



CATHAY PACIFIC CONFIRMS IT WILL CUT JOBS AFTER BIGGEST REVIEW IN 20 YEARS

News / Airlines



Hong Kong's flag carrier Cathay Pacific Airways will cut jobs and consider shifting some flights to its short-haul arm after completing the biggest review of its business in two decades, it said on Wednesday.

The company laid out the results of the review in a document seen by Reuters that was e-mailed to its 33,700 employees on Wednesday after 350 managers were briefed in an internal meeting.

Cathay had said it would review of its business after it scrapped its second-half profit forecast in October.

"We aim to build a faster, leaner and simpler organisational structure ... There will be a big change in the way we do things across the company," it said in the document.

"In terms of specific job functions, some jobs will no longer be needed, some will be redefined, while other new jobs will need to be created," it said, without specifying how many staff it planned

to lay off.

It said it would reorganise into seven portfolios: customer; operational; commercial; people; cargo; finance and strategy; and IT, with a plan to implement major changes by mid-2017.

"Something of this scale hasn't happened in for more than 20 years," Cathay said.

It posted its smallest half-year profit since 2014 for the six months ended June and is reviewing its business amid wage disputes with air crew and limited capacity at Hong Kong's airport.

Cathay is also looking into the feasibility of its shorter-haul unit Cathay Dragon taking over a small number of Cathay Pacific's other regional services, although no firm decision has been taken.

It did not expect the structural changes to have a direct impact on its cabin crew team.

In October the airline flew the last of its 747 jumbo jets.

The 71-year-old Hong Kong airline is under pressure to combat competition from state-supported mainland carriers as well as Middle East airlines, and to position itself against an "open skies" deal signed last month between China and Australia.

Cathay's share price has tumbled to its lowest level since the depths of the global financial crisis in 2009. They closed 2 per cent lower on Wednesday before the announcement.

Cathay said that as part of the plan its flight operations unit would undertake a review of its current structure to ensure it had the right model in place, something it said had not been looked at for many years.

It also addressed concerns that the strategy and reorganisation was part of a plan to get the airline ready for sale to Air China, China's flag carrier which already owns a 29.99 per cent stake. Cathay's majority owner is Swire Pacific.

"The Cathay Pacific Group will continue to operate under its current shareholding structure, with Swire continuing to provide management services," it said.

18 JANUARY 2017

SOURCE: THE NATIONAL

ARTICLE LINK:

<https://connect.50skyshades.com/news/airlines/cathay-pacific-confirms-it-will-cut-jobs-after-biggest-review-in-20-years>