



TRANSAERO TO CEASE OPERATIONS, AEROFLOT DEAL FAILS

News / Airlines



Russian carrier Transaero has stopped selling tickets and has been set its final day of operations on December 15, according to a statement published in its [Facebook page](#).

“Upon the decision of the Government to reorganize the activities of Transaero and to ensure the transportation of our passengers, the sales of tickets for our flights has been stopped” said the statement “the transportation of passengers with issued tickets for our domestic and international routes will be up to December 15, 2015. Tickets issued for flights after this date will be refunded in full.”

A Dead End Street

Last September, Aeroflot announced the plans to integrate the troubled Russian airline as part of state-owned carrier group. However, the parties failed to reach an agreement on the purchase by Aeroflot of a 75% stake plus one share in Transaero within the deadline stipulated in the tender offer.

“While disruptions in the civil aviation market and social tensions among Transaero employees have been avoided, the Board of Directors noted this and decided not to extend the terms of the tender offer from Transaero shareholders that the Board of Directors considered on 3 September.” Aeroflot informed in a press release.

Turbulent times for Russian Aviation

Failing oil prices have taken its toll on Russian economy, which experienced the collapse of its currency in over 50% last year. Also, Western sanctions imposed on Moscow over its role in Ukraine led to a plunge in air transport demand. One year ago, Transaero requested a bailout to cover its debts with financial institutions, estimated in 67 billion roubles (\$1 billion).

The impact of this economic crisis have led Russian carriers to adjust their capacity and redefine growth and expansion plans. Transaero and Aeroflot have opted to cancel their Boeing 787 Dreamliner orders, and in the case of Transaero, the airline opted to defer its 747-8I and Airbus A380 deliveries. Instead, taking delivery of Airbus A321s and Boeing 737-800s in an attempt to improve passenger yields and decrease operational costs. These deliveries came with the launch of a new corporate image, intended to be originally revealed in its deferred Very Large Aircraft.

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