

Alitalia workers reject rescue plan

ROME, Italy: Alitalia workers have rejected a restructuring deal from the company's management and unions to save the ailing carrier, Italian media reported Monday.



Almost 90% of its 12,500 employees had participated in a vote and more than half those taking part opposed the deal, with more than a third of ballots still to be counted.

They opposed a plan for 1,700 job losses and a 8% salary cut, despite the government saying over the weekend that there would be no alternative. The company's coffers are empty.

Request for possible takeover or liquidation

Italian press reports said Alitalia directors may as soon as Tuesday - a public holiday in Italy - ask the state to establish a "special administration" for a possible takeover or liquidation.

The company is de facto controlled by Etihad Airways, which acquired a 49% stake when it saved Alitalia from bankruptcy in 2014.

The pressure to find a solution has been intense, with Alitalia's liquidity expected to run out this month without emergency funding, leaving its fleet grounded. Etihad and the Italian banks Intesa Sanpaolo and UniCredit have said they would only inject new funds if the unions agree to the new collective labour agreement and cuts.

The Italian government, which acted as a mediator in negotiations, warned on 18 April 2017 that a "no" victory would not only be costly but potentially fatal for the company. Alitalia has been hit hard by competition from low-cost companies and has been accumulating losses for years.

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