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Norwegian's pilot and cabin crew companies in Sweden and Denmark file for bankruptcy

Due to the ongoing spread of the Coronavirus (COVID-19) most countries have advised against or have banned non-essential travel. The closure of borders and quarantine restrictions has effectively brought the entire airline industry to a halt. Consequently, almost all of Norwegian's flight operations have been cancelled, while the costs for air crew remain. The pilots and cabin crew in Scandinavia are employed in subsidiaries in the Norwegian Group. Unfortunately, despite the measures that the company has already taken to reduce costs, the Board of these companies are left with no choice but to apply for bankruptcy.

The decisions about filing for bankruptcies in the four crew subsidiaries were made by the respective boards on Monday April 20, 2020.

“The impact the Coronavirus has had on the airline industry is unprecedented. We have done everything we can to avoid making this last-resort decision and we have asked for access to government support in both Sweden and Denmark”, said CEO of Norwegian, Jacob Schram.

“Our pilots and cabin crew are the core of our business and they have done a fantastic job for many years. It is heart-breaking that our Swedish and Danish pilot and cabin crew subsidiaries now are forced to file for bankruptcy, and I’m truly sorry for the consequences this will have for our colleagues. We are working around the clock to get through this crisis and to return as a stronger Norwegian with the goal of bringing as many colleagues back in the air as possible,” Schram said.

In Norway, there are efficient furlough opportunities which means that the government pays for all salary related costs throughout the duration of the furlough period. Unfortunately, there is not the equivalent coverage in Sweden or Denmark schemes.

Despite the measures that the company has already taken, coupled with the lack of significant financial support from the Swedish and Danish governments, we are left with no choice. The Board of the below companies in the Norwegian Group today Monday 20 April decided to file for bankruptcy:

Norwegian Pilot Services Sweden AB

Norwegian Pilot Services Denmark ApS

Norwegian Cabin Services Denmark ApS

Norwegian Air Resources Denmark LH ApS

Due to the extraordinary situation (force majeure), Norwegian has also notified OSM Aviation that it has cancelled the crew provision agreements with several of its jointly owned OSM Aviation subsidiaries. These companies have crew based in Spain, UK, Finland, Sweden and the US.

The above actions will affect 1,571 pilots and 3,134 cabin crew. About 700 pilots and 1,300 cabin crew based in Norway, France and Italy are not affected.

The process of the subsidiaries filing for bankruptcy is now being managed by bankruptcy courts and bankruptcy trustees in the respective countries.

Norwegian in the UK and Ireland:

- Norwegian carries almost **6 million UK passengers each year** from London Gatwick, Edinburgh and Manchester Airports to **30 destinations worldwide**
- Norwegian is the **third largest airline at London Gatwick**, with 4.6 million yearly passengers, and over 1,200 UK-based pilots and cabin crew
- In 2014, Norwegian introduced the **UK's first low-cost, long haul flights to the U.S.** - the airline now flies to 11 U.S destinations, Buenos Aires and Rio de Janeiro from London Gatwick
- Norwegian is the only airline to offer **free inflight WiFi** on UK flights to more than 30 European destinations and 13 long-haul destinations.
- The airline has one of the **youngest aircraft fleets in the world**, including next-generation Boeing 787 Dreamliner, Boeing 737 MAX and Boeing 737-800s
- Norwegian has been **voted 'Europe's best low-cost carrier' by passengers** for six consecutive years at SkyTrax World Airline Awards from 2013-2018, along with being awarded the **'World's best low-cost long-haul airline'** in 2015, 2016, 2017, 2018 and 2019
- Norwegian Reward is the airline's free to join **award-winning loyalty programme** offering members CashPoints and Rewards that reduce the cost of Norwegian flights

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