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Ukrainian Sanctions Could Cost Russian Airlines Tens of Millions of Dollars

By The Moscow Times

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Ukrainian sanctions imposed this week could cost Russian airlines tens of millions of dollars by barring them from flying through Ukraine's territory, extending flight times to popular destinations by up to 40 minutes, the TASS news agency reported Thursday.

The move would be a blow to a Russian airline industry already struggling with the country's recession, which has collapsed demand for international travel and forced government bailouts and industry consolidation.

Ukraine stepped up its sanctions on Russia on Wednesday. A list of over 400 individuals and 90 legal entities targeted most of Russia's largest airlines, including Aeroflot, S7 Airlines, Transaero, VIM Airlines, Rossiya, Ural Airlines and Orenair.

The companies face “limitations, [and the] partial or complete termination of transit of resources, flights and cargoes on the territory of Ukraine,” according to the order published on the Ukrainian president's website.

It was not immediately clear whether the sanctions would lead to a full block on Russian planes flying in Ukrainian territory. The Interfax news agency reported Thursday that Russian airlines were continuing to fly planned routes and cited the press service of Russia's Transportation Ministry as saying it had not received official notification of a ban.

But if fully implemented, the measures would be costly. According to Vladimir Tasun, head of Russia's Association of Air Transport Operators, a transit ban would add up to 40 minutes to flight times to Turkey, a popular Russian holiday destination, and cause losses of “tens of millions of dollars” to airlines, TASS reported Thursday.

Ukraine is not the only country to use impose airspace restrictions. Russia in August last year barred Ukrainian airlines from passing through its territory en route to the Caucasus and threatened to ban Western carriers from crossing its terrain in response to U.S. and European sanctions during the Ukraine crisis.

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