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Aeroflot Slumps to $52 Million Loss in H1

By The Moscow Times

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National carrier Aeroflot on Thursday reported a net loss of 1.9 billion rubles ($52 million) for the first six months of the year as tensions between Moscow and the West coupled with a slowing economy deter Russians from traveling abroad.

The loss, calculated according to international financial reporting standards, was the first ever reported by Aeroflot for the first six months of a year, and compares to a profit of 45 million rubles ($1.2 million) posted by Aeroflot between January and June 2013.

Aeroflot said in an online statement that its revenue increased by 9.4 percent year-on-year and that operating costs rose 15.2 percent year-on-year.

"In the face of challenging economic and market conditions Aeroflot has strengthened its position as Russia's leading air transport provider," said Shamil Kurmashov, Aeroflot deputy director for finance, network and revenue management.

Tour operators have reported a significant drop in the numbers of Russians traveling abroad in 2014 since Russia's annexation of Crimea in March prompted tit-for-tat sanctions with the U.S. and European countries. A weakening ruble, which fell to record lows against the euro and the dollar this year, has also sapped the spending power of Russians abroad.

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