

## AIR FRANCE-KLM PROFITS UP IN 2016, CAUTIOUS FOR 2017



**PARIS:** Air France CEO Franck Turner (right) leaves as Air France-KLM group CEO Jean-Marc Janaillac (center) talks to group CFO Frederic Gagey (left) at the end of a press conference on the group's 2016 results in Paris yesterday. —AFP

**PARIS:** Air France-KLM said yesterday profits rose sharply in 2016, but issued a cautious outlook for the current year in face of global uncertainty and aggressive competition in the sector.

The French-Dutch airline said in a statement that its bottom-line net profit soared to 792 million euros (\$840 million) last year, up from 118 million euros in 2015. The headline figure was boosted by one-off gains from the sale of a 49.9-percent stake in the onboard catering arm Servair to Switzerland's Gategroup.

Underlying or operating profit grew by 34 percent to 1.05 billion euros as passenger numbers were up 4.0 percent at 93.4 million. However, revenues declined by 3.3 percent to 24.8 billion euros, the statement said. "While the fall in the oil price significantly reduced the group's costs, the geopolitical context, competition and industry overcapacity all resulted in low-

er unit revenues," chief executive Jean-Marc Janaillac explained. The airline said lower oil prices cut its fuel bill by nearly 26 percent in 2016. The French business, Air France, booked a decline in operating profit, while the Dutch arm, KLM, saw underlying earnings rise.

That was due to the impact on business of a series of jihadist attacks in France, as well as the costs of two flight crew strikes, the carrier explained. But Air France-KLM had rolled out measures to address the situation, it said. "We are resolutely committed to regaining the offensive ... and improving our competitiveness. In an economic and geopolitical context that remains very uncertain, and faced with aggressive competition, the status quo is not an option," said CEO Janaillac.

Looking ahead, Air France-KLM said it got off to a "resilient start" to the current year. —AFP

## EUROPEAN CAR MARKET GETS OFF TO GOOD START IN 2017

**PARIS:** After a very good year in 2016, the European car market got off to a positive start in 2017, with new car sales jumping by more than 10 percent, industry data showed yesterday.

Apparently shrugging off the "dieselgate" scandal that first saw German giant Volkswagen and then other carmakers accused of cheating on their diesel emissions, overall new car registrations rose by 10.2 percent to 1.17 million in the European Union in January, the European Automobile Manufacturers' Association said in a statement.

"In January 2017, the EU passenger car market started the year positively, partially due to extra working days during the month," the statement said. "Among the major markets—Spain, France, Germany and Italy—recorded very strong performance in January, all posting double-digit percentage gains," ACEA said. The Spanish market grew by 10.7 percent, the French market by 10.6 percent, the German market by 10.5 percent and the Italian market by 10.1 percent. The British passenger car market "also grew during the first month of 2017, although at more modest rate" of 2.9 percent, the association added.

German carmaker Volkswagen—the biggest maker with a market share of 24.1 percent—saw combined sales of all of its 12 brands rise by 10.3 percent.

The German giant is still counting the cost of the massive scandal that was triggered 18 months ago when it admitted to installing emissions-cheating software into 11 million diesel engines worldwide. French groups PSA Peugeot Citroen and Renault — with market shares of 10.3 percent and 9.1 percent respectively—saw their sales rise by 6.8 percent and 10.4 percent. Paris prosecutors said last month they were probing Renault over possible cheating, accusations the French group strongly denies. The European car market had already shrugged off the dieselgate scandal to notch up strong growth in 2016, with passenger car registrations climbing by 6.8 percent to 14.64 million units.

That is close to the level seen in 2008 when the global economic crisis erupted and a long way above the low of 11.8 million vehicles recorded in 2013.

### Fair play

Meanwhile, Germany wants China to create a fairer business environment for foreign companies, especially German carmakers seeking to tap into Beijing's drive for greener cars, Foreign Minister Sigmar Gabriel told his Chinese counterpart Wang Yi yesterday.

German companies have long complained of obstacles to investment and acquiring local firms in China, where the government plays a more interventionist role.

Their concerns have acquired greater urgency with the advent of a more protectionist administration in the United States and Britain's plans to exit the European Union, both issues that could harm German and wider EU commercial interests. "China has again promised that it wants to proceed on the path of market liberalisation and reforms," Gabriel said after talks with Wang in Bonn, where foreign ministers from the G20 top economies are meeting.

"I have as such urged minister Wang that China reinforce that, with clear signals of equal treatment for foreign companies in China, for example in the field of electric mobility," Gabriel said. — Reuters



**MIAMI LAKES:** In this July 19, 2016 file photo, a man fills out a job application at a job fair, in Miami Lakes, Fla. The Labor Department reported on the number of Americans seeking unemployment benefits. —AP

## TRUMP'S CONTESTED PICK FOR LABOR SECRETARY WITHDRAWS

### PUZDER GIVES UP AFTER INTENSE SCRUTINY

**WASHINGTON:** US President Donald Trump's pick for labor secretary Andrew Puzder withdrew from consideration Wednesday, after facing intense scrutiny for his business record and controversies about his personal past.

The 66-year-old fast-food executive is the first of Trump's cabinet nominees to withdraw, dealing a new blow to the president on the heels of the resignation of his embattled national security chief. "I am withdrawing my nomination for Secretary of Labor. I'm honored to have been considered and am grateful to all who have supported me," Puzder tweeted.

In a statement to US media, Puzder said he reached his decision "after careful consideration and discussions with my family." "While I won't be serving in the administration, I fully support the president and his highly qualified team," he said.

The White House confirmed Puzder's departure, with press secretary Sean Spicer simply saying: "He withdrew." Concern swelled this year about Puzder's labor practices and positions, with critics blasting him for opposing a minimum wage for US workers.

He also admitted he had failed to pay taxes on an undocumented employee—although he paid back taxes long afterward. And he faced embarrassing questions related to a messy divorce that he went through several years ago.

To be confirmed in his post Puzder needed the support of at least 51 out of 100 Senators. But he was staunchly opposed by Democrats and had lost the support of several of the chamber's 52 Republican Senators.

"Andy Puzder made the right and honorable choice by withdrawing from consideration as labor secretary," Republican Senator Marco Rubio said in a tweet. The top Senate Democrat, Chuck Schumer, described the withdrawal as "a victory for the American worker."

"Puzder should never have even been nominated to lead the Labor Department, and Senate Republicans clearly recognized this too," he said. "If President Trump is remotely serious about standing up for workers, he will nominate someone for Labor Secretary that champions workers' rights rather than suppresses them."

Puzder's confirmation hearing, after a number of postponements, had been set for today, when Democratic and Republican senators alike would have had a chance to grill him over his record as head of the parent company of the Hardee's and Carl's Jr restaurant chains. His withdrawal comes just two days after the explosive resignation of Trump's top aide Michael Flynn, who is accused of lying to White House colleagues about his contacts with Russian officials. —AFP