

Update

CORONAVIRUS

The corona virus is affecting the whole world. In addition to the people affected, airlines felt the effects at an early stage and reacted quickly. At the end of January, the Lufthansa Group decided to suspend all Lufthansa, SWISS and Austrian Airlines flights to the Chinese mainland. Currently, we are also not flying to Tehran and Israel. These exceptional circumstances demand operative and political reactions.

Capacities have been cut on the routes to Hong Kong, Seoul and destinations in Europe. Depending on the further development of demand, capacity is to be reduced by up to 50 per cent in the coming weeks. We ensure that our passengers are not negatively affected by this decision. If a flight is cancelled, they are reimbursed or can rebook free of charge. In addition, the extent to which the entire Airbus A380 fleet (14 aircraft) can be temporarily taken out of service in Frankfurt and Munich is currently being examined.

To mitigate the economic pressures, Lufthansa has put in place an extensive austerity programme: In addition to an immediate hiring freeze, Lufthansa has already offered its staff voluntary individual personnel measures in recent weeks. These include granting of unpaid leave and bringing forward of annual leave. The possibility of extending part-time models and short-time working is also being examined. In addition, material and project costs will be significantly reduced.

This year airlines will have to absorb sales losses between 63 and 113 billion dollars for passenger business, according to forecasts of the industry association IATA, . The economic impact does no longer affect merely airlines. We are witnessing how tightly economic areas are connected with each other. And how that connectedness makes them vulnerable: international trade fairs are being cancelled, worldwide trade is falling and supply chains are coming

increasingly under pressure. This means that it is all the more important to maintain air freight: Lufthansa Cargo is increasingly transporting goods such as protective suits and laboratory supplies, as well as urgently required spare parts.

Need for Political Action

At the moment, no one can reliably say how serious the consequences of corona virus will be in the long term. It is already clear that corona is hitting the aviation industry hard. In this exceptional situation, it is correct when politicians do their bit to limit the effects.

Many countries have already announced measures. Germany and the European Union, too, should investigate what form practical and effective support could take. Subject to interim measures for economic reasons, one initiative is key: the temporary suspension of the current slot regulations. Under the so-called "80/20 Rule", airlines retain their slots for departures and landings in the following season only if they use at least 80 per cent of them. The spreading of the corona virus has made a major adjustment of flight schedules necessary: the slot regulations must temporarily be made more flexible. The EU Commission has to act decisively, now. Otherwise, the airlines would have to fly with empty planes just to secure their slots. This would not just be economically harmful, but ecologically irresponsible.

