THE DECISION IS MADE: FIRST RESTRUCTURING PACKAGE FOR LUFTHANSA GROUP

News / Airlines

The Executive Board of Deutsche Lufthansa AG does not expect the aviation industry to return to pre-coronavirus crisis levels very quickly. According to its assessment, it will take months until the global travel restrictions are completely lifted and years until the worldwide demand for air travel returns to pre-crisis levels. Based on this evaluation, today the Executive Board has decided on extensive measures to reduce the capacity of flight operations and administration long term.

The decisions taken today will affect almost all flight operations of the Lufthansa Group.

At Lufthansa, six Airbus A380s and seven A340-600s as well as five Boeing 747-400s will be permanently decommissioned. In addition, eleven Airbus A320s will be withdrawn from short-haul operations.

The six A380s were already scheduled for sale to Airbus in 2022. The decision to phase out seven A340-600s and five Boeing 747-400s was taken based on the environmental as well

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as economic disadvantages of these aircraft types. With this decision, Lufthansa will be reducing capacity at its hubs in Frankfurt and Munich.

Furthermore, Lufthansa Cityline will also withdraw three Airbus A340-300 aircraft from service. Since 2015, the regional carrier has been operating flights to long-haul tourist destinations for Lufthansa.

Eurowings will also be reducing the number of its aircraft. In the short-haul segment, an additional ten Airbus A320s are planned to be phased out.

Eurowings long-haul business which is run under the commercial responsibility of Lufthansa, will also be reduced.

In addition, the implementation of Eurowings objective of bundling flight operations into only one unit, which was defined before the crisis, will now be accelerated. Germanwings flight operations will be discontinued. All options resulting from this are to be discussed with the respective unions.

The restructuring programs already initiated at Austrian Airlines and Brussels Airlines will be further intensified due to the coronavirus crisis. Among other things, both companies are working on reducing their fleets. SWISS International Air Lines will also adjust its fleet size by delaying deliveries of new short haul aircraft and consider early phase-outs of older aircraft.

In addition, the Lufthansa Group airlines have already terminated almost all wet lease agreements with other airlines.

The aim remains the same for all employees affected by the restructuring measures: to offer as many people as possible continued employment within the Lufthansa Group. Therefore, talks with unions and workers councils are to be arranged quickly to discuss, among other things, new employment models in order to keep as many jobs as possible.

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