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Moscow's Domodedovo Airport in Debt Crisis Following Nationalization, New Head Says

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Moscow Domodedovo Airport. **Alexander Avilov / Moskva News Agency**

Moscow's Domodedovo International Airport, one of Russia's busiest air hubs, is facing a deepening financial crisis marked by mounting debt, declining passenger traffic and state intervention, the facility's new leadership told the RBC news website this week.

Andrei Ivanov, recently appointed to lead the airport's management team, said Domodedovo's total debt has reached roughly 70 billion rubles ($880 million).

That figure includes 34 billion rubles in domestic liabilities and $450 million in foreign currency obligations. Interest payments alone are expected to exceed 8 billion rubles ($100 million) next year.

"We will not allow the risk of bankruptcy," Ivanov told RBC. "We very much hope to attract a strategic investor or investors in a timely manner."

Ivanov attributed the debt crisis to a combination of falling revenues and persistent operational costs.

Passenger volumes, which fell from nearly 20 million in 2023 to 15.5 million in 2024, are projected to fall by another 2 million this year.

Revenues have followed suit, falling from 34 billion rubles ($442 million) in 2023 to a projected 30 billion rubles ($390 million) this year, while losses are expected to widen from 7 billion rubles ($91 million) to 10 billion rubles ($130 million) in the same period.

"The debt arose due to a decline in passenger traffic and revenue, an increase in losses, despite which expenses were not reduced and operational efficiency did not improve," he explained, pointing to the opening of a new terminal and the hiring of non-essential staff during the downturn.

Related article: Moscow Court Rules to Nationalize Domodedovo Airport

Passenger traffic is currently less than half the airport's designed capacity, he added.

The operational crunch has also translated into unpaid wages and unsettled trade payables, each totaling approximately 650 million rubles ($8.2 million).

The airport's management company is also facing a bankruptcy suit filed by the Federal Tax Service, which says the company owes around 500 million rubles ($6.3 million) in unpaid taxes.

But in what Ivanov described as a historic first, a Russian court allowed the company to temporarily use tax debt funds to pay salaries.

"This is the only precedent in the country's modern history. Nothing like this has ever happened before," he said.

In addition to addressing the short-term fiscal crisis, Ivanov stressed the need for urgent infrastructure upgrades, including a second runway and new water treatment facilities. He estimated that these upgrades would require 16 billion rubles ($200 million) from the federal budget.

Moscow's Arbitration Court in June approved a Prosecutor General's Office request to transfer full ownership of DME Holding, which controls Domodedovo's core assets, to the Russian state.

The lawsuit alleged that the airport's longtime beneficial owners, billionaire businessmen Dmitry Kamenshchik and Valery Kogan, improperly moved profits abroad while retaining de facto control of Domodedovo.

Prosecutors said Kamenshchik resides in either Turkey or the United Arab Emirates, while Kogan holds Israeli citizenship.

Despite the legal and financial turmoil, Domodedovo remains a key hub in Russia's aviation

network. It continues to operate domestic and international flights for carriers such as S7 Airlines, Ural Airlines and Red Wings.

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