

Alliances key for MEA growth

By **Claire Malcolm** in Beirut, Lebanon on November, 20 2018 | Industry News



Middle East Airlines Chairman, Mohamad Abdul Rahman El-Hout, shares future plans of growth

A modest growth plan fueled by competitive pricing and one-stop global connectivity is the focus for Middle East Airlines (MEA) whose 18-strong fleet will grow to 27 by 2020 and 33 by 2021, according to airline Chairman Mohamad Abdul Rahman El-Hout.

Following large-scale reform in 2001, which saw a cut back in long haul routes including Brazil and Sydney, with the aim of consolidating its business model and driving competitiveness, Lebanon's national carrier has soldiered on despite increasing international competition and a 40% decline in ticket prices in the last five years.

MEA's growth strategy is focused on targeting destinations where the airline has established trade and economic relations. "For example, we had two flights to Riyadh and now it's 14 per week, and this is set to increase to 21. Turkey, we will increase from two to three flights and last year we

launched Madrid, which has been very successful,” said El-Hout.

Outbound ambition needs to be complemented by in-country development. “Our infrastructure is under pressure. If we want [Beirut] to once again be a tourism hub, we need to work on our infrastructure and expand the airport.”

Part of the SkyTeam Airline Alliance and with code shares agreements on specific routes with Air Canada and Turkish Airlines, he has strong views on the structure and value of alliances. “Let me be clear on this issue. I am open to co-operation, but ownership is not a prerequisite for operation.

“You can reach anywhere in the world through our alliances and partnerships, with more than 1,000 destinations within a one stop reach.”

A low-cost carrier service is not on the cards for MEA anytime soon, but El-Hout reveals that the airline previously commissioned a feasibility study, identifying destinations such as Berlin and Copenhagen as high potential.

He said: “Air Arabia is a true low-cost airline and there are also two French companies that we are already competing with. If we see more political stability in Lebanon, and the possibility to achieve infrastructure and tourist volume growth then it would be a very easy model [to implement]. We’ve discussed it, but it’s not the right time.”



Mounir Seifeddine, Middle East Airlines Director of Purchasing, plans to prioritize inflight duty free

Ensuring the sustainable future of inflight duty free is a priority for Mounir Seifeddine, MEA's Director

of Purchasing, and the company's new aviation academy also offers a dedicated onboard sales training program.

While passenger duty free spend has declined, he sees opportunity in fresh demand for niche products and MEA is actively addressing this with its next inflight duty-free magazine offering set to reflect specific passenger tastes.

"Every dollar counts" according to Seifeddine, who highlighted a rise in price aware passengers, who go to great lengths to check for the best deals from verifying prices at their departure destination to the onboard catalogue and then at arrivals; with aggressive local market pricing strategies also impacting the channel.

He said: "Consumer behavior has changed. Today, when a passenger says he has a budget of US\$60 he means US\$60."

Online retail is an internal MEA discussion point with Seifeddine keen to partner with a supplier to make this a reality at some point but is confident that the unique pleasure of the onboard shopping experience will remain at the heart of the MEA duty free offering.