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

OSLO, NORWAY (APRIL 20, 2020) – 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.

About Norwegian Air

Norwegian Air is the world's fifth largest low-cost airline and carried over 36 million passengers in 2019. The airline operates more than 500 routes to over 150 destinations in Europe, North Africa, Middle East, Thailand, North and South America. Norwegian has a fleet of around 160 aircraft, with an average age of 4.6 years, making it one of the world's youngest and most fuel-efficient fleets.

Norwegian has been named the [Most Fuel-Efficient Airline on Transatlantic Routes](#) by the International Council on Clean Transportation (ICCT) twice. In 2019, the airline [saved 1.7 million metric tons of CO2 emissions](#) compared to the industry average. Norwegian has been voted 'Europe's Best Low-Cost Airline' by passengers for six consecutive years at the SkyTrax World Airline Awards 2013-2019, along with being named the '[World's Best Low-Cost Long-Haul Airline](#)' for the past five consecutive years. Norwegian employs more than 11,000 people worldwide.

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Contacts



Press Office

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Only for press inquiries

press@norwegian.com