

Job losses at BA?

I have had a number of emails about the worrying situation at BA

I was shocked to read the statement from IAG on the publication of their first quarter results. I note they managed to lose a large sum on fuel and currency hedges as at that date, which presumably is a one off. I see that whilst they plan to cut the workforce at BA, they announce no such plans for Iberia, Aer Lingus, Vueling or LEVEL, their other airlines. This Spanish registered company singles out BA for bad treatment, at a time when the whole aviation industry has suffered a large loss of passengers owing to the closures.

The Group tells us it has Euro 6.95 billion in cash and cash equivalents, as well as access to substantial extra borrowings if needed. It is making liberal use of the UK government furlough scheme, with UK taxpayers paying most of the wages of 22,626 UK staff. Given this, I would expect a more sympathetic approach to all UK staff. I will pursue these matters with the top management of IAG.

They have benefitted over many years from the success of BA and from the profitable business they enjoyed out of UK airports. They should wish to be good UK corporate citizens, and as takers of UK government subsidy they should acknowledge their debt to UK BA employees and UK taxpayers who are helping pay for their business continuation. It is too early to know what the recovery prospects are for aviation. The presence of the furlough scheme provides a good means to keep the business ready to fly again when things change for the better.