

EasyJet CEO 'confident' after last summer's travel chaos

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EasyJet CEO Johan Lundgren expects a 'better' summer for travellers after last year's chaos.

The aviation sector has endured chaos at airports after the end of Covid restrictions, high inflation and strikes, but easyJet chief executive Johan



Lundgren is upbeat about the British airline's future.

European airports struggled to cope with a surge in travel last year as the sector has been severely understaffed after laying off thousands of people during the pandemic.

The sector is also facing <u>higher costs</u> as it is under pressure to reduce its <u>carbon footprint</u> and energy prices jumped after Russia invaded Ukraine in February 2022.

Nevertheless, easyJet lifted its annual profit forecast for the second time this year on Tuesday, saying it will beat expectations of £260 million (\$322 million) for its financial year to September.

"Given the rate of the bookings and intake we have, we feel confident enough that we could say that we expect to beat the profit expectations that the market currently has," Lundgren told AFP.

"While there definitely is a cost-of-living crisis across Europe and in many parts of the world, travel and flying has been the thing that people now even more prioritise coming out of the pandemic," he said.

While <u>fuel prices</u> have gone up 71 percent, Lundgren said the Luton-based airline's average fare has increased by 31 percent, or 14 euros, "so it still is within reach for many customers."

Better summer

The Swedish executive said he expects travellers to have a "better" experience this summer as the situation at airports have improved.

Passengers faced huge lines, misplaced luggage and <u>flight delays</u> last year due to staff shortages, most notably at Amsterdam's Schiphol



airport, a major European hub.

"I think across a number of airports who suffered immensely last year—with some exceptions, Schiphol as an example—have gotten themselves in a much more resilient position than they were in," Lundgren said.

The sector has also been hit by strikes.

Some 30 percent of European flights were affected between March 9 and April 9, most notably by work stoppages by French air traffic controllers opposing pension reform.

"I think it's quite unacceptable the consequences that this now has. Ten million people have been affected by this," Lundgren said.

He said easyJet has written to the French transport minister and aviation regulator to ask them to increase the "minimum level of service" imposed during strikes.

"The more reputation an industry or a country gets for strikes and not being reliable, that will have a dampening effect on demand, people will just go somewhere else," Lundgren added.

"Why should I go to France if I think I can be exposed to a strike?"

Emissions cuts

Another challenge for the <u>aviation industry</u> is reducing its <u>greenhouse</u> <u>gas emissions</u>.

The European Parliament adopted this week a reform of the European Union's carbon market, broadening the <u>emissions trading scheme</u> to



more industries and lowering quotas of allowable polluting gases.

Despite the higher costs, Lundgren said, "there's absolutely room for growth".

"You have to work on actions to decarbonise" even as the company grows, he said.

Lundgren said the "danger" airlines face now is that, in the name of sustainability, politicians want to suppress demand and say "let's fly less by making it more expensive".

"There is no evidence that that works," he said.

EasyJet has set a target to cut carbon emissions by 35 percent by 2035 compared to 2019 levels, but Lundgren said the sector needs government help.

"We need governments and we need <u>decision makers</u> to support in terms of building out the supply of green hydrogen, to encourage zero emissions technology," he said. "We need decision makers to finally reform the airspace in Europe."

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