

The Big Read Airlines

Delays, shortages and strikes: can the aviation industry get airborne by summer?

As passenger numbers pick up, staffing problems at airports have caused chaos across the US and Europe

Philip Georgiadis JUNE 10 2022

Receive free Airlines updates

We'll send you a *myFT Daily Digest* email rounding up the latest Airlines news every morning.

Sign up

As Jo scanned the floor of Frankfurt airport's departure hall for the most comfortable place to spend the night last month, she felt the impact of the chaos gripping the aviation industry on a personal level.

A routine four-hour trip on easyJet from London to Greece had turned into a 24-hour ordeal, starting when the UK airline cancelled her flight with nearly no notice. With other direct flights sold out, she was forced to rush across London to a different airport to take an expensive and circuitous route via Germany, which included an overnight pit-stop in Frankfurt.

Jo, who did not want her full name revealed, is one of hundreds of thousands of people caught in the disruption hitting [airlines](#) and airports this year, as passengers begin flying in large numbers again after the Covid-19 pandemic. One couple was married on board a flight to Las Vegas having missed their own wedding. Others have complained of ruined holidays, lost luggage and being left out of pocket.

The problems, caused by staff shortages at airlines, airports and ground-handling companies, have made headline news in the UK following a wave of disruption that included 500 flight cancellations last weekend. But Europe and the US have also felt the effects, leaving little slack in a system struggling to deal with other operational issues, from weather to air traffic control delays.

In the US, thousands of flights were scrapped over the Memorial day holiday. In

Europe, Charles de Gaulle Airport in Paris cancelled one-quarter of its flights on Thursday following a strike, and last Saturday Dutch airline KLM suspended passenger flights to Amsterdam's Schiphol airport after bad weather and runway maintenance compounded the overcrowding caused by lack of staff.



Fellow passenger and minister Chris Mitcham married Pam and Jeremy Salda on a flight to Las Vegas when they realised they wouldn't arrive in time for their wedding booking © Chris Mitcham

In all, 4 per cent of global flights were cancelled last Saturday, including 11 per cent of those in the Netherlands, 4 per cent of flights in Germany and 3 per cent in the US and UK, according to industry data provider OAG.

The causes of the trouble are interrelated. Companies have been accused of cutting too many staff when the pandemic first hit and then finding themselves hopelessly

unprepared for the return of passengers — even though many had predicted there would be huge pent-up demand for [travel](#).

“Demand has been coming back . . . much faster than the ability of the industry to scale up,” John Holland-Kaye, chief executive of Heathrow airport, [told the FT Global Boardroom](#) conference this week.

The industry’s struggle to recruit replacement staff has been made harder in the [tight labour markets](#) of the recovery. But the crisis has also laid bare the way an interdependent web of companies must combine seamlessly to get a plane into the air. When a single part of the aviation ecosystem wobbles it leads to cascading disruption through the supply chain.

The industry has gone through “an existential crisis” over the past two years, said Holland-Kaye. “With no revenues [and] very high fixed costs . . . Building that capacity back again is very hard.”

The rebound

Two years ago, in the grip of Covid lockdowns, airlines were fighting for survival, focused on cutting costs as passengers disappeared and losses mounted. Perceiving a threat to their businesses, bosses slashed staff. In April 2020 Lufthansa estimated it was burning through €1mn per hour.



Passengers are facing long delays as airlines and airports struggle to rehire huge numbers of staff laid off during the pandemic
© Phil Nijhuis/EPA/Shutterstock

BA cut around 10,000 of its 42,000-strong workforce, a move described as “wanton destruction” by a UK parliamentary committee. Yet many of its rivals took similar steps.

The US government estimated 100,000 jobs in the aerospace industry had been lost by September 2021, despite its having handed more than \$50bn of support to airlines. Ground handler Swissport cut 20,000 of its 65,000 workers around the world. In all, there were 2.3mn fewer people employed in the aviation industry by September 2021, according to research by consultancy Oxford Economics.

“With few exceptions, union calls for staff retention programmes during the height of the crisis fell on deaf ears,” says Stephen Cotton, general secretary of the International Transport Workers’ Federation. “The result is what we see today . . . a loss of more than 2mn skilled workers across airlines, airports, aviation services and global supply chains when the industry needs them most.”

Unions have said that the impact of the job losses was compounded by the fact that many senior managers were included in the culls. The effect of this skills and knowledge gap is only now becoming clear as companies try to rebuild.

The problem has been complicated by the erratic rhythms of the pandemic. BA started rehiring late last year as border rules eased and transatlantic flights restarted in earnest. But only weeks afterwards the emergence of the Omicron variant meant new border rules were imposed.





French airport workers protest against low wages. Companies need to offer better job security and working standards to compete for staff in a tight labour market © Benoit Tessier/Reuters

For Willie Walsh, BA's former boss, who now heads the International Air Transport Association, the industry is still suffering the effects of divergent government travel rules.

“With governments making U-turns and policy changes there was uncertainty until the last minute, leaving little time to restart an industry that was largely dormant for two years. It is no wonder we are seeing operational delays in some locations,” he says.

Tangled supply chains

The industry is by no means alone in struggling to find staff in today's tight labour markets, but its unique security rules put it in a particularly difficult position. Many new hires need to pass background checks before being allowed to work. These processes can take several weeks, by which time candidates may well have found another job.

Some say the sector has become less attractive for jobseekers, following two years of cuts and negative headlines. “Many who saw it as attractive have changed their minds,” says József Váradi, chief executive of Wizz Air, a pan-European budget airline. “People have started looking at other industries and sectors to progress their careers.”

This week Váradi, faced a backlash from pilot unions after telling staff in a leaked internal briefing: “We cannot run this business when every fifth person on a base reports sickness because the person is fatigued. We are all fatigued, but sometimes it is required to take the extra mile.”



Airlines have blamed the delays on constantly changing government policy which they say made it difficult to restart the dormant industry © Tolga Akmen/EPA-EFE/Shutterstock

While few companies have reported problems hiring well-paid pilots, other jobs — particularly working on the ground at airports — are a harder sell. “Be honest,” says one European industry executive. “Would you rather work for a supermarket at decent times on a regular shift, or get up at 2am and stand in the cold at an airport?”

Cotton says companies need to offer better job security, working standards and the chance of career progression to make the industry more appealing to prospective workers.

Yet the scale of the disruption hitting individual airlines does not perfectly correspond to the extent of job cuts. While easyJet has been particularly badly hit this year, it has nearly the same number of staff as it did in 2019. Wizz Air expects to have 6,700 staff by the end of the summer, up from 4,000 before the pandemic,

but has still been forced to cancel flights.

The problems these airlines face are instead largely related to their supply chains, which are vulnerable to disruptions beyond their immediate control. While a passenger may only have contact with two brands, the airline and airport, the flight they take is operated by a tangle of companies, from providers of subcontracted check-in staff and baggage handlers, to airport security firms and third-party caterers.



Airport security is one of the many parts of the business that airlines have outsourced over the years © Stephanie Keith/Bloomberg

Over the years, airlines have outsourced as many parts of the business as possible. When one link in the chain fails — and each part of the industry has suffered staffing problems this year — the fine margins airlines run on tend to break down.

Several airlines have blamed disruption on ground-handlers, which provide services from plane refuelling to check-in staff, for not having enough workers. But frustrated executives in those companies say the same airlines have for years squeezed margins on the contracts they offer.

Overselling the recovery

In the attempt to restore order, some in the industry have questioned a system that offered cut-price fares by focusing on efficiency above nearly all else. One

European airline board member says it is clear that the system cannot run on 2010

European airline board member says it is clear that the system cannot run on 2019 margins anymore, but that introducing new slack to prevent future disruption will mean passengers should prepare for higher fares.

Yet companies are still criticised for overestimating how many flights they will be able to operate this summer. Five weeks ago Lufthansa boss Carsten Spohr said his group was “mentally ticking off the crisis” as it forecast that it would carry more people this summer “than ever before”. But on Thursday the carrier said it would cancel 900 flights in July, blaming “bottlenecks and staff shortages” across the industry. In the UK transport secretary Grant Shapps accused airlines of having “seriously oversold flights and holidays” this month.

Europe’s air traffic control body has warned of problems stretching into July, while the region’s airlines expect the disruption to last well into the summer. Holland-Kaye went further, saying it could take 18 months to regain operational capacity.

Scheduled 预定	Estimated 变更	Origin 起飞地	Flight 航班号	Terminal 航站楼	Remarks 备注
6:55	8:01	HO CHI MINH CITY 胡志明市	JL70 HA5010 AA8494	T3	Baggage A
9:45	10:46	FRANKFURT 法兰克福	LH716 NH5854	T3	Delayed 明
11:10		SEOUL(GMP) 首尔(GMP)	KE707 JL5234	T3	Cancelled
11:45		TAIPEI(TSA) 台北(TSA)	BR192	T3	Cancelled
13:40	13:38	MANILA 马尼拉	PR422 NH5334	T3	Code Shar
13:55		HONG KONG 香港	CX548 JL7030	T3	Cancelled
13:55		PARIS(CDG) 巴黎(CDG)	JL46	T3	Cancelled
14:00	15:45	SEATTLE 西雅图	DL167 VN3021	T3	Delayed 明
14:15		SEOUL(GMP) 首尔(GMP)	JL92 KE5707	T3	Cancelled
14:20		ATLANTA 亚特兰大	DL295 VN3011	T3	Cancelled
14:25	14:46	DALLAS FORT WORTH 达拉斯-沃思堡	JL AA8481	T3	Code Shar
14:40		LOS ANGELES 洛杉矶		T3	Cancelled
14:40	17:24	DETROIT 底特律		T3	Delayed 明
14:50		LONDON(LHR) 伦敦(LHR)		T3	Cancelled
14:50		PARIS(CDG) 巴黎(CDG)		T3	Cancelled
14:55		MINNEAPOLIS 明尼阿波利		T3	Cancelled
15:00	14:34	SAN FRANCISCO 旧金山	AA8400 MH9101	T3	Code Shar
15:05		HANOI 河内		T3	Cancelled
15:25	15:28	FRANKFURT 法兰克福	LH4912	T3	Code Shar
15:35	15:53	CHICAGO O'HARE 芝加哥奥黑尔	AA8404	T3	Code Shar

Airlines have been criticised for overestimating how many flights they will be able to operate this summer © Franck Robichon/EPA-EFE/Shutterstock

Just about the only lever left for airline bosses is the hardest of all: try to fly less.

Lufthansa’s decision to pare back its schedule mirrors an earlier decision by BA,

which cut 10 per cent of its summer schedule to try to ensure its operations are more reliable. This has worked, for now, and the airline has been more resilient since.

Worryingly for an industry still in recovery, some travellers have already seen enough. Matthias Trost, a professor at Newcastle University, has been travelling to scientific conferences regularly again this year, but estimates that around half of his flights have been disrupted.

“We were all looking forward to going back to normality . . . but if you are travelling for 36 hours it is ridiculous,” he says. “I won’t book anything new”.

[Copyright](#) The Financial Times Limited 2022. All rights reserved.
