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GARUDA INDONESIA SWOT & PESTLE ANALYSIS

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Company Name: Garuda Indonesia

Company Sector : Aviation

Operating Geography: Asia, Indonesia, Global

About the Company: PT Garuda Indonesia (Persero) Tbk was established in 1947 as KLM Interinsulair Bedrijf and is the national airline of Indonesia. As a leading global airlines Garuda serves more than 90 domestic and international destinations. Headquartered in Soekarno-Hatta

International Airport in Tangerang, close to Jakarta, Indonesia, Garuda has around 17,225

employees as of 2019. Its subsidiaries include Aerowisata, Citilink and GMF AeroAsia. This

Indonesia-based company's business can be broadly divided into three segments: flight

operation, aircraft maintenance services and other operations. Its flight operation segment

comprises passenger flights, which offers both scheduled and non-scheduled flights, and cargo

flights. Its aircraft maintenance services segment is operated by its subsidiary, PT Garuda

Maintenance Facility Aero Asia. Its other operations segment includes flight services, travel

agent, catering, ground handling, facility, hotel, information technology, health, training and

other business activities of the Company's subsidiaries.

Garuda Indonesia's vision statement reads "Value-Driven Aviation Group, Bringing Indonesian

Hospitality to the World".

Garuda's mission statement is as follows:

• Shareholder: Maximize group value for better shareholder return among regional airlines,

• Customer: by delivering excellent Indonesian hospitality and world best experiences to

customers.

• Process: while implementing cost leadership & synergy within group,

• Employee: and by engaging passionate & proud employee in one of the most admired company

to work for in Indonesia.

Garuda's USP or unique selling point lies in being the national airline of Indonesia and the

second largest in the world's largest archipelago.

Revenue:

US\$ 4.37 billion – FY ending 31st Dec 2019

US\$ 4.18 billion – FY ending 31st Dec 2018



SWOT Analysis:

The SWOT Analysis for Garuda Indonesia is given below:

Strengths	Weaknesses
1.Geographic location and tourism attraction	1.Allegations of manipulating financial
2.Flag carrier of Indonesia with strong	statements
government backing	2.Decreased market shares in domestic and
3.Steady revenue contributed by Hajj	international segments
passengers	
4.Aircraft with a young fleet and potent brand	
power	
5.Robust and effective IT Strategy	
strengthening business	
Opportunities	Threats
1 Covernment initiatives to promote tourism	4.37 (1.1) (1.4) 1 (1.4)
1.Government initiatives to promote tourism	1.Natural disasters hurting bottom line
2.Indonesia's economic recovery	2.Stagnancy of global economic growth and
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2.Indonesia's economic recovery	2.Stagnancy of global economic growth and
2.Indonesia's economic recovery 3.Growing regional population and rising	2.Stagnancy of global economic growth and political turmoil
2.Indonesia's economic recovery 3.Growing regional population and rising purchasing power	2.Stagnancy of global economic growth and political turmoil3.Rising fuel, high volatility and weakening
2.Indonesia's economic recovery 3.Growing regional population and rising purchasing power 4.GMF Aero Asia penetration in regional and	2.Stagnancy of global economic growth and political turmoil3.Rising fuel, high volatility and weakening
2.Indonesia's economic recovery 3.Growing regional population and rising purchasing power 4.GMF Aero Asia penetration in regional and international markets	2.Stagnancy of global economic growth and political turmoil3.Rising fuel, high volatility and weakening
2.Indonesia's economic recovery 3.Growing regional population and rising purchasing power 4.GMF Aero Asia penetration in regional and international markets 5.Drive synergies via codesharing cooperation	2.Stagnancy of global economic growth and political turmoil3.Rising fuel, high volatility and weakening
2.Indonesia's economic recovery 3.Growing regional population and rising purchasing power 4.GMF Aero Asia penetration in regional and international markets 5.Drive synergies via codesharing cooperation 6.100-strong cargo drone fleet to transform	2.Stagnancy of global economic growth and political turmoil3.Rising fuel, high volatility and weakening



PESTLE Analysis:

The PESTLE Analysis for Garuda Indonesia is given below:

Political	Economical
1.Being majorly owned by Indonesian	1.Economic fundamentals posing a challenging
government, Garuda subject to political	business environment for Garuda
interference	2.Indonesia being the most populous among
2.Domestic political turbulence in Indonesia	ASEAN nations presents a lucrative aviation
	market
	3.Tourism is expected to increase significantly
	by 2035 which will be a booster Garuda
Social	Technological
1.Indonesia being an archipelago has an air	1.Implementation of mobility and analytics
traffic penetration of just 33%, thus there is	initiatives across the business units
significant upside opportunity	2.Tie up with Sabre Airline Solutions platform
2.Indonesia is a growing economy with	
increase in average disposable income	
Legal	Environmental
1.Heavy regulation in transportation fare in	1.Garuda Indonesia focuses its environment
Indonesia	sustainability strategy on the three pillars,
2.Lawsuit regarding gender discrimination	People, Planet, and Profit
may incur penalties and impact brand	2.Increased use of alternative\/renewable
	sources of energy
	3.Frequent natural catastrophes in Indonesia
	may subdue the economic growth

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