

## Travel demand will let airlines pass fuel costs

**MINNEAPOLIS:** United States airlines will likely recover a surge in fuel costs from customers amid a robust desire for travel, according to the president of Sun Country Airlines Holdings Inc.

The industry "takes time" to pass along pricier fuel into higher airfares but will do so in the coming months by reducing the amount of flying available, Dave Davis said.

"The demand environment is incredibly strong," he said. "Our demand is way up versus pre-Covid, 2019."

Alaska Air Group Inc and Allegiant Travel Co said that they would start paring some flights from their schedules.

Reducing the supply of tickets could let airlines raise ticket prices to recover the jump in fuel costs from the war in Ukraine.

Despite more than 50% surge in spot jet-fuel prices this year, Sun Country expects its unit cost to continue dropping as the airline flies more each day.

The company sees costs below the 2019 level of 6.31 US cents (RM2.64) a seat mile by year-end, from 6.44 US cents (RM2.69) in 2021, Davis said at a Raymond James Financial investor conference.

Further fuel-price increases could affect that outlook. — Bloomberg