Emirates and Portugal

Emirates launched daily, non-stop passenger flights from Dubai to Lisbon in July 2012 and is the only carrier operating between Portugal and the UAE.

Emirates began flying to Portugal with a Boeing 777-200 aircraft. Because of increasing demand, this was upgraded to a 360-seat 777-300ER in May 2014. A twice daily service was operated from January to August 2016, and was resumed in June 2018. In 2017-18, 258,000 passengers flew on Emirates’ flights to and from Portugal, with an average seat factor of 89%. Since its launch in 2012, over 1.37 million passengers have travelled with Emirates on the Lisbon-Dubai route.

Socio-economic impact in Portugal

A 2015 study by Frontier Economics found that Emirates’ flights to Portugal had a GDP impact of €104 million and supported more than 2,620 direct, indirect and induced jobs in 2013-14. This number not only takes Emirates’ staff in Portugal into account, but also employment across the supply chain such as ground-handling and catering jobs as well as induced employment through the economic activity generated by these direct and indirect employees.

Emirates’ unique connectivity

Connectivity plays an important role in enabling tourism, international business relationships and international trade. In Europe, connectivity is mainly provided by a few large hub airports such as Frankfurt and Paris, as a result of which intercontinental connections from other cities in Europe often require an additional stopover. This creates a connectivity gap. Emirates helps bridge that gap by serving more non-hub centres through its global network. In fact, Emirates is the only carrier offering scheduled flights between Portugal and the UAE. Hence without Emirates’ flights to Lisbon, passengers bound for the UAE would need to use at least a one-stop connection. According to Frontier Economics this unique

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*Frontier Economics (2015): Emirates’ Economic Impact in Europe

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**14 weekly** Emirates passenger flights to Lisbon

**258 thousand** passengers on Emirates’ flights to and from Portugal in 2017-18

**€104 million** direct, indirect and induced GDP impact*

**2,620** direct, indirect and induced, supported through Emirates’ operations*

**€176 million** bilateral trade between the UAE and Portugal in 2017

**12,270** tonnes cargo carried on Emirates’ flights to and from Portugal in 2017-18

**539** Portuguese nationals employed by the Emirates Group

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*Frontier Economics (2015): Emirates’ Economic Impact in Europe
connectivity created a catalytic GDP impact of €1 million for the Portuguese economy in 2013-14. Furthermore, Emirates’ unique connections had a catalytic impact of €3 million on Portugal’s international trade in 2013-14.

The importance of tourism for Portugal

Tourism is an important contributor to Portugal’s economy with potential for further growth by tapping into the increasing demand for air travel and tourism worldwide. In 2017, travel and tourism contributed 17.3% or €33.5 billion to Portugal’s GDP and is forecast to reach 20.5% of GDP in 2018. The travel and tourism industry supports over 967,500 jobs in the accommodation, hotels and restaurants, travel agencies, tour operators, reservation services and related sectors and is expected to cross 1 million jobs in 2018.

In May 2016, the Government of Portugal launched the Tourism Strategy 2027 to boost the country’s tourism sector over the next decade. It focuses on increasing tourism receipts and promoting employment and investment in the tourism industry. The plan identifies the need to strengthen accessibility to Portugal and improve connectivity in order to achieve these goals, including by attracting and reinforcing air connections. It also identifies the need to create awareness of Portugal as a tourist destination among international markets. Emirates not only contributes to Portugal’s accessibility by providing connectivity by air via Dubai to several emerging markets in the East, but also promotes Portugal as a tourism destination through marketing activities across its network.

Open Skies for a stronger Europe

International aviation competition is currently high on the European Union agenda. Opening markets with main trading partners is an urgent necessity if the EU is to bridge its connectivity gap with the rest of the world. Liberalised aviation markets create new routes for people to travel, work and goods to be exchanged. It is not surprising that key representative bodies, including Airports Council International (ACI Europe) with 10 Portuguese airports among its members and the European Travel Commission supported by Turismo de Portugal recently called on policy-makers to prioritise free aviation market access, including with Gulf countries.

Some European legacy carriers in France and Germany disagree with this. But why should valuable direct international air links, which are so important for business and tourism, be limited to a few European airlines and a few European hubs with higher ticket prices, longer travel times and passenger inconvenience as consequences?

About Emirates

Emirates was established in 1985 and since then, the company’s growth has been measured in line with market demand. With 269 efficient aircraft in service today, Emirates operates a global network of over 160 destinations in 86 countries, independently of the three traditional alliances. Emirates launched passenger flights to three new destinations in 2017 – Newark in the US, Zagreb in Croatia and Phnom Penh in Cambodia and launches services to London Stansted, Santiago de Chile and Edinburgh in 2018.

Myth vs. Fact: Setting the record straight

Some of our competitors claim that Emirates competes unfairly or negatively impacts the aviation market. Such misconceptions, when repeated often enough, can ultimately be accepted as fact. Below we aim to address some of these allegations levelled against Emirates.

Myth: Emirates is heavily subsidised by the Dubai Government.

Fact: Emirates is a consumer-focused, commercial airline, operating a financially transparent and non-subsidised business model. Our funds are raised on a fully commercial basis through a wide range of sources including operating leases, commercial asset-backed debt and equity from investors. Our financial accounts are audited by PricewaterhouseCoopers in full compliance with International Financial Reporting Standards, and are publicly available at https://www.emirates.com/english/about-us/business-model/financial-transparency.aspx and have been since 1993-94.

Emirates has been profitable for the last 30 years and rather than receive subsidies as erroneously alleged, Emirates has in fact paid its state shareholder over US$4.2 billion in dividends up to and including its 2017-18 financial year.

Myth: Emirates receives free fuel and does not pay to use infrastructure in Dubai.

Fact: In the 2017-18 financial year, Emirates’ fuel costs totalled US$6.7 billion and comprised 28% of operating costs, wholly comparable with other large long-haul carriers. Shell, one of Emirates’ main fuel suppliers in Dubai and abroad, recently confirmed that it does not give Emirates preferential treatment. Emirates also pays the full published landing charges at Dubai International Airport – as do the 100 other airlines that fly to and from this airport. Similarly, Emirates pays the same airport handling fees to the ground-handling agent as would a similar high volume airline customer.

Myth: The social conditions in which some of Emirates’ employees work are unacceptable.

Fact: As a responsible multinational company, Emirates complies with the labour laws in each of the countries that we operate in. To attract and retain top talent Emirates offers competitive salaries and benefits. Emirates currently employs over 62,000 staff of over 170 nationalities worldwide. The Emirates Group’s status as an excellent employer is shown by its high staff retention rates with more than 17,000 staff having worked for the company for 10 years or longer, of which 3,200 have worked for over 20 years.

Please visit www.emirates.com to read more on “Airlines and Subsidy: Our position”