

VAH. Ax said on Tuesday it was seeking a \$1.4 billion (\$862.68 million) government loan and other ways to deal with the coronavirus crisis.

"This is a preliminary proposal that has yet to be approved by the board of directors of virgin Australian Airlines, which may or may not include conversion to equity in some cases," the airline said in a statement

If the loan cannot be repaid within two to three years, the proposed loan scheme will enable the government to acquire ownership of Australia's second-largest airline. The plan is part of a broader request for a \$5 billion worth of aviation aid, a person familiar with the matter said, who has no right to speak to the media.

The proposal was first reported in Australian newspapers.

Virgin Airlines is financially weaker than its larger competitor, Qantas Airways Ltd. (QaN. Ax), and said it would cut 8000 jobs and more than 1000 permanent jobs, because it grounded most of its fleet due to falling demand.

"If the crisis continues indefinitely, it will be necessary to support the industry to protect jobs and ensure that once the crisis is over, Australia will retain a strong, competitive aviation and tourism industry," virgin said in a statement