

# CHINESE MAJOR AIRLINES 3Q PROFITS HIT BY YUAN WEAKNESS

News / Finance



**China's four major carriers achieved an accumulated net profit of 20.97 billion yuan in the first nine months of this year, while all of them posted declines for the third-quarter profit due to exchange losses resulting from yuan depreciation.**

China Southern Airlines (CZ), the nation's largest carrier by passenger and fleet, reported a net profit of from January to September, soaring 270% compared to the year-ago period. Air China (CA) nearly doubled its net profit in the first nine months, while China Eastern Airline (MU)'s net income climbed 159% to 5.33 billion yuan, as results of robust travel demand and lower fuel prices. Hainan Airlines (HU), the fourth largest carrier in China, said its 9-month profit increased 31.89% to 2.4 billion yuan.

However, all the big three carriers experienced a profit decline in the third quarter. The Guangzhou-based airline reported that net profit fell to 1.174 billion yuan in the three months ended September 30, down 48.4% from 2.274 billion yuan in the same period a year earlier.

Air China posted a third-quarter net profit of 2.34 billion yuan, down 13% compared with 2.68 billion yuan in the same period of last year. China Eastern's 3Q net profit came in at about 1.97 billion yuan, down 6% year on year.

Hainan Airlines reported a third-quarter net profit of 887.33 million yuan, down nearly 37 percent

compared to a net income of 1.41 billion yuan in the year-ago.

Industry analysts are citing yuan depreciation as the main reason for the third-quarter profit decline, but they remain optimistic about the overall yearly outlook.

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**SOURCE: WCARN**

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