

Gov't to Bail out Asiana, Doosan Heavy

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State-run Korea Development Bank and Export-Import Bank of Korea decided Tuesday to provide liquidity assistance to troubled Asiana Airlines and Doosan Heavy Construction.

The two public lenders will pump W1.7 trillion worth of liquidity into Asiana, while Export-Import Bank will swap W600 billion worth of maturing foreign-currency bor Doosan Heavy into loans (US\$1=W1,231).



Planes run by Asiana Airlines sit on the tarmac at Incheon International Airport on Tuesday. /Newsis

The cash injection for Asiana is needed because its takeover by property developer HDC Hyundai Development is on hold.

Asiana needs to repay around W2.5 trillion in debt this year. "Considering the delay of the acquisition, we decided to provide enough liquidity for the carrier to main financial health," a bank source said.

Asiana's international passenger volume plummeted 88 percent on-year in March due to the coronavirus crisis, so it has been unable to generate any revenues. The spanner in the works of the takeover.

Doosan Heavy already received W1 trillion in assistance from KDB and Export-Import Bank last month.