

**FLYING THE NEST**

Budget airline Nok Air plans to resume international expansion with the launch of services to China and Vietnam. **B6**

**AVIATION**

# Nok Air ready to fly the nest

## China, Vietnam firmly on LCC's radar

**BOONSONG KOSITCHOTETHANA**

Nok Air is set to activate its delayed international expansion this year but will remain focused on its mainstay domestic service.

On the radar screen of the SET-listed budget carrier is the launch of three routes from its Don Mueang airport base to China and one to Vietnam.

"This year we'll become more serious about expanding internationally albeit cautiously and continue our heavy presence in the domestic market," chief executive Patee Sarasin said.

He said the airline had already covered much of the domestic market, prompting it to expand its footprint in neighbouring countries to support corporate growth.

Mr Patee did not name the Chinese cities the airline intends to serve but said they would be within the four-hour flying range of its Boeing 737-800 jetliners.

But he confirmed that Ho Chi Minh City, which has been on Nok Air's drawing board for more than a year, was its most likely Vietnamese route.

Nok Air now operates only one international route, Bangkok-Yangon, which it introduced in November 2013 with a Boeing 737-800 jet.

Its now-defunct affiliated carrier Nok Mini made its first foray into Myanmar in

September 2013 by launching turboprop service between Mae Sot in Tak province and Mawlamyine, followed shortly by Mae Sot-Yangon.

Nok Mini's operations ceased only months later.

Nok Air has focused on expanding its domestic service since 2008, when it suspended its loss-making international flights to Vietnam and India.

This year Nok Air is due to take delivery of four new aeroplanes — two Boeing 737-800s and two Bombardier Q400 turboprops.

Nok Air hopes to carry 10 million passengers this year, up from 8 million last year.

The airline recently reverted to its previous percentage volume of fuel hedging, 30% of its usage, after reducing it to about 10%.

It is fairly comfortable with the current jet fuel price of about US\$63 a barrel, explaining the increased percentage of forward fuel buying.

Mr Patee believes oil prices may have bottomed out. Lower fuel prices, which have plunged by half over the past six months, should increase Nok Air's profit prospects this year.

Thailand's improved economic outlook and a rebound in international tourist arrivals should also contribute to Nok Air's financial performance.

The low-cost carrier posted a net loss of 471 million baht in last year's first nine months compared with a net profit of 920 million in the same period of 2013.

NOK shares closed yesterday on the SET at 15.20 baht, down 20 satang, in trade worth 54.9 million baht.