

Russia-Ukraine war disrupts global aviation industry

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Moscow : The fallout to the global aviation industry from Russia's invasion of Ukraine spread on February 25 as two more European countries banned Russian airlines and the European Union said it would restrict exports of aircraft parts.

Virgin Atlantic and British Airways started routing flights around Russian airspace after London and Moscow banned each other's airlines in retaliation over the Ukraine invasion. Poland and the Czech Republic also said they were banning Russian airlines from their airspace.

Some industry leaders said they were prepared for further bans despite the prospect of a costly sanctions war over mutual over flight rights.

Russian forces were closing on Ukraine's capital on February 25 in the biggest attack on a European state since World War II. Airspace in Ukraine, Moldova, parts of Belarus and in southern Russia near the Ukraine border has been closed, giving airlines a narrower range of routing options.

Japan Airlines on February 24 suspended a flight to Moscow, citing potential safety risks, and the United Kingdom closed its airspace to Russian airlines, including Aeroflot, as part of a raft of punitive measures.

In response, Moscow banned UK airlines from landing at its airports or crossing its airspace, citing "unfriendly decisions" by London. Russian airline S7 announced on February 25 it was suspending all of its flights to Europe, citing sanctions imposed on Moscow over the Kremlin's invasion of Ukraine.

Virgin Atlantic said skirting Russia would add 15 minutes to an hour to its flights between UK and India and Pakistan.

American Airlines Group Inc said it had re-routed its Delhi-New York flight. Rival United Airlines, however, was still using Russia's airspace for Delhi-Chicago and Delhi-Newark flights, according to reports.

Gulf carrier Emirates said it had made minor routing changes, leading to slightly longer flight times. United Parcel Service Inc said it was implementing contingency plans.

Airlines were also reeling from a rise in oil prices to more than USD 105 a barrel for the first time since 2014. That raises operating costs at a time when travel demand remains low because of the coronavirus pandemic.

Airlines' profits and cash flows could suffer if crude prices continued to rise or stayed high. European airlines were likely to take a longer-term hit in light of the conflict. A network of millions of parts has also been affected.

Washington announced export controls on goods including aircraft parts. European Commission President Ursula von der Leyen said the EU also planned to stop exporting such parts to Russia.

Russian airlines have 980 jets in service, of which 777 are leased, according to reports. Of these, 515 with an estimated market value of USD 10 billion are rented from abroad.