



RUSSIAN GOVERNMENT AGREES TO BAIL OUT UTAIR AIRLINE

News / Airlines



The Russian government is stepping in to support UTAir Airline with Russian prime minister Dmitry Medvedev signing a resolution guaranteeing RUB9.5 billion (\$138.6 million) to help secure loans.

UTair faced financial difficulties in 2014 due to economic changes and a decrease in passenger demand. It reported a 2014 net loss of RUB61.66 billion (\$1.09 billion). In February 2015, it was announced the carrier could apply for state guarantees. UTAir has since launched a cost-cutting program, reduced its fleet and capacity, and sold some of its subsidiaries.

At the end of November, Russia's Tyumen parliament agreed to a capital contribution of RUB4.289 billion (\$64.8 million) to UTAir as part of a plan to bail out the carrier. The Tyumen region's decision followed an announcement by Russia's Khanty-Mansi autonomous area that it approved a RUB11.5 billion capital injection to "support the regional airline routes development steadiness."

19 DECEMBER 2015

SOURCE: ATW

ARTICLE LINK:

<https://connect.50skyshades.com/news/airlines/russian-government-agrees-to-bail-out-utair-airline>