Emirates and Canada

Emirates began flying the Dubai-Toronto route in October 2007, using the maximum three flights per week allowed under the Air Transport Agreement between Canada and the UAE. Those flights have consistently operated at capacity – even after the A380 was put on the route in 2009. Between January - August 2012, average seat factors topped 95%, spilling passengers on nearly every flight.

Emirates has also experienced heavy demand for air freight on our Canadian flights, with cargo load factors averaging 90% since 2007. Emirates has now hit an operational ceiling and is unable to support the Canadian economy to grow further beyond the 140,000 travellers and 2,500 tonnes of cargo Emirates carries each year to/from Toronto.

Emirates' direct financial contribution to the Canadian economy in 2011/12 topped $235 million on expenditures such as Canadian food, aerospace products and services, fuel uplift, landing fees and advertising.

Emirates completed five years of dedicated service to Toronto in October 2012, illustrating our commitment to the Canadian market despite being allowed just three flights per week – in contrast to Emirates' business model of operating at least daily flights to each destination in our global network.

Bilateral ties: UAE and Canada

The United Arab Emirates (UAE) is Canada's largest export market in the Middle East and North Africa. In total, Canada's two-way trade with the UAE reached $2.3 billion in 2011 - a 95% increase from 2007. This is expected to grow further now that the two countries are partnering on nuclear energy cooperation, including the supply of Canadian uranium and technology to the UAE.

The UAE is a major market for Canadian beef, seafood, canola, wheat and pulses – amounting to over $700 million in agricultural exports per year. Companies like Tim Hortons, OpenText and CAE are some of the more than 150 Canadian firms doing business in Dubai.

Emirates Airline’s long-standing desire to expand its service to Canada is driven by strong passenger and cargo demand.

Emirates serves Canada's connectivity needs in the Middle East, Africa and South Asian subcontinent.
Leading Canadian firms are doing business in Dubai

In addition, Canadian citizens have registered 1,114 companies in Dubai. For Tim Hortons, Dubai represents their first overseas market outside North America. The Canadian population in the UAE has grown 50% in four years, to 40,000 today.

Canada is the world’s 10th largest economy and two-way Canada-Middle East trade was worth $15.5 billion in 2011. With Emirates’ standing as the largest airline in the Arab world, it is uniquely positioned to stimulate further growth between Canada and the fast-growing Middle East region.

Toronto, Calgary and Vancouver

Emirates seeks to increase its service to a daily flight to Toronto as an immediate priority, and services to Calgary and Vancouver, followed by a second daily frequency to Toronto.

Currently, Canada is underserved with air connectivity to the UAE. Air Canada has chosen not to operate to the UAE. The UAE is the largest origin and destination (O&D) market for Canada in the Middle East and North Africa – accounting for 30% of all air travel between Canada and the region. The fast-growing UAE-Canada O&D traffic remains by far the largest segment of Emirates’ traffic mix to/from Canada, corroborating the urgent need for an increase in flights.

Trends in Canadian tourism and aviation

In 2002 Canada was the 8th top tourism destination in the world. However, it dropped to 18th in 2011. The World Economic Forum ranks Canada 106th in terms of tourism cost competitiveness.

In addition, the number of foreign arrivals into Canada has declined, from 20.1 million in 2002 to 16.1 million in 2010. Of the world’s top 50 tourism destinations, Canada is one of only five countries to experience a drop in visitor arrivals in the last 10 years.

Many Canadians are now flying out of airports across the border in the US – an estimated 4.8 million in 2011, up 15% from 2010. Canadian airport officials estimate this costs the Canadian economy nearly 9,000 jobs and $1.1 billion in GDP per year.

Emirates believes a more open approach to air services for committed airlines like Emirates would have an immediate and direct benefit to Canada’s economy. Unfortunately, previous attempts to increase air services between Canada and the UAE have not yet been successful. The UAE has been proposing bilateral discussions to enhance air access since 2002. The current Air Transport Agreement between the two countries remains by far the most restrictive one that the UAE has with any country worldwide, despite thriving economic and political ties between the two countries.

Canada’s exports to the UAE, for example, grossly exceed those of most countries with whom Transport Canada has concluded open skies agreements, including Switzerland, New Zealand, Ireland, Trinidad and Tobago, Costa Rica, Dominican Republic, Jamaica, Iceland, Barbados, Honduras, Nicaragua, El Salvador, Curaçao, and Sint Maarten.

The Emirates promise

Emirates stands ready to connect Canada with emerging markets, including Emirates’ extended home market of 500 million residents in the Middle East and North Africa, where we serve 21 destinations. In addition, Emirates offers Canadian businesspeople unparalleled access to the South Asian subcontinent (17 points) and sub-Saharan Africa (17 points).

Canadian airlines such as WestJet and Air Canada will also be major beneficiaries of new tourism and business traffic coming to Canada on Emirates, as many passengers will connect to other business and tourism centres in Canada and beyond.

If Emirates were allowed to increase services to Toronto, it would have no negative impact on Air Canada. Currently none of Emirates’ 55 points in the Middle East, Africa and South Asian subcontinent are also served directly by Air Canada or any other Canadian carrier. Of those 55 points, 51 have no direct non-stop service to/from Toronto by any other airline.

The Star Alliance, of which Air Canada is a member, currently holds the largest share (67%) of weekly international departures at Toronto Pearson Airport. By contrast, Emirates’ share is a mere 0.1%. The requested modest increment in Emirates services would pose no threat to Star’s and Air Canada’s market-leading position.