

Dubai budget airline flydubai loses \$43.5m in 2018

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flydubai said it took four ageing Boeing 737-800 planes out of service in 2018, taking delivery of seven newer jets

Dubai budget carrier flydubai chalked up a loss of \$43.5 million in 2018, it said Wednesday, as airlines across the Gulf struggle with mounting

costs and political tensions.

The government-owned carrier, a sister of aviation giant Emirates, said total revenue for the year was up just over 12 percent to \$1.7 billion.

But this was not enough to offset its losses.

The loss, a dramatic shift from a \$10 million profit in 2017, was "largely due to increasing [fuel costs](#), rising interest rates and unfavourable currency exchange movements", flydubai's Chief Financial Officer Francois Oberholzer said in a statement.

The announcement comes as airlines in the UAE—whose Dubai International Airport is the busiest in the world for international traffic—have faced a double hit from regional political tensions and oil price hikes.

In June 2017, Saudi Arabia, the UAE and their allies cut all ties with Qatar, accusing it of cosyng up to rival Iran and supporting Islamist groups.

Saudi Arabia and the UAE have since banned [air travel](#) to and from the tiny Gulf emirate.

Doha denies the charges and accuses the rival bloc of inciting regime change.

Meanwhile oil prices have been on a rollercoaster ride, surging in mid-2018 on worries over US sanctions against Iran, then tumbling late in the year due to overproduction and fears of slower global growth.

In November, Dubai-based Emirates said its half-year profits had fallen a whopping 86 percent due to high crude oil prices.

Abu Dhabi's Air Arabia also posted a shortfall, while flagship Etihad reported a \$1.52 billion loss.

Qatar Airways in September said it had lost \$69 million from April 2017 to March 2018 due to the Saudi-led boycott.

Gulf carriers, including state-owned Qatar Airways and Etihad, have also faced accusations they are unfairly subsidised, giving them an advantage over airlines in Europe and North America.

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