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# EasyJet grounds its fleet as Logan Air says it needs bailout to survive

## AVIATION

Jim Armitage

THE airline industry's woes worsened today as easyJet grounded its entire fleet and Britain's biggest regional airline, Logan Air, demanded emergency funding.

A global shutdown of borders and lockdowns of customers have pushed the industry to the brink, forcing all companies in the industry, including airports and the companies that serve them, into unprecedented crisis levels.

Ironically, this comes as the price of oil — airlines' biggest expenditure item — being fuel — crashed to new lows.

US crude fell below \$20 a barrel for a while yesterday while London Brent plunged below \$23 for the first time since 2002.

EasyJet said that, having completed

650 repatriation flights to get its customers home, it was now grounding the entirety of its fleet with "no certainty of the date for restarting commercial flights".

The company said it had agreed to furlough its cabin crew for two months, with staff receiving the 80% of pay being offered by the Government job retention scheme.

The airline had provoked outrage from UK staff over attempts to cut their benefits permanently as part of the deal but said today's agreement had been negotiated to the satisfaction of the Unite union.

Chief executive Johan Lundgren said: "We are working tirelessly to ensure that easyJet continues to be well positioned to overcome the challenges of coronavirus."

However, its biggest shareholder and founder Stelios Haji-Iaonnou added to

the crisis by ratcheting up his attack on the board. Today he demanded the company scrap its plans to buy up to

107 new planes from Airbus by triggering a force majeure clause in the contract.

If the board fail to do so by Wednesday, Haji-Iaonnou said he would demand the sackings of non-executive directors.

He would do this one by one by forcing

an extraordinary general meeting every seven weeks.

Lundgren has asked the Government for a state-backed loan facility to tide the airline over if its own banks refuse to extend credit.

However, Haji-Iaonnou argued that this would be unnecessary if the Airbus order was cancelled.

Furloughed cabin crew of easyJet and Virgin Atlantic have been offered roles at the emergency Nightingale coronavirus hospitals in London, Birmingham and Manchester where their first aid experience could be used.

Logan Air chief executive Jonathan Hinkles, meanwhile, has admitted his company will not survive without a Government bailout, saying demand for air travel would be "depressed and depressing" even after the worst of the travel restrictions are ended.

@ArmitageJim



*We are working tirelessly to ensure that easyJet continues to be well positioned to overcome the challenges*

**Johan Lundgren,  
chief executive of easyJet**

