

SAS passengers will not be affected by cost-cuts

Written by Johan Nylander

Monday, 12 November 2012 04:25 - Last Updated Monday, 12 November 2012 04:36



Scandinavian SAS, the Nordic region's biggest airline, plans to slash costs and sell assets to secure its future following media reports it was in financial difficulties. But passengers won't be affected by the company's soon-to-be-announced cost-reduction program.

"We can safely say that the cost plan [...] won't disrupt flight plans," Trine Kromann- Mikkelsen, a Copenhagen-based SAS spokeswoman, told Bloomberg. "There won't be changes to the traffic program before the plan is introduced nor after."

SAS made a 1.6 billion kronor (\$240 million) pretax loss in 2011. The airline has been struggling for years against cut-price rivals such as Ryanair, industry overcapacity and more recently soaring jet fuel costs and an economic slowdown.

"The problem for now is that there isn't anyone willing to acquire it," Jacob Pedersen, analyst at Sydbank, told Reuters. "I expect SAS to survive as a company, but it will be a bumpy road."

The cost-cutting program includes more than 1,000 job cuts and wage reductions of about 15 percent, Danish broadcaster TV2 reported said.

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