

Easyjet's 30% cut in jobs bigger than feared

Robert Lea Industrial Editor

Easyjet is to cut up to 4,500 jobs as travel restrictions continue to take their toll on the aviation industry.

Britain's biggest short-haul airline said the 30 per cent cuts in its 15,000-strong workforce follow projections that it will operate only 30 per cent of its services during the lucrative July to September summer flying season. That is markedly lower than the plans of its arch-rival Ryanair.

The decision was criticised by trade unions which said that they had had no indication from the airline of the size of the cuts. Balpa, which represents pilots, accused Easyjet of "scaring everybody" so that it could reduce pay and terms and conditions.

Easyjet's chief executive did not deny that in addition to the job losses he was also looking at employment terms. "We are looking any way we can to work more efficiently and productively," Johan Lundgren said. "We will leave no stone unturned to continue to be a strong player."

The news follows 12,000 job cuts ordered by British Airways, 3,000 going at Ryanair, many of which will be in Britain, the failure of Flybe with its 2,000 employees, and with Virgin Atlantic and its 10,000 staff teetering on the edge. In the past two years two other big British airlines, Thomas Cook and Monarch, have also failed. Tui, the old Thomson travel company, which is another major UK airline, said that it was looking at cutting 8,000 jobs.

Easyjet's announcement comes hard on the heels of a row this spring with its founder and 34 per cent shareholder [Sir Stelios Haji-Ioannou](#). He has argued that Easyjet must cancel a multibillion-pound order for more than 100 new aircraft from Airbus to stabilise its finances. The billionaire said that the Easyjet executives he failed to have removed at an extraordinary general meeting of the company last week had now demonstrated they were favouring their relationship with Airbus over that with their staff.

Easyjet is the biggest airline at three of Britain's five largest airports — Gatwick, Manchester and Luton — with a fleet of about 335 aircraft. Before the lockdown it had been on course to carry

100 million passengers a year.

The job cuts came after Easyjet announced that it would resume flying on June 15 mainly on UK domestic and French routes. It further reported: "The

booking trends on the resumed flights have been encouraging and the demand indications for summer 2020 are improving, albeit from a low base.

"Bookings for winter are well ahead of the equivalent point last year, which includes customers who are rebooking coronavirus-disrupted flights for later dates."

Mr Lundgren said that the number of jobs to be cut was based on assumptions that "levels of market demand seen in 2019 are not likely to be reached again until 2023". That is markedly worse

than what Credit Suisse, Easyjet's own stock broker, had been guided to believe earlier when its analysts said they expected 2021 profits to be in excess of those in 2019.

Easyjet gave no indication of what its capacity will be going into the winter

but it did say that aircraft retirements and returning leased planes would reduce its fleet to 302 aircraft, which was about 15 per cent lower than its planned expansion into 2021.

In danger of falling out of the FTSE 100 index of leading companies,

Easyjet shares were given another boost by the news, rising 31½p or 4.4 per cent to 740p, extending their rally in the past fortnight close to 50 per cent.

In early February this year the company's shares were trading as high as £15.52.



