



Note to Editors  
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## SINGAPORE AIRLINES MAKES SIGNIFICANT CAPACITY CUTS AND GROUNDS AIRCRAFT

Singapore Airlines (“SIA” or the “Company”) will be cutting 96% of the capacity that had been originally scheduled up to end-April, given the further tightening of border controls around the world over the last week to stem the Covid-19 outbreak.

This will result in the grounding of around 138 SIA and SilkAir aircraft, out of a total fleet of 147, amid the greatest challenge that the SIA Group has faced in its existence.

The Group’s low-cost unit Scoot will also suspend most of its network, resulting in the grounding of 47 of its fleet of 49 aircraft.

The SIA Group diversified its network and set up Scoot to spread its risks and cater to a wide range of passenger and market segments. However, without a domestic segment, the Group’s airlines become more vulnerable when international markets increasingly restrict the free movement of people or ban air travel altogether.

It is unclear when the SIA Group can begin to resume normal services, given the uncertainty as to when the stringent border controls will be lifted.

The resultant collapse in the demand for air travel has led to a significant decline in SIA’s passenger revenues.

The Company is actively taking steps to build up its liquidity, and to reduce capital expenditure and operating costs. As mentioned on 17 March 2020, SIA will continue to aggressively pursue all measures to address the impact of the Covid-19 outbreak on the Company. These include:

- ongoing discussions with aircraft manufacturers to defer upcoming aircraft deliveries. If agreed, this will consequently defer payment for those aircraft deliveries;
- salary cuts for the SIA Group's management with the Company's Directors also agreeing to a cut in their fees, and a voluntary no-pay leave scheme up to certain management positions. Given the worsening situation, the unions have been engaged on the additional cost-cutting measures that are needed and more steps will be taken imminently; and
- over the last few days, the SIA Group has drawn on its lines of credits to meet its immediate cash flow requirements. The SIA Group is engaging in discussions with several financial institutions for its future funding requirements.

The Company continues to explore measures to shore up its liquidity during this unprecedented disruption to global air travel. The Company will release further details when such measures have been firmed up.

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For further information, please contact:

**Singapore Airlines Public Affairs Department**

Tel: (65) 6541-5880 (office hours)

Tel: (65) 9753-2126 (after office hours)

E-mail: [Public\\_Affairs@singaporeair.com.sg](mailto:Public_Affairs@singaporeair.com.sg)

Website: [singaporeair.com](http://singaporeair.com)

[Facebook.com/SingaporeAir](https://www.facebook.com/SingaporeAir)



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