

## 'SAS poised to release new cut-downs'

Written by Johan Nylander

Thursday, 28 July 2011 15:11 - Last Updated Friday, 29 July 2011 10:18

---



- [FT columnist Tyler Brûlé rips Sweden and SAS](#)

Scandinavian airline SAS is poised to announce further cost cuts as it releases new strategic plans this autumn, according to an airline company analyst.

The Stockholm-based airline, which has been hard hit by declining global air traffic, hefty strikes and growing competition, lost 2.22 billion kronor (246 million euros, \$348 million) last year.

Still, it managed to turn a profit in the last quarter, boosted by deep cuts in personnel costs and other measures in its 7.8 billion kronor cost-cutting plan, Core SAS.

Jacob Pedersen, senior aviation analyst at Danish Sydbank, believes further cost cuts will be declared within soon as the airline's yield suffers from increased fuel prices and intensified ticket price competition.

"SAS is poised to release new cut-downs", he told The Swedish Wire. "If they take one billion kronor out of SAS costs, the airline will be competitive. It's actually that close".

"We will see cut-downs in the regions a half to one billion Swedish kronor over the next 12 to 24 month", he added.

The airline -- half-owned by Sweden, Norway and Denmark -- will announce its strategic plan later this autumn, but probably not in connection with its Q2 report.

## **‘SAS poised to release new cut-downs’**

Written by Johan Nylander

Thursday, 28 July 2011 15:11 - Last Updated Friday, 29 July 2011 10:18

---

Competition increases in the Nordic market as new alliances are being formed: Braatens Aviation has acquired Sverigeflyg and Skyways plans to join forces with City Airline and Cimber Sterling. At the same time low-cost airline Norwegian expands rapidly.

”If SAS doesn’t do these cost cuts rapidly enough they will have to expand being loss-making and I don’t think that is a survival rout for SAS”, Jacob Pedersen said.

SAS posted a first-quarter loss of 373 million kronor, up from a loss of 712 million kronor in the same quarter a year ago, thanks mainly to the effects of its cost reduction program, Core SAS.

☐☐ **WANNA BOOST YOUR PAY?**

[&gt;&gt; HUNDREDS OF TOP JOBS FOR ENGLISH SPEAKERS IN SWEDEN](#)