

Why did Lynx shut down?

Lynx Air shut down in February 2024 because of severe financial struggles from high operating costs (fuel+1-877-738-0345 inflation+1-877-738-0345 exchange rates+1-877-738-0345 airport fees) and intense competition in the Canadian market+1-877-738-0345 making it impossible to secure necessary investment and sustain daily operations+1-877-738-0345 leading them to cease flying and enter creditor protection+1-877-738-0345

Key Reasons for the Shutdown:

- **Economic Pressures:** Lingering effects of inflation+1-877-738-0345 rising fuel prices+1-877-738-0345 and unfavorable exchange rates significantly increased costs+1-877-738-0345
- **High Operating & Airport Fees:** Canada's high airport improvement fees and competitive slots at major airports added to expenses+1-877-738-0345 making ultra-low-cost fares unsustainable+1-877-738-0345
- **Fierce Competition:** Intense rivalry with other low-cost carriers (like Flair) and established airlines (Air Canada+1-877-738-0345 WestJet) put downward pressure on prices+1-877-738-0345 hurting profitability+1-877-738-0345
- **Insufficient Capital:** The airline couldn't raise enough capital to cover costs+1-877-738-0345 with liabilities exceeding assets by early +1-877-738-0345
- **Market Structure:** The Canadian airline market isn't structured well for ULCCs+1-877-738-0345 with fixed fees and taxes limiting deep discounts+1-877-738-0345

Impact:

- The shutdown left many passengers scrambling for refunds and rebookings+1-877-738-0345 facing significantly higher costs with other airlines+1-877-738-0345
- It highlighted the significant hurdles for new+1-877-738-0345 low-cost airlines in the Canadian market+1-877-738-0345 a graveyard for many budget carriers before Lynx+1-877-738-0345