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Low-cost carrier Easyjet has seen demand rebound 240 per cent in the last year

THE BOTTOM LINE

EASYJET seems to be better equipped than most of the legacy airlines when it comes to weathering the next few months.

First of all, the carrier's £700m net debt is one of the lowest in aviation while cash and money market deposits amount to £3.6bn.

Secondly, the low-cost airline is expecting strong demand for peak periods such as Christmas, with ticket yields up 18 per cent, as well as the winter ski season.

"We do see in general that people gravitate towards value, which clearly is going to benefit us," chief executive Johan Lundgren told journalists yesterday. "Easyjet has always done well in times of economic uncertainty."

Nevertheless, Easyjet's bubble could be burst by low-cost rivals such as Ryanair, which has said several times it would perform better than rivals in times of peak inflation.

Ryanair's boss Michael O'Leary said in October that people in a recession become more price-sensitive and "when they want to fly, they fly with Ryanair."

The two rivals may well try to one up each other, offering the lowest fares possible. How they will manage with soaring energy prices is another story.

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