

“Aviation Diplomacy”: The Bet That Paid Off Economically but Collided Politically



In the mid-1980s, as Hong Kong’s Cathay Pacific and Singapore Airlines were at the height of their success, Anthony Sampson made a striking observation in his 1984 book *Empires of the Sky*: “The size of airlines in Asia is not related to the population of their countries; here we have two of the smallest states owning two of the most successful airlines.” That line became an entry point to what Sampson described as the airlines of the “city-state.”

Just one year after the book was published, Emirates took off from Dubai. Qatar Airways followed in 1994, and roughly a decade later Abu Dhabi founded Etihad Airways. These carriers embodied the “city-state” model even more clearly, but differed from Cathay Pacific and Singapore Airlines in one crucial respect: they were government-owned, and formed part of a broader vision that extended far beyond aviation itself.

A long and often turbulent gestation marked at times by astonishment and at others by crisis preceded the rise of the Middle East’s leading airlines and airports to a point where they are now projected to handle 530 million passengers by 2043. Over the same period, the sector’s contribution to regional GDP is expected to rise by 150 percent, reaching \$730 billion.



In the summer of 2015, a striking paradox emerged alongside the sharp collapse in oil prices, which had fallen by roughly 70 percent. While oil-dependent economies came under mounting pressure, the Middle East led the world in growth in airline seat capacity, with almost no other region coming close. Gulf carriers and Turkish Airlines managed to triple their passenger numbers, reaching 155 million travelers that year.

Those figures, presented by OAG, pointed to a deeper shift in the policies of Middle Eastern states particularly the oil-exporting Gulf countries toward reducing dependence on oil revenues and developing new sectors capable of shielding their economies from the volatility of crises, aviation among them.

This apparent contradiction oil falling while aviation rose revealed an ambition shared by the Gulf states and Türkiye. Aviation was never merely a means of transport. By the turn of the new century, it had become a fully fledged national project, reflecting different bets, depending on each country’s plan, on the future after oil.

Qatar, the UAE, Saudi Arabia and Türkiye each understand in their own way that an aircraft bearing the state’s emblem, flying from one airport to another, carries more than passengers and luggage. It carries the country’s image, relationships and soft power, as well as an integrated national economic project. Yet the geography within which these ambitions operate has not always helped bring them to fruition.

In this in-depth report, we trace the trajectory of aviation projects in the Gulf states and Türkiye: how they began, what they carried beyond economic utility, and what they had achieved up to the moment of the American-Israeli war on Iran. In conclusion, we attempt to answer a question we pose for the sake of argument: Is the ongoing war redrawing the entire image of the aviation project, or is it merely another passing crisis?

Geography: Curse and Blessing

In 2023, the Middle East was supposed to enter a new era. But that era, regrettably, brought few reassuring signs for many countries in the region, chiefly the Gulf states and Türkiye, which found themselves in the midst of a region being reshaped once again under the fire of a ferocious war between Israel and its patron, the United States, on one side, and Iran and its allies on the other.

That war reached its peak after successive rounds in 2024 and 2025, before erupting more broadly in 2026 in a month-long conflict whose outcome remains unresolved. But the most striking scene throughout was this: the violation of the skies.



A Flydubai aircraft prepares to land as a plume of smoke rises from an ongoing fire near Dubai International Airport in Dubai. (Photo: AFP)

Drones and missiles proved capable of evading advanced air-defense systems in Gulf states, including THAAD and Patriot batteries, as well as Israel’s Iron Dome. Airspace became a paralyzed zone, almost entirely monopolized by missiles and drones rather than civilian aircraft.

Aviation, once seen as a hopeful path toward economic sustainability beyond oil, found itself — like oil itself — hostage to the state of war and instability in the Middle East, which appeared to be growing by the day like an unstoppable snowball.

Civilian airports, which had once received thousands of flights a day, became front-line military targets. Airports in Kuwait, the UAE, Bahrain and Qatar were subjected to Iranian attacks and bombardment, prompting some of those countries to move a number of their aircraft to airports abroad as a precautionary measure to protect them from potential damage, according to press reports.

Dubai International Airport was among the most prominent examples. It came under several attacks during the ongoing war. Videos circulated on social media showed stunned passengers inside the airport watching columns of smoke and fire rising around one of the world’s most important aviation hubs — and the

busiest globally in terms of international passenger traffic.

This, quite simply, is the Middle East: a region that constantly compels us to recall the words of British geographer Tim Marshall at the opening of his famous book *Prisoners of Geography*: “The natural facts that underpin national and international politics are often disregarded, both in writing about history and in contemporary reporting of world affairs. Geography is clearly a fundamental part of the ‘why’ as well as the ‘what.’ It may not always be the determining factor, but it is certainly the most overlooked.”

Looking at geography alone reveals a simple truth that explains much about the Gulf. It lies at the heart of the old world, between Europe and East Asia. Thanks to the exceptional locations of Dubai, Abu Dhabi, Doha and Riyadh, one can reach most of the world’s cities on a single direct flight or, at worst, with just one stop.

There are other advantages related to cost. Jet fuel prices are lower, airport fees are far below their European counterparts sometimes no more than a tenth of the charges imposed at airports in Western capitals and there are no restrictions on night flights. This allows aircraft to be operated more efficiently than in many other parts of the world, as researcher John O’Connell notes in his paper, “The Rise of the Arabian Gulf Carrier: An Insight into the Business Model of Emirates Airline.”

Other factors also enabled Gulf airlines, as relative newcomers to the sector, to move rapidly toward the forefront. They invested in modern fleets tailored precisely to their business model. At first, the twin-engine Boeing 777 had a clear advantage, with its capacity of around 300 seats and range of roughly 7,000 nautical miles. Later, the giant Airbus A380 became an effective tool for carrying more than 500 passengers to and from congested airports, where takeoff and landing slots were limited, but where operating costs could be made more viable.

Andrew Charlton, an aviation consultant, says: “Competition drove prices down, and Gulf airlines were a decisive factor in changing the rules of the competitive game by adding new capacity to long-haul aviation markets and even creating entirely new markets. It was therefore natural that airfares would fall.”

In 2024, Dubai Airport received around 92 million passengers, becoming the world’s busiest airport for international travelers and surpassing London Heathrow, which handled nearly 83 million passengers. In the same year, Abu Dhabi and Doha airports together received around 87 million passengers. Under normal conditions, these Gulf airports collectively handle more than 3,000 flights a day, most of them operated by the national carriers of their respective countries.

But while geography explains a large part of the project’s success, it is not

enough on its own. Jordan, for example, enjoys geography that is relatively similar to that of the Gulf states and could, in theory, have become one of the world’s important aviation hubs. But oil wealth played the decisive role when small countries such as Qatar and the UAE whose combined citizen populations are roughly half that of Jordan — decided to turn aviation into a fully integrated state project.

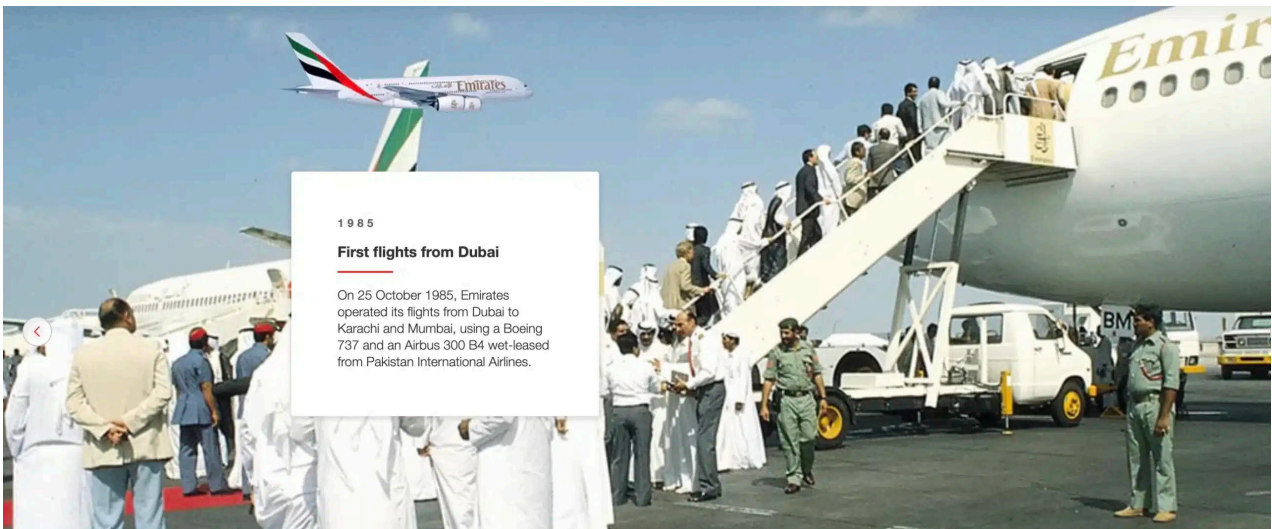
Yet the same geography, alongside oil, can also become the Achilles’ heel of these projects whenever disaster strikes the Middle East and the Gulf, as the latest war has shown. In the first four months of 2026, airlines in the region saw a noticeable decline in service utilization. Although the number of flights in January 2026 was 13 percent higher than in the pandemic year of 2020, actual utilization rates fell far more sharply, declining by around 55 percent between January and March, alongside a similar drop in flight hours. In the first days after the outbreak of war alone, nearly 30,000 flights were canceled.

The Gulf That Built an Economy Above the Clouds

The UAE and Its Flying Embassies

In the past, Dubai was merely a modest stop in the world of aviation, serving as a refueling point for luxury seaplanes making long journeys from the United Kingdom to farther reaches of the British Empire, such as India and Australia. By the 1960s, it had only a simple runway amid desert sands, used by aircraft to refuel before continuing on to other destinations.

But when the first aircraft bearing the Emirates logo departed from Dubai International Airport to Karachi and Mumbai in 1985, the UAE began writing a new chapter in Gulf aviation history. Although the plane and crew were leased from Pakistan International Airlines, and the budget did not exceed \$10 million, that moment marked the beginning of the “Fly Emirates” story.



Emirates' inaugural flights from Dubai took place in 1985, when the airline launched its first services to Karachi and Mumbai using a Boeing 737 and an Airbus A300 B4 both leased from Pakistan International Airlines according to the company's official website.

By 2024, reports showed that Dubai International Airport handled 92.3 million passengers in a single year, while Emirates carried more than 43 million passengers annually. For Dubai, aviation has become one of the pillars of the economy, contributing around 27 percent of the emirate's GDP, with projections that this figure will rise to 32 percent by 2030, compared with oil's contribution, which now barely reaches 1 percent.

The other face of the UAE's aviation success is Etihad Airways, the national carrier of Abu Dhabi. In the emirate itself, Zayed International Airport boasted in 2025 of its ability to receive 32.5 million passengers for the first time, marking growth of 12.8 percent. This coincided with Etihad's expansion through the launch of 39 new routes, as part of a plan aimed at increasing airport traffic to 39.3 million passengers by 2030, while raising the sector's contribution to Abu Dhabi's GDP to around 90 billion dirhams over the same period. Taken together, these figures reveal the sheer scale of aviation's role in the Emirati economy.

In April 2025, the International Air Transport Association (IATA) released a report titled *The Value of Air Transport to the UAE Economy*. The report measures aviation's impact through several indicators, most notably the number of jobs generated by the sector and its contribution to GDP, including airlines, airport operators, companies operating within airports, air-navigation service providers and manufacturers.

According to those standards, IATA estimated that the UAE's aviation sector directly provides around 206,800 jobs and generates \$26.6 billion in economic output, equivalent to 5.3 percent of the country's GDP.

Air transport-supported tourism contributes another \$22 billion to GDP and provides nearly 297,300 jobs. Some estimates also suggest that tourists visiting the UAE spend around \$47.7 billion annually within the local economy through the purchase of goods and services.

Through broad supply chains, employee spending and tourism activities linked to aviation, the total contribution of the UAE's air transport economy reaches roughly \$92 billion, or 18 percent of GDP, while supporting nearly 991,500 jobs.

Qatar Airways and the Battle of the Five Stars

In 1989, Skytrax was established in London as a company specializing in the review, evaluation and ranking of airlines and airports around the world. Over the

years, it built a broad reputation as one of the sector’s leading reference authorities.

For Skytrax, Qatar Airways has consistently ranked among the world’s five-star airlines. More importantly, since the company launched its annual “Oscars of the aviation industry” awards in 1999, Qatar Airways has set a record by winning the title of “World’s Best Airline” nine times, most recently in 2025.

A Qatar Airways crew stands alongside the Skytrax award for the World’s Best Airline of 2025 a new crowning achievement in the airline’s history, having secured the title nine times; this marks the highest number of wins in the history of the award, according to the company’s official website.

Together with Hamad International Airport, which opened in 2014, Qatar Airways represents the crown jewel of Qatar’s national project and one of the Gulf’s foremost non-oil success stories. The airport serves more than 170 destinations worldwide, while Qatar Airways ranks twentieth globally among the world’s largest airlines by capacity, according to OAG rankings.

Yet it rises to seventh place when measured by available seat kilometers (ASKs), owing to its heavy reliance on long-haul routes that exceed the global average.

Since the Covid-19 pandemic, the airline has continued to post remarkable growth rates, with operating capacity now 12 percent higher than pre-pandemic levels.

Qatar Airways has maintained its expansion at a steady pace. In 2024, group profits rose by 39 percent alongside a 26 percent annual increase in passenger numbers, after serving more than 40 million travelers that year. In the following financial year, the company celebrated another record rise in profits of 28 percent, while expanding Hamad International Airport’s capacity to 65 million passengers.

This growth is inseparable from the state’s broader economic vision. According to Qatar’s logistics-sector investment plan unveiled in 2024, the country’s logistics market was valued at roughly \$10 billion in 2022, contributing 7.6 percent of GDP. The sector occupies a central position within the Third National Development Strategy, with forecasts predicting growth of 7.1 percent by 2027 surpassing many regional markets and benefiting from advanced infrastructure that includes Hamad Port, Hamad International Airport and Qatar Airways.

Riyadh and the Gateway to the Post-Oil Era

Saudi Arabia aims to triple passenger traffic to reach 330 million travelers annually by 2030 through ambitious projects led by the new King Salman International Airport in Riyadh. Spanning 57 square kilometers, the airport is

designed to serve 120 million passengers by 2030 and 185 million by 2050 figures that position it as a candidate to become the largest airport in the world. Alongside it are other projects such as Red Sea International Airport, powered entirely by renewable energy, and the smart NEOM Airport, all intended to support Saudi Arabia’s aviation project.



A rendering of the King Salman International Airport project in Riyadh being built on the site of the current King Khalid Airport as part of an ambitious Saudi plan to transform the capital into one of the world’s leading aviation hubs over the coming decades.

While the smaller Gulf states moved early to build powerful aviation projects as economic pillars for the post-oil era, it was striking that the region’s largest and most oil-rich state lagged relatively behind in entering the field. But Saudi Vision 2030 placed aviation at the forefront of the kingdom’s priorities as part of a regional race to build a new economy beyond traditional dependence on oil.

Saudi Arabia hopes to triple passenger traffic to 330 million annually by 2030 through massive projects led by King Salman International Airport in Riyadh. Covering 57 square kilometers, the airport is planned to handle 120 million passengers by 2030 and 185 million by 2050 numbers that make it a contender to become the world’s largest airport.

At the same time, the kingdom is developing other projects, including the fully renewable-energy-powered Red Sea International Airport and the smart airport planned for NEOM, as part of building an integrated ecosystem to support Saudi

aviation.

At the heart of this expansion stands Riyadh Air, launched in 2023 as a cornerstone of Vision 2030. By the end of the decade, the airline is expected to serve more than 100 destinations with a fleet exceeding 150 aircraft, including 60 Airbus jets a model Saudi Arabia is particularly keen to acquire. In 2025, the kingdom announced the largest Airbus deal in its history: a \$19 billion order for 105 A320neo aircraft intended for low-cost carriers, foremost among them flyadeal, which itself aims to double its fleet to 100 aircraft by 2030.

Beyond Vision 2030’s goals of creating 200,000 additional jobs and raising aviation’s contribution to GDP to \$20 billion, the economics of Saudi airspace are already far from marginal. According to a paper published by Aviation Business Middle East, aviation currently contributes 8.6 percent of Saudi GDP — roughly \$91 billion — while supporting around 1.4 million jobs. Those figures represent growth exceeding 150 percent compared with the sector’s position in 2016.

More broadly, the report expects the sector by 2043 to generate more than \$200 billion in GDP and provide around one million jobs. In the nearer term, aviation could, by the end of the current decade, contribute more to non-oil GDP than major sectors such as mining.

Türkiye and the Centennial Bet

For Türkiye, one essential point must be kept in mind when examining Turkish Airlines and the country’s air-transport economy: Türkiye is not an oil state, nor is it searching for a “post-oil economy” as the Gulf states are. Rather, its entry into aviation formed part of a broader effort to build an economic and geopolitical lever capable of strengthening its regional and international position.

Turkish Airlines launched operations in 1933 with just five aircraft and fewer than 30 employees. By 2025, however, it had become the airline serving more countries than any other in the world, operating a network spanning around 130 nations and nearly 300 international destinations. The company also harbors enormous ambitions as it approaches its centennial, seeking by 2033 to expand its fleet to 800 aircraft. That goal no longer appears unrealistic when considering Istanbul Airport, opened in 2018 and ultimately designed to accommodate around 200 million passengers annually.



A promotional map for Turkish Airlines highlights the vastness of its global destination network, featuring the company’s slogan: “We fly to more countries than any other airline.” It illustrates the Turkish carrier’s expansion and Istanbul’s transformation into a global transit hub connecting the continents.

The Turkish government continues to pour major investments into airport-related infrastructure. In early 2026, Turkish Airlines announced investments exceeding \$2.3 billion to transform Istanbul Airport into a fully integrated aviation ecosystem, including expansion of the cargo terminal, engine maintenance centers and catering facilities.

Over the past decade, Turkish Airlines has firmly established itself not only among the world’s leading passenger carriers, but also within air cargo. Its cargo operations quietly evolved from a mid-sized player into one of the world’s three largest cargo airlines, benefiting from the development of the SmartIST cargo terminal at Istanbul Airport.

The company is now working on the project’s second phase as part of a plan to double cargo-handling capacity from around 2.2 million tons annually to 4.5 million tons by 2027. If achieved, this ambition would place Istanbul among the world’s largest unified logistics hubs by linking Asian manufacturing centers with European consumer markets and the fast-growing economies of Africa and the



Middle East through a single transit point.

IATA’s 2025 report on the value of aviation to the Turkish economy paints an even clearer picture of the sector’s scale. The air transport economy contributes around \$82.4 billion to Türkiye’s economy, including the broader effects of supply chains, employee spending and tourism activity — equivalent to 7.4 percent of Turkish GDP — while supporting nearly two million jobs, including 53,000 direct jobs within aviation itself.

Yet Turkish ambitions do not stop there. The airline has developed a strategic centennial plan known as “Vision 2033,” some of whose goals we have already mentioned. Most importantly, it aims to nearly double Turkish Airlines’ contribution to the national economy to \$144 billion by that year, while providing around 150,000 jobs within the company itself.

How Did Airlines Conquer the World’s Stadiums?

What we have presented so far has largely been a collection of silent numbers economic facts that reflect the successes achieved by national aviation projects. But the picture is incomplete if viewed through economics alone. Aircraft carry more than passengers, just as the numbers reflect more than GDP growth rates.

Soft power is among the most important standards through which the success of airlines as national projects can be measured. In his research paper, *Turkish Soft Power Capabilities: The Geopolitics of Aviation and Turkish Airlines*, researcher Necati Anaz argues that “efficiently managed national carriers can improve global perceptions of the host state. Aviation is ultimately a tremendous facilitator of soft power because it brings distances closer and connects peoples, cultures, businesses and ideas.” He believes the success of Turkish Airlines lies precisely in embodying that concept.

Researchers Zachary Kennedy and Kristian Alexander describe this phenomenon as “aviation diplomacy” in their study of Emirates, framing it as a form of soft power through which states reinforce national identity and project their image globally. Emirates and Etihad carry the UAE flag across the world, while Dubai Airport’s role as a major transit hub between Europe, Asia and Africa reinforces the city’s image as modern and global.

Another academic study published in 2020 found that Emirates’ marketing activities, together with its onboard services, contributed positively and tangibly to shaping Dubai’s image as a tourist destination in travelers’ minds. In practice, the aircraft sells the city before visitors even set foot in it.

The Emirates experience is built around offering an affordable luxury-travel model to international passengers, without focusing exclusively on business

class. Food, beverages and entertainment form a core part of that experience, alongside the remarkable linguistic diversity of cabin crews, which has played a significant role in promoting the UAE’s global image.

The airline also offers passengers with long layovers free accommodation, meals and entry visas, encouraging them to explore the city during transit. Yet soft power does not stop at the aircraft cabin; it extends far beyond it.

In the summer of 2024, Spanish club Real Madrid signed French superstar Kylian Mbappé. According to claims aired by El Chiringuito, Spain’s most famous sports program, more than 20 million people watched the player’s unveiling ceremony, while Santiago Bernabéu Stadium was packed with around 80,000 fans. The real audience was likely far larger given the scale of global coverage and online engagement.

But beyond the usual football frenzy, the event reflected something else entirely: the “Fly Emirates” logo was present in almost every corner of the spectacle. As Real Madrid introduced one of the world’s biggest football stars, the Emirati airline was simultaneously harvesting enormous global visual exposure.

Since 2011, Real Madrid has traveled on Emirates’ Airbus A380 aircraft for overseas trips, while the airline’s logo has occupied the most prominent space on the club’s jerseys since 2014. Nor is this presence limited to Real Madrid alone. It extends to historic European clubs such as Arsenal, Benfica and AC Milan. The scene reaches its peak during the FA Cup final at Wembley Stadium, where the famous trophy is draped with red ribbons bearing the words “Fly Emirates.”

To extend its main sponsorship deal with Real Madrid until 2031, Emirates will pay around €74 million annually over the next five years a reflection of the immense investment the company pours into building its global image as an instrument of Emirati soft power.

In 2009, researcher Goulven Lohan estimated the airline’s sports-sponsorship investments at around \$300 million as part of efforts to build its global brand. That figure has clearly multiplied many times over since then, especially considering that Emirates alone will pay Real Madrid more than that amount over the coming years.

But what does all of this actually mean?

The Soft Power of an Authoritarian State

We have used “Fly Emirates” merely as one example. Any football fan can easily notice the growing presence of Gulf and Turkish airlines at the heart of the global sports scene. Riyadh Air lends its name to one of Spain’s largest stadiums — Riyadh Air Metropolitano — while the airline’s logo appears on Atlético Madrid’s

shirts. The same applies to Emirati companies, whose names are tied to major clubs and stadiums such as Arsenal’s Emirates Stadium and Manchester City’s Etihad Stadium.

Paris Saint-Germain’s jersey — the club of European champions and one of the world’s most famous teams — bears the Qatar Airways logo, while Turkish Airlines sponsors the UEFA Champions League, football’s most prestigious and widely watched competition, in addition to appearing on the shirts of Argentina’s River Plate, one of South America’s largest clubs.

And this is only football, merely one example among many. These brands now have a strong presence across numerous sports, from tennis and motor racing to golf tournaments and combat sports.

In 2023, the UAE entered the top ten globally in Brand Finance’s Soft Power Index for the first time. The country jumped five places in a single year, crowned by extensive investments in soft-power tools ranging from Expo Dubai and foreign aid to climate summits, the Mars exploration program and, of course, airlines with worldwide reach.

Although several Gulf states slipped in the 2025 Soft Power Index and despite accusations leveled at the UAE regarding its roles in conflicts stretching from Gaza to the Horn of Africa the country has maintained its place among the world’s top ten.

Some critics attribute this success to what they describe as “sportswashing,” whereby sports, aviation and entertainment are merged into a single project aimed at reshaping the state’s global image. In their view, the Gulf model goes beyond Joseph Nye’s traditional conception of soft power by transforming entertainment, sports and airlines into instruments of influence, image-making and transnational political and cultural impact.

Joseph Nye argues that authoritarian systems cannot build sustainable soft power over the long term, contending that the absence of domestic freedoms drains the sources of such power and limits its durability and effectiveness. Yet the Gulf case appears, to a large extent, as a provocative challenge to Nye’s rigid theoretical framework. Gulf states have successfully employed soft-power tools from media and sports to aviation and entertainment without coupling them with broad domestic political reform. Researchers such as Paul Brannagan and Richard Giulianotti have consequently described this model as a form of “image laundering.”

One striking paradox helps clarify the picture further. Emirati investor Salem Al Shamsi owns Egyptian club Pyramids FC, winners of the latest CAF Champions League title. The team’s jerseys bear the logo of ADQ, one of Abu Dhabi’s leading

investment companies chaired by Tahnoun bin Zayed Al Nahyan. The company is linked to a vast investment network that includes aviation, as it is among the major shareholders in Abu Dhabi Aviation, which itself owns 50 percent of RoyalJet, the private aviation company.

It was aboard RoyalJet aircraft A6-RJA that Egyptian poet Abdel Rahman Youssef al-Qaradawi was extradited from Lebanon to the UAE. The transfer was carried out despite the company receiving a warning from the Middle East and North Africa Human Rights Group stating that the operation violated Article 3 of the Convention Against Torture, which prohibits forced repatriation.

The company appeared largely unconcerned, especially given that, according to rights reports, it had previously been implicated in a similar extradition of a Bahraini dissident from Serbia in 2022 without facing consequences seemingly encouraging it to repeat the experience.

The incident reveals another face of “aviation diplomacy.” The same aircraft that carry the image of a modern and open city to the world can also become tools for transporting dissidents and political fugitives toward unknown fates.

Closed Skies

To understand the current crisis facing the Middle East’s aviation sector, we must examine it in light of the region’s previous experiences. Here, one central question emerges: What do the region’s past crises tell us about the fragility of its aviation projects and their ability to endure?

On June 6, 2017, Saudi Arabia, the UAE, Bahrain and Egypt closed their airspace to Qatari aircraft at the height of the diplomatic rupture later known as the “blockade crisis.” The move forced Qatar Airways to reroute its flights through Iranian, Turkish and Omani airspace amid widespread fears over the future of aviation in a region home to many of the world’s largest airlines.

According to OAG data, around 70 flights across the region were suspended in the first hours of the crisis, the overwhelming majority belonging to Qatar Airways. That morning, Hamad International Airport resembled a place filled with heavy silence after more than 30 flights were canceled at once.

At the time, CAPA — the Australian aviation research center — estimated that the blockade inflicted more damage on Qatar Airways than on any other Middle Eastern carrier because it was forced to take longer routes through Iranian and Turkish airspace, increasing operating costs, extending flight times and consuming greater quantities of fuel.

Qatar Airways also faced the risk of losing its most important regional markets. The UAE had consistently accounted for around 7.3 percent of departing seats

from Doha, followed by Saudi Arabia at 6.8 percent, making them the airline’s two largest markets. More broadly, the blockade states collectively accounted for roughly 19 percent of the company’s weekly traffic.

The crisis came at an extremely sensitive moment for the Qatari carrier, which was already grappling with financial pressure and narrow profit margins. As researchers Emmaline Johnson and Grant Huxham note: “There is a well-established reality in this industry: first- and business-class seats generate profits, while economy-class seats mainly help cover operating costs.” The airline had already announced operating losses of \$703 million for the financial year ending in 2017 despite receiving nearly \$500 million in support and subsidies.

At the time, Commerzbank transport analyst Stephan Schmid said: “Growth had been moving at a rapid pace. They ordered a large number of aircraft, and now the company is under pressure to fill those planes with passengers.” He added that the patience of shareholders — with the ruling family owning roughly half the company — was beginning to wear thin, particularly amid declining oil and gas revenues and falling global energy prices.

Yet the worst-case scenarios never materialized. Although passenger numbers fell by around 9 percent by March 2018 and the company suffered financial losses, Qatar Airways managed to navigate the crisis by seeking new routes and markets. It opened 24 additional destinations and deepened partnerships with European and Asian carriers in an attempt to reduce dependence on the regional market. That same year, the airline achieved 23 percent profit growth, while cargo revenues rose by 34.4 percent.

Since then, Qatar Airways has maintained stable growth and continued winning global awards, including the “World’s Best Airline” title mentioned earlier. When the blockade ended in 2021, the 2022 World Cup provided the project with an even greater economic and symbolic boost. Thanks to the tournament, the airline generated annual revenues of around \$21 billion after carrying 31.7 million passengers — a 71 percent annual increase. During the World Cup alone, the airline operated around 14,000 flights, transporting more than 1.4 million fans to and from Doha.

Grounded Under the Shadow of the Pandemic

If Qatar faced the blockade crisis in particular, the world as a whole would soon face another kind of blockade with the Covid-19 pandemic. For Middle Eastern airlines — often presented as the world’s most successful aviation model — there was no escaping the severe impact of the crisis.

In April 2020, the International Air Transport Association (IATA) published a

report projecting the losses the Middle East aviation sector would suffer as a result of lockdowns and quarantine measures. The report warned that around 1.2 million jobs in aviation and related industries were at risk equivalent to half of the region’s 2.4 million aviation-linked jobs.

With air traffic declining by 51 percent compared to 2019 levels, the report forecast that aviation-related GDP in the Middle East would shrink by around \$66 billion, from a contribution previously estimated at roughly \$130 billion.

IATA’s projections proved accurate. In 2021, after the financial year shaped by pandemic closures had ended, Emirates announced its first annual loss in more than three decades, totaling around \$5.5 billion, alongside a 31 percent reduction in its workforce.

Dubai’s government was forced to intervene to support the airline, providing approximately \$3.1 billion to mitigate losses and stabilize operations. Turkish Airlines recorded losses estimated at around \$761 million, while its total debt increased by more than 47 billion Turkish lira.

At the same time, Qatar Airways’ difficulties deepened. Although it accounted for 17.8 percent of global passenger traffic between April and July 2020 — making it the world’s largest carrier by market share during that period — this was not enough to prevent losses of roughly \$4 billion during the pandemic year.

Saudi Arabian Airlines was also hit hard, despite already facing financial challenges before the crisis. The airline suffered losses of around \$7.5 billion during the pandemic, prompting the Saudi government to provide direct support estimated at roughly \$7 billion.

The “Miracle” and the Explanation

Contrary to expectations, the Middle East aviation sector recovered quickly. While IATA had predicted that meaningful recovery would not begin before 2023 — with only limited profit margins possible before then — and while Qatar Airways’ CEO at the time declared that the sector would not fully regain its health before 2024, signs of recovery were already emerging by 2022.

The speed of that rebound drew attention even within IATA itself. At one of its conferences in 2024, the association’s vice president spoke of the “Gulf miracle” in aviation, noting that European, American and Asian airlines still drowning in pandemic-era debt were attempting to replicate the Gulf recovery model.

But in truth, that “miracle” was not miraculous in the literal sense. In 2021, Saudi Arabia — alongside other Gulf states — led moves within global energy markets that helped drive oil prices up by nearly 66 percent in an effort to offset part of the economic devastation caused by Covid-19. At the same time, IATA

itself repeatedly warned that rising oil prices would negatively affect the global aviation recovery and urged governments to support airlines in order to avoid waves of bankruptcies and unmanageable losses.

The resulting oil surpluses translated into the government support measures mentioned earlier, with the Qatari model remaining something of a special case. In 2022, while Qatar Airways was posting the record profits referenced previously, Emirates managed to reduce its losses from \$6 billion in 2020 to around \$1.5 billion, while Etihad cut its losses to \$470 million after they had reached \$1.7 billion.

Across the UAE more broadly, national carriers achieved growth of 72 percent, equivalent to \$23.4 billion. Saudi Arabian Airlines recovered around 85.7 percent of its seat capacity that year, while Turkish Airlines posted net profits of \$2.72 billion.

As we have seen, this “miracle” would not have been possible without direct government intervention. States rushed to protect their national carriers as part of their economic and sovereign security, revealing a striking paradox: rather than serving as an alternative to oil, the aviation economy appeared, in moments of crisis, incapable of surviving without oil revenues in the first place.

That reality may have embarrassed some airlines eager to present themselves globally as success stories built solely on operational efficiency. Qatar Airways CEO Akbar Al Baker repeatedly rejected the idea that his airline received government support, saying: “Qatar Airways has its own reserves that it uses and will not receive government support.” Yet in September 2020, Al Baker himself contradicted those statements when he announced that the company had received \$2 billion from the government to offset pandemic losses.

The Turkish model — lacking oil wealth — dealt with the crisis somewhat differently, despite serious discussions at the time about whether the sovereign wealth fund should intervene to support Turkish Airlines. In 2021, company chairman İlker Aycı expressed pride in how the airline had managed the crisis, stating: “We refused to receive any government support, and we also refused to lay off any of our employees. The government support our competitors receive is unfair. More importantly, the company found its own way to use its resources intelligently and effectively through successful management decisions and precise capacity planning.”

Turkish Airlines was able to respond rapidly to shifts in global demand, benefiting from the breadth of its international route network. Olivier Ponti, an expert in tourism research and destination marketing, argued that the airline “redirected its flights toward the highest-demand routes and adapted more effectively to the



constantly changing travel restrictions.”

That adaptability again proved effective following Russia’s invasion of Ukraine, when the airline quickly expanded its presence in the Russian market by deploying larger aircraft to meet rising demand from Russian tourists and business travelers. By June 2023, traffic on those routes had risen by nearly 300 percent compared with the same month in 2019.

The airline also benefited from another crucial factor: relatively low operating costs. While labor costs were paid in Turkish lira, most revenues were earned in dollars or euros, giving the company a significant advantage amid the sharp depreciation of the Turkish currency in recent years, as researcher Omer Cenk and his colleagues explain in their study *Turkish Airlines: A New Era After the Pandemic*. At the same time, the airline succeeded in reducing total expenditures by 53 percent, saving roughly \$1.1 billion the highest cost-cutting rate among European airlines.

But this success did not come without a price. Management’s pride in avoiding layoffs among its 66,000 employees came at the expense of wage reductions after the Turkish government helped broker a 2021 agreement with labor unions that cut salaries by as much as 50 percent.

War and an Uncertain Future

Ian Scott was traveling by air from Melbourne to Venice via Doha when his departing flight from the Qatari capital was forced to turn back midair after war erupted between Israel and the United States on one side and Iran on the other. The disruption forced him to spend several days in a hotel before embarking on a long overland journey through the desert to Oman, where he finally managed to catch a flight to his destination.

Speaking to the BBC, Scott’s words carried the tone of an ominous prophecy. He said he would avoid traveling through Gulf countries in the future, even after the war ends, because he “does not trust” that the region’s troubles will stop there.

That single sentence perhaps encapsulates the Middle East aviation dilemma more than any economic statistic. Francis Fukuyama devoted an entire book to the concept of trust in *Trust: The Social Virtues and the Creation of Prosperity*, arguing that prosperity and sustainability cannot exist without trust, both in its abstract and functional sense. Once travelers lose confidence in the safety of flying through Middle Eastern skies, that alone may be enough to bring down an entire aviation economy.

When Iran’s response to the attacks of February 28, 2026 came swiftly and on a large scale, civilian airport terminals themselves became part of the battlefield.

Terminal 3 at Dubai International Airport was evacuated after being struck by a drone, while an attack at Zayed International Airport left one person dead and seven injured.

What followed was extraordinary even by the standards of modern aviation history. Emirates, Etihad Airways and Qatar Airways all suspended operations completely despite having continued flying even during the height of the Covid-19 pandemic. According to data from aviation analytics firm Cirium, the major Gulf carriers had collectively been transporting around 90,000 transit passengers per day before the crisis erupted.

The war revealed that the pride of the Gulf aviation industry ultimately lies far more exposed to fire than previously imagined. In one research paper published by Australia’s Lowy Institute on the conflict, researcher Kazimir Lee notes that Iran deliberately targeted airport terminals rather than runways. While conventional military logic assumes that destroying a runway is what disables an airport, Iran chose to strike the terminals for primarily symbolic reasons.

It appeared intent on targeting “trust” itself the very idea Gulf states had spent decades cultivating about themselves as stable, safe, neutral, modern and open spaces.

Although the direct losses suffered by Middle Eastern airlines during the initial phase of the war — due to cancellations and rising fuel prices — ranged between \$2.5 billion and \$3 billion, the real question is not what has already happened, but what may happen next.

According to Andrew Charlton, cited earlier, nearly everything depends on how long the conflict lasts. If the war ends quickly, Gulf airlines will likely regain their position rapidly by flooding the market with low-cost tickets to offset losses. But if the conflict drags on, alternative transit hubs such as Singapore, Bangkok, Hong Kong and Tokyo may seize the opportunity created by any vacuum left by Gulf carriers.

Charlton argues that any prolonged loss in Gulf airlines’ operational capacity would inevitably drive global ticket prices higher. European airlines have already begun adapting by revising schedules and adding routes that bypass Gulf stopovers. British Airways, for example, increased weekly flights to Bangkok and Singapore, while Lufthansa and Air France-KLM added extra services to Asia.

Yet Willie Walsh, IATA’s director general, believes European carriers simply lack the capacity to compensate for Gulf airlines, which alone account for around 9.5 percent of global aviation capacity. He therefore expects Gulf aviation to recover quickly once the conflict subsides.

As for Turkish Airlines, the crisis was not as surprising, given the company’s long experience adapting to complex environments. Türkiye, Europe’s leading tourist destination, depends heavily on flights to Istanbul, which account for around 80 percent of the airline’s traffic.

In this context, an analysis published by the Beyond Emerging Europe Institute described the situation by saying: “Turkish Airlines is doing what it always does: flying to places others find too complicated, while letting the numbers speak for themselves. As Gulf airlines struggle with the consequences of the Iran war, Istanbul’s hub is becoming busier and more important as a vital transit point above the conflicts.”

Indeed, the company posted striking profits in the first quarter of 2026, driven by sharply higher ticket prices and operational partnerships such as its cooperation with Ethiopian Airlines. It recorded net income of \$226 million through March 31, compared with a loss of \$44 million during the same period the previous year.

Revenues jumped 21 percent year-on-year to \$5.9 billion, while passenger numbers rose 13 percent to 21.3 million travelers, up from 18.9 million in the same period a year earlier.

In another scenario, French aviation expert Jean-Louis Baroux argues that the strategy of transforming Gulf cities into major global aviation hubs cannot coexist indefinitely with an open conflict between Israel and Iran. Under such conditions, he contends, it was inevitable that missiles would eventually target those airports, making the entire model inherently fragile so long as it remains within the range of military confrontation.

Economist Mohammed Karkouti, meanwhile, sees the key difference between the effects of Covid-19 and those of the current war in fuel supplies. During the pandemic, fuel supplies continued normally, whereas the war has driven energy prices to elevated levels that may persist as long as the conflict continues. That, he argues, represents a genuine threat to aviation. However resilient airlines may appear, they cannot continue indefinitely if operating costs keep rising.

Even if the war ended tomorrow, its consequences would linger. Unless airlines adopt a high degree of flexibility and innovation in the postwar phase, recovery will be long and arduous. That stems primarily from the fragility of aviation itself, which suffered another massive shock less than six years after the Covid crisis. The sector is affected not only by fuel, services and insurance costs, but also by the temporary loss of highly profitable destinations adding further burdens to the coming recovery period.

Ultimately, in light of the crisis-management experiences we have examined, it is likely that the major Gulf airlines at least will survive this round of war,

particularly if governments intervene once the conflict subsides. These giant projects possess such economic and sovereign importance that the cost of losing them would far exceed the cost of rescuing them, no matter how severe the immediate crisis.

But what the Gulf aviation story reveals at its core is that the very geography that was transformed through political will, capital and a sophisticated understanding of global market needs into an enormous competitive advantage can also place the project before its harshest tests, perhaps even harsher than the pandemic itself.

The war has shown that the airspace which for decades seemed neutral and secure can suddenly become a direct battlefield, and that airports holding the highest ratings from Skytrax and other travel-ranking platforms can, within hours, become military targets.

The skies of the Middle East have always stretched beyond the borders of its states, and dreams, ambitions and interests have long intertwined within them. But when those skies become crowded with missiles and drones, all that remains behind those grand ambitions is a simple question — one answered by every aircraft taking off from Dubai, Doha, Riyadh or Istanbul: Where are we going?