



# SRI LANKA'S DEBT-LADEN AIRLINE TO SELL FOUR NEW AIRBUS PLANES

News / Airlines



**Sri Lanka's debt-ridden national airline will sell four new Airbus A350s, a government minister said on Tuesday, two weeks after cancelling an order for four of the aircraft.**

**The state-owned carrier had already sold one of the four planes for a "reasonably good price" to a leasing company and is in talks with airlines over the other three, Deputy State Enterprise Minister Eran Wickramaratne said.**

**Although SriLankan Airlines needs more aircraft to expand, it does not need long-range planes like the A350, he said.**

**The airline, which is struggling with debts of around \$3.25 billion, ordered eight A350s from Airbus in 2014.**

Sri Lanka is facing a balance of payments crisis. About \$2 billion of foreign money has flowed out of government bonds since January last year, while the administration is struggling with a legacy of borrowing for infrastructure projects.

The International Monetary Fund (IMF) has agreed a \$1.5 billion bailout with the Sri Lankan government to help the island nation avert financial crisis. The government is also negotiating for more project-related loans.

SriLankan Airlines was a profitable 10-year joint venture with Dubai-based partner Emirates Airline until the pair split in 2008.

The airline has bought seven Airbus A330-300s since 2012.

Helped by lower oil prices, it posted a group net loss of 16.33 billion rupees (\$113 million) for the financial year to March 31, after a 31.37 billion rupees loss a year earlier.

The carrier last made a profit in 2009, a year after Emirates sold its stake in the venture.

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**SOURCE: REUTERS**

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