

Surviving Financial Downfall: A Case of Hong Kong Airlines



Source: Pexels (2023)

Background

Established in 2006, Hong Kong Airlines is a Hong Kong-based full-service airline which operates flights to more than 100 destinations worldwide (Hong Kong Airlines, n.d.). Having operated in the market for more than 17 years, the airline has firmly established itself as one of the leading local carriers. However, the airline was severely hurt as revenue tumbled by 85% due to the collapse in travel demand amidst political unrest in Hong Kong and the global pandemic (FlightGlobal, 2022).

Facing insurmountable financial pressure, the airline filed for restructuring in September 2022 in both the High Court of Hong Kong and the High Court of Justice of England and Wales. It sought approval to convene creditors' meetings to discuss a restructuring plan that would settle the company's outstanding debts of over HK\$49 billion (FlightGlobal, 2022). The plan involves retiring 33 aircraft from its 53-strong fleet and issuing HK\$3 billion worth of new shares to secure investment (The Standard, 2022). The restructuring plan successfully saved the company from liquidation and allowed the airline to take off again with a smaller fleet after securing its license renewal (Chan, 2023).

In parallel with its legal restructuring, Hong Kong Airlines also implemented various cost-cutting measures to cope with the declined revenue during the pandemic. Due to travel bans and low demand of flights, nearly two-third of Hong Kong Airlines staff were laid off or asked to take pay cuts during pandemic times (South China Morning Post, 2021). Moreover, Hong Kong Airlines suspended most inflight services and amenities, such as meals, blankets, movies, and magazines (Simple Flying, 2020), aiming to preserve cash and extend operational viability.

Challenges

While selling half of its fleet seems to be an inevitable decision, Hong Kong Airlines still suffers from a substantial loss of market share since they have to shut down multiple routes. On the other hand, while cutting staff and inflight services can improve the airline's financial performance within short time period, such measures compromises service quality and the airline might not be able to restore confidence and loyalty in customers ever since. As a result, Hong Kong Airlines would face a huge challenge in maintaining competitiveness and service standards moving forward.

Discussion Questions

1. What are the potential long-term impacts of Hong Kong Airlines' debt restructuring plan on its financial health?
2. How can Hong Kong Airlines optimize use of the reduced fleet? What criteria should guide decisions on which routes to continue or discontinue?
3. How can the airline differentiate itself from its competitors to attract and retain customers given the circumstances?
4. What strategies can the airline employ to minimize dissatisfaction and retain customer loyalty after scaling back inflight services and staffing?

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Keywords

- Airline
- Restructuring
- Fleet optimization
- Competitiveness
- Differentiation
- Inflight service

Acknowledgement

This case study is based on and adapted from the work of undergraduate students Chan Hiu Mei, Mary; Leung Hiu Nga; Ma Yee Chun; Singh Navjot Navi; Tang Sin Man; Wong Tsz Yan from the School of Hotel and Tourism Management at The Hong Kong Polytechnic University.

渡过财务危机：香港航空案例研究



Source: Pexels (2023)

背景

香港航空成立于 2006 年，是一家总部位于香港的全服务航空公司，其航班飞往全球超过 100 个目的地(Hong Kong Airlines, n.d.)。在市场上运营超过 17 年后，该航空公司已牢固确立其作为本地主要航空公司之一的地位。然而，由于香港社会动荡和全球疫情导致旅行需求崩溃，其收入暴跌 85%，公司遭受重创(FlightGlobal, 2022)。

面对难以克服的财务压力，该航空公司于 2022 年 9 月分别向香港高等法院及英格兰与威尔士高等法院提出重组申请。它寻求批准召开债权人会议，讨论一项旨在解决公司超过 490 亿港元未偿债务的重组计划(FlightGlobal, 2022)。该计划涉及从其 53 架机队中退役 33 架飞机，并发行价值 30 亿港元的新股以获取投资(The Standard, 2022)。该重组计划成功使公司免于清算，并在其续领牌照后，得以以更小规模机队再次起飞(Chan, 2023)。

与其法律重组并行，香港航空还实施了各种成本削减措施，以应对疫情期间收入下降的情况。由于旅行禁令和航班需求低迷，近三分之二的香港航空员工在疫情期间被裁员或被迫减薪(South China Morning Post, 2021)。此外，香港航空暂停了大部分机上服务和便利设施，如餐食、毯子、电影和杂志(Simple Flying, 2020)，旨在保存现金并延长运营可行性。

挑战

尽管出售一半机队似乎是不可避免的决定，但由于必须关闭多条航线，香港航空仍然遭受了市场份额的重大损失。另一方面，虽然裁减员工和削减机上服务可以在短期内改善航空公司的财务表现，但这些措施损害了服务质量，且航空公司可能自此再也无法恢复客户的信心和忠诚度。因此，香港航空在未来维持竞争力和服务标准方面将面临巨大挑战。

讨论问题

1. 香港航空的债务重组计划对其财务健康状况可能产生哪些长期影响？
2. 香港航空应如何优化其缩减后机队的利用？决定继续或停飞哪些航线时应以什么标准为指导？
3. 在此情况下，航空公司应如何与竞争对手区分开来，以吸引并留住客户？
4. 在缩减机上服务和裁员后，航空公司可以采用哪些策略来最大程度地减少客户不满并保持其忠诚度？

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关键词

- 航空公司
- 重组
- 机队优化
- 竞争力
- 差异化
- 机上服务

致谢

本案例研究基于并改编自香港理工大学酒店及旅游业管理学院本科生 Chan Hiu Mei, Mary; Leung Hiu Nga; Ma Yee Chun; Singh Navjot Navi; Tang Sin Man; Wong Tsz Yan 的作业。

渡過財務危機：香港航空案例研究



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面對難以克服的財務壓力，該航空公司於 2022 年 9 月分別向香港高等法院及英格蘭與威爾士高等法院提出重組申請。它尋求批准召開債權人會議，討論一項旨在解決公司超過 490 億港元未償債務的重組計劃 (FlightGlobal, 2022)。該計劃涉及從其 53 架機隊中退役 33 架飛機，並發行價值 30 億港元的新股以獲取投資(The Standard, 2022)。該重組計劃成功使公司免於清算，並在其續領牌照後，得以以更小規模的機隊再次起飛 (Chan, 2023)。

與其法律重組並行，香港航空還實施了各種成本削減措施，以應對疫情期間收入下降的情況。由於旅行禁令和航班需求低迷，近三分之二的香港航空員工在疫情期間被裁員或被迫減薪(South China Morning Post, 2021)。此外，香港航空暫停了大部分機上服務和便利設施，如餐食、毯子、電影和雜誌(Simple Flying, 2020)，旨在保存現金並延長運營可行性。

挑戰

儘管出售一半機隊似乎是不可避免的決定，但由於必須關閉多條航線，香港航空仍然遭受了市場份額的重大損失。另一方面，雖然裁減員工和削減機上服務可以在短期內改善航空公司的財務表現，但這些措施損害了服務質量，且航空公司可能自此再也無法恢復客戶的信心和忠誠度。因此，香港航空在未來維持競爭力和服務標準方面將面臨巨大挑戰。

討論問題

1. 香港航空的債務重組計劃對其財務健康狀況可能產生哪些長期影響？
2. 香港航空應如何優化其縮減後機隊的利用？決定繼續或停飛哪些航線時應以什麼標準為指導？
3. 在此情況下，航空公司應如何與競爭對手區分開來，以吸引並留住客戶？
4. 在縮減機上服務和裁員後，航空公司可以採用哪些策略來最大程度地減少客戶不滿並保持其忠誠度？

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關鍵詞

- 航空公司
- 重組
- 機隊優化
- 競爭力
- 差異化
- 機上服務

致謝

本案例研究基於並改編自香港理工大學酒店及旅遊業管理學院本科生 Chan Hiu Mei, Mary; Leung Hiu Nga; Ma Yee Chun; Singh Navjot Navi; Tang Sin Man; Wong Tsz Yan 的作業。