

# United Airlines tightens its belt as virus hits demand

March 4 2020



Citing diminished demand for flying due to the coronavirus, United Airlines said Wednesday it is suspending new hiring and delaying planned salary increases

Citing diminished demand for flying due to the coronavirus epidemic, United Airlines said Wednesday it is putting a freeze on new hiring and

delaying planned salary increases.

The big US carrier, which suspended service to China and Hong Kong in the wake of the virus outbreak, will reduce its international schedule by 20 percent in April and domestic and Canadian schedule by 10 percent, United executives said in a letter to employees.

The cutbacks required United to undertake "difficult" measures to rein in costs, Chief Executive Oscar Munoz and President J. Scott Kirby said in the letter.

These include giving employees the option to apply for voluntary unpaid leaves of absence; a hiring freeze through June 30, except for roles critical to operations; and the postponement of merit [salary increases](#) for employees from April 1 until July 1.

"In this uncertain environment, United, working closely with our labor leaders and the US government, has never been better prepared to weather a crisis like this," the executives said.

United last month postponed an investor day that had been scheduled to discuss the company's long-term plans given the focus on the coronavirus and investor focus "almost exclusively on the near-term impact on demand."

© 2020 AFP

Citation: United Airlines tightens its belt as virus hits demand (2020, March 4) retrieved 26 April 2024 from <https://techxplore.com/news/2020-03-airlines-tightens-belt-virus-demand.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.