

IATA Stops Servicing Debt-Ridden Aerosvit

By The Moscow Times

January 12, 2013



The International Air Transport Association's Billing and Settlement Plan has stopped servicing Ukrainian airline Aerosvit, Interfax reported Friday, citing ticket sales agencies.

The airline, which is currently experiencing financial difficulties, canceled or delayed some of its flights earlier this month.

On Thursday, Aerosvit accused the local division of the Billing and Settlement Plan of violating the payment schedule and, as a result, causing flight cancellations.

Aerosvit also said IATA BSP's financial claims were unjustified.

But the airline said it would continue dialogue with the IATA and hoped a compromise would be reached.

Russia's air navigation agency said last week it might stop servicing Aerosvit aircraft

on Tuesday.

Earlier in January, hundreds of passengers were stranded at foreign airports after the airline canceled some flights from Thailand, Sweden, Denmark and Israel.

On Jan. 9, Ukrainian Prime Minister Nikolai Azarov said Aerosvit should pay compensation to those affected by flight delays and cancellations and instructed Deputy Prime Minister Alexander Vilkul to immediately deal with the situation.

Ukraine International Airlines, a competitor of Aerosvit, said it was prepared to replace its rival on many routes.

The Kyiv Regional Economic Court is currently considering Aerosvit's application for bankruptcy protection.

Ukrainian media reported earlier that Aerosvit would fire all of its employees within a month and a half but the airline later denied the reports.

Aerosvit, founded in 1994, is based in Kiev. Before its current financial difficulties started in 2012, the company operated 80 international routes in 34 countries. Its fleet included 28 Boeing aircraft.

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