Funding the Future

When flying no longer pays

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It is quite easy, when looking at commentary on the world economy, to notice what is happening in the fantasy world of AI and ignore what is happening in the real world we actually live in.

Looking at the real world does matter. In that context, I noted this report in the Financial Times this morning:

Profits at EasyJet fell 96 per cent after fuel prices soared and consumer demand fell, in the final set of annual results for the airline before Apollo takes it private in the spring.

Annual pre-tax profits for the 12 months to the end of September fell to £24mn, down from £658mn a year earlier, while revenues rose 6 per cent to £10.7bn, the low-cost carrier said on Wednesday.

Earlier this year, I predicted major difficulties for airlines because of fuel price increases and consumer reluctance to pay enough to cover the additional costs, coupled with reduced demand because of increased international uncertainty and reticence to spend in an uncertain economic environment.

It now seems that those things were true.

EasyJet survived the summer but is being taken private next year, and in a difficult environment for airlines, it is clearly struggling.

The fact is that when people face financial stress, weekend city breaks abroad and other such frivolities (which I must admit would feel more like exercises in airport torture than leisure to me) are among the many things that have to go while household budgets focus on meeting essential costs.

I am not unduly stressed by this. Let’s be clear, one of the many things that has to change in our lives is the amount of flying that some people do at substantial cost to the environment and our planet. In that sense, this change is very welcome. But it is important that we note it and realise that we are adapting to a very different world

environment, where the very nature of consumption is changing because of the extraction of profit from most people by the few who control many of the world’s resources, who are enabled by such things as deliberately created conflict.

2026 has been a pivotal year in many ways. The fallout will be seen in 2027 and beyond. I am not sure many are ready for that as yet.