

New virus hits Mideast airlines with \$100M loss, group says

March 2 2020, by Aya Batrawy



In this April 20, 2017 file photo, Emirates planes are parked at the Dubai International Airport in Dubai, United Arab Emirates. Major disruptions due to the new coronavirus have already caused the equivalent of a roughly \$100 million loss to airline carriers in the Middle East region, which serves as a connection hub for east-west travel, the industry's main trade association said on Monday, March 2, 2020. (AP Photo/Kamran Jebreili, File)

Major travel disruptions due to the new coronavirus have already caused the equivalent of a roughly \$100 million loss to airlines in the Middle East, which serves as a connection hub for east-west travel, the industry's main trade association said Monday.

The Persian Gulf city of Dubai, which is home to the world's busiest airport for international travel, relies heavily on tourism and aviation. The Gulf is a major transit hub for passengers connecting from Europe to Asia. The United Arab Emirates has cancelled all flights to Iran, as have other Gulf countries. It has also limited flights in China to just Beijing to reduce the spread of the [virus](#).

The International Air Transport Association, which represents around 290 airlines, said a projected 4.6% growth in passenger demand in the Middle East this year will be halved to just 2.3% if conditions do not change.

Most cases of the new coronavirus in the Middle East have come from travelers recently in Iran, where the virus has killed 66 people among some 1,500 who are infected. Worldwide, the virus, which started in China, has infected more than 89,000 people, and more than 6,000 have died.

Even before the virus emerged, the big Gulf carriers had already posted significantly lower earnings due to higher fuel costs, a strengthened U.S. dollar, and lower airfreight and travel demand.

The IATA's estimates do not include the additional impact to regional carriers forced to stop flights to Mecca and Medina, where Saudi Arabia suspended issuing visas to Muslim pilgrims to stymie the spread of the virus.

The United Arab Emirates-based newspaper The National reported that

Dubai's Emirates Group has urged employees at the airline, the Middle East's biggest, and the dnata ground services company to take paid and even unpaid leave. The company did not immediately respond to a request for comment.

Other airlines in Europe and Asia have reportedly done the same.

"It's a demonstration of how hard the industry's been hit by flight cancellations and closing borders," said Muhammad Albakri, IATA's regional vice president for Africa and Middle East.

The association has said that if the spread of the virus continues, the aviation industry globally can expect a \$30 billion revenue loss and a 4.7 percent reduction in global air traffic for the year. The aviation industry in the Asia Pacific region will be hardest hit, seeing a \$27.8 billion revenue loss if the situation does not improve. About \$12.8 billion of that will be wiped from the domestic Chinese aviation market.

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