

Philippine Airlines exits US bankruptcy

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The national carrier of the Philippines had filed for bankruptcy in the United States in September, seeking relief from creditors as it tried to survive the devastation unleashed on the [airline industry](#) by the coronavirus pandemic.

Its court-approved reorganisation plan includes a \$2 billion debt reduction and additional liquidity of \$505 million from its main shareholder, PAL said in a statement Friday.

It also has the option to obtain up to \$150 million in additional financing from [new investors](#).

"PAL has streamlined operations with a reorganised fleet and is now better capitalised for future growth," the airline added.

Air travel in the Philippines collapsed by more than 75 percent in 2020 due to travel restrictions imposed to contain the coronavirus, according to [government data](#).

From 60 million domestic and international passengers in 2019, traffic plunged to just over 13 million in 2020.

PAL said in September it had cancelled more than 80,000 flights, wiping out \$2 billion in revenue, and let go of more than 2,000 employees.

As borders reopen and travel restrictions ease, the airline said it will resume regular flights, including to cities in mainland China and Australia.

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