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Etihad Airways posts USD 1.7b loss in 2020

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Dhaka: Abu Dhabi's flag carrier Etihad Airways reported operating losses of USD 1.7 billion in 2020. This shows how severely the pandemic hit the already-troubled airline which was losing billions in the last few years.

The airline reported revenues of USD 2.7 billion in 2020 compared to USD 5.6 billion the year before, a decline it attributed to 'drastically fewer people traveling' as the pandemic plunged travel demand.

However, one of the Middle East's top airlines Etihad struggled with financial losses long before the pandemic wiped out the global aviation industry.

Since 2016, Etihad has lost a total of USD 5.62 billion as it has aggressively bought up stakes in airlines from Europe to Asia to compete against the region's other leading airlines, Dubai-based Emirates and Qatar Airways.

Then, the pandemic struck. Last March, the United Arab Emirates halted flights to curb the spread of the virus. Passenger traffic plummeted to just 4.2 million travelers from 17.5 million the year before, the airline said. Total passenger capacity on planes dropped 64 percent. The carrier lost USD 758 million over the first half of 2020 alone.

The losses rippled across the company, forcing the airline to cut 33 percent of its workforce and slash salaries by 25-50 percent.

By comparison, Etihad lost USD 870 million in 2019. The airline reported losses of USD 1.28 billion in 2018 and USD 1.52 billion in 2017. While the rollout of coronavirus vaccines has stoked hopes for a global return to travel, the industry is not expected to see meaningful recovery for months, until vaccines are widely administered.

While announcing the earnings, Tony Douglas, CEO, Etihad Airways, said, “While nobody could have predicted how 2020 would unfold, Etihad stood firm and is ready to play a key role as the world returns to flying.”