

THAI to start flying to high-jab rate countries

POST REPORTERS

Thai Airways International (THAI) has announced it will start selling tickets on select international flights to destinations with high vaccination rates, from Oct 1.

The airline will re-commence flights to lucrative markets in Europe such as Britain, France and Germany as well as some cities in Japan and Australia.

The decision to resume flights came after these countries reported high rates of vaccination at around 70% of their populations.

China, another highly profitable destination, is expected to be back on THAI's scheduled passenger flight network next year, according to Chai Eamsiri, acting executive vice president of THAI's Finance and Accounting Department.

Mr Chai said revenue from cargo flights has exceeded that of passenger flights, which ground to a halt due to the protracted Covid-19 pandemic that struck the country early last year.

The carrier's balance sheet has improved after the company sold off some assets and offloaded parts of its investments in the Bangkok Aviation

Fuel Services Plc (BAFS) and Nok Air.

The company has set a target of cutting back up to 53 billion baht in investment costs by the end of next year. So far, it has saved 44 billion baht towards the goal.

The cutbacks have resulted from continued implementation of more than 600 retrenchment and austerity programmes of all sizes. Among them is the downsizing of the workforce achieved by shedding 48% of employees to 15,300 from 29,500 two years ago.

Mr Chai said the retrenchments have more than halved the company's expenses.

The vice president added THAI has sold or is selling 42 of the 100 planes in its fleet. He expected the planes to all be sold off by the end of the year.

From 12 types of aircraft prior to the pandemic, THAI will, after the sales, end up with five types, which will be more economical to operate. Engine varieties will also be narrowed, from nine to four.

The leased aircraft will be returned to lessors.

Those on lease which continue to be deployed until next year will see revised leasing terms.

The company will pay the lease according to the hours flown, given the plunge in passenger traffic.

The trimming has brought down both fixed and variable costs substantially, Mr Chai said.

As for the six superjumbo Airbus A380 aircraft in the airline's fleet, he said two, which the company owns, have been put up for sale.

The remaining four that are leased are in the process of being returned.