

Oil price decline "will have no effect on cost of flights"

Travellers should not expect air ticket prices to fall with the decrease in the oil price, as the aviation industry is still recovering from high fuel prices from previous years.

This is according to Kirsten King, Financial Director at Comair, the British Airways franchisee operating under the kulula.com brand.

departing

flying from Cape Town, (CPT)

flying to Durbs, (DUR)

Pay special attention to the airline and destination choice. The domestic airline policy offers one free bag per traveller on economy and two bags on business class. International airline baggage allowances may differ.

Mon, 05 Jan	Tue, 06 Jan	Wed, 07 Jan	Thu, 08 Jan	Fri, 09 Jan	Sat, 10 Jan	Sun, 11 Jan
N/A	N/A	N/A	2036.99 ZAR	1446.39 ZAR	2983.19 ZAR	2983.19 ZAR

sort by earliest departure ☐ non-stop flights

depart	arrive	stops	total trip duration	operated by	flight	price per person
10:35	12:40	0	2hr 5min	kulula.com	MN 701	2036.99 ZAR (1 seats remaining)
13:30	15:35	0	2hr 5min	BRITISH AIRWAYS	BA 6309	2259.39 ZAR (4 seats remaining)
17:30	19:35	0	2hr 5min	BRITISH AIRWAYS	BA 6313	2716.79 ZAR (1 seats remaining)

Air ticket prices have risen 20% over the past three years, according to Comair. Rival FlySafair, a new low-cost entrant in the market, said 40% is closer to the mark.

"In previous years it (the oil price) was sitting at \$120, and we're still recovering from those losses. We are not at a position where we have recovered from those losses," King said yesterday.

The group expected the fuel price to remain low for the period to its financial year, ending in June, which would work in its favour. "A 1c change in the fuel price can translate to R10m (in fuel cost)," she said.

The price of Brent Crude fell below \$52 a barrel yesterday, a fresh five-and-a-half-year low.

Brent Crude was trading at just below \$85 at the end of October and below \$72 at the end of November. The oil price has fallen about 40% over the past six months, according to economists.

Lower fuel price is "counterweighted" by a weak currency

"The impact of a lower fuel price is counterweighted by the substantial weakening of the rand - keeping in mind that a large portion of airline input costs are monetised in foreign currency," said Hein Kaiser, spokesman for Mango, the low-cost subsidiary of national carrier South African Airways. "A stable rand and a low fuel price will, in the medium term, benefit consumers in terms of travel cost." However, the industry expects to continue to benefit from a lower fuel price.

Meanwhile, the local aviation industry performed well over the festive season. Mango said it had positive load factors of up to 90% throughout the festive season. Departures were more spread out compared to previous years, but the Johannesburg to Cape Town route remained the most popular.

FlySafair said it had load factors of 100% for the Johannesburg to Cape Town route and 97% for Johannesburg to George. CFO Elmar Conradie said the new airline drew a number of passengers who were flying for the first time.

King said that the Johannesburg to Cape Town and the Johannesburg to George routes were the most popular at Comair.

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