THE HIGHS AND LOWS OF ANOTHER TURBULENT YEAR IN AVIATION

News / Airlines



The aviation sector in 2015 was extremely busy internationally and domestically, not least with the €1.36bn acquisition of Aer Lingus by IAG having been finalised during the year.

There will be further major change too, with Dublin-based airline CityJet poised to come under new control in coming weeks, and UK transport group Stobart also eyeing up a possible sale of its regional air division, which operates the Aer Lingus Regional brand on a franchise basis for Aer Lingus.

The year also saw the Government publish a new aviation policy paper, which set out the strategic objectives for the sector in Ireland. Unsurprisingly, it focused on issues such as increasing connectivity, especially with emerging markets, as well as the promotion of Dublin as a secondary hub, and boosting Ireland's attractiveness as a base for aircraft leasing.

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The European Commission also issued an aviation strategy for Europe. It's designed to boost competitiveness in the industry and cement air transport agreements with countries including the United Arab Emirates, China and Qatar.

While passenger numbers at Dublin rose in 2015 past their previous record set in 2008, Cork continued to struggle and Shannon's performance was solid if unspectacular.

And just as Christmas drew closer, Shannon Airport announced that its chief executive, Neil Pakey, would be leaving in 2016 once his current three-year contract expires.

The aviation news in Ireland in 2015 was largely dominated by IAG's acquisition of Aer Lingus, which is now planning expanded transatlantic services from 2016.

Ryanair, headed by Michael O'Leary, continued to take delivery of new aircraft that will boost its fleet to more than 500 aircraft by 2024 and put it on course to carry about 120m passengers a year by then.

In September, Ryanair also said that it expects to make profits of between €1.17bn and €1.22bn in the 12 month period that ends next March. That compares to a previously guided range of between €940m and €970m, and marks a 25pc leap. It's been crediting its strong growth to its 'Always Getting Better' campaign, which has scrapped or reduced many of the charges that passengers used to hate, and focused on encouraging more families and businesspeople to fly with the airline.

And in an exclusive interview with the Irish Independent, Ryanair chairman David Bonderman said that he was a "sceptic" on whether low-cost transatlantic flights could ever become a reality. He said it would be too inefficient and the model that makes Ryanair successful on short-haul would wouldn't easily migrate to long-haul.

The Sunday Independent also first revealed in December that Brookfield Aviation, a UK firm that provides Ryanair with many of its pilots, has been slapped with a £47m (€65m) "protective assessment" by the UK Revenue in respect of PAYE and national insurance contributions due from the company for the 2010-2013 period. The newspaper also revealed that the tax probe against Brookfield by German authorities has intensified.

In leasing, Dublin-based Avolon agreed last summer to sell a 20pc stake in the business to Bohai, which is part of the State-owned Chinese HNA Group, but a takeover offer by another suitor for Avolon prompted Bohai to make an approach to buy the Irish company outright.

Avolon, co-founded by Domhnal Slattery and which only floated on the New York Stock Exchange in December 2014, is already the ninth-biggest jet leasing firm in the world. It's been predicted that it could eventually become a $40bn Goliath, and one of the top three leasing firms in the world.

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