

LUFTHANSA TO CUT 3,500 JOBS



If you do any amount of international travel then the odds are good that you are at least familiar with the German airline Lufthansa. Their blue and gold jets sit in terminals at many airports around the world. Unfortunately for the workers of Lufthansa their jobs won't be sitting in airports around the world for very much longer. The airline, which is the second biggest in all of Europe, has made a shocking announcement about large-scale layoffs that are expected to impact thousands of members of the staff. The company is slated to lay off almost 1/5 of its [administrative and clerical staff](#). The management of the German airlines estimates that this move will cut down on about 3500 jobs in total when all is said and done. This move to get rid of more than 3000 jobs is part of a strategy by the company designed to increase its profitability. At the end of all of the cuts the company hopes to have about 1.5 billion, or 2 million American dollars, less in the way of staffing related expenses on the books each calendar year. While there are also a few other steps to this cost savings plan the majority of the savings will come from staffers and benefits that are being cut. Other methods such as traffic optimization plan a cost sharing project for purchases will save the company some money but at the current moment they are not saying exactly how much will be saved by the non-layoff related measures. Well, for the moment, the company had not announced any layoffs from the operations side staff the company has made it very clear that those kinds of layoffs may come in the future. Citing factors like an increase in the price of fuel for planes and the general variability of the airline industry, the company seems to be ready to keep its options open for the time being. There is currently no word on what kind of benefits or severance, if any, will be given to the soon to be displaced workers of Lufthansa Airlines. There is also no word right now as to when exactly the layoffs are expected to go into effect. The company has not been showing signs of fiscal distress in the last couple of months. The company recently released a report on its first quarter earnings and in the release the following was reported about the company's profits. "The Lufthansa Group improved the revenue by 5.6 percent to EUR 6.6bn (previous year: EUR 6.3bn) in the first quarter 2012. The additional revenue could however not offset the cost increases, in particular for fuel. Therefore the Group registered an operating loss of EUR 381m (previous year: EUR -169m). The net result attributable to shareholders amounted to EUR -397m (previous year: EUR -507m). It includes a result from discontinued operations (bmi) of EUR 2m. The figures for the previous year have been adjusted in line with the presentation for the reporting year in accordance with IFRS 5." Looking out for Aviation Jobs? [Click here](#).

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