



ONE OF SOUTH AMERICA'S LARGEST AIRLINES HALTS OPERATION IN VENEZUELA OVER CURRENCY DISPUTE

News / Airlines, Finance



Brazil's Gol airline announced Tuesday that it has temporarily suspended operations in Venezuela because of the difficulties the company encounters when it tries to send money back to its home country.

"Gol temporarily suspended its operations in Caracas, Venezuela until the issue of repatriation of company resources in the country is resolved," the airline said in a statement.

The Brazilian firm, which had already reduced the weekly frequency of its flights, said that all affected passengers are being rescheduled on other airlines.

According to the Folha de Sao Paulo newspaper, Gol has tried for several months to repatriate 351 million reais (\$89.7 million) that are blocked in Venezuela, though the company has not confirmed that amount to EFE.

Exchange controls have been in effect in Venezuela for more than 10 years, so that payment of debts in a foreign currency depends on the country making it available through various mechanisms.

According to the International Air Transport Association, or IATA, the Venezuelan government

owes close to \$4 billion to airlines providing flights to and from the country.

Folha de Sao Paulo noted that Gol has been in constant talks with the Venezuelan government in an attempt to repatriate the money at a favorable exchange rate, but no agreement has yet been reached, despite the mediation of the Brazilian Embassy and IATA.

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