

Emirates predicts 18-month lull in air demand

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An Emirates A380 sits grounded at Dubai after the airline suspended all passenger operations amid the coronavirus pandemic

Gulf aviation giant Emirates said Sunday it would take at least 18 months for travel demand to return to "a semblance of normality", despite reporting bumper pre-pandemic profits.

The Dubai carrier, the largest in the Middle East, posted 1.1 billion dirhams (\$288 million) in [net profit](#) for the financial year ending March, up from \$237 million the previous year.

It was the 32nd straight year of profit for Emirates, which operates a fleet of 115 Airbus A-380 superjumbos and 155 Boeing-777 airliners.

It had suspended flights on March 22 before resuming some services two weeks later.

Emirates Group chief Sheikh Ahmed bin Saeed Al-Maktoum said the airline had performed strongly in the first 11 months of the fiscal year.

"However, from mid-February things changed rapidly as the COVID-19 pandemic swept across the world," he said in a statement.

This caused "a sudden and tremendous drop in demand for international air travel as countries closed their borders and imposed stringent travel restrictions."

"We expect it will take 18 months at least, before travel demand returns to a semblance of normality," he added.

Emirates' profits were boosted by a fall in oil prices, causing a 15 percent decline in [fuel costs](#) to \$7.2 billion—around 31 percent of its [operating costs](#).

However, the carrier saw its annual revenues decline by six percent to \$25 billion due to the coronavirus pandemic and the closure of a runway at Dubai airport.

The airline said it had transported just over 56 million passengers in the [fiscal year](#), a drop of four percent year-on-year, while cargo had

declined by a tenth to 2.4 million tonnes.

The strong US dollar eroded \$272 million of profits, while intensive competition also affected the bottom line.

Even before the coronavirus pandemic paralysed the [aviation industry](#), Emirates had slimmed its orders from both Airbus and Boeing, cutting tens of billions of dollars-worth of aircraft.

The government of Dubai, whose economy heavily depends on aviation and tourism, said last month it would inject capital into Emirates to help it cope with the impact of coronavirus.

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