

Restructuring debt to save SriLankan Airlines: CEO Nuttel

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Colombo : As part of plans to rebuild Sri Lanka's shattered economy, the government aims to raise funds by privatising SriLankan Airlines. However, in February, 2023, unable to meet interest payments due end of the year, the company defaulted on a USD 175 million bond. Hence, the airline's CEO Richard Nuttall said there was still a lot of work to be done to restructure its debt before selling off the business.

"If we can structure that debt, then a large part of what we're paying as interest comes back and can be used to run the airline," added Richard Nuttall, Chief Executive of SriLankan Airlines.

"This also means that an outside investor can come in and not pay for the sins of the past," he further mentioned.

Sri Lanka's national carrier had been struggling against headwinds, one after another-first the impact of countries closing their borders during the Covid-19 pandemic and then the soaring fuel prices due to Russia-Ukraine war.

Its British-born boss became the chief executive of the loss-making SriLankan Airlines in April, 2022, after joining the company in November 2021 as its chief commercial officer.

He joined the debt-laden carrier after Sri Lanka eased its coronavirus border restrictions with hopes that the airline will see a recovery in passenger numbers.

However, the economic crisis that had been dragging on the country since before the pandemic deepened in the summer of 2021.

A series of missteps by the government resulted in the worst economic crisis since the country's independence, depleting Sri Lanka's foreign reserves needed to import everything from food to fuel.