

Etihad Airways cuts jobs to reduce cost

ABU DHABI: Etihad Airways has begun cutting jobs in a restructuring process to reduce cost as it faces tough competition and a weakened global economy, the Emirati carrier said on Monday.



A spokesman for the carrier owned by the government of oil-rich Abu Dhabi said the process had started, but declined to comment on how many jobs would be axed.

The firm, which has 26,769 employees, said in a statement the restructuring would result in a "measured reduction of headcount in some parts of the business". It aimed "to reduce costs and improve productivity and revenue" in "an increasingly competitive landscape, against a backdrop of weakened global economic conditions," Etihad said.

Oil-exporting Gulf countries have felt the economic pinch as their revenues nosedived after crude price tumbled from above \$100 a barrel in early 2014. Launched in 2003, Etihad reported a 41 percent surge in its net profit last year, reaching \$103 million on the back of rising passenger numbers and cargo volumes.

It operates a fleet of 125 planes.

Etihad has expanded rapidly and bought minority stakes in carriers around the world as it increased its share of global travel along with larger Gulf rivals Emirates and Qatar Airways.

Etihad owns 49 percent of Alitalia, 29 percent of Air Berlin, 40 percent of Air Seychelles, 19.9 percent of Virgin Australia and three percent of Irish carrier Aer Lingus.

It also has a 24-percent stake in India's Jet Airways.

Source: AFP

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