

Aeroflot Shares Tumble as Russia Threatens Airspace Closure

By [The Moscow Times](#)

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Aeroflot's shares plummeted on Tuesday on fears that Russia's response to Western Sanctions would cost it hundreds of millions of dollars.

Shares in Aeroflot tumbled Tuesday on reports that Russia would retaliate against Western sanctions by banning European airlines from flying over Siberia on Asian routes, potentially costing Russia's flagship airline the \$300 million it earns in fees from the airlines each year.

At 5 p.m. in Moscow, Aeroflot's shares were down nearly 6 percent, having recouped slightly from a fall of 8 percent earlier in the day. The Russian stock market as a whole was down 1.5 percent.

Daily newspaper Vedomosti reported Tuesday that the Russian government was discussing a ban on EU flights over Siberia, which would force affected airlines to skirt Russian airspace, increasing their flight times and fuel costs and handing an advantage to Asian airlines.

Foreign airlines have been paying a fee to fly over Siberia since the 1970s. Aeroflot, then the Soviet Union's flagship, collected the fees, a right that it inherited after the collapse of communism in 1991.

One source told Vedomosti that the airspace restrictions would cost major European carriers 1 billion euros (\$1.3 billion) over three months.

Aeroflot has already born the brunt of EU sanctions. On Sunday, its newly launched budget airline Dobrolyot was grounded after its plane lease and service agreements were cancelled by European suppliers.

Dobrolyot was blacklisted by the EU in late July for flying to Crimea, the Ukrainian territory whose annexation by Russia in March sparked a 5-month confrontation between Russia and the West that shows no signs of cooling.

See Also:

[Russia May Ban EU Airlines' Routes Over Siberia in Response to Sanctions](#)

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