

EasyJet weighs up empty seats option for when travel rules ease

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EasyJet may keep middle seats empty to follow physical-distancing rules once coronavirus travel restrictions are lifted, its chief executive has said.

Johan Lundgren said vacant seats were one of the options being explored as the low-cost airline started planning for flights to resume, after the grounding of easyJet's fleet on 30 March. The chief executive said a drop in passenger demand would make it easier to keep middle seats empty when travel restrictions are eased.

"Our assumption is that load factors will not be back to normal early on, which means that we will have the opportunity for a middle-seat option, but I'm talking about this as an initial phase and nobody knows for how long that phase will be," Lundgren said. "We're also looking at various disinfection programmes on the aircraft."

However, the middle-seat option has been dismissed by the chief executive of easyJet's rival Ryanair, Michael O'Leary, who said it would be a "hopelessly ineffective" way to keep passengers safe and ultimately unaffordable for airlines.

EasyJet said winter bookings were "well ahead" of last year, after releasing its schedule earlier than usual. It includes customers who were rebooking flights following the Covid-19 outbreak.

Customers have had the option of changing their flights without a fee,

receiving credit or a full refund. Nearly half of passengers had chosen alternative flights or flight credit, the airline said.

EasyJet is now expecting a smaller loss for the first half of the year, of between £185m to £205m, compared with previous forecasts for a loss of £275m. It follows an emergency cost-cutting programme that included

a recruitment, promotion and pay freeze, a halt to all non-mandatory training and cuts to its administrative budget. The airline has 14,000 staff and all but 650 have been furloughed under government schemes across Europe.

Lundgren said it was too soon to say when flights would be back to normal and how profits would be affected, but he said easyJet had a dedicated data science team modelling various scenarios.

"I think we just need to be very flexible in terms of how the programme would look, and then we need to see what the pricing will be at that point in time and the profitability of those flights," the chief executive said.

"But I think that's something we can only know once these restrictions are lifted and we can look at what impact this will have on sales going forward. The answer to the question is nobody knows today what that means but we're planning for a number of scenarios on how we will get back to the market."

EasyJet has enough cash reserves

to survive another nine months without operating aircraft according to a trading statement released yesterday.

Lundgren said he did not expect easyJet to have to ask for state aid and suggested the airline would object if struggling competitors were given special assistance during the crisis. Virgin Atlantic has applied to the government for loans and guarantees worth up to £500m.

However, he said the position would depend for how long grounding persisted. "No one, no one will be able to survive if it goes on for a huge period ... So before one is saying you'd never accept anything from this or that, it comes back to how long it goes on for. If it's 12-18 months there won't be a single company around."

Meanwhile, easyJet's founder and biggest shareholder, **Sir Stelios Haji-Ioannou**, stepped up his attack on the airline's management, calling for the sacking of Lundgren, as well as the chairman, John Barton, over a £4.5bn order of planes from Airbus.

While easyJet has deferred some deliveries to attempt to mitigate the cost, Haji-Ioannou said the contract should have been cancelled altogether and the number of aircraft in the fleet meant the airline would face heavy losses in 2021.



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