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Riyadh airport faces $50m disruption bill

By Shruthi Nair | October 26, 2026 5:05 AM



Reuters

King Khalid Airport has reportedly been hit 20 times

- **Reduced operations inflate costs**
- **Readiness preserves continuity**

Riyadh's international airport is losing tens of millions of dollars as passenger traffic falls to near zero, but a full shutdown could prove even more costly, aviation analysts say.

They estimate that disruptions over the past week may have cost Riyadh's King Khalid International Airport up to $50 million in lost revenue and unrecovered fixed costs. This figure excludes aircraft damage, insurance claims and wider economic spillover.

Operating an airport at 10-20 percent capacity is far more expensive per passenger than temporarily shutting it, "because airports have extremely high fixed costs that do not scale down when traffic collapses", said Saj Ahmad, chief analyst at StrategicAero Research.

"Commercially, it's nothing short of disastrous," he said.

Saudi airports have faced attacks by the Yemeni militia Ansar Allah, commonly known as the Houthis. King Khalid International Airport has borne the brunt, reportedly being targeted at least 20 times.

A deadly attack on Dammam airport on October 21, killed two people and injured eight.

Flight cancellations across Saudi airports reached 46 percent on October 14, according to Cirium data reported by *Reuters*. Multiple international carriers also suspended services to the kingdom.

Fourteen commercial passenger jets were seen taking off or landing at King Khalid on Sunday, all domestic flights, according to data from flight tracking website Flightradar24

readiness.

“Keeping a reduced ‘ready’ state preserves the ability to resume quickly, protects assets and maintains regulatory compliance,” said Addison Schonland, founder of aviation data and insights company, Airinsight.

“Pure commercial logic still favours readiness over mothballing for disruptions measured in days or weeks rather than months.”

But maintaining readiness requires deep pockets and economic buffers. Privately operated airports without substantial financial backing can come under pressure after two to four weeks of near-zero activity. An airport becomes “commercially viable” when it reaches roughly 40-60 percent of its structural capacity, or at least 3-5 million passengers a year for a medium or large airport.

“Below this threshold, revenues typically cannot cover operating costs without subsidies or government support,” Ahmad said.



Abha International Airport was also hit by a Houthi attack. Picture: Reuters

King Khalid airport, however, benefits from government ownership, which gives it greater capacity to absorb short-term losses while maintaining essential infrastructure.

“Cash-flow pressure is secondary to safety and strategic continuity,” Schonland said.

Airports have two main revenue streams, Ahmad said. Aeronautical revenue includes landing fees, passenger charges and parking stands; non-aeronautical revenue includes retail, duty-free, food and beverage, car parks and advertising.

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Both streams are vulnerable when passenger numbers collapse, but retailers and other concessionaires can face particularly acute pressure.

With terminals largely deserted, shops and restaurants may have to close temporarily or reduce their hours while still incurring staffing, rent and inventory costs.

Concession agreements commonly include minimum guaranteed payments or rents linked to turnover. Businesses facing prolonged disruption may seek rent relief or invoke force majeure provisions, depending on their contracts.

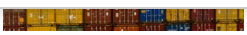
“The net effect is sharp losses for the commercial operators and reduced non-aeronautical income for the airport,” Schonland said.

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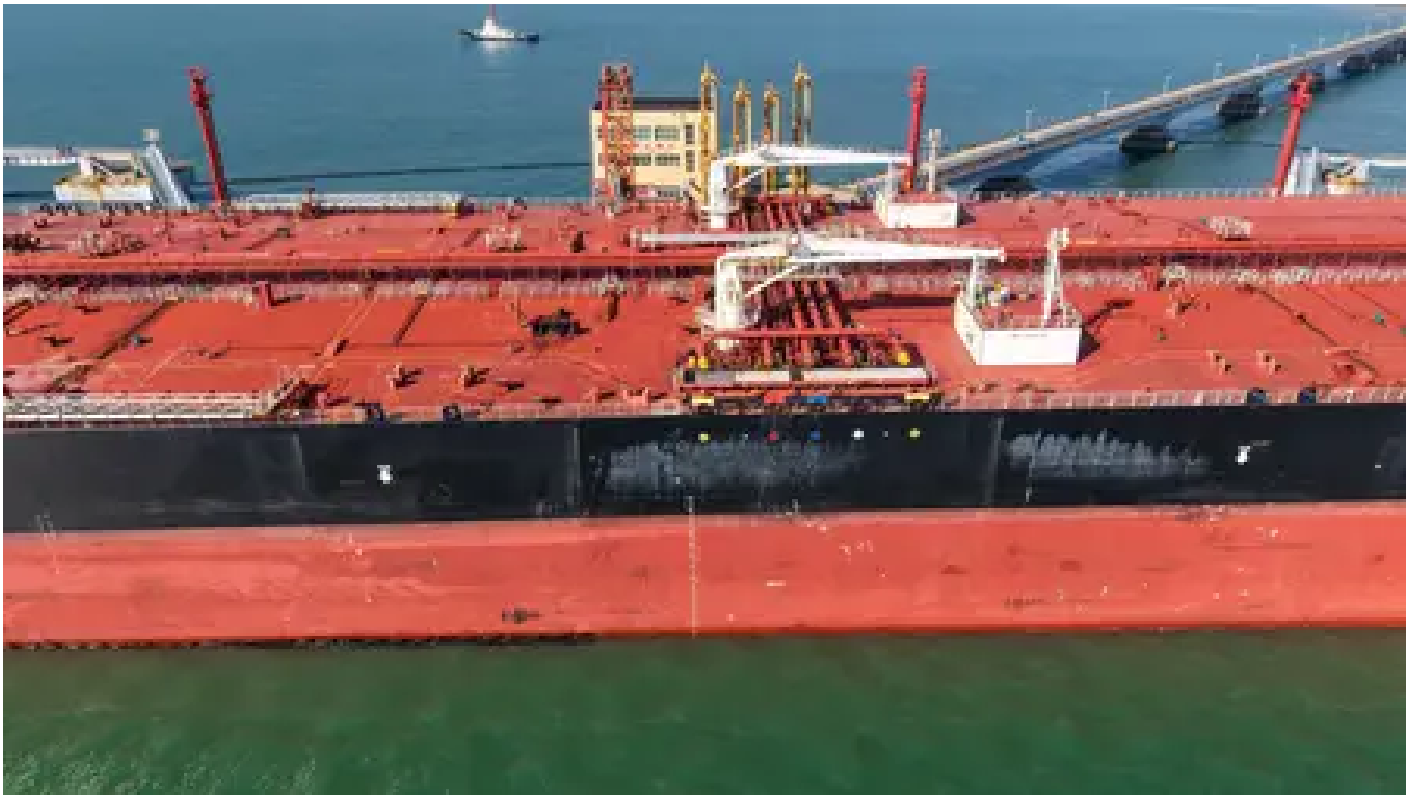
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