

# Airlines, devastated

As the pandemic spread across the globe in the first half of the year and countries imposed tight border controls, travel demand evaporated. Meanwhile, the recovery has proven slower than expected for aviation as borders remain shut or are only open to select countries.

The International Air Transport Association projects that travel will only rebound to pre-Covid levels by 2024, with the domestic market leading the recovery. As such, airlines are resorting to cost cutting measures such as lay-offs and shoring up liquidity to remain afloat. **BY NISHA RAMCHANDANI**

## Singapore Airlines

### Financial results

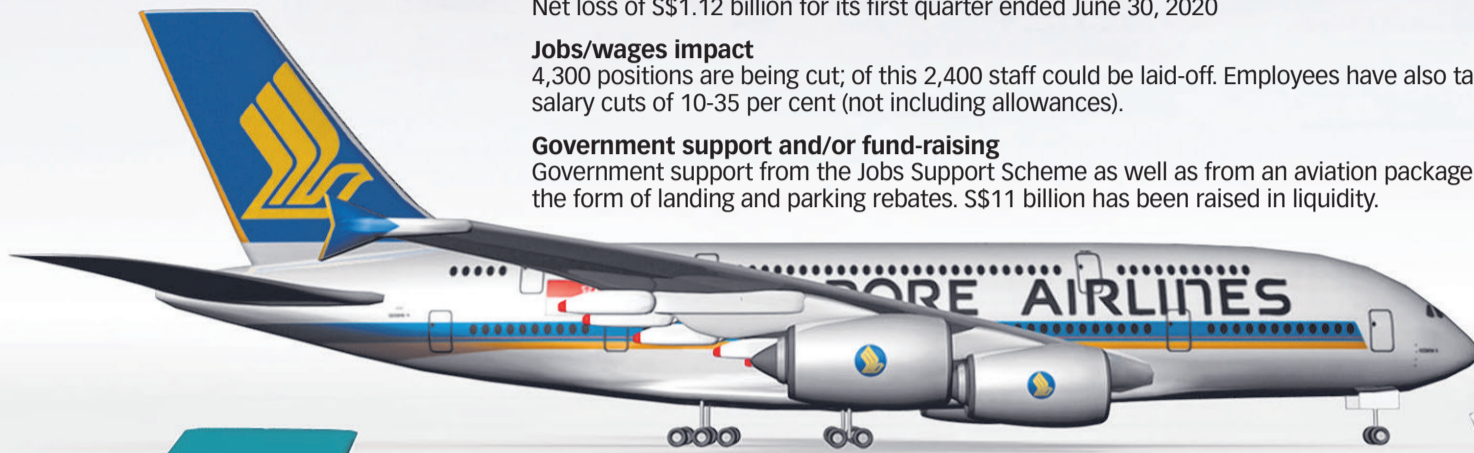
Net loss of S\$1.12 billion for its first quarter ended June 30, 2020

### Jobs/wages impact

4,300 positions are being cut; of this 2,400 staff could be laid-off. Employees have also taken salary cuts of 10-35 per cent (not including allowances).

### Government support and/or fund-raising

Government support from the Jobs Support Scheme as well as from an aviation package in the form of landing and parking rebates. S\$11 billion has been raised in liquidity.



## Cathay Pacific

### Financial results

Losses of HK\$ 9.87 billion in the first six months of this year.

### Jobs/wages impact

Salary cuts for employees in the form of unpaid leave, while executive pay cuts of 25-30 per cent were introduced. Job cuts are expected next.

### Government support and/or fund-raising

HK\$39 billion in recapitalisation financing, of which HK\$27.3 billion came from the government. The Employment Support Scheme helps with wage support



## British Airways

### Financial results

Parent International Airlines Group (IAG) posted a loss of £3.8 billion for the six months ended June 30.

### Jobs/wages impact

Employees are reportedly looking at salary cuts. BA has earlier announced plans to slash up to 12,000 jobs from its over 42,000 headcount.

### Government support and/or fundraising

IAG is raising 2.75 billion euros from shareholders through a rights issue. BA secured some 300 million pounds via the issuance of commercial paper bought by the Bank of England.



## Qantas

### Financial results

A\$1.9 billion net after-tax loss for the year ended June 30, 2020.

### Jobs/wages impact

20,000 employees have been placed on ongoing furlough. 6,000 job redundancies are to take place, of which 4,000 will be finalised by end Sept.

### Government support and/or fund-raising

As at June 30, gross benefit of support from the Australian Government totalled A\$515 million. Qantas raised more than A\$1.4 billion in equity, on top of A\$1.75 billion of long-term debt funding landed in FY20.



## American Airlines (AA)

### Financial results

AA bled red ink to the tune of US\$2.1 billion for the three months ended June 30. This follows a US\$2.2 billion loss in Q1.

### Jobs/wages impact

AA warned its headcount could fall by 40,000 to 100,000 unless the further government support is extended by Oct.

### Government support and/or fundraising

AA got US\$5.8 billion under the CARES Act, issued by the US federal government in March



## Garuda

### Financial results

Losses of US\$712.73 million for the first six months of this year

### Jobs/wages impact

Salaries were cut between 10 and 50 per cent for at least 25,000 workers. 800 staff furloughed in May and 180 senior and contract pilots were let go in June

### Government support and/or fund raising

Indonesian government to give support to Garuda of 8.5 trillion rupiah. The carrier has extended the tenure of a US\$500 million sukuk by three years, due June 2020.



## Lufthansa

### Financial results

Posted a net loss of 1.5 billion euros in Q2, following a Q1 loss of 2.1 billion euros.

### Jobs/wages impact

Employees are reportedly taking wage cuts. Lufthansa has warned it could slash up to 22,000 roles from its 138,000 employee base.

### Government support

9 billion euros in government aid, with the government scooping up a 20 per cent stake in the carrier



## Thai Airways

### Financial results

Thai Airways reported a net loss of 28 billion baht (S\$1.22 billion) for the first six months of this year.

### Jobs/wages impact

Employees have taken pay cuts. Reports suggest Thai Airways could lay off some 6,000 of its 20,000 employees but the carrier said it will focus on restructuring first.

### Restructuring

The carrier has filed for court-led restructuring in Thailand's Central Bankruptcy Court



## Qatar Airways

### Financial results

The airline has yet to release its financial results for the year ended March 2020

### Jobs/wages impact

Staff have taken salary cuts. Qatar Airways has warned that it could cut 9,000 jobs or about 20 per cent of its workforce

### Government support

In March, the Doha-based carrier had said that it would need to seek state support eventually, amid the cash burn

