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Croatia Airlines eyes post-pandemic resurgence



Croatia Airlines expects to recover from the downturn caused by coronavirus Covid-19 pandemic by 2022 and is looking to better position itself on new markets. Speaking to "AirInsight", the carrier's CEO, Jasmin Bajić, said, "Being a small airline may be an advantage to surviving the global turmoil - we can be more flexible during this time and more daring in seizing any new opportunity on the market. There is a downside as well - there are fewer means for investment compared to the bigger carriers. We are considering a few scenarios for the post-pandemic Croatia Airlines and each of them has the goal of positioning the company onto new markets and strengthening its position in existing markets".

Mr Bajić noted that while the aviation industry is slowly seeing signs of recovery, he expects Croatia Airlines to be posting similar figures to those registered in 2019 by the end of next year or in 2022. "The pre-recovery has started but our industry will need two or three years to truly get back on its feet. We are gradually adding more flights into the distribution systems and we are seeing a positive market response. I would say that the main question is not when the recovery will start but how long it will take to recover. Me and my management team are confident that we can reach our 2019 figures by 2022. Personally, I would not be surprised to see Croatia Airlines' figures reaching 2019 levels by the end of 2021, but we all agree that the recovery will be a long-lasting process during which we may again be exposed to another wave of the virus spread. Having said that, I also want to emphasise that, besides "U" shape and "V" shape scenarios, we need to be prepared for other scenarios too. This applies to many airlines around us as well. Many carriers will have to downsize for an unspecified time".

In the coming period, Croatia Airlines plans to stick to its fundamentals. "Croatia Airlines is a regional carrier with the prime purpose of connecting Croats with Europe and the rest of the world through major European hubs with connections to the networks of our Star Alliance partners", Mr Bajić said. He added, "We will continue to connect major European hubs as this is our strategy and it will remain unchanged. However, we will also provide connections for Croatian people to fly within the country and we will continue to provide direct links to Croatian holiday destinations from around Europe. We believe that the hub and spoke system will survive. Croatia Airlines is a strong regional operator with a clear goal. It is also well connected with many other airline partners through its interline and codeshare agreements and part of the best alliance in the world - Star Alliance".

MAY 22, 2020



Anonymous 09:01

Bravo Hrvatska!

Anonymous 16:31

Bruh

REPLY

Anonymous 09:01

Will they be around in 2022? How will they survive the coming winter season?

Anonymous 09:03

Same way they survived the rest of them.

Anonymous 09:04

Of course they will. Just like every ExYu airline.
Just like ANY other European airline who will receive state funds.
Financial performance has little importance when you are owned by the state.
This has been proven true for ever, it will definitely be proven now with the Covid crisis.

Anonymous 09:07

Yes and how fast did they burn through the €100 million they got some years ago?
Not to mention that they did it during economic renaissance in Europe. JU and YM survive because they are not limited by EU regulation, OU is. Especially now when the EU will restrict aid to airlines that have suffered before Coronavirus.

Anonymous 09:11

Anon 09:07

Actually now the EU will NOT restrict aid to ANY airline. Sorry if you find this upsetting.

Petar 09:21

Anonymous 09:11

+1

I don't know how some people can create a completely twisted reality with no relation to what is actually happening just to fill fulfill their fantasies and satisfy their hate.

Anonymous 09:25

What he is referring to is what Purger wrote on here some days ago. So I guess he has fantasies as well?

Anonymous 10:33

Anon 09:25 you are the same poster as in 09:07!!!!
LOL dude!

Anonymous 10:53

I am not the same guy, I am just someone who is reminding you that OU is not immune to what's going on and that OU's bankruptcy is not unimaginable. After all, that's the same thing people said about JP.

Anonymous 11:22

LOL!

You can blame evil EU now for allowing massive government subsidies to be given to EU airlines!

That must have really messed things up for you, right?

Anonymous 11:47

The EU is not allowing "massive government subsidies". They are allowing massive loans, and even then only under certain conditions. You guys are in for a rude awakening in the coming months...

Anonymous 07:07

Let them dream of scenarios that will never happen.

REPLY

Anonymous 09:02

I have a few questions regarding OU.

- Is privatization still planned?
- What will happen with the Airbus neo order?
- Will they get aid?

Anonymous 09:06

The government said they will restart the privatization process in the 4th quarter. Of course they will get aid. It has already been announced by the government.

Anonymous 09:06

I hope the neos do come. They need them more now to replace the older Airbus jets than ever before.

Anonymous 09:10

I wish OU all the best but I don't understand who the government expects to find in Q4 to buy OU.

Anonymous 09:15

If OU is debt free and the government gives it for 1€ and makes sure that subventions will be paid to it for a period of time I am sure someone will be interested.
Same as every other airline, exyu or not.

Anonymous 09:16

I wonder how will they fill Neos on (regional) routes they used Dashes before

Anonymous 09:18

Umm they will still have Dashes.

Anonymous 10:23

@9.15 don't think that's what they are planning.

Anonymous 10:33

How will they pay A320NEO's?

Anonymous 11:14

Same way every exyu airline is paying for its aircraft. Government subsidies.

REPLY

Anonymous 09:04

Good luck

REPLY

Anonymous 09:05

The good thing for Croatia Airlines is that they will have a lot less competition on certain routes.

Anonymous 10:09

For a reason. There will be no passengers so therefore there will be no competition.

And no passengers for OU means flying empty

Anonymous 12:19

LOL, they charge 300 EUR for return flights to Frankfurt and Amsterdam. Nobody will fly with them, competition or not.

REPLY

Anonymous 09:09

That's an optimistic forecast for them to be at prepandemic levels by the end of next year. Hope it happens. It would be great news.

REPLY



Unknown 09:10

Cancelled my flight to Rome with OU and received the vouchers the following day. Great customer service, indeed! Pity you cannot use them online.

Anonymous 09:12

That's good. But what do you mean about not being able to use them online? You have to go to their office or call?



Unknown 09:19

Indeed!

Anonymous 09:44

That's a bit inconvenient.

Anonymous 09:46

Is it possible to get money back? Or just vouchers?



Unknown 10:15

I believe just vouchers right now.

Anonymous 10:40

That's crazy in my opinion. They should offer the option of money back.

Anonymous 11:23

Many airlines would go bankrupt if they had to give money back. In Canada they have made it legal for airlines not to give money back but to just issue vouchers.



Putnik 12:40

OU has been horrible with cancellations and forcing everyone to take vouchers which can only be used via call center.

Fun fact: prices are higher via call center than online, because they charge a higher "Ticket service charge" to the tune of ~15EUR (if I recall the amount correctly).

Many airlines are offering a 10-15% bonus with the vouchers, but not OU.

Finally, vouchers can be transferred to someone else *only* by paying 40EUR.

REPLY

Anonymous 09:20

"Being a small airline may be an advantage to surviving the global turmoil - we can be more flexible during this time..."

Actually, there are hardly any advantages of being a small airline, on the contrary. But, he could have been honest and said the advantage he thinks about is that he expects to be bailed out every time OU gets in trouble.

Anonymous 09:24

Exactly the same was said by JU.

REPLY

Anonymous 09:24

I really hoped that one day we will get a wide body aircraft, and offer routes to East Asia and the US, but we probably won't even get the Neos, at least not at time

Anonymous 09:43

I don't think it's part of OU's strategy to fly long haul

"We will continue to connect major European hubs as this is our strategy and it will remain unchanged."

REPLY

Anonymous 09:48

Hope for the best.

REPLY

Anonymous 09:49

They talk about new markets. Any guesses which it could be?

Anonymous 10:11

It's all PR

Anonymous 10:19

In my opinion it would be wise to base 1 Dash in LJU and launch several key routes.

Anonymous 10:40

+1 last anon!

Anonymous 11:57

that would make sense

Anonymous 12:10

to base 1 airplane in LJU...
Why just now and not before (autumn 2019)?

Anonymous 14:49

a missed opportunity.

REPLY

Anonymous 10:24

Nice

REPLY

Anonymous 10:33

OU has a very good network and good fleet. Things will improve once the A320 neos arrive and there are still 2 years until then.

Anonymous 10:58

How exactly is their network good? They butchered London and don't fly to places like Moscow, Istanbul... or Stockholm on a year-round basis?

REPLY

Anonymous 10:34

Well let's see what will happen regarding OU. Elections are in 2 months. If opposition wins then the management will change and a different strategy will probably be implemented.

Anonymous 10:52

Is it possible that there will be a change in government?

REPLY

Anonymous 10:53

Good luck OU.

REPLY

Anonymous 10:59

If nothing let's hope this wakes up the management and they really seize some opportunities as they have left many slip.

REPLY

Anonymous 11:00

For years now OU's modus operandi was to rely on LH Group hubs and to feed their growing networks. Now that those same airlines are struggling OU must decide what it wants to do. Use this opportunity to become more independent and self-sufficient or to accumulate losses while they wait for Lufthansa and its children to start growing once again.

Personally I am not optimistic about OU's future especially now when tourist demand has collapsed all around. On top of that, it is being reported that from our region, Croatia will have the highest GDP fall. This will also impact their demand from ZAG. All in all, OU will need much more than €100 million to survive until demand picks up again. They are lucky Turkish operators in ZAG are protecting them from LCCs.

Anonymous 11:24

I'm sure you are very concerned...

Anonymous 12:46

Anon 11:00, wow, how concerned you are....hahaha
Croatia Airlines will get all the money it needs to survive now that EU restrictions are lifted, and will never go bankrupt.

Anonymous 07:10

Why did you write a similar comment twice? Do you feel better now? Also I never said I was concerned so I don't see where that's coming from. Wake up and smell the coffee, OU has no future because it tied itself to a sinking ship - in other words it relies heavily on LH which is milking it. After all they burned €133 million so far!

REPLY

Anonymous 12:43

Its ALL good, Croatia Airlines will be around for a LONG time!!!

You all know that the Croatian Government (irrespective who's in power) will NEVER allow for its demise, even if it hemorrhages money, its just a Croatian thing ;-)

BTW, Covid-19 made things MUCH easier for Croatian Government, no more EU restrictions on funding, so they can fill money into OU at will for many years to come, just like the GoS is doing with JU.

REPLY

Anonymous 13:51

I hope things improve. I'm still stunned by the information in this news that they lost 244,000 euros on the ZAG-FRA route in a month and a half
<https://www.exyuaviation.com/2020/05/croatia-airlines-pilots-test-covid.html>

REPLY

Anonymous 15:38

OU is well connected with airline partners as part of the best alliance in the world - Star Alliance. Look back at how that helped Adria survive.

REPLY

EX-YU Aviation News does not tolerate insults, excessive swearing, racist, homophobic or any other chauvinist remarks or provocative posts with the intention of creating further arguments. A full list of comment guidelines can be found [here](#). Thank you for your cooperation.

VINTAGE EX-YU



Dubrovnik Airport, 1970s

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