

Russia's Third-Largest Airline UTair Cuts 44% of Staff

By [The Moscow Times](#)

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A long-running battle between UTair and a top creditor, Alfa Bank, ended last week with an agreement to restructure the carrier's debts.

UTair, Russia's third-largest airline, cut the number of its employees by 44.3 percent year-on-year in March to 4,171 people, according to company's quarterly report issued Friday.

The company is experiencing economic difficulties as the ruble's slump raises operating costs and raises the cost of trips abroad for Russian tourists.

The ruble has fallen around 30 percent to the U.S. dollar since the beginning of last year, as Western sanctions over the Ukraine crisis and a drop in the price of oil, the country's top export, strangle investment.

The carrier spent 1.11 billion rubles (\$22.4 million) on wages in the first three months of the year, or 41.3 percent less than during the same period last year, according to the report. Earlier

in April UTair's press office announced that the company cut 40 percent of its fleet, from 115 to 71 planes.

At the start of March the company's total debt, including its mostly foreign-currency denominated leasing agreements, stood at almost 170 billion rubles (\$3.4 billion), according to news website Lenta.ru. A long-running battle between UTair and a top creditor, Alfa Bank, ended last week with an agreement to restructure the carrier's debts.

The ruble's fall has hit many carriers hard. Citing data from the Federal Air Transport Agency's website, news agency Interfax reported late last week that Ural Airlines had canceled service to over 40 destinations. The majority of canceled flights were from Russian regional cities to foreign destinations.

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1