

Russian Airline UTair Faces Bankruptcy Lawsuit

By [The Moscow Times](#)

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Russia's third-biggest airline, UTair, is facing a bankruptcy lawsuit after struggling to pay its debts because of a devaluation of the ruble and an economic downturn.

With the Russian economy heading for recession following Western sanctions over the Ukraine crisis, some analysts expect Russian airlines to see losses deepen, likely forcing them to reduce their fleets and seek state support.

Russia's Avaleasing said Monday that it had filed a lawsuit over 3.5 million rubles (\$65,522) in overdue lease payments and interest, and seeking a court award. UTair would not comment and said only that the lawsuit did not affect its operations.

Last month UTair failed to meet an obligation to repurchase 2.68 billion rubles (\$50 million) of bonds and hired Raiffeisenbank to advise on restructuring its credit portfolio.

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