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European Budget Airline Wizz Air Working on Russia Expansion

By The Moscow Times

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Eastern European airline Wizz Air is in advanced talks with a Russian fund to jointly invest in a project in the country which could boost the budget carrier's presence there, chief executive Jozsef Varadi said Thursday.

Varadi gave no details of the project or the amount the carrier planned to invest with the Russian Direct Investment Fund (RDIF), a $10 billion state-backed private equity fund that invests in Russia alongside foreign business partners.

"We have been in talks for years on various levels in Russia about how Wizz Air could be part of Russian aviation more efficiently, on a different order of magnitude," Varadi told a Russian-Hungarian business forum.

"We are in rather advanced talks with the Russian Direct Investment Fund ... about a foreign direct investment by Wizz Air," he said.

The carrier — one of Europe's largest airlines — has 18 operating bases in the region and offers flights on more than 340 routes, according to its website.

Varadi said Wizz Air, whose rivals include Ryanair and EasyJet, could offer a business model that was "absolutely adequate" for conditions in the Russian market.

He added that Wizz Air — which wants to double its fleet of 52 Airbus planes in the next five years — could play a "significant role" in the Russian aviation market.

In June, Wizz Air postponed plans to list its shares on the London Stock Exchange because it was unlikely to get the valuation it wanted, sources close to the deal told Reuters. Wizz Air cited market volatility in the airline business for the decision.

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