

Beat: News

Estonian Air to fire half its staff, cut flights to avoid insolvency

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USPA News - Estonian Air on Tuesday announced it will be forced to fire nearly half of all its employees and cut its flights to 10 or fewer core destinations as the Baltic nation's national carrier seeks to avoid insolvency. It follows record losses over the past year.

The airline said it will lay off 146 out of 318 employees while Estonian Air reduces the number of destinations and downsizes its fleet. "Noticeable cutbacks in the flight volumes unfortunately leads to operating with a smaller number of employees," said Estonian Air CEO Jan Palmér. Estonian Air said the structure of the company will soon be based on 5 aircraft which serve 9 to 10 core destinations. "The model of operation for Estonian Air is based on the core route network for Estonia, where there is a solid fundamental demand," Palmér said, adding that the redundancy plan was approved by the airline's Supervisory Council. The layoffs will affect personnel in both administrative and flight operations divisions. "The lay off process among administrative staff will start already now and the layoff of flight crews as soon as we have a clear picture of how to transfer the fleet into one type of 5 aircraft," the CEO explained. The new Estonian Air will have a total of 172 employees of which 100 are flight crew and the rest carry out support functions and operational administration. The core destinations are expected to be Stockholm, Copenhagen, Amsterdam, Brussels, Oslo, Moscow, St Petersburg, Kiev, Vilnius and Trondheim. In October of this year, the national carrier revealed its nine-month net loss had widened to a record 20.2 million euros (\$25.8 million), leading to the removal of Tero Taskila as CEO. It followed a loss of 11.2 million euros (\$14.3 million) during the same period last year, ending with a total loss of 17.3 million euros (\$22.1 million) over the entire year.

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