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Mexicana De Aviacion Losing Ground To Aeromexico

by Steven Ranieri

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On Aug. 10, David Pizzimenti, of the New York-based consulting firm Nomura, told reporters that Mexicana de Aviacion, once Mexico's leading airline, has consistently lost ground to Aeromexico over the past few years. Mexicana's market share declined from 50% to 40%. At present, Aeromexico controls 46% of the market. Mexicana is Mexico's oldest airline (est. 1921). In 1988, Aeromexico declared bankruptcy, result of a dispute originating in the privatization of state-run airlines. Aeromexico, formerly owned en toto by the federal government, has flourished under private sector management. Pizzimenti said the airline's market expansion is the result of personnel cutbacks, and overall efficiency upgrades. Mexicana employs 11,000 people, and operates 60 planes of diverse makes and models. The company is managed by the Brener family, which has a 37% stake in the airline. The government stills owns 25% of Mexicana stock. Pizzimenti pointed out that Mexicana has not made drastic cutbacks, and has spent a lot of money replacing old planes. (Sources: Notimex, 08/10/92; El Financiero, 08/11/92)

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