



AIR FRANCE TELLS UNIONS IT WILL EXPAND ROUTES IF THEY'LL EASE UP ON DEMANDS

News / Airlines



Air France told unions that it's ready to add planes and routes to expand capacity by 2 to 3 percent annually from 2017 through 2020 in return for productivity improvements as an improved economic outlook boosts earnings prospects.

Management told representatives of pilots, flight attendants and ground staff at a works council meeting Friday that Air France remains prepared to adopt a growth strategy, even as it cuts 1,000 jobs this year after failing to secure a deal in earlier talks, Gilles Gateau, the carrier's human resources director, said in a telephone briefing.

The new plan envisages the addition of seven aircraft to Air France's long-haul fleet during the period, with the introduction of one or two new destinations, Gateau said. That would permit an increase of about 10 percent in capacity and flight hours, the unit of Air France-KLM Group said in a statement.

"We are not giving an ultimatum," Gateau said. "But the clock is ticking." Air France-KLM has previously said that it's looking for a deal early this year.

Air France is struggling to match cost cuts achieved at peers such as IAG SA's British Airways, leaving it more exposed to competition from discount operators such as EasyJet Plc in Europe and Gulf rivals led by Emirates in the long-haul market. De Juniac has said that in the absence of a deal his "Plan B" would see unprofitable operations shut, shrinking the fleet and route network.

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