



LUFTHANSA CABIN CREW UNION REJECTS LATEST OFFER FROM COMPANY

News / Airlines



German cabin crew union UFO rejected a sweetened Lufthansa pay offer late on Monday that was aimed at ending the airline's longest ever strike action that it said was costing it at least EUR10 million (US\$10.8 million) a day.

Lufthansa tried to win over striking cabin crew staff by increasing a one-off payment offer by EUR1,000 to EUR3,000 and promising a 1.7 percent pay rise next year and in 2017.

The union rejected the offer, saying it would go ahead with further strike action as planned for Tuesday which is set to affect more lucrative long-haul flights. Cancellations could continue until Friday.

More than 110,000 passengers at Lufthansa's Frankfurt hub and the cities of Munich and Duesseldorf were affected by the strike over early retirement benefits and pensions that grounded nearly 1,000 flights on Monday.

"The concrete damage will only be clear in the coming weeks when we know how many passengers claimed refunds, how many were rebooked, and how many passengers we accommodated at hotels," a spokesman told reporters at Frankfurt airport.

However, the losses were "clearly in the double-digit millions of euros," he added.

"We are very sorry that talks had to cumulate in strike action but negotiations reached a point where there was no alternative," the union said in a statement.

The walkouts began after Lufthansa and the cabin crew union failed to reach an agreement in a long-running dispute.

"I have no sympathy for the cabin staff," said one thwarted passenger whose flight from Frankfurt to Bangkok was cancelled.

"I work at a large corporate and had to go through the same process. The economy has changed and people need to accept that employment agreements made 20 years ago are no longer feasible."

Lufthansa is trying to negotiate with staff groups to bring down pension costs as part of a savings drive to allow it to compete better with low-cost rivals and wealthy Gulf carriers.

Strikes by pilots have already cost Lufthansa EUR130 million so far this year.

Lufthansa said on Monday it would re-assess low-profit routes to Asia, Africa and South America from 2016 onwards to address cost issues.

Lufthansa shares were down 1.25 percent at EUR13.77 by 2:20 p.m. GMT in a flat German blue-chip index.

Carolyn and Finley Watkins, on a European holiday from the United States, were settling in to spend the day at Frankfurt airport after their flight to Budapest was cancelled.

"Lufthansa have treated us very well. We received drink and food vouchers," Carolyn Watkins said, waiting for a 10:00 p.m. CET (9:00 p.m. GMT) departure with a different airline.

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