

Ottawa, Air Canada reach Can\$5.9 bln aid agreement

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The Canadian government and Air Canada announced Monday they have reached a financial aid plan in the form of loans to help the country's largest airline recover from the coronavirus pandemic.

The agreement calls for Air Canada to have access to about Can\$5.9

billion (US\$4.7 billion).

"We have reached a significant and historic agreement with Air Canada," Canadian transport minister Omar Alghabra told a press conference.

In order to benefit from the financial aid, Air Canada has agreed to abide by several conditions, particularly reimbursing customers whose tickets were canceled by the carrier due to the pandemic.

The airline has also agreed to resume regional routes and restrictions on executive compensation.

Air Canada, which currently employs about 15,000 people, has pledged not to cut any new jobs after having to lay off more than 20,000 employees since the start of the pandemic.

Deputy prime minister Chrystia Freeland hailed a "good and [fair deal](#)," saying that airlines are a strategic sector that generate jobs for the country's middle class.

Since the start of the COVID-19 pandemic, Canadian airlines have received more than Can\$2 billion in federal aid, which allowed them to keep thousands of people employed, Alghabra said.

The government is continuing discussions with other airlines including WestJet, the country's second-largest carrier, Freeland added.

The president of trade union Unifor, the largest private sector union in Canada, hailed the agreement.

"Today's announcement by the [federal government](#) is a recognition that aviation workers are pivotal to the Canadian economy," said Jerry Dias.

Canada's air travel industry has been calling for a federal aid plan since last spring.

Unlike many other countries, Ottawa has until now refused aid targeted for the airline sector, insisting first that companies reimburse clients whose flights have been canceled since the start of the [pandemic](#) and resume abandoned domestic routes.

Air Canada has suffered a Can\$4.6 billion loss, marked by a 73 percent drop in passenger numbers due to COVID-19.

In 2019, Air Canada had posted a net profit of Can\$1.4 billion.

The carrier's turnover fell by 70 percent to Can\$5.8 in 2020, compared to Can\$19.1 billion the year before.

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