

Etihad assessing need to reduce fuel surcharge

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SEPANG: Etihad Airways is studying market conditions to assess the need to reduce its fuel surcharge following a drop in crude oil prices to under US\$100 (RM347) a barrel, said its Malaysia country manager Adam Phillips.

"It's a fluid market. We are always assessing the situation. We have fuel surcharge, just like everyone else. It is an on-going approach. We always observe the market in terms of what it is doing. In the coming weeks, we will

assess it and see how it impacts our business.

"When fuel (prices) went up, we all put up fuel surcharges, and we haven't been stagnant. It is hard to say at what price it should be before we change our surcharge. We hedge on the open market like every airline. But we are still looking at whether there is a need to bring down our fuel surcharge," he said at a preview of its new Airbus A340-600 at KLIA yesterday.

During the temporary operation of the A340-600 to Malaysia, passengers would be able to experience all three classes on

board the newly purchased aircraft — the Diamond First Class, Pearl Business Class and Coral Economy Class.

The Abu Dhabi-based airline, which launched its services in Malaysia in January 2007, currently operates six Boeing 777 flights to Malaysia a week.

He said the Boeing 777s only had business and economy classes. "But if there is demand here for the first class, then we would rotate the aircraft on this route. We have a lot of demand for the first class product. So, it is not just about the financial viability, but also what

the network requires," he said.

Phillips said the airline planned to establish itself in the Malaysian market, adding that it usually took about three years for a route to mature. It was also looking at extending its global network, he said.

"We have four new destinations from the code-share with Malaysia Airlines (Kota Kinabalu, Penang, Kuching and Langkawi). We also included a few new destinations this year like Beijing. And we are also increasing frequency of our flights. And we will be adding Moscow to our list of destinations at the end of the year," he said.