LATAM AIRLINES TO SUSPEND VENEZUELA FLIGHTS

News / Airlines, Airports / Routes

Latin America's largest airline, Chile-based LATAM Airlines, said on Monday it would suspend its flights to Venezuela due to the "economic scenario", following a similar decision by Lufthansa over the weekend.

"Owing to the current complex macroeconomic scenario in the region, LATAM Airlines has announced adjustments to its destination network... it will suspend temporarily and for an undefined time its operations to Caracas airport," the company said in a statement.

On Saturday, German airline Deutsche Lufthansa AG also said it was halting Caracas-bound operations. It is owed more than $100 million in ticket revenue, it said.

International airlines have for years struggled to repatriate billions of dollars in revenue held in Venezuela's local bolivar currency, as the cash-strapped government failed to convert it to hard currency amid tight exchange controls.

This has prompted many airlines to limit service to Venezuela and require that passengers pay

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fares in hard currency.

But a deep recession and rocketing inflation has put foreign travel out of the reach of many citizens.

Economic woes in the region are also spurring LATAM to shift flight routes away from struggling areas like Brazil and Venezuela toward places like still-growing Peru.

Flights between Sao Paulo and Caracas will stop at the end of May, and those from Santiago and Lima will end in July, the company said, adding that it would work to restart operations "as soon as conditions permitted".

Tony Tyler, the chief executive of airline industry body IATA, had warned in March that the few remaining airlines still operating in Venezuela "may throw in the towel".

"You can sense the frustration, some have said to us privately that they are thinking seriously about whether they can afford to keep these operations going," he said on the sidelines of an airline conference in Chilean capital Santiago.

31 MAY 2016

SOURCE: REUTERS
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https://virginia.50skyshades.com/news/airports-routes/latam-airlines-to-suspend-venezuela-flights

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