

Gebr. Heinemann takes measures to weather the Covid-19 crisis

Gebr. Heinemann today released information about the company's position during this global crisis.

This crisis has severely impacted all sectors related to travel, including airlines, cruise lines, airport operators, hotels and travel retailers. Gebr. Heinemann affirms that the company is seeing high turnover losses every day, as fixed costs are not being offset by income. While many industries have been strongly affected by this crisis, none more so than travel and tourism.

Gebr. Heinemann's release states that the company's perspective is long term, and that as a family business, "we think in generations, not quarters." The company has weathered many severe storms in the past, from economic crises to epidemics, to the attacks of 9/11, to erupting volcanoes, and considers itself adept at successfully traversing these times. The company is doing what it can to keep staff employed while finding its footing.

"We implemented a comprehensive package of measures at an early stage in order to reduce our costs quickly and effectively and to ensure the company's liquidity. One lever is the reduction of personnel costs. Since the beginning of April, 2,700 employees in Germany alone have been on short-time working. We are pursuing the goal of avoiding lay-offs due to operational reasons. Other immediate measures include postponing capital expenditure and operating expenses, reducing current assets and negotiations with the airports," the company stated.

This all being said, everyone in the industry knows that this crisis cannot be compared to others. Never before have borders and airports been shuttered the world over, and there is, as yet, no clear indication when they will once again begin to open let alone when travel might be expected to reach previous levels. Indeed, it is uncertain whether the world will return to what we have all been accustomed to as normality. Certainly, this crisis will not have a quick resolution.

"For Gebr. Heinemann, the year 2020 will be characterised by high financial losses," says the release. "However, the duration of the crisis is decisive for assessing the long-term economic effects. The unpredictability of its end also makes a reliable estimate for our company extremely difficult at present."