

Saudia eyes return to profitability in late 2022

A Monitor Report

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Jeddah : Saudi Arabian Airlines (Saudia) may post a profitable year earlier than predicted as the aviation industry bounces back. Speaking at the Arabian Travel Market trade fair in Dubai on May 9, Saudia CEO Ibrahim Koshy said the airline could return to profitability in 2022.

Saudia had initially projected a profitable year over 2024, but this could now happen over 2022 or 2023. Koshy explained that travel demand had grown faster than expected and is now around 83 per cent of pre-pandemic levels.

With travel demand bouncing back this year, Saudia saw a 75 per cent passenger increase with 5 million+ passengers in Q1. The airline operated over 44 per cent more flights in the first quarter of 2022 compared to last year, with over 40,000 flights.

Flight hours saw an even bigger increase of 77 per cent from last year, with 101,600 flight hours in the first three months of 2022.

Saudia's CEO also provided an update on new aircraft deliveries after placing an order for over 70 Airbus and Boeing planes in 2021. According to reports, Saudia in 2021 secured financing worth USD 3 billion to pay for new aircraft, the biggest deal of its kind in Saudi Arabian history.

Saudia will need a significant fleet expansion if it is to meet Saudi Arabia's ambitious goal of attracting 100 million yearly tourists by the end of the decade. One aircraft in Saudia's plans is the Boeing 777X, which is now projected to enter

service in 2025.

Saudia has unveiled a brand-new in-flight entertainment (IFE) system featuring over 5000 hours of HD content of Western and Eastern influences. The system will also offer features such as meal ordering, shopping and games. The new system will be rolled out gradually across the Saudia fleet over the course of 2022.