



Philippine Airlines has filed for bankruptcy protection in the US with a plan that helps the country's main airlines recover after the pandemic devastated global travel.

As a part of a survival plan set on Monday, the airline said that it would return 22 of its jets to **lessors** and postponing delivery of new planes on order. The airline is now pursuing financial restructuring that will cut two billion dollars in borrowing and raise new money. However, the airlines doesn't expect a recovery to pre-crisis levels of business until 2024.

The restructuring plan needs court approval, and it will allow the airline to reduce its **fleet** capacity by 25%. The airline will also get 505 million dollars in **equity and debt financing** from its majority investor, as well as 150 million of debt financing from new investors.

While an end to lockdowns eased the hurt on travel in the northern part of the world, the delta variant of COVID-19 has recently begun hurting many airlines again in the US and China.

Difficult words: **lessor** (a person or company who leases or lends land or equipment to somebody else), **fleet** (a number of vehicles or planes that an organization owns), **equity and debt financing** (raising money through the sale of shares and parts of the business).



Discussion Questions

Topic Talk

1. Define the following words: *lessor, fleet and equity and debt financing*
2. Why did Philippine Airlines file for bankruptcy protection in the US?
3. What is on of the survival plan of Philippine Airlines?
4. Will the airline be able to recover soon?
5. What will happen when the airline's restructuring plan gets approved in court?

Express Your Thoughts

1. Have any airline companies in your country filed bankruptcy protection or declared bankruptcy?
2. Do you agree that the airline industry is the most affected type of business devastated by the pandemic?
3. When do you suppose global travel will get back to normal?
4. Are you one of those who are excited to travel again?