

Air France to cut 40% of domestic flights after bailout

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Air France-KLM plans to cut service between cities where trains can provide a viable alternative.

Air France-KLM will slash 40 percent of its French domestic flights by next year in exchange for receiving seven billion euros (\$7.7 billion) in emergency coronavirus funding backed by the French state, the company's chief executive said Wednesday.

"Capacity will be reduced by 40 percent between now and 2021, with some destinations dropped," Benjamin Smith told shareholders at the airline's annual general meeting in Paris.

The French government has made any bailout contingent on profitability improvements at the airline and a reduction in its carbon emissions, which have become a key target of environmental advocates.

Smith said Air France would stop flights between cities where trains could provide a connection in less than two-and-a-half hours, or if the service did not contribute to an increase in traffic at its Paris hub, Charles de Gaulle airport.

That could spell the end of several daily flights from cities such as Bordeaux, Lyon or Nantes to Orly, the other main Paris airport, which has been closed since domestic flights ground to a halt during the coronavirus lockdown.

The airline's domestic French operations booked an overall loss of 200 million euros last year, in part because of competition from extended high-speed TGV train services.

Air France has pledged to halve its [carbon emissions](#) from domestic flights by 2024 as part of the conditions for receiving a three-billion-euro loan from the French state and a further four billion euros in [bank loans](#) guaranteed by the state, which owns a 14.3 percent stake in the group.

Overall Air France-KLM posted a loss of 1.8 billion euros in the first quarter alone, and it has warned it could be years before any return to pre-coronavirus activity.

Labour unions are bracing for the worst in talks with management that are set to begin Thursday.

"One can guess the job cuts that are going to result from this," said Joel Rondel, head of the works council for the airline's Hop regional subsidiary.

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