

The Chartered Institute of  
Logistics & Transport

Singapore

## Agreement On No-Pay Leave Supports Measures To Fly Through Recession

Singapore Airlines (SIA) and the Air Line Pilots Association – Singapore (ALPA-S) have signed an agreement under which all pilots in the airline will take one day of leave without pay each month and a cut of 65 per cent of one day's pay, pro-rated from monthly basic salary. The agreement was signed on 18 June 2009 and will take effect from 1 July 2009.

The airline has surplus pilot resources because of the cutback in flights following the sharp fall in demand for air travel. In the year ending March 2010, SIA will decommission 16 aircraft, fewer flights will be operated and capacity produced will be lower by 11 per cent from the preceding year.

The terms of the agreement with ALPA-S were determined by the surplus in pilot resources arising from the reduced flight schedules. It supersedes an interim agreement that provided for pilots to take one day of compulsory no-pay leave every month, starting May 2009.

The agreement augments a series of measures taken by SIA to mitigate the burden of cost of excess staff resources resulting from the global business downturn.

Beginning in April 2009, SIA's senior management staff went on a shorter work month scheme. Other managers followed suit in May.

Under agreements reached with the two other staff unions in the airline, the Singapore Airlines Staff Union (SIASU) and the Air-Transport Executive Staff Union (AESU), all ground personnel, cabin crew and administrative officers joined the shorter work month scheme in May.

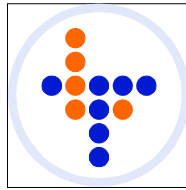
In addition, nearly 2,000 employees have signed up for the airline's voluntary no-pay leave scheme, under which staff could apply for leave without pay for durations of up to two years.

From July 2009, all management staff in SIA will take a cut in salary. The CEO will lead with a 20 per cent cut, with progressively lower rates down the ranks, to a minimum of 10 per cent.

SIA's Board of Directors has volunteered a cut of 20 per cent in fees for directors.

Altogether, these measures will save an estimated \$21 million in costs for the current financial year.





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