

High Oil Prices Likely to Dent Emirates' Profits

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DUBAI — The impact of the inexorable rise in oil prices is likely to have a dramatic effect on profits at Emirates in the current financial year.

Speaking to Khaleej Times in an exclusive interview, Shaikh Ahmed bin Saeed Al Maktoum, Chairman and Chief Executive of Emirates Airline and Group said: "This year is going to be a lot tougher than last year".

In the 2007-08 financial year fuel costs accounted for 30.6 per cent of expenditure according to financial data published on the airline's Web site. As a consequence further route expansion is under review.

The airline is currently the single largest customer for the Airbus A380 but despite receiving the first aircraft last month, delivery of the second aircraft is already delayed by several weeks. The airline is scheduled to take delivery of five of the superjumbo in the current financial year.

Despite intense pressure in the global aviation industry Emirates continues to expand at a breathtaking rate. It is set to become the world's largest operator of the Boeing 777 with 63 in current operation and a further 39 set for delivery.

It has also expressed interest in a stretched version of the A380, the A380-900 with a seating capacity of up to 900 passengers.

Aviation analysts have speculated over further collaboration with Etihad the Abu



Shaikh Ahmed

Dhabi based carrier, a point the chairman remains tightlipped on. The synergies seem very compelling but with regional growth currently bullish it is unlikely this will lead to a deepening of a cooperation agreement.

Emirates began operations in 1985 with two aircraft and \$10 million in seed capital and are currently ranked one of the world's top 10 airlines. The airline has won regular industry plaudits for innovation.

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