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Russia's Oldest Travel Agency Goes Under

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Svetlana Kholyavchuk / TASS

Competitors are reportedly beginning to absorb the customer base of one of Russia's oldest and biggest travel agents after the company went bankrupt following a liquidity crisis.

Natalie Tours was established in 1992, the year after the Soviet Union fell, and were instrumental in expanding the Russian market for tourism abroad. The company announced last week it was canceling all tour packages due to financial issues, leaving around 10,000 clients stranded this holiday season and throwing the entire industry into disarray.

At least three of its leading competitors have since come forward to offer help to Natalie Tours' customers, the Russian Tourism Industry Union said last week.

The former franchise holders under the Natalie Tours umbrella now operate under the brands of competing agencies including TUI and Intourist, Association of Tour Operators of Russia (ATOR) said Monday.

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“We already have converted agencies that used to work under the brand ‘Natalie Tours,’ and there are a number of others we’re in talks with now,” TUI Russia spokeswoman Tatyana Korshunova was quoted as saying.

Intourist’s head of sales Alexei Fomin said his agency fielded calls from Natalie Tours franchise owners last week asking to operate under the Intourist brand.

Founded by Natalya and Vladimir Vorobyov, Natalie Tours had a sales turnover of $1 billion at one point with a customer base of almost 900,000 travelers. Last year, it sent 21,000 Russians abroad on bookings worth 375 million rubles ($6 million).

The Russian Tourism Industry Union estimated Natalie Tours had sold around 10,000 tour packages worth $15 million this season, meaning it would have to compensate each client 15,600 rubles ($248).

The company has insurance money, but it's unlikely to cover the repayment costs, said Irina Tyurina, a Tourism Industry Union spokeswoman. “In other words, financial guarantees won’t be enough to pay all the victims,” Tyurina warned last week, according to Interfax.

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