



Nok Air last month took delivery of its 18th jet, a Boeing 737-800 named Nok Yoknapha. Nok and rival Thai AirAsia are suffering from tumbling fares.

Nok, TAA slash fares as demand weakens

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Thailand's two budget airline heavyweights, Nok Air and Thai AirAsia (TAA), saw their ticket prices fall continuously in a double-digit plunge during the 21-month period to last Sept 30.

SET-listed Nok saw its average quarterly fare decline by 28% from the first quarter of 2013 to the third quarter of 2014, to 1,662 baht per flight sector.

TAA's average quarterly fare tumbled 20% over the same period to 1,789 baht, according to figures compiled by the SCB Economic Intelligence Center.

Fierce competition and sluggish travel demand caused by the country's political unrest coupled with last May's coup and subsequent imposition of martial law were cited for the falling fares.

TAA's revenue was 6.02 billion baht in the first quarter of 2013, edging up to a high of 6.5 billion in the fourth quarter of 2014 before tapering off to 5.55 billion in the third quarter of 2014.

Nok's revenue stream saw a similar pattern, starting at 2.65 billion baht in the first quarter of 2013 and peaking at 2.88 billion in the first quarter of 2014 before slipping to 2.52 billion in the third quarter of 2014.

Nok posted a 491-million-baht loss in the first nine months of last year.

In the same period, Asia Aviation Plc (AAV), the major shareholder in TTA and also listed on the Thai bourse, incurred a net loss of 246 million.

It was a reversal for Nok and AAV, which posted net earnings of 1.06 billion and 1.04 billion baht, respectively, for the whole of 2013.

NOK shares closed yesterday on the SET at 13.60 baht, up 10 satang, in trade worth 19.5 million baht.

AAV closed at 4.68 baht, down two satang, in trade worth 37 million baht.