8-24-1994

Domestic Air Travel Increases in Mexico During First Half of 1994

LADB Staff

Follow this and additional works at: https://digitalrepository.unm.edu/sourcemex

Recommended Citation

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.
Domestic Air Travel Increases in Mexico During First Half of 1994

by LADB Staff
Category/Department: Mexico
Published: 1994-08-24

According to a report produced by the New York-based brokerage company Nomura Securities, travel by airplane in Mexico during January-June increased by 34.3% from the same period in 1993, mainly because of the increased service offered by smaller airlines, such as Transportes Aereos Ejecutivos (Taesa) and Servicios Aereos Rutas del Oriente (Saro). Based on a formula which uses the number of passengers, kilometers traveled, and revenues, Taesa and Saro together increased their service by 64.4% during the first half of the year, relative to the same period in 1993.

The report said Aeromexico increased its service by 30.2%, and Mexicana airlines by 14.3% during the same period. In particular, the Nomura report highlighted Taesa's aggressive marketing and pricing efforts, which have helped the airline gain a 32% share of total domestic traffic in January-June. In fact, according to a company report, Taesa was also one of Mexico's most profitable airlines last year, earning US$7 million. The airline flies 26 domestic routes, and it also connects five Mexican and US cities.

According to the Nomura report, Aeromexico and Mexicana have not been as profitable. For example, Aeromexico's earnings during April-June declined by US$45 million from the same quarter in 1993. Notwithstanding the reduction in income, Aeromexico listings performed well in foreign stock exchanges, gaining 10.8%. In contrast, the report said Mexicana stock in overseas exchanges declined by about 12.6%

-- End --