

Thai Airways' rehabilitation progress slow but steady

- A Monitor Desk Report

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Dhaka: The business rehabilitation at Thai Airways has been slow, as administrators recently provided a progress report for the three months to mid-December.

The struggling Thai Airways continues to make slow but steady rehabilitation progress as it tries to get back to profitability and long-term viability.

Thai Airways filed for bankruptcy protection in May 2020. The airline struggled under the pressure of USD 9.8 billion in debts and the worldwide travel downturn. In September 2020, the Central Bankruptcy Court in Bangkok ordered the airline into a business rehabilitation programme.

With administrators now running Thai Airways, the airline is in efforts to reduce its day-to-day operating costs and expenses, restructure and downsize the business, boost its income, and seek new funding sources.

Earlier, the airline defaulted on over USD 3 billion worth of debt in 2020. However, no further defaults have occurred since entering into the rehabilitation programme.

In late December, Thai's administrators reported the airline had repaid USD 39.09 million in debt principal and interest per the agreement with creditors after entering into the

rehabilitation programme.

The administrators have also sold more Thai's shares in aviation fuel provider Bangkok Aviation Fuel Services. The share sale raised USD 6.84 million in the three months to mid-December.

Also, the administrators successfully sold Thai's land and building assets at all three sites for USD 37.4 million.

In the past three months, Thai's administrators also report successfully negotiating with aircraft operating and finance lease creditors to amend the original lease agreements for 12 aircraft. The administrators in late December said negotiations with 35 creditors concerning a further 45 aircraft continue.

According to reports, the administrators said they are happy with the rehabilitation plan's progress over the last three months.

They highlighted the continuing debt repayment programme and absence of further defaults prove the airline is slowly starting to find some financial ground and operational heights.