

Highlights of Industry Financial Measures*

Form of measures	Effect/Implication	Constraint/Caution
a) Cost control and management	Cut down business expenses, e.g. discretionary spending, postpone projects with hefty costs, and optimize workforce.	Reduced skilled workforce and investment in infrastructure may slow down the recovery in post-crisis operations and productivity.
b) Contractual negotiation with lessors, suppliers and/or providers	Defer or rearrange service delivery and payment schedules and conditions to reduce short- to medium-term cost payment.	Existing contracts and business continuity concerns could adversely impact the bargaining; an amortization period or payment amounts will increase.
c) Equity financing	Sell equity or quasi-equity instruments or issue preferential shares in exchange for additional capital.	Investment from foreign fund may be subject to ownership and control rules; investors may increase influence on the company.
d) Debt financing and restructuring	Raise new capital or alter existing contract to receive more favorable loan terms, reduce interest payments or reduce debt.	Impact of the increased debt ratio and the new/altered debt conditions on future financial situation should be considered.
e) Monetizing the value of frequent flyer programme (FFP)	Raise cash through sale of miles to credit card partners or use of FFP to back new debt.	Potential loss of control by the airline over its FFP may adversely impact customer loyalty.
f) Securitization of future earnings and assets	Monetize the value of earning and receivables expected in the future, including assets, through the ordinary course of the company's business.	Future revenue streams and business sustainability is uncertain; process of securitizing can be complex with cost.
g) Rehabilitation or reorganization under bankruptcy law	Protect the debtor from creditors and give the debtor an opportunity to restructure its debts and obligations.	Some bankruptcy laws may provide little guidance on valuation of assets, liabilities and claims; feasibility of reorganization plan may face scrutiny in the current market climate.

* Refer to the *Guidance on Economic and Financial Measures* for more details.