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# Capitalization of U.S., EU Airlines Falls $4.5 Billion on Russian Threats to Close Airspace

By The Moscow Times

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A Delta plane lands as a U.S. Airways plane waits to take off at San Francisco airport, California.

The capitalization of major European and American airlines plummeted a cumulative $4.5 billion by mid-day Wednesday following news that Russia could restrict or ban their flights over Siberia in response to Western sanctions, ITAR-Tass reported.

The sudden drop followed a news report Tuesday that Russia could prohibit or limit European airlines flights over Siberia on their routes to Asia, adding to fuel costs and increasing flight times, in response to EU sanctions last week that grounded Aeroflot's fledgling low-cost subsidiary Dobrolyot.

Finnair's shares fell 2.2 percent by mid-day Wednesday to total losses of 30 million euros ($40 million) over two days, while Lufthansa lost 570 million euros ($760 million) and Irish

low-cost airline Ryanair shed 184 million euros ($245 million). International Airlines Group, which operates British Airways and Iberia, lost 6.5 percent of its share price and more than $745 million over two sessions of trading.

Nor were U.S. airlines immune. Delta shares fell 2.8 percent on Tuesday, losing $1.1 billion in capitalization, while American Airlines fell 2.5 percent with a loss of $675 million. United Airlines shed 3.43 percent and $562 million.

Russia's flagship airline Aeroflot has also taken a hit from the news of the possible ban, which could lose the company the $300 million that it earns yearly in fees from international airlines flying over Siberia thanks to an arrangement dating back to Soviet times.

Aeroflot's shares fell 5.9 percent on Tuesday after the news broke. The descent continued on Wednesday with a fall of 3.6 percent by 5 p.m, resulting in a hit to its capitalization of about $140 million.

**See also:**

Russia May Ban EU Airlines' Routes Over Siberia in Response to Sanctions

EU Sanctions Force Dobrolyot to Suspend Flights

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