Oman Air Increases Capital; Sheds Light on the Buoyant Year that was and the Future Expansion

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Oman Air authorised capital increased from RO 300 million to RO 500 million.


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Carried 2.4 million passengers – a 19% increase compared to last year with seat utilisation of 61%.

2010 challenging but buoyant.

The Oman Air Extraordinary General Meeting and Annual General Meeting held on March 31st brought to light the landmark year that 2009 was, when Oman Air repositioned itself from being a regional carrier to a truly international airline.

HE Ahmed Bin Abdulnabi Macki, Minister of National Economy, Deputy Chairman of Financial Affairs & Energy Resources Council and the Chairman of Oman Air Board, announced that the authorised capital of Oman Air has been increased from RO 300 million to RO 500 million. "We are confident that over a period of time when the airline has established its presence in the industry and its network has matured, we will see positive returns on investment," Macki said.

"As per the recent data released by IATA, 2009 was one of the most difficult years for the airline industry in which the airlines collectively lost in excess of $ 11 billion. Globally passenger travel contracted by 3.5 % while cargo movement declined steeply by 10.1%. The industry is expected to show improved results in 2010 as passenger travel is picking up especially in the premium cabins. It will however take time for the business to return to the levels seen before the economic crisis. Financial results of Oman Air too were impacted by adverse economic conditions. Going forward Oman Air will commence flights to Kuala Lumpur, Kathmandu, Dar-Es-Salaam, Islamabad, Lahore, Ras
Al Khaima, and Al Ain in the summer schedule of 2010, with Milan joining the network in the Winter Schedule,” the Minister added.

In his report, His Excellency Macki also said that during 2009, Oman Air added 28% capacity with the addition of 5 Boeing 737s, 4 wide bodies aircrafts and 5 long haul destinations, namely, Paris, Frankfurt, Munich, Male and Colombo.

“Our new A330s replaced the wet leased operations on the London and Bangkok routes. We carried 2.4 million passengers, up by 19%. In the context of worldwide recessionary conditions and the new routes introduced during the year, we had a healthy seat utilisation of 61%.”

The Minister also shed light on the new airport terminal that will be developed in two phases, the first phase of which is expected to be completed in 2014. This will see the airport’s capacity grow from the present 4 million to 12 million passengers. He added that these additional modern facilities will mean significant business opportunities for Oman Air.

He further stated that the development of Omani HR has always been a high priority for the Board and the management of Oman Air, and that Oman Air continues to induct Omani nationals across the Company, including in managerial and highly skilled technical posts.

Peter Hill, Chief Executive Officer, Oman Air, noted that 2009 presented the management and staff of Oman Air with their toughest challenge to date.

Hill said:

“With world markets still in free fall and the airline industry reeling from the effects of this global recession, it was not surprising that the company’s financial performance was significantly lower than originally forecast. We have now in place a first class senior management team that is capable of imparting their skills, knowledge and experience in developing the talents of Omani nationals to enable them to take on a greater responsibility for the management and strategic development of the company in the future. Looking forward to 2010, I am under no illusion that this again will be yet another tough year for the aviation industry worldwide, and for Oman Air in particular.”

Hill also noted that the pressure on the front line staff to consistently deliver outstanding customer service will be unrelenting.

Peter Hill concluded by saying:

“Equally, the sales and distribution network supported by all our teams at the Commercial Division will have to remain fully focused in their efforts to achieve demanding passenger and cargo revenue
targets that we have set for ourselves. I would like to thank my management team and all our employees for their commitment, dedication, enthusiasm and untiring efforts in laying down the foundations in this exceptionally challenging year, to build Oman Air into one of the world’s finest international airlines.”

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