it made an operating profit of 7.9m ringgit (US\$2.4m) in the second quarter ending June but still ended up with a net loss of 175.2m mainly due to unrealised foreign exchange losses.

This improved on the 348.7m ringgit loss in the same period a year ago, before the carrier moved into the black for the second half of 2012.

But in a statement the airline said it was confident it would repeat last year's pattern as traditionally the second half of the year is better than the first half.

"We are pleased that we have been able to bring in an operating profit in the second quarter of this year. Previously in 2012, we only saw profits in third and fourth quarters," said chief executive Ahmad Jauhari Yahya.

The airline added that the net loss for the first half of this year was down 12.7% to 453.8m ringgit compared with 520.1m last year.

Operating revenue for the quarter increased 12% to 3.59bn ringgit year-on-year on the back of a 29% increase in passenger traffic to 4.2m.

Last year, the carrier admitted it was in "crisis", forcing it to implement a cost-cutting campaign centred on slashing routes. This left it with a 433m ringgit net loss for last year, a marked improvement from a record 2.5bn loss in 2011.

Analysts have blamed a combination of stiff competition, poor management, change-resistant unions and government interference for the carrier's poor performance.

But Ahmad Jauhari insisted the company is on track with its business plan to turnaround the group and build sustainable profit by end of next year.

Source: AFP via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>