



GOVERNMENT APPROVES AIRBALTIC €80M INVESTMENT PLAN

News / Airlines



After three hours of debates on November 19th, the **government in Latvia** decided to move forward with the previously accepted **airBaltic investment plan**.

Prime Minister Laimdota Straujuma (Unity) told members of the press today that the government will move forward with the investment plan after it is approved by Saeima.

Straujuma said that the original agreement has been amended, as there were several points that were not in the state's interests.

The prime minister said that approximately 20 controversial points were taken out of the agreement, and that the investor has agreed to this.

"The involvement of an investor is the only way to ensure the airline's continued activity,"

Straujuma said.

As reported, on November 3 the government approved an investor for the national airline airBaltic that had been suggested by the Prudentia consulting company – the German businessman Ralf Dieter Montag-Girmes. He will invest EUR 52 million into the airline, and in turn get a 20 percent stake in airBaltic, whereas the state will have to invest EUR 80 million in the airline. Increasing the share capital of airBaltic is necessary so it could pursue its business plan and modernize its fleet.

However, several ruling coalition parties had expressed their objections to loaning EUR 80 million to airBaltic.

In December 2012, airBaltic agreed with Canadian plane manufacturer "Bombardier" on ordering ten CSeries 300 aircraft, and in July 2014 airBaltic announced it would order three more aircraft from Bombardier.

Latvian National airline company Air Baltic intends to expand its fleet and to purchase Russian made „Sukhoi Superjet“ (SSJ-100) aircraft, said Air Baltic CEO.

Last year, airBaltic operated with EUR 254.18 million in turnover and EUR 10.67 million in profit.

23 NOVEMBER 2015

SOURCE: AEROTIME

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