

SAS shares tumble as CEO says airline 'fighting for survival'

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Turbulence ahead: Scandinavian airline SAS stocks nosedived after its CEO warned major changes are needed.

Shares in Scandinavian airline SAS dropped on Monday after its chief executive said the company was fighting for its survival and must cut

costs.

"When I see what the market looks like today, how our clients are changing, and the size of our debt, it's absolutely clear that we have to do things very differently," Anko van der Werff, who took over as CEO in July, told Danish business newspaper Finans late on Sunday.

"It is a fight to change SAS so that we have a future."

SAS is facing several problems, including a permanent drop in business travel and costly collective labour agreements, he said.

Van der Werff said he had summoned the main unions for three months of negotiations aimed at cutting costs and increasing flexibility.

"This requires understanding and willingness from everyone... SAS needs to be competitive so we can survive, grow, and create jobs," he said.

SAS shares fell 14 percent on Monday.

The ailing airline cut 5,000 jobs last year—representing 40 percent of its workforce—and announced in May this year a credit line of three billion kronor (\$350 million) from the Danish and Swedish governments, its main shareholders, to get through the crisis.

That aid came on top of a first line of credit for the same amount and a capital increase in 2020.

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