

Nigerian airline lays off two-thirds of staff

LAGOS, Nigeria: Nigeria's second largest airline Aero Contractors has laid off two-thirds of its workforce to save costs and prevent it from going under, a government agency official has confirmed.



Image via [Aero Contractors](#)

The company said in a letter to employees that it was "constrained to place [them] under redundancy because of operational challenges" that had hit its finances.

In all, more than 1,000 of the 1,500-strong workforce will lose their jobs, Jude Mwauzor, a spokesman for the Asset Management Corporation of Nigeria (AMCON), told AFP.

AMCON acquired Aero Contractors in 2011 because of mounting debts and a lack of aircraft to service its routes.

The government agency last month also [took over the country's main private airline, Arik Air](#), to prevent it from going bust because of spiralling debts.

"Too many workers doing nothing"

"The management did not want to continue to live a life of lies. It had to rationalise to save the airline because there were too many workers doing nothing," Mwauzor said.

"The airline does not have the funds to be paying redundant staff. Our position is that the management has to stabilise Aero and return it to efficiency and profitability," he said.

In the letter, the management said it hoped that by reducing operational costs it would be able to beef up its fleet for passenger flights and helicopter services for the oil industry.

It used to have seven planes but currently only operates two while the others are undergoing servicing and maintenance checks.

Manageable, committed workforce

The layoffs "will also enable Aero to have a more manageable and committed workforce in line with international best practices of 50 to 60 personnel to one".

Huge monthly salaries "will eventually kill the airline" if nothing was done, it added.

Last year Aero suspended flights for four months because of funding problems linked to the lack of foreign currency caused by recession.

That has left airlines unable to pay fuel suppliers and in some cases landing charges at airports outside the country.

Arik, which has a 60% share of domestic flights in Nigeria, was taken over because it was unable to repay loans totalling 135 billion naira (\$429 million, 400 million euros) by the end of 2016.

Foreign creditors had also seized several of its aircraft.

Source: AFP

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