

REPORT: AIRLINES: MIDDLE EAST

What you need to know

March 2024

This report presents a roundup of what's been happening to airlines in the Middle East over the last month.

Major carriers

Emirates

Codeshares agreed with Icelandair and ITA Airways

Emirates has agreed new codeshares with two European airlines. It has expanded an interline partnership with Icelandair into a codeshare arrangement. Emirates will initially add its code to Icelandair's "best connecting" flights. Icelandair will add its code to Emirates' flights between various gateways in Europe, Dubai and beyond. A full list of destinations will be disclosed later.

Emirates has also signed a codeshare agreement with ITA Airways, allowing passengers to access Italian and European cities via Rome. ITA customers can connect onto Emirates' global network via Dubai.

Capacity constraining demand, but supporting pricing

According to its president, Tim Clark, demand across Emirates' network is so strong that seats are "pretty much sold out" for the summer, and it lacks the aircraft to increase capacity further. On some flights, there are allegedly three customers chasing each premium cabin seat.

A shortage of aircraft has, however, forced the airline to make some operational compromises. For example, as it lacks the appropriate long-range aircraft, Emirates' new service to Phnom Penh must operate with a stop *en route* in Singapore.

Etihad Airways

Profits rise by 15% in 2023

During 2023, a 40% rise in passenger numbers to 14 million helped Etihad Airways increase passenger revenues by \$1.1 billion to \$4.5 billion. The airline added 15 new destinations and expanded its fleet by 14 aircraft. Etihad managed to increase its annual operating profit by 15% to \$394 million.

As part of its "Journey 2023" plan, Etihad plans to double its fleet and grow passenger numbers to around 33 million by 2030. Passenger numbers had previously peaked at 18.6 million in 2017.

Interline agreed with Rex Airlines

Etihad has signed an interline agreement with Australian regional carrier Rex Airlines. Passengers flying to Melbourne or Sydney with Rex can connect onto Etihad flights to 72 destinations around the world via Abu Dhabi. In return, Etihad passengers can connect onto Rex services to destinations in Australia.

Qatar Airways

Osaka service restored

Qatar Airways has reinstated services from Doha to Osaka, using an Airbus A350-900 to operate **daily** services to Kansai airport. It's using an existing codeshare partnership with Japan Airlines to offer connections to 34 destinations across Japan.

Aer Lingus codeshare starts

Qatar Airways has launched a new codeshare partnership with fellow Oneworld member Aer Lingus. The Qatari carrier will add its code to flights operated by Aer Lingus and Aer Lingus Regional enabling connections through Dublin, London and Manchester to destinations in Ireland and the U.K.

Turkish Airlines

New Melbourne service starts

At the start of March, Turkish Airlines launched a new **thrice-weekly** service from Istanbul to Melbourne, its first destination in Australia. Flights operate via Singapore.

Other airlines

Air Astana

Profits down in 2023 despite stronger revenue

The absence of one-off windfall events inflating benefiting its 2022 results contributed to a decline in profit in 2023 at Kazakh carrier Air Astana. Operating profit fell by **8%** from \$149 million to \$136 million on a **14%** rise in revenue to \$1.2 billion.

Air Samarkand

Profits down in 2023 despite stronger revenue

Uzbekistan's newest airline, Air Samarkand, launched operations on **March 21**, initially flying **twice-weekly** from Samarkand to Istanbul. The airline's sole aircraft, an Airbus A321neo, is configured in a single class layout, featuring 221 economy seats.

Oman Air

Widebody fleet being restructured

As part of a three-to-four year transformation plan run by Seabury, Oman Air looks to be restructuring its fleet of wide-bodied aircraft. It is reported to be looking to sell its entire fleet of eight Airbus A330s and two Boeing 787-8s. This would leave its widebody fleet comprising just seven Boeing 787-9s, although it has nine more on order.

Pegasus Airlines

Profits level off in 2023 but face pressure in 2024

Turkish low-cost carrier Pegasus Airlines posted only a slight improvement in annual operating profit in 2023, increasing it from €835 million to €838 million. The airline increased capacity by **22%**, with capacity on international routes increased by **26%**. However, Pegasus has warned that a supply-demand imbalance could see yields level off in 2024.

The information presented in this report represents the latest view as at March 25, 2024. We have carefully researched and checked the information contained. However, we do not guarantee or warrant the correctness, completeness or topicality of this article and do not accept any liability for any damage or loss as a result of the use of the information contained within this article.

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