AIR FRANCE NEARS DECISION ON CUTS

News / Airlines

Air France and its trade unions will reach a deadline Sept. 30 on whether **cuts** to its long-haul services can be averted.

The loss-making airline said Sept. 8 that it could drop 10% of its long-haul services and proceed with redundancies if it does not reach an agreement with all its unions over implementing itsPerform 2020 turnaround plan.

The airline's Central Works Council held a meeting Sept. 24 to discuss the proposals—which would see both pilots and cabin crew on mid- and long-haul routes work longer hours for no extra pay to improve productivity—but it is believed no agreement was reached.

"We are not commenting on the outcome of last week's council meeting," airline spokeswoman Ulli Gendrot said, adding that discussions between management, pilots and cabin crew are continuing.

She confirmed that an Air France-KLM board meeting is scheduled for Oct. 1 and that Air France's board will meet the following day.

The next Central Works Council meeting is scheduled for Oct. 5 and it is thought that a

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management decision on how it will proceed will be communicated to the unions on that date.

Among measures being considered by the airline to improve its financial position are compulsory redundancies—a move that would not be well-received by the heavily unionized workforce. Air France endured an expensive pilot strike in fall 2014 over moves to improve its financial position.

The carrier has also said it could postpone planned deliveries of its order for Boeing 787-9s, which is due to start arriving late 2016.

Gendrot referred *ATW* to a weekend report in the French newspaper *Le Journal Du Dimanche*, in which Air France CEO Frédéric Gagey said that successfully fulfilling Perform 2020 would bring the carrier's competitiveness closer to that of partner KLM, whose unions had accepted the Perform 2020 plan.

Asked if failure to reach agreement by Sept. 30 would result in cutting routes and frequencies, Gagey noted Air France either has to improve its productivity or scale back its ambitions; the latter choice, he said, would be "extremely regrettable."

He noted that other carriers—such as Iberia, British Airways and Delta Air Lines—had "drastically" cut some activities to improve their positions. Air France was extremely reluctant to do this, preferring to reach an agreement on reducing costs with its workforce.

If the company's financial performance is satisfactory by the end of 2017, he added, Air France would put €100 million ($112 million) on the table for staff. It also aimed to recruit more pilots in 2017-18 "if our efforts bear fruit."

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