

GUYANA AIRWAYS CORPORATION

ANNUAL REPORT 1972

Submitted herewith is the Annual Report of Guyana Airways Corporation for the year 1972.

2. Activities in the various departments were as follows:-

OPERATIONS

3. During this year Flight Operations Officers were appointed to perform flight despatching functions and Operations Assistants to do part time duties as flight clerks. The department was also re-organised to take control of the Corporation's Communications network.

4. The pilots' establishment was reduced by three in 1972 - the services of the last expatriate pilot were terminated, one Guyanese Captain resigned and one Cadet Pilot was dismissed after having failed a second probationary period. Despite this, there was still a surplus of co-pilots.

5. The Corporation continued to operate ten aircraft, comprising five aircraft types, viz. 4 DC3s, 2 DHC4s, 2 DHC6s, 1 Cessna 310G and 1 G21A, although one DC3 - 8R-GCF - was sold in August in an attempt to reduce the excessive aircraft capacity within the Corporation.

6. Both Parts I and II of Volume I of the Operations Manual were completed during the year, and a DC3 Flight Manual was also published. During the year many procedures were standardised. Considerable efforts were directed at improving the functioning of the Operations Department which proved successful and appreciable saving in operation costs were achieved.

GROUND SERVICES

7. During 1972, a new Ground Services Manager was appointed who had been acting in this position for some time. Some re-organisation within the Ground Services department was effected - the Technical Handling Unit, the Ramp and Kingston Bond and the Claims section were all transferred to the jurisdiction of the Ground Services Manager and the entire department divided into three sections, viz. Passenger Services Unit, Cargo Unit (City & Airport) and Ramp Services Unit. Organised training programmes were set up and new systems and procedures introduced, all of which resulted in significant improvement of the performance of that department.

8. The first six months of the year showed a big decline in the Corporation's domestic operations but activity increased substantially from mid-summer. The Non-Aligned Conference and Carifesta contributed to the increase in traffic and operations at Timehri, Ramp and Ogle expanded. Following an Agreement reached between the Corporation and Bookers, Ogle airport was developed and regular operations commenced from that Station during mid 1972, by the Twin Otter and Cessna aircraft. Lack of adequate ground support equipment hampered expeditious loading/unloading operations somewhat but despite this, the Department coped well with the demands made upon it. Ground Support Equipment is expected in 1973 which will permit more efficient handling operations.

ENGINEERING

9. There were four significant points of development in this department during the year, viz.-

- (a) Ogle operations
- (b) Construction of a new hangar
- (c) Fleet rationalisation
- (d) Increased production and decreased "down" times.

10. With the commencement of operations out of Ogle, the Engineering department constructed facilities so that line maintenance of the Twin Otters and Cessna 310 could be carried out there. Maintenance personnel were posted from Timehri to this new base together with appropriate facilities. Recognition was then given the Airworthiness Authority for G.A.C. to carry out certain maintenance activities on Twin Otter Aircraft at this Station. This operation obviated the necessity for frequent ferry flights to Timehri and so resulted in a great financial saving to the Corporation.

11. Officials of the Canadian International Development Agency together with the Chief Engineer, G.A.C. and Ministry of Works & Communications Engineer, Timehri, completed the basic plan for the construction of the Timehri hangar, which started in October. This hangar, when completed, will be capable of accommodating the entire Engineering staff - now spread in various buildings around Timehri - and equipment together with three major types of aircraft. This facility will permit continuity of maintenance in all weather conditions and will also assist greatly in raising the standards of maintenance, staff morale, effective management and some element of cost reduction.

12. The fleet, comprised as it is of so many different aircraft types, has always proved a maintenance problem, especially with regard to programming of spares, equipment and engineering coverage. A decision was taken during the year to phase out the Grumman and Dc3 fleet over a period and as an initial step, one DC3 was sold during August, while preparation of the Grumman for sale during 1973, commenced.

13. New techniques in maintenance were introduced during the year, resulting in higher production, increased availability of fleet for service and to some extent, cost reduction in certain areas. Manpower was also skilfully manipulated to meet growing production requirements, without any increase in staff.

COMMERCIAL

14. 1972 was a satisfactory year for this department in respect of its international sales. The percentage increase in sales for 1972 over 1971 was 36% for BWIA and 42% for BOAC. In actual fact, over one million dollars more business was sold in 1972 than in 1971, the increase being attributed in some measure to the Non-aligned Conference and Carifesta which were held during August and September.

15. The domestic aircraft operations business was extremely poor in the first half of 1972 due mainly to bad weather in the Interior which curtailed mining and other activities, no road project operations, falling off of Brazilian traffic via Lethem and much of the GDF business being lost. Though business picked up somewhat in the second half, helped by the Non-aligned and Carifesta traffic, the Corporation's domestic sales fell \$225,335 below a budgeted figure of \$1,006,497. Package tours at attractive rates were introduced to many points and met with some limited success.

16. Linden and Rosehall sales offices did moderately well, the latter showing steady improvement. The Linden efforts need to be intensified and further assistance will be provided.

17. Training locally of reservations personnel at the lower level was very successfully introduced for the first time with eight of the nine reservations staff completing the course successfully.

18. More aggressive selling is necessary by this department in an attempt to capture a greater share of the international travel market. Improvement in customer service is also necessary. With further training of the many new staff and greater efforts from the field, personnel could show better results next year. Very little has been done in the cargo sales functions by this department and further training in this field should produce better results.

FINANCE & ACCOUNTS -

19. The total revenue earned during 1972 amounted to \$3,803,525:-, an increase over 1971 of \$348,920:- or 10.1% - this, in spite of the non-operation of the Carifta Freighter which produced \$214,228:- revenue in 1971. Domestic revenue increased by \$66,863:- or 2.8% over 1971. This, however, was \$107,653:- below budget due to a variety of reasons, viz: bad weather in the first six months of the year, anticipated road project operations not materialising, substantial drop in Brazilian traffic (via Lethem), withdrawal of Carifta Operations, etc.

20. The International cargo operations (Miami Service) produced a surplus on actual operation of \$60,465:-. There was an expenditure gain of \$314,349:- and a revenue loss \$461,634:- resulting in a loss variance as per budget of \$147,285:-, the reason for this being the delay in obtaining the Permit and in finalising the aircraft lease - operations did not actually commence until October.

21. Expenditure for 1972 amounted to \$4,154,334:- i.e. \$284,434:- or 6.4% less than 1971. Expenditure on Domestic Operation reduced by \$227,897 or 8.6% while on the International Operation (Miami) expenditure for the period, October - December, amounted to \$218,731:- as compared with Carifta service in 1971 - \$290,193:-. Expenditure on Other Sales & Services increased by \$8,914:- or 1.5%. Overheads went up by \$24,396:- or 6.5% over 1971.

22. The overall deficit after providing for Property Tax was \$350,809:- as compared with \$984,163:- for 1971.

23. Flying reduced by 2,683 hours or 31.3% against the previous year. Despite this reduction, however, the improvements reflected above were achieved mainly due to efficient planning and greater control over expenditure.

24. Debts outstanding for very long periods continued to be the bugbear of the Corporation's liquidity position. At the 31st December, 1972, outstanding debts totalled \$904,662 and as a result of this, and because prompt remittances to Principals' Current Accounts have to be maintained, the Corporation was unable to withdraw the sum of \$448,424 due as Commission & Handling Fees at 31.12.72

25. Repayment of the Chase Manhattan Bank loan of \$500,000 commenced in December 1972, and it is expected to liquidate this loan by May 1973.

26. There was a considerable turnover of staff in the Finance & Accounts Department during the year. There were 12 resignations and recruitment and replacements were unduly delayed resulting in a serious accumulation of work, and as a result the production of Accounts and Statements on due dates was seriously affected.

GENERAL

27. Despite the set backs in the first six months, 1972 was a fairly successful year for the Corporation. It witnessed the commencement of the Miami cargo service, the final formulation of an Agreement to enforce the conditions stated in the permits of private commercial operators which precluded operations into GAC served airstrips, and which operations diverted substantial revenue from GAC, introduction of operations out of Ogle and commencement of hangar construction.

28. Effective control on expenditure by all departments produced savings of \$177,984 - 6.67% below budget - particularly vital when revenue, on domestic operations, fell 15.10% below budget. Improved efficiency was evident in many departments and this contributed to reducing a loss running at \$275,482 at the end of June to only \$182,210 at the end of the year.

29. There was a significant improvement in the planning of the operations which were carried out largely on the basis of economic considerations. Service to the community, at the same time, was no less than was necessary to meet traffic requirements but wastage was substantially eliminated.

30. The plans to restructure the Corporation's fleet met with some limited success. With improved maintenance efficiency and better planning, much spare capacity has been thrown up and efforts were being made by the Corporation to dispose of the excess capacity as well as reducing the aircraft types.

31. There were 25 fewer staff at the end of 1972 as against 1971, the figures reducing from 423 to 398 in 1972, in spite of increased international handling activities.

32. Operational statistics for the year are attached.

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GUYANA AIRWAYS CORPORATION

1972

HOURS FLOWN

	<u>Scheduled & Special</u>	<u>Charters</u>	<u>Total</u>
DC-3	1,510	483	1,993
Caribou	1,281	562	1,843
Twin Otter	1,595	184	1,779
Cessna	234	241	475
Grumman	-	96	96
	<u>4,620</u>	<u>1,566</u>	<u>6,186</u>

Mileage Flown

DC-3	218,950	70,035	288,985
Caribou	185,745	81,490	267,235
Twin Otter	223,300	25,760	249,060
Cessna	38,610	39,765	78,375
Grumman	-	12,000	12,000
	<u>666,605</u>	<u>229,050</u>	<u>895,655</u>

Passengers Carried	25,148	7,859	33,007
Passenger Miles Flown	3,772,200	1,178,850	4,951,050
Seat Miles Available	14,716,065	4,743,760	19,459,825
Passenger Load Factor	25.6%	24.8%	25.4%

Total Weight Carried

(a) Passenger & Baggage	4,149,420	1,296,735	5,446,155
(b) Excess Baggage	62,920	-	62,920
(c) Cargo	7,283,906	3,458,280	10,742,186
(d) Mail	44,159	-	44,159
	<u>11,540,405</u>	<u>4,755,015</u>	<u>16,295,420</u>

Available Ton Miles	1,493,771	523,186	2,016,957
Ton Miles Flown	903,651	380,169	1,283,820
Weight Load Factor	60.5%	72.7%	63.6%