



AIR FRANCE WILL CUT EVEN MORE STAFF IN 2016

News / Airlines



Air France told a workers' council it will eliminate 1,605 jobs this year, with all cuts to come through voluntary departures, people familiar with the situation said.

Ground staff, including mechanics and airport workers, account for the vast majority of the cuts, with 1,405 jobs set to go, or 3 percent of their total, the people said declining to be named because the talks are private. Flight attendants will see their number reduced by 200 from 13,720 currently. Formal discussions with pilots start March 10, though the company aims to change work practices to boost productivity rather than reduce headcount. In total Air France has about 64,000 employees.

Squeezed by low-cost specialists led by Ryanair Holdings Plc in Europe and fast-expanding Persian Gulf carriers including Emirates on long-haul routes, Air France-KLM Group Chief Executive Alexandre de Juniac has been relentlessly trying to lower the airline's cost base since he joined the company four years ago.

With de Juniac's first four-year plan wrapping up at the end of last year and Air France still lagging rivals, de Juniac warned that employees would have to accept further changes or face routes closures and a reduced fleet. Since then workers have agreed in principle to support fresh efforts and today's 1,605 cuts amount to just over half the 2,993 figure threatened in December.

The airline now plans to expand capacity by 2 to 3 percent annually between 2017 and 2020. Even so, when Air France-KLM reported its a profit for the first time in six years last week, Juniac warned unions to forget about any easing of the assault on costs if they wanted the company to survive.

"Our position relative to our main rivals hasn't changed," he said Feb. 18. "We still need to ask for additional reforms if we want to bridge the gap in competitiveness, if we want to lower costs and be able to buy planes, hire workers and grow in a sustainable manner."

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