

## SriLankan Airlines losses top Rs 248bn during January-April in 2022

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Dhaka: SriLankan Airlines losses during the first four months from January to April in 2022 topped Rs 248.4 billion, including one-time exchange loss of Rs 145 billion that came in March as rupee collapsed against dollar.

This further shows how the national carrier of Sri Lanka has become a baggage for the government and a bane of the taxpayers as it drains government finances.

The first four-month loss reflects a massive increase from the Rs 170.8 billion loss made in the same period in 2021 and the Rs 45.2 billion loss in 2020.

The current Prime Minister Ranil Wickremesinghe since taking office in May announced his intentions to sell the loss-making airline to relieve the Treasury from its endless and unsustainable burden.

According to latest fiscal data released on the State-owned enterprise

performance in the four first months of 2022, SriLankan Airlines had generated revenues of Rs 71.8 billion, but the total expenses had risen sharply to a mammoth Rs 320.3 billion, which includes a one-time exchange loss booked on account of the foreign currency loans the airline has.

The airline has Rs 618.7 billion worth liabilities, including a sovereign guaranteed USD 175 million international bond. The airline suspended payment of interest after the government decided to default on most of its foreign currency liabilities in April.

Other debts of the airline consist of Treasury guaranteed bank loans from State banks, aircraft leases, and debt with trade creditors of which Ceylon Petroleum Corporation is at the forefront.

Just prior to the government announced it was defaulting on its foreign loans, SriLankan decided to re-fleet 50 per cent of its fleet, which came under heavy flack from many sections given the dollar crunch faced by the country causing untold hardships on people.

The airline said the re-fleeting would be self-funded from its own cash flows and would bring operational efficiencies and would help to add new routes, enhancing its cash flows to pay down its debt faster.

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