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EMIRATES AIRLINE BOOKINGS PLUNGE 35% AFTER TRUMP TRAVEL BAN

Pace of bookings is recovering but remains lower than before the ban

By Robert Wall
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BERLIN—Emirates Airline President Tim Clark said Thursday that the original travel ban imposed by U.S. President Donald Trump caused the pace of bookings at the giant Middle East airline to plummet 35% on U.S. routes.

The travel ban, first issued in January, barred individuals from several Muslim-majority countries from entering the U.S. It caused chaos at airports as airlines were forced to prevent ticketed passengers from boarding flights to adjust to new U.S. immigration rules.

“The effect it had was instantaneous,” Mr. Clark told reporters.

The shooting last month of an Indian man at a suburban Kansas bar also spooked travelers, Mr. Clark said.

The pace of bookings has started to recover but is still lower than before the travel ban, Mr. Clark said. When it would fully recover is uncertain, he said.

Travel consultant ForwardKeys said Monday that international travel to the U.S. fell 6.5% in the eight days following the initial travel ban on Jan. 27, based on reviewing flight reservations.

The original travel ban was set aside by judges in the U.S. The Trump Administration issued a revised travel ban Monday. The White House said the ban was intended to reduce the risk of terrorism in the U.S.

Emirates Airline is one of the main airlines connecting passengers from the countries affected by the ban with the U.S. through its Dubai hub. There are no direct flights between the banned countries and the U.S.

Mr. Clark said it was too early to judge the impact of the revised travel ban. The new guidance had greater specificity and appeared to have less of an impact on bookings as that seen in January.

Mr. Clark said the travel ban was one of several difficulties faced by the airline. Conflicts in Yemen, Syria and Libya also have dented demand.

Emirates Airline last year said first-half profit fell about 75%. Mr. Clark said a sharp fall in yields had been arrested but that its financial year ending this month won't be as good as the previous year, though earnings should recover from next year.

Mr. Clark also said the carrier had no plans to take some of its Airbus SE A380 superjumbos early to help the European plane maker bridge a looming production trough for its flagship plane around the end of this decade.

Emirates Airline, by far the biggest buyer of the A380 double-decker, will take the last of a current tranche of the superjumbo in 2019. It then plans to take a final batch of 25 A380s already ordered between 2021 and 2025, Mr. Clark said.

The European plane maker announced plans last year to curtail production of A380s to one plane a month. It will deliver those planes at a loss.

Qatar Airways Chief Executive Officer Akbar Al Baker said Wednesday that the airline would take the last of its ordered 10 A380s next year. It won't exercise an option for three more. Air France-KLM SA has canceled its final two A380 orders. Etihad Airways, another A380 operator, also has said it doesn't want more of the planes.

Airbus would like Emirates Airline to take its last 25 A380s earlier to mitigate the production challenge, Mr. Clark said, but airport capacity at the airline's Dubai hub don't allow that. The airport can only accommodate 115 of the double-decker planes.

The last 25 of the 142 Emirates Airline has ordered will replace the first A380s the carrier received starting in 2008. But the early models aren't due to be phased out until starting in 2021, Mr. Clark said.