Jazeera Airways reports KD1.5m in net profit for first quarter of 2019

Operating revenue up 48.4% • Number of passengers up 31.2%

KUWAIT: Jazeera Airways yesterday announced its financial and operational results for 1Q 2019, reporting KD 1.5 million in net profit, up from a net loss of KD 321.9 thousand in 1Q 2018, and a 31.2 percent growth in number of passengers.

The company’s operating revenue increased by 48.4 percent to KD 21.3 million, while aircraft utilization increased by 16.6 percent to 13.8 hours and yield increased by 6.8 percent to KD 37.8.

1Q 2019 Financial and Operational Highlights
• Operating revenue: KD21.3 million, up 48.4 percent from 1Q 2018
• Operating profit: KD2.4 million, up from a loss in 1Q 2018
• Net profit: KD1.5 million, up from a loss in 1Q 2018
• Passengers: 529,640 up 31.2 percent from 1Q 2018
• Fleet utilization: 13.8 hours, up 16.6 percent from 1Q 2018
• Load factor: 75.6 percent

Jazeera Airways Chairman, Marwan Boodai, said: “Jazeera Airways had a positive performance in the first quarter of 2019, supported by a growing and solid network that serves an expanding customer base. We also continue to focus on our customer-centric approach as we invest in innovative services that not only add value to our customers’ experience, but also create new ancillary sources of revenue and support our strong balance sheet.”

The airline operated its third full quarter from its Jazeera Terminal (T5), which carried 529,640 passengers in 1Q 2019 and registered its first quarter of profitability. Terminal 5 has four gates, three connected to boarding bridges, a duty free, restaurants, convenience stores and the recently introduced self-check-in kiosks.

Jazeera Airways Chief Executive Officer, Rohit Ramachandran, commented on the results saying: “Our earnings are the result of a deep understanding of regional dynamics and a robust plan that enable us to satisfy the needs of our markets. We have significant expansion plans for our network in 2019 and we remain focused on implementing our cost optimization program.”

Tesco hit with big loss as car deliveries sputter

NEW YORK: Electric carmaker Tesla on Wednesday announced a heavy loss in the first quarter as car deliveries sputtered overseas and a US tax credit that made its prices more attractive was reduced.

The California-based company reported a loss of $702 million in the first three months of this year after two consecutive quarters of profit. Tesla produced about 63,000 Model 3 vehicles in the period, an increase of three percent from the same quarter a year earlier but fewer than had been anticipated.

The company attributed its disappointing financial results to Model 3 shipping delays, particularly in Europe and China.

Overall company revenue in the period rose 33 percent to $4.5 billion in a year-over-year comparison, but fell far short of Wall Street forecasts. The company’s shares that finished the formal trading day down nearly two percent to $208.66 were essentially flat in after-market trades that followed release of the earnings figures.

Tesla’s quarterly loss followed changes to pricing and reversals in the way the company sells vehicles.

Britain blocks Sainsbury’s, Asda merger

LONDON: Britain’s Competition and Markets Authority watchdog yesterday blocked the merger of supermarket giant Sainsbury’s and Walmart-owned Asda, arguing it would result in higher prices and less choice. The pair—the nation’s second and third biggest supermarket chains respectively—announced in reaction that they have scrapped their proposed deal.

“The CMA has blocked the Sainsbury’s-Asda merger after finding it would lead to increased prices in stores, online and at many petrol stations across the UK,” the regulator said in a final report.

The deal has now floundered one year after Sainsbury’s and Asda unveiled their merger plans, which sought to create a retail giant with a majority share of the UK’s supermarket market.

The watchdog added that the transaction—which was effectively a takeover bid with Sainsbury’s acquiring a majority 58 percent stake in the combined group and Walmart the rest—would result in “a substantial lessening of competition” at a national and local level.

“The Competition and Markets Authority found that UK shoppers and motorists would be worse off if Sainsbury’s and Asda-two of the country’s largest supermarkets—were to merge,” it continued. “This is due to expected price rises, reductions in the quality and range of products available, or a poorer overall shopping experience.”

The deal was announced in March 2017 with the pair saying it would create a “stronger, more competitive retailer.”

Tesco vowed to significantly reduce losses this quarter and aimed to return to profit in the following three months. The company expected to remain on course to deliver between 360,000 and 400,000 vehicles in total this year, topping 2018 numbers by at least 45 percent.

“If our Gigafactory Shanghai is able to reach volume production early in Q4 this year, we may be able to produce as many as 500,000 vehicles globally in 2019,” Musk and freshly-installed chief financial officer Zachary Kirkhorn said in a letter to investors. “This is an aggressive schedule, but it is what we are targeting.” —AFP