

Qatar Airways suffers USD 4bn annual loss amid pandemic hit

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Doha : Qatar Airways announced on September 27 that the airline suffered over USD 4 billion loss in revenues over the last fiscal year following the lockdowns triggered by the Covid-19 pandemic that slashed demand for long-haul travel.

The major loss, which the state-owned airline largely attributed to the grounding of its Airbus A380 and A330 wide-body jets, highlights the dramatic toll of the pandemic on the industry.

Even so, the Doha-based airline reported an increase in earnings to USD 1.6 billion before taxes and other costs compared to the previous year - costs that dropped significantly as the airline saved on jet fuel, reduced salaries by 15 per cent and cut some 13,400 employees from its workforce.

The pandemic has hit international routes the hardest, dealing a heavy blow to super connectors in the Persian Gulf that essentially lack domestic markets.

In the last several months, Qatar Airways received a boost from an end to a years-long boycott that locked the flagship carrier out of the airspace of Bahrain, Egypt, Saudi Arabia and the United Arab Emirates. The embargo had forced the airline to take longer routes and consume more jet fuel, raising expenses.

For the first time since 2017, the energy-rich state's airline reopened key routes to hubs like Dubai, Cairo and Riyadh as the political dispute eased in January.

The long-haul carrier praised its resilience in the face of the fast-spreading virus variants still racing around the globe, noting that its operational loss of USD 288m stood at 7 per cent less than the year before.

"Whilst our competitors grounded their aircraft and closed their routes, we adapted our entire commercial operation to respond to ever-evolving travel restrictions and never stopped flying," Akbar Al Baker, CEO, Qatar Airways, said in a statement.

The airline acknowledged receiving a USD 3 billion lifeline from the Qatari government to keep operating as it struggled with virus restrictions. Revenue for the airline fell to over USD 8 billion from USD 14 billion the year before. The airline incurred charges that ran to USD 2.3 billion over the grounding of its wide-body fleet.

The carrier took just 5.8 million passengers to the skies in the last fiscal year, compared to 32.3 million the year before - a staggering 82 per cent drop.

Qatar Airways mentioned some scant signs of recovery, as vaccinations against the coronavirus accelerate across the world. From a low of 33 destinations at the peak of the pandemic, the airline now flies to over 140 and has expanded to new markets from Seattle, Washington in the United States to Brisbane in Australia.