

2 Major Russian Airlines Appeal for State Support

By [The Moscow Times](#)

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Transaero and UTAir have appealed to the government for financial assistance.

Russia's second and third largest airlines have appealed to the government for financial assistance as local demand for international travel tumbles, Kommersant newspaper reported Tuesday.

Senior executives from Transaero and UTAir, the country's biggest carriers after market leader Aeroflot, are among those who have approached ministers in search of aid, Kommersant said citing unnamed sources.

Demand for flights abroad has declined sharply this year amid international tensions over Ukraine and heavy fighting between separatists and troops loyal to Kiev in the east of the country. Western sanctions against Moscow have forced some of Russia's largest companies to seek multibillion dollar aid packages from the government.

Russian Transport Minister Maksim Sokolov confirmed Monday that some airlines were looking for financial assistance.

"Airlines have asked about extra means of support from the budget," Sokolov said, TASS reported.

"There was a question about subsidies for borrowing rates. This is an obvious way of giving support. We used it often during the crisis period of 2008-2009," he said.

Both UTair and Transaero have accumulated significant debts in recent months, in part because authorities in Kiev force them to fly around, instead of over, Ukrainian territory, Kommersant said.

Airline companies have reported slowing passenger growth numbers for international flights in recent months.

The Russian Tour Industry Union said last week that demand for foreign vacation packages among Russians had fallen by between 30 percent and 50 percent this year, according to news agency TASS.

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