

Lufthansa optimistic for 2022 as tourist demand bounces back

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Lufthansa warns that 'ticket prices will have to rise' due to the surge in fuel costs.

German national carrier Lufthansa on Thursday said it slashed its losses in the first quarter and set its sights on a record summer for tourist traffic as demand recovers from the pandemic.

The airline group's net loss over the first three months of 2022 came to 584 million euros (\$620 million), down from one billion euros in the same quarter last year.

The improved result was due in part to the rise in air traffic as coronavirus-related restrictions were rolled back in many countries and fears over the Omicron variant ebbed.

The number of passengers on Lufthansa flights "more than quadrupled" in the [first quarter](#) to 13 million, from three million in 2021, when [travel restrictions](#) in many markets were more severe.

"New bookings are increasing from week to week," Lufthansa CEO Carsten Spohr said in a statement, with demand rising particularly strongly among leisure travellers.

"We are expecting strong growth in the summer and probably more holiday-makers than ever before," Spohr said in a press conference.

For business travel, the recovery was slower, with the group expecting traffic to reach "around 70 percent" of its pre-coronavirus level by the end of the year, the group said in a statement.

In all, Lufthansa expected to offer "around 75 percent" of its pre-crisis capacity over the year.

'On track'

Lufthansa's cargo division had a "record result" in the first quarter, the carrier said, as demand for freight remained high amid turmoil in global supply chains.

The segment recorded an operating result—a key measure of underlying profitability—of 495 million euros, up from 315 million euros in the first quarter of 2021.

Europe's largest airline group—which includes Eurowings, Austrian,

Swiss and Brussels Airlines—struggled at the outbreak of the pandemic and was saved from bankruptcy by a government bailout.

But business has picked up and Lufthansa said last November it had repaid the nine-billion-euro loan it had received from the government.

The group was now "on track" to make a positive operating profit in the [second quarter](#) and over the year, chief financial officer Remco Steenbergen said at a press conference.

Nonetheless, the group would not include the target in its official guidance because of the "extremely volatile" price of fuel, a factor outside Lufthansa's control.

The surge in [energy costs](#), driven by the Russian invasion of Ukraine, was "too high to be offset by additional cost reductions", Steenbergen said, concluding that "[ticket prices](#) will have to rise".

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