Cathay eyes to burn UDS 128m each month over quarantine restrictions

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Dhaka: Hong Kong based airline Cathay Pacific is expecting to resume burning cash following tightened crew quarantine and travel restrictions. Cathay Pacific's Chief Executive Officer, Augustus Tang, announced that the airline projects an operating cash burn of HKD 1.0-1.5 billion (USD 130 – USD 190 million) per month from February.

Cathay announced they are expected to record a loss of approximately HKD 5.6-6.1 billion (USD 720 – USD 783 million) over the course of this coming year.

Strong demand for cargo flights and a reduction in operating expenses have reduced this amount to almost a quarter of the predicted loss of HKD 21.6 billion (USD 2.7 billion).

Strict measures implemented by Hong Kong in late December and early January have severely hurt the global financial hub and drastically reduced airline operations. The new restrictions have been significantly impacting airline crew members facing legal action for breaking quarantine regulations and introducing the Omicron variant of Covid-19 to the region.

The Hong Kong SAR Government has announced the compulsory quarantine period for inbound travellers from overseas destinations will be reduced from 21 to 14 days from

February 5.

Inbound travellers, including vaccinated Hong Kong residents, must still stay in designated quarantine hotels and complete a further seven-day self-monitoring period.

Reports said, Cathay is operating only 20 per cent of its pre-pandemic cargo capacity and 2 per cent of its pre-pandemic passenger capacity. Much of the Cathay Pacific network has seen a drastic reduction in response to the latest government measures.

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