

Europe airlines chart path through coronavirus crisis

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European airlines are reducing flights to Italy due to coronavirus as part of drastic cost-cutting in an industry rocked by fallout from the deadly outbreak.

Big global carriers had already cancelled flights to China—including Air Canada, Air France-KLM, American Airlines, British Airways, Delta, Finnair, Lufthansa, United Airlines and Virgin Atlantic.

But worldwide panic intensified this week over the rapidly-spreading coronavirus or COVID-19, which has killed more than 2,800 people and infected more than 83,000 worldwide—the vast majority in China—and which is now hitting Italy the hardest in Europe.

Britain's low-cost carrier EasyJet on Friday announced it would axe 500 flights to Italy due in March, alongside plans for freezes on hiring and pay.

Other airlines implementing some Italy route cutbacks include Air France, British Airways owner IAG, Belgium's Brussels Airlines and Hungary's Wizz Air.

'Significant softening'

"Following the increased incidence of COVID-19 cases in northern Italy, we have seen a significant softening of demand and load factors into and out of our northern Italian bases," EasyJet said.

"We are also seeing some slower demand across our other European markets. As a result we will be making decisions to cancel some flights, particularly those into and out of Italy."

IAG added it would trim its Italy flights due next month, warning also that its earnings outlook had been "adversely affected".

International Airlines Group, which owns also Ireland's Aer Lingus and Spain's Iberia, added: "Capacity on Italian routes for March has been significantly reduced through a combination of cancellations and change

of aircraft gauge and further capacity reductions will be activated over the coming days.

"We also expect to make some capacity reductions across our wider shorthaul network."

Brussels Airlines said it had experienced a "negative booking trend", with flights to northern Italy the worst affected.

"As a result, Brussels Airlines will reduce by 30 percent the frequency of its flights to northern Italy for the coming two weeks."

In Paris, an Air France spokesperson told AFP that it would trim flights this weekend to Bologna, Milan and Venice.

And the recent dizzying slump in oil prices is not expected to offset the impact for the aviation sector, despite slashing the cost of kerosene or jet fuel—which is refined from crude.

"The impact on KLM's revenues will be very significant and will only partly be mitigated by lower costs and a lower fuel price," wrote KLM chief financial officer Erik Swelheim in a staff memo hinting also at Italy cutbacks.

Elsewhere, Finnair on Friday warned over its first-quarter profits and sales owing to the outbreak.

The carrier blamed "the fast-developing situation with the coronavirus and its wider than originally estimated impact on the global aviation market".

Hungarian no-frills airline Wizz Air added it would reduce its flights to Italy from Warsaw and other Polish cities.

German carrier Lufthansa this week announced a hiring freeze in a new cost-cutting drive to cushion the economic impact—but it has not yet removed any Italy flights.

'Rapidly changing situation'

IAG chief executive Willie Walsh urged caution over the sector-wide disruption.

"I wouldn't say it's unprecedented," he told reporters Friday.

"We have seen other challenges for the industry," said Walsh, adding the virus outbreak is a "rapidly changing situation".

Meanwhile, in stark contrast to [commercial airlines](#), the charter industry is booming according to global leader Air Charter Service, which operates some 23,000 flights per year.

Britain-based ACS said this month it has been "inundated" with requests for charter flights in the face of sliding aircraft capacity and travel turmoil.

"Since the outbreak our offices around the world have been arranging flights on local charter aircraft as the world deals with the travel disruption and overall cut to capacity to the region," said ACS Commercial Director Justin Lancaster.

"We have flown everything from four passengers on a private jet, to hundreds on larger aircraft, to 100 tonnes of surgical masks—it has been all systems go since the epidemic was first reported."

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