



SIGNIFICANT COST REDUCTION ACHIEVED BY AIRBALTIC

News / Airlines, Finance



Since the beginning of the crisis caused by the spread of the Coronavirus, Latvian airline airBaltic has taken severe steps to ensure sufficient liquidity of the company enabling airBaltic to operate during a longer period with lower demand.

airBaltic took a decision to decrease its overall capacity between April 15 and October 31, 2020, cancelling approximately 50% of its flights. In line with the capacity reduction, the company was forced to reduce the number of employees by 40%, providing them with re-employment guarantee among other forms of compensation.

Martin Gauss, CEO of airBaltic: “While running the company during this historic crisis, we have taken significant steps to ensure that the growth story of airBaltic continues when commercial flying resumes in Europe. Our aim is to continue providing the best connectivity to and from the Baltics.”

The airline has achieved lease payment schedules with its lessors, ensuring better liquidity for the upcoming months. Negotiations with the same target are continued with all suppliers. In addition, all investments for 2020 have been postponed and the salaries of the management have been reduced. Negotiations with Airbus about future deliveries of Airbus A220-300 aircraft are still in progress and will further support the new economic conditions after the crisis is over.

Currently airBaltic continues to offer its clients charter passenger and cargo flights that may be requested on the company's website.



17 APRIL 2020

ARTICLE LINK:

<https://ids.50skyshades.com/news/finance/significant-cost-reduction-achieved-by-airbaltic>