

Lufthansa plans another airline to cut costs

- A Monitor Desk Report

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Berlin: Deutsche Lufthansa AG will start another short-haul airline next year, a strategic move intended to cut labour costs by reducing the bargaining power of the company's powerful unions.

City Airlines will take to the skies in summer 2024 and offer feeder flights to more profitable long-haul operations at Lufthansa's Frankfurt and Munich hubs. The airline will hire staff on new contracts, reducing the relatively high cost structure of the airline's existing short-haul operations.

"This is the only way for us to grow and sustainably strengthen the hubs in Munich and Frankfurt," Jens Fehlinger, the managing director of City Airlines said. City Airlines will begin operations with Airbus SE A319 aircraft and Lufthansa is evaluating the possibility of adding Airbus A220 or Embraer aircraft, according to the statement.

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