

DARK PREDICTIONS FULFILLED – EUROPEAN AIRLINES REPORT MASSIVE LAYOFFS



Three European airlines announced the loss of thousands of jobs at the end of April. The situation is very critical for the air transportation sector, which has been hit hard by the Covid-19 crisis.

The list of airlines in difficulty continues to grow day by day. After South African Airways, Norwegian and Virgin Australia, **British Airways, in turn, announced on 28 April that it was cutting up to 12,000 jobs because of the lasting impact of the new coronavirus on its business.** This represents a reduction of up to 30% in its salaried workforce. The parent company of British Airways, IAG, assures that it has begun consultations with the trade unions on the issue of the massive layoffs.

The British national airline is not alone in the turmoil. Earlier on 28 April, the Scandinavian SAS announced that it was preparing a redundancy plan. This will affect 5,000 employees. Closely followed by the Reykjavik-based company Icelandair, which has announced its intention to lay off 2,000 employees. This is still due to the "serious repercussions" of the Covid-19 pandemic on the air transport and travel sectors.

In recent weeks, the Lufthansa Group has also announced redundancies in connection with the shutdown of operations at its subsidiary Eurowings. The group is trying to save its other subsidiary Austrian Airlines by applying for the aid of €767 million from the Austrian government. Some subsidiaries of Norwegian and the South African national airline did not benefit from this support and went bankrupt. Virgin Australia, for its part, is working on a takeover of its activities by new investors.

Air carriers are preparing for an extended shutdown of their operations in the face of the scale of the pandemic. On April 14, the International Air Transport Association (IATA) estimated that the decline in airline turnover in 2020, linked to the spread of the coronavirus, will be \$314 billion (€290 billion). **A 55% drop in revenues compared to those generated in 2019.**

"Apart from a few cargo flights and a few repatriation flights, the industry is more or less grounded," said Brian Pearce, IATA's chief financial officer. In early April, the number of flights worldwide collapsed by 80% compared to the same period in 2019, according to statistics provided by IATA.

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