

Jazeera Airways carefully returning to pre-covid expansion plan

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Dhaka: Jazeera Airways has said it is carefully returning to the pre-Covid expansion plan it had put on hold earlier when revenues plunged following the coronavirus pandemic.

Kuwait's budget airline and one of the few private carriers in the Middle East has been slowly rebuilding its network and will launch new services to Muscat from November 2 as part of its phased recovery plan.

Jazeera Airways' relatively small size and aggressive cost controls have allowed the airline to emerge from the industry crisis with more cash and in a stronger position than some rivals which means it can in theory return to its pre-Covid growth plans earlier than the competition.

"Our airline maintains a strong balance sheet with minimal debt which allows us to gradually deliver on our expansion plan pre-pandemic," said Rohit Ramachandran, CEO, Jazeera Airways. "Our focus today is to ensure our business continuity through aggressive controls of costs while also expanding in sectors that are operationally viable."

Jazeera's new service to Muscat follows the launch of flights to Trabzon in August. It will be the third new route Jazeera has launched during the pandemic.

"There is still demand for travel, and these two destinations are ideal destinations for tourists looking for 'Covid-safe' destinations," said Ramachandran.

Before the pandemic, Jazeera Airways announced plans to continue expanding its network and introduced new fare categories at the start of 2020. The airline also became the first low-cost carrier in the Middle East to launch long-haul flights to the UK in a bold new venture utilising its A320 fleet.

But in June Jazeera's chairman Marwan Boodai warned that the airline's strong performance in 2019, which saw profits double during the year, would not be repeated in 2020, even with severe cost-cutting measures.

Boodai said in June that the airline had paused its growth plans while it 'prioritised employees and customers'.

"Our goal by the end of 2020 is not the bottom line, but our readiness for the following year, the year 2021," the chairman said earlier this year.

According to reports, Ramachandran said that Jazeera's low-cost long-haul venture between Kuwait and London Gatwick would probably not relaunch this year.

"On one hand our network will be driven by demand but on the other hand and more restrictively, it's being driven by which countries are open to accepting traffic and that's the bigger challenge at this time," he said.

"So while there is demand to and from India, our operations to India are severely curtailed by the government of India's decision to restrict incoming passengers. They are also going to be driven by which country implements what health regime in terms of quarantine and so on."

He added, "At the moment we're going to be conservative and risk adverse, we're going to make sure we do what's necessary to have a gradual return to operations."

Jazeera Airways doubled its operating profits to USD 46 million in 2019 and increased revenues by 26 per cent up to USD 335 million.