

EasyJet reveals £40m hit from Middle East conflict

EasyJet says the conflict in the Middle East is expected to deliver a £40m hit to the airline by the end of March.

The no-frills carrier and rivals suspended flights to Israel and Jordan after Israel began its [retaliation against Hamas](#) for the 7 October attack in the south of the country.

The decision immediately [trimmed 4% off its typical flying programme](#).

EasyJet said on Wednesday that weaker demand for trips to Egypt had also been seen but despite the knocks to revenues, it had reduced losses in the final three months of 2023 – its first financial quarter.

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A loss before tax of £126m was recorded, down from £133m in the same period during 2022.

Passenger numbers were up 14%, aided by the adding of capacity elsewhere to offset the Middle East disruption.

Chief executive Johan Lundgren said demand had “picked up very strongly” from late November after an initial softening in the momentum witnessed across key travel periods earlier in the year.

“We see positive booking momentum for summer 2024 with travel remaining a priority for consumers,” he added.

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Image:

Johan Lundgren, easyJet's chief executive, is confident in holiday and airline bookings ahead. Pic: Reuters

That was despite the potential for upwards pressure on fares for the summer peak.

Mr Lundgren blamed the threat of tighter flight capacity across the sector due to "the challenges that some of our competitors have to get their aircraft".

Delivery delays by aircraft manufacturer Boeing – which does not supply easyJet – are affecting carriers such as Ryanair.

The company said that despite the challenges facing some destinations, it expected smaller losses in the first half of the financial year to March.

Shares rose by 5%.

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The ramifications of the Israel-Hamas conflict are being felt widely in the global economy.

While airlines have largely been able to adjust, trade is also adapting to the wider threats within the region.

[Attacks on Red Sea shipping](#) by Iran-linked Houthi rebels in Yemen have forced a majority of usual traffic through the Suez Canal to divert around the coast of Africa.

The resulting surge in shipping costs is tipped to be felt in prices in the weeks and months ahead, especially if a widespread naval protection operation and retaliatory strikes by US and UK forces fail to prevent further attacks.