

Singapore Airlines to shed 4,300 jobs due to virus

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Singapore Airlines said it would shed around 4,300 jobs—20 percent of the workforce—because of the coronavirus

Singapore Airlines said Thursday it was cutting about 4,300 jobs—around 20 percent of its workforce—due to the coronavirus, and warned any recovery would be "long and fraught with uncertainty".

SIA is the latest airline to announce massive layoffs as the global aviation industry faces its greatest-ever crisis due to travel restrictions to fight the spread of the pandemic.

The city-state's flag carrier said about 1,900 positions had already been eliminated in recent months due to a recruitment freeze, natural attrition and voluntary departures, reducing further expected job cuts to around 2,400.

Positions are being cut across full-service Singapore Airlines, regional carrier SilkAir and budget airline Scoot in Singapore and overseas.

"The future remains extremely challenging," said Singapore Airlines chief executive Goh Choon

Phong.

"Given the expectation that the road to recovery will be long and fraught with uncertainty, it has come to the point where we have to make the painfully difficult decision to implement involuntary staff reduction measures."

He said Singapore Airlines was more vulnerable than other major carriers around the world, as it did not have a domestic market and is wholly dependent on international routes.

The carrier, which reported a net loss of more than US\$800 million in the first quarter, is only operating at eight percent of pre-pandemic capacity.

While this is expected to increase, the airline said it is still likely to be operating at less than 50 percent of its pre-virus capacity by the end of the current financial year in March next year.

The cuts come despite the airline group raising a total Sg\$11 billion in fresh funds to help it weather the crisis—including Sg\$8.8 billion from a rights issue backed by its majority shareholder, state investment fund Temasek.

Transport Minister Ong Ye Kung said the airline had "delayed this workforce reduction as long as they can but with air travel decimated by COVID-19, this has unfortunately become inevitable."

He added the government would strive to help impacted workers.

Industry body the International Air Transport Association (IATA) estimates that airlines operating in the Asia-Pacific region stand to lose a combined \$27.8 billion this year.

IATA forecast in July that global air traffic is unlikely to return to pre-coronavirus levels until at least

2024—a year later than previously projected.

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