



EMIRATES REJECTS DELTA'S RATIONALE FOR ENDING ATLANTA FLIGHTS AND LOOKS TO FILL THE GAP

News / Airlines



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Emirates has rejected **Delta** Airlines claim that competition from Gulf carriers have “forced” it to cancel flights between and Dubai and **Atlanta** from 11 February next year, reports Barbara Saunders.

In a statement, EK says: “Delta is currently the only airline to operate non-stop between Atlanta and Dubai. It has no head-to-head competition on the route. Industry data shows that average seat loads on Atlanta-Dubai has been consistently over 85%, which clearly indicates that demand or overcapacity is not the issue. Considering that over 55% of the traffic that Delta carried on the route connects in Dubai to or from destinations in India, Afghanistan, Iraq, and other cities in the Gulf, it is also disingenuous for Delta to point the finger at Gulf airlines for carrying traffic to the USA that does not originate in their hub city.”

Emirates says its own studies indicate that Delta’s Atlanta-Dubai route was a highly profitable one, with an estimated route profitability of over US\$ 10 million per annum, or a route net margin of 7%. “These are conservative estimates based on a combination of Delta’s published fares, and

simulated operating costs to fly a Boeing 777-200LR – the aircraft Delta uses on the route, based on Emirates’ own experience of operating the aircraft type between Dubai and the USA. As a yardstick, IATA’s forecast for global airline profit margin in 2015 is 4%. This means Delta’s route was generating a return way above that of the global airline industry,” the statement says.

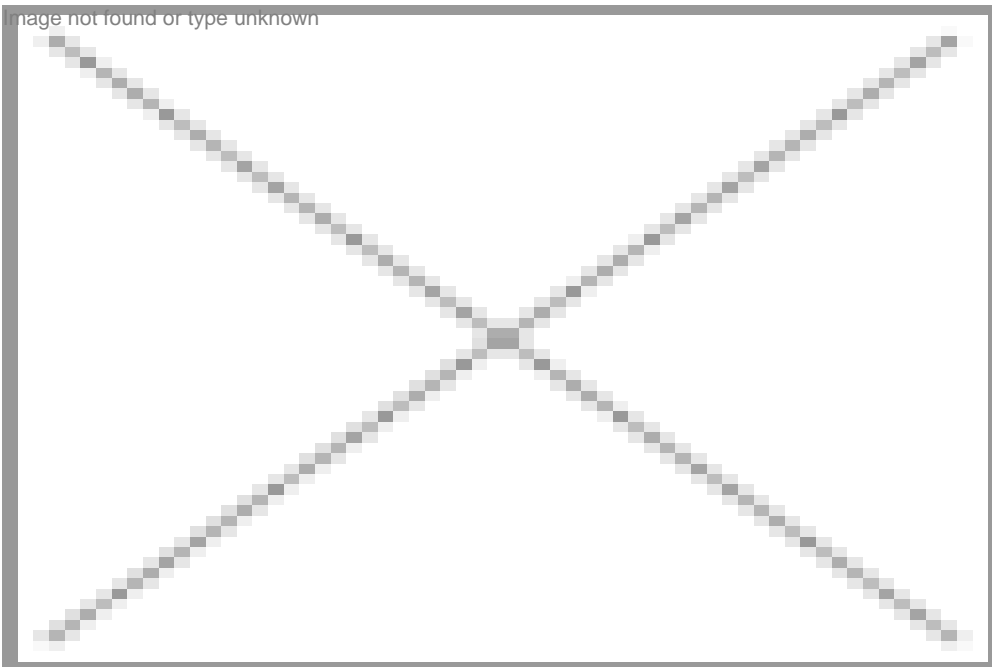
Announcing the ending of the Atlanta-Dubai service, Delta said: “The B777 aircraft used to operate ATL-DXB will be redeployed to other transatlantic markets where it can compete on a level playing field that’s not distorted by subsidised state-owned airlines.”

An EK spokesperson added: “Delta effectively has a monopoly on the Atlanta-Dubai route, they can carry ‘Fly America’ traffic that is protected from non-US carriers, and enjoy high seat loads and yield on the route. By any airline’s standards, these are lucrative conditions and hardly reason to cease the Atlanta-Dubai service. We can only conclude that this is a political move to position Delta as a ‘victim’ of the Gulf carriers – which is laughable considering Delta’s size and profitability; or it is perhaps because they wish to redeploy their aircraft on other trans-Atlantic routes that have even higher yields due to the anti-trust immunity Delta enjoys with its alliance partners. In which case, Delta should admit that its goal is to make even more money, and leave the Gulf airlines out of it.”

Emirates says its route planners are now closely studying the opportunity for the Dubai carrier to fill the gap when Delta exits the non-stop Atlanta service.

Emirates currently operates passenger services to 10 US cities– New York JFK, Washington DC, Boston, Chicago, Dallas/Fort Worth, Orlando, Houston, Seattle, San Francisco and Los Angeles.

EK says: “All Emirates’ flights are operated on a fully commercial basis, on efficient and modern Airbus A380 and Boeing 777 aircraft. The high average seat load factors of over 80% on Emirates’ USA services illustrates the consumer demand for the airline’s high-quality services to Dubai, and its ability to connect US travellers and cities to many other points on its global network including over 50 cities not served directly by any American carrier.”



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