THAI AIRWAYS SAYS NO AGREEMENT YET ON PLANE DELIVERY DEFERRALS

News / Airlines

Thai Airways International PCL , halfway through a restructuring plan, has not yet agreed with Airbus and Boeing on delivery deferrals for aircraft it no longer needs as it tries to fill seats on its existing planes, its president told Reuters on Friday.

Thai Airways is one of several state-controlled companies undergoing reform since the Thai military seized power in May 2014. Late last month the company said it had returned to profit in the final quarter of 2015.

The carrier grounded 38 aircraft as part of the turnaround, which aims to improve its cabin factor, or how full its planes are, to 80 percent this year. It also said in January it wanted to delay the delivery of 12 Airbus 350s, and 2 Boeing 787s.

"Today we still have 73 percent cabin factor so we don't need to expand anywhere," Thai Airways President Charamporn Jotikasthira said on the sidelines of the ITB travel fair in Berlin.

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"Financially we don't need the planes and commercially we have not sold enough tickets. The more capacity we have the more trouble we will run into, so the more we can delay the better," he said.

He said Thai Airways would abide by its contractual obligations to take the planes if it could not agree a deferral. Should tickets sales prove better than expected then there would be no need for a delay, he said.

The carrier is targeting a return to annual profit this year.

"According to the plan, we should be able to reach about 60 percent of the target profit that we want to do this year with the full potential next year," Jotikasthira said. "That's what we're driving at."

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