

## Emirates cuts annual loss to USD 1b

A Monitor Report

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Dubai : Dubai based Emirates airline posted a loss of USD 1 billion for the year ended on March 31. It was a significant improvement from the previous year when the impact of the pandemic on air travel was more severe and the airline bore a loss of USD 5.5 billion.

Sheikh Ahmed bin Saeed Al Maktoum, Chairman and Chief executive, Emirates Airline and Group, said, "For the Emirates Group, 2021-22 was largely about recovery, after the toughest year in our Group's history."

Emirates said it carried 19.6 million passengers in 2021-22, an increase of 199 per cent. It reported a 'Passenger Seat Factor' of 58.6 per cent, compared to last year's passenger seat factor of 44.3 per cent.

From 120 destinations at the start of the financial year, it increased its operations and capacity growth to cover 140 destinations by March 31, 2022.

The increased demand for air travel has boosted the airline's finances, its revenues are up 91 per cent to USD 16 billion as airline expanded global capacity and reinstated more passenger flights. However, rising fuel costs have snipped away at the profits.

"Fuel accounted for 23 per cent of operating costs compared to 14 per cent in 2020-21. The airline's fuel bill more than doubled to AED 13.9 billion (USD 3.8 billion) compared to the previous year, driven by a higher uplift of 66 per cent in line with capacity expansion and a higher average fuel price which was up by 75 per

cent," it said.

The airline's total operating costs increased by 30 per cent from last financial year. Cost of ownership (depreciation and amortisation) and fuel cost were the two biggest cost components for the airline in 2021-22, followed by employee cost, it said.

"We expect the Group to return to profitability in 2022-23, and are working hard to hit our targets, while keeping a close watch on headwinds such as high fuel prices, inflation, new Covid-19 variants, and political and economic uncertainty," said Sheikh Ahmed.