

Finnair to cut 1,000 jobs, inks A350 sale-leaseback deal

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Finnair (AY, Helsinki Vantaa) aims to cut up to 1,000 jobs, about 15% of its workforce, as well as make “additional temporary layoffs” for thousands of others and look for further cost-cutting structural changes as it battles the impact of the coronavirus pandemic. Finnair employs about 6,700 employees in total, 6,200 of them based in Finland. Almost all of its employees in the country have already been temporarily laid off for part of the spring and summer. It will continue to apply the temporary layoffs “for practically all its personnel in Finland” until further notice it said in a statement on August 25. To ensure the continuity of its core operations so pilots and cabin crew can “return to work gradually as soon as the market recovers,” the airline is not currently planning a permanent reduction of these personnel in Finland, it said. Alongside the job cuts, the majority state-owned flag carrier pledged to make other structural changes and updated its savings target from EUR80 million euros to EUR100 million (USD95 million to EUR118 million) following a review of potential savings in areas like leasing, sales and administration, IT, and real estate. “A rapid turn for the better in the pandemic situation is unfortunately not in sight. Our revenue has decreased considerably, and that is why we simply must adjust our costs to our new size,” chief executive Topi Manner said in the statement. The Finnish government further tightened travel restrictions effective from August 24, banning tourists from all but a handful of European Union member states (Italy, Slovakia, Hungary, Liechtenstein, Estonia, Latvia, Lithuania, the Vatican) and non-European countries (South Korea, Georgia, Rwanda, Thailand, Tunisia, Uruguay, New Zealand).

