THAI TO DEFER AIRCRAFT DELIVERIES, SELL OFF REDUNDANT ASSETS

News / Airlines

Following a board meeting this past week, the president of Thai Airways International (TG, Bangkok Suvarnabhumi), Charumporn Jotikasthira, told a press conference in Bangkok that additional cost-cutting measures have been proposed including the deferral of new aircraft deliveries as well as the sale of redundant assets.

According to the Bangkok Post, Thai will open dialogue with Airbus Industrie (AIB, Toulouse Blagnac) and Boeing (BOE, Chicago O'Hare) over the planned deferment of deliveries for fourteen aircraft - twelve A350-900s and two B787-9s - from this year, to 2018. The loss-making carrier is also planning to sell off a further forty-two aircraft in its fleet having already disposed of nineteen. This year, it will auction off twelve aircraft including ten A340s, both -500s and -600s, and two B747-400s.

As recently reported, Thai is also planning to transfer its entire fleet of A320-200s to its Thai Smile (WE, Bangkok Suvarnabhumi) subsidiary where narrowbody operations are more coost-effective.

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Thai is also looking to raise at least THB1 billion (USD27.7 million) through the sale of offices in Mae Hong Son, Phitsanulok, Udon Thani, Nan, Trang, Surat Thani and Phuket, and two in Hat Yai district of Songkhla. Staff residences in London, Jakarta, Copenhagen, and Singapore (where there are two) are also on the list, which also includes sales offices in Sydney, Rome, Madrid, Hong Kong and Penang.

Though the airline is expected to register an overall loss of around THB15 billion (USD415 million) for its 2015 financial year, Jotikasthira is optimistic Thai will return to profitability this year. Thai is in the process of reducing its workforce from 25,000 to 20,000 and has pruned its longhaul network of underperforming routes to South Africa, the United States, and Europe.

24 JANUARY 2016

SOURCE: CH AVIATION
ARTICLE LINK:
https://50skyshades.com/news/airlines/thai-to-defer-aircraft-deliveries-sell-off-redundant-assets

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