

AirAsia reports USD 238m loss for April-June quarter

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Dhaka: Malaysia's budget carrier, AirAsia, on August 25, reported a net loss for the April-June quarter of RM 993 million (USD 238 million), marking a fourth straight quarterly loss for the Kuala Lumpur-based airline.

This figure compares to a net profit of RM 17.3 million (USD 4.15 million) reported for the same period in 2019.

With the coronavirus pandemic causing several border closures to AirAsia destinations, the carrier moved its Malaysia and Philippines fleets into storage in March. While taking planes out of service, it also cut back on its flights in Indonesia.

Commenting on the moves, the airline said in statement, "The reduction of group expenditure could not offset the decrease in revenue as passenger demand collapsed due to the widespread border closures and certain onerous travel restrictions."

During the three months that AirAsia reported on August 25, it carried a total of

204,082 passengers with a load factor of 59 per cent. This represented a drop in passenger numbers of 98 per cent compared to a year earlier.

To help it weather the current downturn in demand, AirAsia has applied for loans in the markets in which it operates. It has also received proposals from investment bankers and other lenders, in a bid to raise capital.

“Barring any reversal of flight resumption plans and any major shock to demand, we foresee that we have sufficient working capital to sustain business operations,” it said, according to reports.