

## Swiss Parliament approves CHF 150 million for skyguide

Geneva, 10 September 2020 – **The Swiss Parliament approved a CHF 150 million contribution to skyguide's equity capital today. This will ensure that the Swiss air navigation service provider remains financially stable and can perform its sovereign duties. In return, the Federal Council and Parliament expect to see saving measures implemented, as well as an increase in the retirement age of air traffic controllers.**

In the wake of the corona crisis, air traffic has fallen by up to 95% compared to last year, since March 2020. Skyguide's income has therefore subsequently collapsed to an unprecedented low. More than 80% of skyguide's income is derived from the fees which airlines pay for landing and overflight services. Despite the cost-saving measures taken, the financial reserves of the company's non-profit, federally-funded operations will be exhausted in the current year. Given this background, the Parliament approved the Federal Council's proposal to inject as a capital contribution of CHF 150 million today.

Without skyguide, neither civil nor military air traffic is possible within Switzerland. Air traffic control fulfils a sovereign mandate which entails being in a position to guarantee the air police service of the Swiss Air Force and the protection of Swiss airspace as well as to handle civil air traffic safely and efficiently at all times

### **Increased efficiency through technology**

To counter the massive decline in income, skyguide has adopted a savings plan as soon as the crisis broke. The company has taken salary measures – such as cutting variable salary components for 2020 by a quarter, converting variable salary components into annual leave and freezing wages. In addition, the company has reduced its project portfolio to those projects that are safety-relevant or sustainably increase efficiency. Skyguide is achieving the latter primarily through its Virtual Centre programme.

With the Virtual Centre programme, skyguide is bringing together the two physical centres in Geneva and Dübendorf to create a virtual centre. This will enable the company to manage all Swiss airspace independently of location in future. This will enable the company to adapt capacity much more rapidly to rising or falling demand from airspace users. In this way, the skyguide will optimise the use of operational resources and increase, not only economic, but also ecological efficiency.

In return for the capital injection, the Federal Council expects skyguide to implement these cost-cutting and efficiency-enhancing measures consistently. In total, the cost-saving measures will result in a reduction in expenses of CHF 90 to 100 million by 2024.

The Federal Council also expects the staff representatives and skyguide to draw up a joint plan by the end of 2021 to raise the retirement age of air traffic controllers from today's 56 to at least 60 years to ease skyguide's long-term financial burden.

"The current operational and financial challenge is unprecedented in the history of aviation. But today's decision makes me feel confident," says Alex Bristol, CEO of skyguide. "In the future, Virtual Centre will enable us to respond much more quickly and efficiently to rapid changes in air traffic volumes."

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Skyguide provides air navigation services for Switzerland and certain adjacent parts of neighbouring countries. With its 1,500 employees at 14 locations in Switzerland, the company guides some 1.3 million civil and military flights a year safely and efficiently through Europe's busiest airspace. Skyguide is well integrated into the international air navigation services community and, with its innovative and customer-minded solutions, helps enhance Switzerland's appeal as a place to live, work and do business. The company is majority-owned by the Swiss Confederation, and is headquartered in Geneva.

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